
Medtronic Danmark A/S


Arne Jacobsens Allé 17, 2300 København S

Annual Report for 1 May 2020 - 30 April 2021

CVR-nr. 18 49 13 70

*The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
22 September 2021*

Mikael Philip Schmidt
Chairman

DocuSigned by:

0AEEFEF95DCB48F...

Contents

	<u>Page</u>
Management's Statement and Auditor's Report	
Management's Statement	1
Independent Auditor's Report	2
Management's Review	
Company Information	5
Financial Highlights	6
Review	8
Sustainability report	11
Financial Statements	
Income Statement 1 May - 30 April	19
Balance Sheet 30 April	20
Statement of Changes in Equity	22
Notes to the Annual Report	23
Accounting Policies	30

Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Medtronic Danmark A/S for the financial year 1 May 2020 - 30 April 2021.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In our opinion the Financial Statements give a true and fair view of the financial position at 30 April 2021 of the Company and of the results of the Company operations for 2020/21.

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

We recommend that the Annual Report be adopted at the Annual General Meeting.

Copenhagen, 21-Sep-2021 2021

Executive Board

DocuSigned by:



364E98C3379142A...
Birgitte Galuzick Broe
CEO

Board of Directors

DocuSigned by:



66DB22B7C57643B...
Marianne Gyde
Chairman

DocuSigned by:



364E98C3379142A...
Birgitte Galuzick Broe

DocuSigned by:



A7AE5ADE2E2440C...
Panu Samuel Lauha

Independent Auditor's Report

To the Shareholders of Medtronic Danmark A/S

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 30 April 2021 and of the results of the Company operations for the financial year 1 May 2020 - 30 April 2021 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Medtronic Danmark A/S for the financial year 1 May 2020 - 30 April 2021, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("financial statements").

Basis for Opinion

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

Statement on Management's Review

Management is responsible for Management's Review.

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

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

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

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

Independent Auditor's Report

Management's Responsibilities for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

Independent Auditor's Report


date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

Hellerup, 21-Sep-2021

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR-nr. 33 77 12 31

DocuSigned by:

A9B2F6B6B6814A5...
Martin Lunden
State Authorised Public Accountant
Mne32209

DocuSigned by:

32AA58C6E62B4DE...
Lone Vindbjerg Larsen
State Authorised Public Accountant
Mne34548

Company Information

The Company

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

CVR-No.: 18 49 13 70
Financial period: 1 May - 30 April
Municipality of reg. office: Copenhagen

Board of Directors

Marianne Gynde, Chairman
Panu Samuel Lauha
Birgitte Galuzick Broe
Wilhelmus J.M. van Zuilen (appointed 1 January 2021 and resigned 28 May 2021)

Executive Board

Birgitte Galuzick Broe

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
DK-2900 Hellerup

Lawyers

Gorrissen Federspiel
Axeltorv 2 1609
København V.

Elmann Advokatpartnerselskab
Stockholmegade 41
2100 København Ø

Bankers

Danske Bank
Holmens Kanal 2
1090 København
Denmark

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

Financial Highlights

Seen over a five-year period, the development of the Company is described by the following financial highlights:

Key figures	<u>2020/21</u> TDKK	<u>2019/20</u> TDKK	<u>2018/19</u> TDKK	<u>2017/18</u> TDKK	<u>2016/17</u> TDKK
Profit/loss					
Revenue	552,850	602,479	544,571	566,228	533,175
Gross profit/loss	172,236	189,795	214,623	223,018	209,483
Operating profit/loss	18,460	20,692	21,593	17,222	13,598
Net financials	-27	-202	24	1,801	2,084
Net profit/loss for the year	13,849	8,161	17,204	13,783	10,522
Balance Sheet					
Balance sheet total	309,118	266,078	267,986	277,796	259,534
Equity	115,710	101,861	128,700	131,496	117,713
Investment in property, plant and equipment	130	188	631	2,662	8,090
Number of employees	206	209	189	176	155
Ratios					
Return on assets	5.9%	7.8%	8.1%	6.2%	5.2%
Solvency ratio	37.4%	38.3%	48.0%	47.3%	45.4%
Return on equity	12.7%	7.1%	13.2%	11.1%	14.8%
Current ratio	178.6%	175.0%	194.3%	190.7%	181.8%

Financial Highlights

Explanation of financial ratios

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

Review

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

Main activity

The main activity of Medtronic is sale of implants and medico technical equipment to hospitals. New business models are worked on within our business unit IHS -Integrated Health Solutions. Where Value Based Health Care VBHC and outcome base health care is in focus.

Information about the Company

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

The company represents a range of products within four Operating Portfolios, Cardiovascular Portfolio, Medical Surgical Portfolio, Neuro Science Portfolio and Diabetes Operating unit. The Medtronic business model form 20 Operating Units (OUs), each with a focus on either a narrow disease state or specialty physician type.

