

BK Medical ApS

Mileparken 34
2730 Herlev
CVR No. 15731176

Annual report 01.08.2021 - 31.12.2022

The Annual General Meeting adopted the
annual report on 21.06.2023



Daniel Banemann

Chairman of the General Meeting

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Entity details

Entity

BK Medical ApS

Mileparken 34

2730 Herlev

Business Registration No.: 15731176

Registered office: Herlev

Financial year: 01.08.2021 - 31.12.2022

Board of Directors

Robert Joseph Patterson

Jens Mose Pedersen

Urvi Vyas

Truls Anders Mosegaard

Executive Board

Nikolaj Knudtzon

Daniel Kiholm Banemann

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

2300 Copenhagen S

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of BK Medical ApS for the financial year 01.08.2021 - 31.12.2022.

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

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2022 and of the results of its operations for the financial year 01.08.2021 - 31.12.2022.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Herlev, 21.06.2023

Executive Board



Nikolaj Knudtzon



Daniel Kiholm Banemann

Board of Directors

Robert Joseph Patterson



Urvi Vyas



Jens Mose Pedersen

Truls Anders Mosegaard



Independent auditor's report

To the shareholder of BK Medical ApS

Opinion

We have audited the financial statements of BK Medical ApS for the financial year 01.08.2021 - 31.12.2022, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2022 and of the results of its operations for the financial year 01.08.2021 - 31.12.2022 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity'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 Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, 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.

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, 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 the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

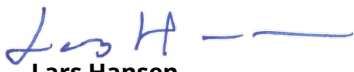
Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management commentary is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the management commentary.

Copenhagen, 21.06.2023

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556



Lars Hansen

State Authorised Public Accountant
Identification No (MNE) mne24828

Management commentary

Financial highlights

	2021/22	2020/21	2019/20	2018/19	2017/18
	DKK'000	DKK'000	DKK'000	DKK'000	DKK'000
Key figures					
Revenue	1,164,736	495,218	356,907	407,902	406,187
Gross profit/loss	469,244	259,602	183,535	223,211	246,531
Operating profit/loss	90,215	50,769	(23,567)	64,532	105,078
Net financials	115,017	21,779	(3,223)	5,011	4,589
Profit/loss for the year	183,802	62,797	(5,390)	60,282	85,939
Total assets	651,528	437,091	467,996	415,490	367,709
Investments in property, plant and equipment	21,709	8,154	5,500	6,036	4,976
Equity	276,485	92,489	29,848	331,908	271,614
Ratios					
Gross margin (%)	40.29	52.42	51.42	54.72	60.69
Net margin (%)	15.78	12.68	(1.51)	14.78	21.16
Return on equity (%)	99.63	102.66	(2.98)	19.98	31.60
Equity ratio (%)	42.44	21.16	6.38	79.88	73.87

Ratios

Gross margin (%)
Net margin (%)
Return on equity (%)
Equity ratio (%)

Ratio reflects

The entity's operating profitability.
The entity's profitability after operating expenses.
The entity's return on capital invested in the entity by the owners.
The financial strength of the entity.

Financial highlights are defined and calculated in accordance with the current version of "Recommendations & Ratios" issued by the CFA Society Denmark.

Gross margin (%):

Gross profit/loss * 100

Revenue

Net margin (%):

Profit/loss for the year * 100

Revenue

Return on equity (%):

Profit/loss for the year * 100

Average equity

Equity ratio (%):

Equity * 100

Total assets

Primary activities

The company develops and markets human diagnostic and therapy guidance ultrasound equipment, primarily for the urological, neuro and surgical market segments. The goal of the company is to ensure profitable, organic growth exceeding the market growth of these niches, thus ensuring an increased market share. Ultrasound Systems are produced by the Danish entity BK Medical ApS. Ultrasound Transducers are produced by our sister company Sound Technology Inc.

Development in activities and finances

The revenue for the financial year 2021/22 was DKK 1.165 million, an increase of 135% from 2020/21 where the revenue amounted to DKK 495 million. The financial year has been extended by five months to 17 months, after GE acquired BK Medical Group and all companies had to adopt a new financial year period going from 1. of January to 31. of December.

The cost of goods sold 2021/22 increased to DKK 695 million compared to an expense of DKK 236 million in 2020/21, an increase of 194 %, due to the extended financial year period of 17 month.

In 2021/22, BK Medical ApS realised a profit before tax of DKK 205 million compared to a profit before tax of DKK 73 million in 2020/21.

Tax for the year amounted to an expense of DKK 22 million in 2021/22 compared to an expense of DKK 9,7. million in 2020/21. Thus, for 2021/22, net profit for the year amounted to DKK 184 million compared to a net profit of DKK 62,8 million in 2010/21.

Capital expenditure

The Company's capital expenditure amounted to DKK 22 million in property, plant and equipment compared to DKK 8 million last year, and DKK 60 million in intangible assets compared to DKK 31 million last year.

Unusual events

BK Medical ApS has been acquired by GE and changed financial year to 1st of January to 31st of December.

Profit/loss for the year in relation to expected developments

The forecast for 2021/22 shows revenue at a double-digit organic growth rate. The revenue for the financial year 2021/22 was DK 1.165 million, which exceeded the expected revenue range from DKK 750 million to 810 million.

Our expected result is between DKK 40 million and 80 million. The company result for the financial year 2021/22 was DKK 184 million. The main reason for the increase in the result is the increase in revenue and an increase in gross margin on the revenue.

We forecasted that the expenses for capital expenses would be increase compared to the level for 2020/21 and we ended with an increase of DKK 14 million.

The result is line with expectation for the year, when taking into consideration the extended financial year of 17 month.

Uncertainty relating to recognition and measurement

Foreign exchange risks

For several years, the Company has aimed at balancing its net positions (sales, purchases, operating expenses and financing expenses), primarily concerning USD, thus reducing the foreign exchange risk significantly. No

forward hedging of exchange rate exposures on foreign exchange positions has been entered.

The results, cash flow and equity of the Company are effected by the development in exchange rates of several different currencies due to the international activities of the Company.

Credit risks

The Company does not have any material risks relating to a single customer or business partner. According to company policy for assuming credit risks, all customer credit ratings are periodically evaluated. Transactions with customers in the less mature geographical markets (e.g. Asia) are primarily secured by a guaranteed form of payment.

Outlook

Strategy

The primary strategy of the company is to target the intraoperative imaging markets for urological, neuro and surgical applications in the European, Asian and North American ultrasound markets by continuously developing and introducing new products that address these markets' needs. To support this strategy, the company continues to strengthen its direct and indirect sales and distribution in the USA, Europe, China and other regions in Asia by expanding its sales organisation and expanding the R&D capabilities.

Sales activities are carried out by the company's subsidiaries in Germany, Italy, Sweden, Belgium, France, Austria, Australia, Switzerland and the UK as well as through dealer networks, primarily in Eastern Europe, Latin America, the Middle East and Asia corresponding to approximately 70 countries. On an on-going basis, The company considers the possibilities of expansion of relevant niche solutions, including distribution form, through strategic cooperation alliances. The organisation is developed continuously to adapt to ever changing conditions.

Target and expectations for the year ahead

As mentioned above, the competition on the general ultrasound market is continuously increasing. This is expressed through more aggressive marketing and ultimately lower prices resulting in increased pressure on margins. We have though through our focus on procedures been able to increase our average selling price, through recent years release of products to our high-end markets. At the same time, there are indications of a certain consolidation where only the large market participants are expected to endure in the long term. Therefore, the BK Medical strategy of surgical guidance and procedure driven ultrasound rather than diagnostic is more and more relevant.

The forecast for 2023 shows revenue at a double-digit organic growth rate. Our expected revenue range from DKK 905 million to 940 million. This is a realistic target when seen in the light of the investments in new products. The growth is primarily expected to take place in the existing core markets due to expansion and new products.

The expectations are based on the assumption that the exchange rates for the currencies to which the Company is exposed, primarily USD, will remain unchanged.

Costs are budgeted to increase for 2023 compared to 2021/22 although lower than the expected increase in revenue, resulting in a higher EBIT Margin for 2023. Our expected result is between DKK 40 million and 80 million.

We expect a decrease in capital expenditure in property, plant and equipment compared to prior year due to the construction of the manufactory site in Denmark, which started in 2019/20.

Furthermore, in 2021/22, capital expenditure related to intangible assets increased compared to 2020/21. It is

expected that the Company's level of capital expenditure in intangible assets for 2023 will continue at the same comparative level of 12 months due to investments in the new product platform for future ultrasound systems.