Our products treat 70 health conditions and include cardiac devices, cranial and spine robotics, insulin pumps, surgical tools, patient monitoring systems, and more. Our therapies help 72 million people a year and support our Mission to alleviate pain, restore health, and extend life.

In the FY21 financial statement, Medtronic Plc had a turnover of 30.1 billion dollars.

Financial development in the year

Gross profit for the year amounted to DKK 172.236K compared to DKK 189.795K in 2019/20

The profit for the year before tax was DKK 18.433K. This is a decrease compared to last year when the profit before tax amounted to DKK 20.490K. The main reason is the decreased revenue, due to reduction in the elective procedures.

With consideration to market conditions during FY21, the results are considered satisfactory.U

Significant events in the year

The simplified new operating model implemented in FY21 will allow us to capitalize on the strength of the pipeline and the opportunities we see in our business. We recognize we need to be more customer-centric to win in the market and take share and serve even more patients with our life-saving technologientability, and decisiveness.

Since the start of the pandemic, we mobilized our resources to support patients and physicians in this time of need. We've hosted dozens of virtual physician forums and medical education programs to help clinicians navigate the challenges of COVID-19.

Expectations for the year ahead

FY22 will focus on post-Covid. We anticipate a strong organic revenue growth driven by new product launches and a market recovery after the pandemic. Our recovery improved throughout the last quarter of FY21, the market is gradually returning to near normal pre-COVID growth rates.

A large number of contracts and tenders have been signed during FY21, which provides a stable basis for Medtronic's sales in the next couple of years.

The revenue and profit for 2021/22 is expected to grow compared to 2020/21. The priority of Medtronic is

Review

to support the hospitals in reducing the waiting lists by providing services helping to increase the elective surgeries and procedures.

Medtronic has an operating unit called Integrated Health Solutions (IHS). This unit cooperates with hospitals offering new innovative solutions to boost the efficiency of hospital operations and improve patients' access to treatments. This unit is working directly with hospitals in order to support them on the optimization during the post Covid-19 period.

A continuous focus area is Value Based Healthcare VBHC which is a new way of working with our customers. It leads outcome based health care, which is in the introduction phase to the Danish healthcare market.

Public-private partnerships

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

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

This past year has taught us we can move with speed, with clarity, and with impact when we're in a crisis. With our new operating model, we're not just changing our structure. We're clarifying decision rights, streamlining our processes, and aligning our incentives to reward innovation, revenue, and market share leadership. All of this will be supported by a new company culture focused on speed, accountability, and decisiveness.

Set-up

The Danish Medtronic organization is part of a larger European North West Europe region. Since the 1st of February 2021 this region consists of United Kingdom, BeneLux and Nordic. There is a strong cross-border and cross-business cooperation. This set-up provides us with the possibility of knowledge sharing and the option of rendering more efficient the Company's internal processes.

The support functions of the Nordic countries have since 2013 been placed at the Copenhagen office – Nordic HUB. This has strengthened the possibilities of working closely together and sharing knowledge and experiences among the functions.

All above is with the sole objective of providing for the needs of society, customers and patients on a high professional level.

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

Subsequent events

The company will stop distribution and sale of the HVAD System, Medtronic is committed to serving the needs of the HVAD patients currently implanted with the device. Medtronic made the decision to stop the distribution and sale of the HVAD System, consistent with its commitment to prioritize patient safety.

COVID-19 Response

In response to the COVID-19 pandemic, the company took swift action in the last two quarters of FY20 to

Review

safeguard employees and their families, support patients and healthcare professionals, and invest resources to help partners around the world strengthen their own response to the global crisis. Key actions in FY20 included:

- Increased internal ventilator production five-fold in a matter of just a few months, from 200 a week pre-pandemic to over a 1,000 a week in June.
- Published open-source design access for its portable, compact ventilator, resulting in 200,000+ downloads of the blueprint in the first few weeks.
- Formed new collaborations with Intel Corporation, Foxconn, SpaceX, and others to meet the critical global need for ventilators.
- Increased focus on virtual and remote innovation to reduce exposure to the virus, including development of new remote management capabilities for the Puritan Bennett™ 980 (PB980) ventilator, which enables clinicians to adjust ventilator settings away from the patient.
- Donated \$18.5 million to COVID-19 relief efforts in partnership with the Medtronic Foundation – part of a larger pledge of more than \$36 million. Implemented employee support programs such as paid emergency leave for up to 30 days.

All employees employed in Medtronic Danmark A/S have been working from home since March 16th, 2020. The full team both functions and sales force are continuously working from home. Medtronic Danmark A/S follows the guidelines from the Danish government and Medtronic corporate guidelines. It is the most restricted approach which applies to the current daily set-up.