Environmental performance

BK Medical Group was acquired by GE the 21st of December 2021, we are therefore in the process of aligning and adopting policies from GE and the sub-segment GE Healthcare that BK Medical ApS reports into. GE Healthcare was listed as a separate company on the US NASDAQ-GS stock exchange the 4th of January 2023. The disclosure under 'Statutory report on corporate social responsibility' represent the overall policies that BK Medical ApS are aligning to.

Anti-Corruption & Bribery

GE has a rigorous compliance governance process, both at a corporate and business level. Each business holds a quarterly review board meeting, which is attended by the most senior business leaders, including the CEO, during which their risk assessment, mitigation efforts, and other compliance issues are discussed. Additionally, each business meets with Company's Chief Compliance Officer twice per year to discuss its risk assessment, any program weaknesses or enhancements, and any compliance trends; and reports its most significant enterprise risks and compliance issues to the Company's Audit Committee on an annual basis. At a corporate level, the Chief Compliance Officer holds two to three meetings per year with the Company's most senior officers to discuss significant program updates, open reporting trends, significant investigations, and business updates on key risk areas. In addition, the Chief Compliance Officer and Vice President of Investigations report on the same issues to the Audit Committee periodically.

GE has long taken a leading role in pushing for transparency and integrity in the global marketplace. Our stance against improper payments in business transactions is a key element of our compliance program and represents a core belief in how we do business. In short, GE prohibits bribery in all business dealings, in every country around the world, with both governments and private sector. This prohibition applies to GE employees, as well as external parties who work for or represent GE. We maintain strong controls aimed at preventing and detecting bribery. GE's approach to compliance in this critical area is multifaceted. Among its key features are:

- Corporate policies and procedures that reflect the Company's approach by prohibiting improper payments in every transaction, whether with a government or with a private party
- Extensive controls, including thorough due diligence, careful screening and training on GE policies for third-party intermediaries such as distributors, service providers, and commercial agents and representatives
- Heightened attention to key risk areas such as gifts and entertainment, travel and living expenses, donations, and facilitating payments
- Prompt investigation and remediation of any concerns
- Extensive training of GE employees on improper payments
- Robust internal controls and accounting processes designed to detect and prevent violations of Company policy relating to improper payment risks and to ensure accurate books and records relating to transactions
- Increased emphasis and enhanced due diligence concerning improper risk associated with mergers, acquisitions and joint ventures

The importance of strong Anti-Corruption Compliance

Greater attention is being paid to the effectiveness of corporate compliance programs in preventing improper payments. The Justice Department and the U.S. Securities and Exchange Commission (SEC) have issued a resource guide on the U.S. Foreign Corrupt Practices Act (FCPA) that endorses a strong compliance program. The UK Bribery Act, the Clean Company Act in Brazil, the Sapin II Law in France, the 231 Decree in Italy and the U.S. Sentencing Guidelines similarly highlight the need for a strong program. As part of the compliance program at

GE, operating with a strong anti-corruption program is a critical component in how we do business.

Research and development activities

Research and development are carried out by BK Medical ApS in Herlev for all ultrasound scanners. Expenses related to research and development activities increased by DKK 120 million in 2021/22 due to continued investment in our R&D department and increased expenses relating to the implementation of the European Medical Device Regulation.

Capitalisation of R&D projects was higher compared to 2020/21, as we have a significant amount of development projects, both for a new scanner, additional probes to support our focus in our market and software developments, which will help improve the usage of our equipment. The strategic commitment to new markets with increasing requirements on the products and their performance continues. These investments are primarily aimed at providing new platforms for future ultrasound scanners.

The majority of development activities are focused on the development of a new generation of ultrasound scanners and transducers and continue SW upgrade for existing products that will help open new markets for the Company.

Intellectual capital resources

The development, production and marketing of high-end technology ultrasound scanners demand highly skilled employees. Therefore, The Company attaches great importance to recruiting, retaining and developing competent staff - e.g. through increased focus on HR functions and the introduction of a common set of values.

Statutory report on corporate social responsibility

The Company develops and markets human ultrasound equipment, primarily for the urological and surgical market segments and, secondarily, for selected adjacent markets.

BK Medical ApS Code of Conduct is intended to promote ethical conduct in all Company affairs in accordance with our high standards of integrity, and to deter wrongdoing in compliance with all applicable laws and regulations.