While we have shared many guidelines related to personal health and safety, we also are taking actions to support employees through these uncertain times.

Resources included:

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

In addition to supporting our employees, customers, and communities during the pandemic, we accomplished important milestones, including launching new products, investing in our pipeline, and changing our operating model, just to name a few. As we look ahead, these actions set us up to drive accelerated revenue growth in the year ahead and over the long term.

Sustainability report

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

Business Model

Medtronic Danmark A/S is the sales entity that is carrying out the Medtronic mission to alleviate pain, restore health and extend life with the first and foremost priority to contribute to human welfare while focusing on the health of the environment and society around us, prioritizing issues, and setting strategies.

Medtronic Danmark A/S has an office in Copenhagen, which is the legal unit. Medtronic Denmark is a Sales entity with no production facilities and all products are purchased through LRD principle. Medtronic Denmark sells advanced Medical Technology equipment to private and public hospitals and clinics in Denmark.

Medtronic Danmark A/S is working directly with our clients to follow their requirements and quality standards towards sustainability and local laws. Medtronic Danmark A/S functions as a distributor (LRD-Limited risk distributor). Medtronic's Danish Board signs for all contractual obligations. The individual operating units are set-up in a matrix organization where the decisions are taken at the operating units level.

Medtronic Danmark A/S is part of Medtronic Plc. More information on the company, and our manufacturing can be accessed via the below link to our Corporate Sustainability Report from FY20. The FY21 Report is issued in November 2021, which is after the delivery date of the annual report of Medtronic Danmark A/S. <https://global.medtronic.com/xg-en/about/citizenship/integrated-performance-reports.html>

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

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

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

Making healthcare better is Medtronic's priority in the belief that technology can play an even greater role in improving people's lives. In addition to developing, producing and selling medical devices, the company works in partnership with others to create seamless, more efficient care. Medtronic develops and produces a large number of products and treatments focusing on delivering complete solutions to the healthcare sector with a view to diagnosing, preventing and monitoring chronic diseases. Thanks to the products and treatments of Medtronic, each second the life of two people somewhere in the world is saved or improved.

Innovation and collaboration are central to Medtronic. Since the late 1940s, the company has been working with others to alleviate pain, restore health, and extend life. Today, Medtronic is a medical technology world leader, employing more than 84,000 people worldwide, and offering therapies and solutions that enable greater efficiency, access, and value — for healthcare systems, providers, and the people they serve. At

Sustainability report

the beginning, Medtronic was exclusively a pacemaker manufacturer, and today the company has a wide range of advanced Medical Technology equipment for cardiovascular, neurological and spinal diseases as well as diabetes.

The company represents a range of products within four Operating Units, Cardiovascular Portfolio, Medical Surgical Portfolio, Neuroscience Portfolio and Diabetes.

Employees and Human rights

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

Medtronic has several policies and processes in place to safeguard employees' labor -and human rights and to ensure that breaches, if any, are handled appropriately. We have clear policies on diversity and inclusion, fair treatment, freedom from forced labor and child labor, fair compensation and freedom of association. We implement our commitments through e.g. our global Human Rights Program, which address communication, risk assessments, monitoring and reporting of human rights. We conduct regular risk assessments of our internal facilities based on type of work performed, country laws, enforcement of laws, and other factors, and our compliance department regularly reviews Medtronic's internal facilities to assess if they are consistent with our policies. Our policies are communicated to all employees, and employees are required to complete yearly training on Medtronic's Code of Conduct, which references our policies on human rights and labor standards.

During FY21 COVID-19 placed extraordinary pressure on all our employees, their families, communities, healthcare system, and our organization. We use our Mission as a roadmap, Medtronic mobilized to quickly respond to the pandemic. To protect our employees, all our employees has been working from home, with the exception of a few functions. An internal Covid-19 portal was established where employees can find all relevant information relating to the pandemic, both work related and also finding info for private concerns.

In order to support our employees even more during these unprecedented times, Medtronic instituted Medtronic Employee Emergency Assistance Fund which provides financial needs-based grants to employees who are experiencing financial hardship due to the COVID-19 pandemic. A new Family Care Leave Policy has also been rolled out during FY21. The policy allows employees up to six weeks of paid leave to care for a family member with a serious health condition. Our aim is that these initiatives help to relieve stress for our employees knowing that there is support available, if needed.

During an average workday our employees are exposed to various kinds of safety risks, depending on their location and activity. We have employees working in functions in the office as well as Sales employees in the field. We maintain an appropriate health & safety program which includes training and reporting; tracking of any accidents and near-misses through our online accident report portal and if necessary, carry out root-cause analyses to understand, address on our safety performance. We provide our employees with the required Personal Protective Equipment and training in how to use it. The safety of Medtronic employees is organized by the EHS Environment Health & Safety organization.

At Medtronic we strive for diversity and inclusion, and we believe it increases innovation, strengthens our workplace culture, distinguishes us from competitors, and ultimately helps us meet global healthcare needs. We are very proud to announce that Medtronic was placed number #11 on the 2021 edition of DiversityInc Top 50 Companies for Diversity, earning our highest-ever ranking on the list. Our move from #33 in 2020 to #11 in 2021 on the overall list is one of the largest increases of any company in the Top 50.

In 2020 Medtronic's Global inclusion, diversity, and engagement (GIDE) team continued to work towards ensuring that our organization reflects the world we live and work in, at every level. MWN Medtronic Women's Network is a global employee resource group that focuses on strengthening employees' network, professional skills, and cultural competencies. We have, in the Medtronic Women's Network both females

Sustainability report

and male members who work to achieve diversity and equality of gender, age and race. In FY21 the Network has, among many other things, helped creating awareness around a number of important topics, such as for example infertility, international women's Day and breast cancer.

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

Medtronic achieved a score of 100 on the Human Rights Campaign Foundation's (HRC) 2021 Corporate Equality Index (CEI) and has earned the designation as a "Best Place to Work for LGBTQ Equality." The HRC CEI is a roadmap and benchmarking tool for U.S. businesses in the field of LGBTQ equality in the workplace. We are proud of this achievement as it reflects the company culture that we have at Medtronic.

In FY21 Medtronic Denmark focused on improving the work environment and especially working from home, which many employees, have found challenging.

The aim was to create a positive culture for employees working from home, and making the experience as good as possible for our workforce. Our employees have had the possibility to receive additional IT equipment and purchase suitable home office furniture. Information regarding good ergonomics, the importance of breaks and inspiration for a more active lifestyle have been shared regularly to remind of the importance of work/life balance. Managers have been encouraged to arrange regular, also informal team meetings to support each other.

To allow employees to catch up as they would have if we were still at the office, we have organized regular virtual coffee breaks, which were highly appreciated while working remotely. Medtronic considers the physical and psychological wellbeing a high priority and organized a health campaign for all employees, with the focus of team spirit, everyday fitness, mental wellness and good choices. The campaign was highly appreciated amongst many employees.

During the year, we have also sent out several health surveys to make sure that employees can address any concerns. Our last survey showed that most of the Nordic employees feel that they only experience stress sometimes. However, this is still a focus of improvement FY22.

At Medtronic, we have a strong culture of giving back to the community. This very clearly manifests through the "Project 6". It occurs annually in June and gives employees the right to allocate one working day to volunteer at a common project. Since it was not possible to organize the project 6 face-to-face last year, we invited all employees based in Denmark to participate in a fundraiser run where Medtronic gave 2€ per kilometer of running, walking and biking to the Red Cross Denmark. The fundraiser was a big success, and brought a lot of positive energy and engagement from the participants.

We believe our efforts in 2020 have helped to ensure a safe and respectful workplace, and we intend to continue our efforts in FY22.

Furthermore, we respect the right to privacy, and in line with the European Union Data protection law, GDPR, Medtronic has reviewed and updated all our internal processes and procedure to ensure that all rules and regulations regarding personal and private information are followed. Keeping our customers' and employees' data private is a top priority for Medtronic, therefore, several processes and policies have been put in place to ensure that all private data is safe. All employees have received information and employees that work with or process personal identifiable or sensitive information have been educated and made aware of their responsibility. Medtronic has a data breach response program in place that provides for a swift analysis, escalation and response process in case of data privacy incidents. For more details, visit: <https://www.medtronic.com/us-en/privacy-statement/previous-privacy-statements.html>

Sustainability report

Our full human rights and labor standards policy is available here:

<https://www.medtronic.com/us-en/about/corporate-governance/suppliers/global-supplier-standards/global-lsas-and-human-rights-policy.html>

Please see Medtronic Integrated Performance Report 2020 here:

https://www.medtronic.com/content/dam/medtronic-com/global/Corporate/citizenship/documents/2020-integrated-report_ci_corpmark_mdt.pdf

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

www.medtronic.com/us-en/about/citizenship/supporting-a-global-workforce/inclusion-diversity.html and <https://www.medtronic.com/us-en/about/citizenship/supporting-a-global-workforce/inclusion-diversity/elevating-women-leaders.html>

Suppliers' human rights and labor standards

At Medtronic, our Mission is to alleviate pain, restore health, and extend life. Our Code of Conduct which details the ethical standards and framework under which we conduct and manage our business, governs the work we do every day.