As a global company, the Company is aware that there can be risks when operating in areas where approaches to human rights and anti-corruption may differ from our domestic markets. Breaches concerning human rights could impact our ability to retain and attract employees and impact our reputation. Breaches regarding corruption and bribery could also impact our reputation. That is why we have a primary focus on these risks, including setting the tone at the top to align the values throughout the Company. As a development and sales company, our environmental impact is limited for which reason we consider it a lower risk. Consequently, we do not have a separate policy, but we follow existing rules and laws in this area. We are also not aware of any breaches regarding environment and climate in the Company in 2021/22.

Our Management Approach to ESG

GE HealthCare is continuing and building upon the legacy of GE's established ESG program. As an independent company, we are committed to enhancing those programs, refining our ESG strategy, and further developing our priorities and goals.

ESG Management: The Enterprise Stewardship Program

GE HealthCare's Enterprise Stewardship Program (ESP) encompasses Environment, Social, and Governance (ESG) and Enterprise Risk Management (ERM) oversight. Central to the ESP is a committee comprised of representatives from all of the company's business segments, regions, and functions. The primary stakeholders of the ESP

Committee are the GE HealthCare Board of Directors, the GE HealthCare Audit Committee of the Board, and GE HealthCare management. Secondary stakeholders include all employees and a vast external audience. The Committee supports GE HealthCare's ongoing commitment to environmental stewardship, corporate social responsibility, human capital, governance, and sustainability. The Committee sets and implements GE HealthCare's ESG strategy, including priorities, initiatives, goals, and disclosures. The ESP Committee is cochaired by our ESG Program Leader and our ERM Program Leader. Our ESG practice and initiatives are managed by our ESG Program Leader and individual subject matter experts who lead their respective programs across the broad ESG landscape.

As part of our ESG management structures, we have a Climate & Carbon committee led by our Chief Integrated Supply Chain and Services Officer. This committee is focused on managing our decarbonization efforts and delivering on our climate goals.

Board Oversight

The GE HealthCare Board oversees management's establishment and execution of corporate strategy, along with our ESG program and activities. The Board will receive regular updates on ESG to stay apprised of potential ESG risks and opportunities.

Our ESG Journey Moving Forward

As part of GE Healthcare, a public company, we intend to integrate ESG more deeply in the core of our culture and business. We are building upon the legacy of GE's ESG program to develop GE HealthCare priorities, initiatives, and programs so that we can maximize our impact. We are also developing robust and transparent ESG communications and disclosures to inform our wide array of stakeholders. GE HealthCare recognizes that, to advance our organization's core mission, understanding our key ESG risks and opportunities is more important than ever.

Environment

GE's climate change performance

Having met our 2020 emissions reduction targets ahead of schedule, in 2019 we set a new goal to achieve carbon neutrality within our own operations (i.e., Scope 1 and 2 emissions) by 2030. To achieve this goal, our businesses are making operational investments in energy efficiency, reducing emissions from the grid through smart power sourcing and using lean practices to eliminate energy waste. While we are focused on driving absolute reductions to achieve carbon neutrality, where necessary, we will balance remaining emissions with carbon offsets. GE internally tracks progress to established targets versus a 2019 baseline. In 2021, we set an ambition to be net zero by 2050, for the Scope 3 emissions associated with the use of our sold products. We are collaborating closely with our customers, suppliers, policymakers and other companies to turn net zero engineering challenges into business opportunities.

To learn more about our Greenhouse Gas Inventory and Energy Inventory process methodology see Appendix I in our 2021 Sustainability Report Appendices. [ge2021_esg_appendices.pdf](#)

Healthcare

GE Healthcare has an ESG governance structure that develops and leads its business sustainability strategy. One team within that structure is a carbon working group, led by the Chief Supply Chain Officer and focused on delivering on our commitment to an absolute reduction of Scope 1 and 2 (market-based) emissions by at least 50% by 2030, versus a 2019 baseline.

Our carbon reduction strategy includes reducing greenhouse gas releases from our facilities, shifting to renewable energy sources and transitioning to an electric or hybrid fleet. As part of our drive to eliminate energy waste.

Social

GE respects our people, our planet and our communities

As a global company that services customers in over 175 countries, we are mindful of the impact our actions have on the world—whether it be the people who make up our global workforce or those of our suppliers, the communities where we live and work, or the planet itself. In line with our sustainability efforts toward continuous improvement for purposeful outcomes, we have prioritized the following commitments:

Protect the safety of our people and those who do work on our behalf.