Our Code of Conduct sets forth the foundation for our standards and expectations in the workplace. We hold our Suppliers to the same high standards of business conduct and social and environmental responsibility. We expect our Suppliers to:

- Comply with the laws, rules, and regulations of the counties in which they operate
- Uphold the human rights of their workers and comply with the Medtronic's Global Human Rights and Labor Standards Policy
- Ensure a safe and healthy workplace
- Practice social and environmental responsibility
- Demonstrate the highest standards of business ethics

Our Global Supplier Standards outline the minimal requirements and expectations for ethical and sustainable business conduct. They apply to Suppliers, agents and contract manufacturers (collectively referred to as "Suppliers") involved in the conduct of Medtronic business globally. As Suppliers deliver goods or services to Medtronic, they are certifying their compliance to these standards. We reserve the right to evaluate, audit, and inspect Suppliers' facilities, operations, and records at any time to make sure they are compliant. Medtronic reserves the right to take appropriate Supplier action up to termination of the business relationship because of violation of these standards. Based on the nature of our suppliers used by Medtronic AB, we do not see any risks in respect of human rights.

Medtronic aims to have a positive social presence in all the communities in which we operate, by following local labor laws and not allowing child or forced labor by our company, vendors or suppliers.

Medtronic ranked #3 on the Top Companies for The Diversity Inc Top Companies for Supplier Diversity, which is a highest-ever ranking for our company. Companies on this list utilize established best practices to achieve higher percentages of both Tier I (direct contractor) and Tier II (subcontractor) procurement with vendors owned by women, Blacks, Latinos, Asians, American Indians, LGBT individuals, people with disabilities and veterans with disabilities. Best practices include:

- Integrating supplier diversity into corporate goals
- Having the CEO sign off on supplier-diversity results
- Auditing supplier-diversity numbers

Sustainability report

- Ensuring suppliers are certified
- Linking procurement-management compensation to supplier-diversity goals

We are not aware of any breaches in our Nordic operations regarding suppliers' human rights and labor standards. We believe our global efforts in 2020 have helped to manage risks relating to human rights and labor standards in our supply chain and we intend to continue our focus on this throughout the next strategy period.

For more details, visit: <https://www.medtronic.com/us-en/about/corporate-governance/suppliers/global-supplier-standards.html>

Environment & Climate

Across hundreds of offices and facilities around the world, Medtronic work to reduce waste, emissions, energy and water use. We evaluate progress toward our environmental performance goals on an annual basis. In FY20, we reached the end of our current goal cycle and exceeded all our targets.

Progress compared to our FY13 baseline.

- 23% reduction in energy intensity
- 36% reduction in greenhouse gas (GHG) emissions intensity
- 32% reduction in metric tons of nonregulated waste intensity
- 13% reduction in metric tons of regulated waste intensity
- 20% reduction in water use intensity

To continue decreasing our environmental footprint, we have established new FY25 environmental performance goals that will be measured against a FY20 baseline. These Environmental Performance Goals include:

- 50% reduction in GHG emissions intensity
- 20% reduction in energy intensity
- 50% increase of energy sourced from renewable and alternative sources.
- 15 % reduction in wasted intensity.
- 15 % reduction in water use intensity.

Our new emissions and energy goals move us toward our ambition of being carbon neutral in our operations by FY30. We aim to reduce nearly 250,000 metric tons of emissions annually.

Being a good environmental steward is part of our business strategy. Therefore we consequently focus our efforts on improving our environmental impact of both our operations and our products. Our global Environmental Health and Safety (EHS) Policy establishes our performance management system, which includes setting goals, measuring progress, and integrating sustainability into decision-making.

Our corporate EHS teams oversee 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.

Medtronic's manufacturing facilities account for most of our energy consumption, water use and waste generation. At those sites, we use management systems based on the ISO 14001 and OSHAS 18001 standards to track and improve EHS performance.

Medtronic recognize the risks that climate change and pressure on environmental resources pose to society and our business, and we strive to manage these risks to our facilities and other assets. We also recognize

Sustainability report

the risk and potential disruption to our supply chain, where e.g., extreme weather events can impact our suppliers' ability to deliver products to us.

At Medtronic Denmark, we aim to reduce the carbon footprint of our operations by using less energy and less carbon-intensive energy sources. We work continuously to optimize on energy use in good cooperation with our landlord KLP. During FY21 all fluorescent lamps have been changed to LED-bulbs in particularly on the façade and in the public areas of the landlord. Automated sun curtains have been installed on the building which will improve the indoor climate and help save energy from the air-condition as well as external fans in the summertime.

All office waste is being sorted within the following categories: Food, plastic and residual waste. A cold-water tap have been installed to encourage employees to drink tap water instead of bottled water. Our goal for FY22 is to start reducing the purchases of water bottles, as to help save plastic We believe these efforts are already resulting in a reduction in our environmental footprint.

To increase awareness regarding environmental issues we also arranged a philanthropic event called Medtronic Denmark Clean Up project. We encouraged our employees to collect trash on their local beach, forest or neighborhood during a weekend in the end of March 2021. Together we cleaned over 20 locations in Denmark and the south of Sweden and consequently removed 38 bags of litter from the street.

To put even further emphasis on the local environmental impact in the Nordic countries Medtronic has decided to start a hiring process for a dedicated Nordic EHS Environment Health and Safety resource. By doing so we will be able to have more projects concerning sustainability in the future. The recruitment process will be finalized during FY22.

For more detail of our global Environment and Climate Policy and results, visit <http://www.medtronic.com/us-en/about/corporate-governance/ehs-policy.html>

<https://www.medtronic.com/us-en/about/citizenship/integrated-performance-reports.html>

Please see Medtronic Integrated Performance Report 2020 here:

https://www.medtronic.com/content/dam/medtronic-com/global/Corporate/citizenship/documents/2020-integrated-report_ci_corpmark_mdt.pdf

Anti-Corruption and bribery

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

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

Every employee plays a part in safeguarding our reputation by acting ethically and with integrity. For that reason, we implement anti-corruption training to make internal and external stakeholders aware of regulations and to explain how to address ethically challenging scenarios. All employees in Medtronic including board members are taking part of a mandatory training on the code of conduct, on a yearly basis. In Denmark, 100% of our employees completed the training in 2020/2021.

Sustainability report

Employees can raise ethical concerns through our Voice Your Concern Line, among other channels. In 2020, the Danish Business Support team won the award for “*EMEA Legal & Compliance Quarterly Quality Award recognizing outstanding contributions “on the spot” for the outstanding and persistent Compliance performance throughout FY20 being the best*” in compliance in EMEA.

We are not aware of any significant breaches to our code of conduct and anti-corruption efforts in our Danish operations in 2020/2021. In FY22, Medtronic will continue its work on focusing and managing corruption and bribery.

For more information on our Global Business Conduct Standards policy, visit:

- <https://www.medtronic.com/us-en/about/corporate-governance/code-conduct.html>
- https://global.medtronic.com/content/dam/medtronic-com/global/Corporate/citizenship/documents/2020-integrated-report_ci_corpmark_mdt.pdf

Gender composition at Board and Management Levels

Our commitment to gender diversity extends to the highest levels in the company. In Medtronic Danmark A/S, at the end of financial year 2021, we had three AGM-elected Board members, with a reasonably equal split between men and women, 1 Male and 2 Females. This aligns with the equitable gender distribution defined by the Danish Business Authority.

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

Globally in 2020, women held 39% of all global leadership positions. In total 50% of our global workforce were women. In Denmark throughout FY21 women held 50% of the managerial positions.

During FY22 Medtronic Denmark will keep on building on this foundation with continued focus on equal and fair workplace.

Risk management

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

Our key risks occur in the following areas:

Climate risk and resilience

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

Sustainability report

The business impact of unforeseen ethical, social, and environmental regulations

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

Failure to meet customer sustainability requirements

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

Risk of reputational damage from unethical behavior

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

Income Statement 1 May - 30 April

	<u>Note</u>	<u>2020/21</u> TDKK	<u>2019/20</u> TDKK
Revenue	1	552,850	602,479
Cost of sales		-380,614	-412,684
Gross profit/loss		172,236	189,795
Distribution expenses	2	-68,978	-84,703
Administrative expenses	2, 3	-84,798	-84,400
Operating profit/loss		18,460	20,692
Financial income	4	1,293	104
Financial expenses	5	-1,320	-306
Profit/loss before tax		18,433	20,490
Tax on profit/loss for the year	6	-4,584	-12,329
Net profit/loss for the year	7	13,849	8,161
Distribution of profit	7		

Balance Sheet 30 April

Assets

	<u>Note</u>	2020/21 TDKK	2019/20 TDKK
Intellectual property rights	8	-	-
Intangible assets		<u>-</u>	<u>-</u>
Other fixtures and fittings, tools and equipment	9	3,365	4,819
Property, plant and equipment		<u>3,365</u>	<u>4,819</u>
Fixed assets		<u>3,365</u>	<u>4,819</u>
Trade receivables		60,988	63,439
Receivables from group enterprises		20,409	16,630
Other receivables		566	180
Deferred tax asset	10	607	-
Prepayments	11	1,953	3,546
Receivables		<u>84,523</u>	<u>83,795</u>
Cash at bank and in hand		<u>221,230</u>	<u>177,464</u>
Current assets		<u>305,753</u>	<u>261,259</u>
Assets		<u>309,118</u>	<u>266,078</u>

Balance Sheet 30 April

Liabilities and equity

	Note	2020/21 TDKK	2019/20 TDKK
Share capital	12	501	501
Retained earnings		115,209	101,360
Equity		115,710	101,861
Other provisions	13	5,970	4,508
Deferred tax liability	10	-	62
Long-term compensation		16,289	10,371
Long-term debt		16,289	10,433
Trade payables		3,272	4,856
Payables to group enterprises		117,730	90,428
Deferred income	14	5,161	3,666
Corporation tax		3,967	2,664
Other payables		41,019	47,662
Short-term debt		171,149	149,276
Debt		193,408	164,217
Liabilities and equity		309,118	266,078
Contingent assets, liabilities and other financial obligations	15		
Related parties and ownership	16		
Consolidated Financial Statements	17		
Subsequent events	18		

Statement of Changes in Equity

	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total</u>
	TDKK	TDKK	TDKK
Equity at 1 May 2020	501	101,360	101,861
Dividend distribution	-	-	-
Net profit/loss for the year	-	13,849	13,849
Equity at 30 April 2021	<u>501</u>	<u>115,209</u>	<u>115,710</u>

The share capital in Medtronic Danmark A/S totaled DKK 501,000 divided into shares of DKK 1,000 each.

Notes to the Annual Report

	2020/21 TDKK	2019/20 TDKK
1 Revenue		
Sales	552,850	602,479
	552,850	602,479

Sales are predominantly performed in the territory of Denmark

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

	TDKK	TDKK
Cardiac and Vascular Group	132,133	118,284
Minimally Invasive Therapies Group	180,231	219,458
Restorative Therapies Group	112,954	125,744
Diabetes	127,532	138,993
	552,850	602,479

2 Staff

	TDKK	TDKK
Wages and salaries	151,517	149,026
Pensions	12,102	11,563
Other social security expenses	1,112	960
	164,731	161,549

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

	TDKK	TDKK
Distribution expenses	108,266	106,685
Administrative expenses	56,465	54,864
	164,731	161,549
Average number of employees	206	209

According to section 98 B(3) of the Danish Financial Statements Act, remuneration to the Executive Board has not been disclosed for 2019/20, but will be presented for 2020/21. The directors remuneration in FY2021 were TDKK 9,991. In FY2021 two directors have been hired as part of the year.

Notes to the Annual Report

3 Audit fees

	2020/21	2019/20
	TDKK	TDKK
The following fees were expensed in the Income Statement:		
Audit of the Financial Statements	180	243
Other Non-audit Services	30	30
	<u>210</u>	<u>273</u>

4 Financial income

	TDKK	TDKK
Intercompany financial income	144	-
Other financial income	1,149	104
	<u>1,293</u>	<u>104</u>

5 Financial expenses

	TDKK	TDKK
Intercompany financial expenses	-	82
Other financial expenses	1,320	224
	<u>1,320</u>	<u>306</u>

6 Tax on profit/loss for the year

	TDKK	TDKK
Current tax for the year	5,202	4,660
Deferred tax for the year	-734	709
Adjustment of deferred tax of previous years	65	120
Adjustment of tax concerning previous years	51	6,840
	<u>4,584</u>	<u>12,329</u>

Notes to the Annual Report

7 Distribution of profit

	2020/21 TDKK	2019/20 TDKK
Proposed distribution of profit		
Retained earnings	13,849	8,161
	<u>13,849</u>	<u>8,161</u>

8 Intangible assets

	Intellectual property rights
	TDKK
Cost at 1 May 2020	595
Additions for the year	-
Disposals for the year	-
Cost at 30 April 2021	<u>595</u>
Impairment losses and amortization at 1 May 2020	595
Amortization for the year	-
Impairment losses and amortizations at 30 April 2021	<u>595</u>
Carrying amount at 30 April 2021	<u>-</u>

Amortization and impairment of intangible assets are recognised in the following items:

	2020/21 TDKK	2019/20 TDKK
Administrative expenses	-	90
	<u>-</u>	<u>90</u>

Notes to the Annual Report

9 Property, plant and equipment

	Other fixtures and fittings, tools and equipment
	TDKK
Cost at 1 May 2020	13,232
Additions for the year	130
Disposals for the year	-4,875
Cost at 30 April 2021	8,487
Impairment losses and depreciation at 1 May 2020	8,413
Depreciation for the year	1,584
Impairment and depreciation of sold assets for the year	-4,875
Impairment losses and depreciation at 30 April 2021	5,122
Carrying amount at 30 April 2021	3,365
Depreciated over	3-7 years

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

	2020/21	2019/20
	TDKK	TDKK
Administrative expenses	1,584	1,699
	1,584	1,699

Notes to the Annual Report

10 Deferred tax asset/liability

	2020/21 TDKK	2019/20 TDKK
Intangible assets	-	-
Property, plant and equipment	557	-499
Other payables	50	561
Transferred to deferred tax asset/(liability)	607	-62
	<u>-</u>	<u>-</u>
Deferred tax asset		
Calculated tax asset/(liability)	607	-62
Carrying amount	<u>607</u>	<u>-62</u>

11 Prepayments

	TDKK	TDKK
Prepaid rent	878	2,191
Vendor downpayments	-	34
Other	1,075	1,321
	<u>1,953</u>	<u>3,546</u>

12 Equity

The share capital in Medtronic Danmark A/S totaled DKK 501 000 divided into shares of DKK 1 000 each.

13 Other provisions

	TDKK	TDKK
Right of return	2,523	1,170
Reestablishment cost	3,281	3,281
Lease obligation	166	57
	<u>5,970</u>	<u>4,508</u>

Notes to the Annual Report

14 Deferred income

	2020/21 TDKK	2019/20 TDKK
Accruals	5,161	3,666
	<u>5,161</u>	<u>3,666</u>

15 Contingent assets, liabilities and other financial obligations

Bank Guarantees

	TDKK	TDKK
Within 1 year	-	-
Between 1 and 5 years	603	-
Longer than 5 years	1,806	-
	<u>2,409</u>	<u>-</u>

Rental agreements and leases

	TDKK	TDKK
Lease obligations under operating leases, Total future lease payments:		
Within 1 year	6,585	5,590
Between 1 and 5 years	6,189	6,851
	<u>12,774</u>	<u>12,441</u>

16 Related parties and ownership

Basis

Controlling interest

Medtronic Norge AS, Lysaker, Norway

Controlling shareholder

Medtronic PLC

Ultimate parent

Other related parties

Marianne Gynde

Chairman of the Board of Directors

Panu Samuel Lauha

Member of the Board of Directors

Birgitte Galuzick Broe

Member of the Board of Directors

Wilhelmus J.M. van Zuilen

Member of the Board of Directors (appointed 1 January 2021 and resigned 28 May 2021)

Notes to the Annual Report

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

Ownership

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

17 Consolidated Financial statements

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

Medtronic PLC
Lower Hatch Street 20
2 Dublin
Ireland

18 Subsequent Events

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

Accounting Policies

Basis of Preparation

The Annual Report of Medtronic Danmark A/S for 2020/21 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large-sized enterprises of reporting class C.

The Annual Report for 2020/21 is presented in TDKK.

The cash flow statements has been omitted in accordance with section 86(4) of the Danish Financial Statements Act, as the Company's cash flows are included in the cash flow statements in the consolidated financial statements of Medtronic PLC, Dublin, Ireland.

The Medtronic Group has a 52-53-week financial year with year-end closing on the last Friday of April. For practical reasons, the Company's Annual Report has been prepared covering the same period. The closing day of the month was 30th April 2021, therefore there are no differences in FY2021 from the usual 12-months.

Recognition and measurement

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

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

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

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

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

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

Accounting Policies

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Gains and losses arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date, Any differences between the exchange rates at the balance sheet date and the transaction date rates are recognised in financial income and expenses in the income statement.

Income Statement

Revenue

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

Cost of sales

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

Distribution expenses

Distribution expenses comprise costs in the form of salaries to sales and distribution staff, advertising and marketing expenses as well as operation of motor vehicles, depreciation, etc.

Administrative expenses

Administrative expenses comprise expenses for Management, administrative staff, office expenses, depreciation, etc.

Financial income and expenses

Financial income and expenses comprise interest, realised and unrealised exchange adjustments, as well as extra payments and repayment under the onaccount taxation scheme.

Accounting Policies

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and deferred tax for the year, The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

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

The Company is jointly taxed with wholly owned Danish and foreign subsidiaries. The tax effect of the joint taxation with the subsidiaries is allocated to Danish enterprises showing profits or losses in proportion to their taxable incomes (full allocation with credit for tax losses). The jointly taxed enterprises have adopted the tax prepayment scheme.

Intellectual property rights

Intellectual property rights comprise rights to sell products on the Danish market.

Intellectual property rights acquired are measured at cost less accumulated amortization. Rights are amortised over 7 years.

Intellectual property rights are written down to the lower of recoverable amount and carrying amount.

Property, plant and equipment

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

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

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

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

Receivables

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

Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

Accounting Policies

Deferred tax assets and liabilities

Deferred tax is recognised in respect of all temporary differences between the carrying amount and the tax base of assets and liabilities.

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities.

Current tax receivables and liabilities

Current tax receivables and liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on taxable incomes for prior years, Tax receivables and liabilities are offset if there is a legally enforceable right of set-off and an intention to settle on a net basis or simultaneously.

Provisions

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

Financial debts

Other debts are measured at amortised cost, substantially corresponding to nominal value.