- Be responsible stewards of the environment.
- Maintain a strong EHS and environmental compliance program.
- Make progress toward our climate change emission goals and ambitions for Scope 1, 2 and 3 emissions.
- Reinforce our commitment to product quality and safety.
- Pursue environmental stewardship and circular economy in the design of our products.
- Invest in returning contaminated properties to protective reuse for communities with a priority on environmental justice communities.
- Respect the human rights of our own workforce and all of those in our value chain.
- Hold suppliers accountable for an ethical supply chain.
- Respect employee's rights to freedom of association.
- Transform our communities through healthcare and humanitarian support and shape the diverse workforce of tomorrow by leveraging the power of GE through the GE Foundation.

Our commitments start on the shop floor and grow to encompass commitments that reach into our communities and across the planet. With every decision, we seek to lead with integrity in all that we do.

GE's Ethics & Compliance program

GE's Ethics & Compliance program focuses on prevention, detection and response.

It begins with GE leadership's personal engagement on integrity. GE leaders across the businesses personally drive a culture of integrity everywhere GE operates by leading by example, incentivizing compliance and promoting open reporting.

This culture is supported by a robust Ethics & Compliance program. To ensure the program is evolving as new risks emerge, GE relies on a team of legal and functional experts to help us stay ahead of significant compliance risks and a changing regulatory landscape.

Compliance training & communications

Each GE business uses a focused training and communications plan to educate employees about the risks that are associated with their work. With a broad, global workforce across multiple business segments, plus changing workforce demographics and modes of communication, the GE program requires constant reinvention and customization by each GE business to stay relevant. Salaried new hires across all GE businesses receive a streamlined basic compliance training course. Additional training on key risk areas is provided to targeted employee groups based on risk. Each GE business also reinforces these learnings through a variety of communications, including leadership messages, newsletters, integrity campaigns, videos, infographics and embedded messaging within various digital tools. We invest in refreshed content on an ongoing basis, and business training and communication plans are adjusted annually based on the output of our enterprise compliance risk assessment.

Voice of integrity: open reporting

Open reporting is a cornerstone of GE's commitment to integrity. Every employee is responsible for integrity, and GE expects its leaders to foster an environment in which employees are encouraged to raise integrity concerns without fear of retaliation. Employees serve as the best line of defence for the early detection of potential issues,

and open reporting activity is one of the best indicators of a culture of integrity and employee engagement on compliance priorities. GE manages employee concern reporting through its Global Open Reporting & Ombuds Program. Under the program, employees are required to submit concerns regarding potential violations of law, regulation or GE policy through one of the available open reporting channels, including managers, Human Resources, Legal, Compliance.

Internal Audit, Ombuds and anonymously through webform

The program serves as a safe forum for whistle-blowers—GE understands that it can be difficult for some employees to come forward with their concerns and the anonymous reporting channel is a critical pillar of the open reporting program. Each business has at least one full-time ombudsperson and, in addition, a network of part-time employees across the globe to whom concerns can be raised. In 2021, 2,355 concerns were raised, 2,275 of which were closed, with the remaining cases pending ongoing investigations and further review.

GE fully examines every integrity concern raised and takes necessary remedial actions where appropriate. During the investigation process, GE:

- Forms an independent and objective investigation team;
- Obtains the facts through interviews and/or reviews of documents;
- Reaches conclusions, whenever possible, from the facts the team is able to obtain;
- Recommends corrective action, if necessary; and
- Provides the person who raised the original concern (if that person is known) with feedback on the outcome, while maintaining the confidentiality and privacy of all involved (to the extent possible).

Certain cases are treated with special care depending on the individuals or content involved. Concerns related to senior executives or Company officers must be escalated, as must be any complaint that could materially impact financial reporting or controls, or that relate to federal securities law matters. Finally, the Significant Cases Committee (SCC) is responsible for performing monthly reviews of high-risk open reporting investigations across the Company. The members of the SCC include the Chief Audit Executive and Vice Presidents of Compliance and Global Investigations. The SCC reviews the significant case criteria annually to ensure both internal and external risks are considered.

Human rights

We fully acknowledge our responsibility to respect human rights as set out in the International Bill of Human Rights and are committed to implementing the United Nations Guiding Principles on Business and Human Rights throughout our operations. Respect for the dignity of the individual and for the importance of each individual's human rights forms the basis of the behaviors we expect of every individual who works for us, either as a direct employee or indirectly through our supply chain. We do not accept any form of discrimination, harassment or bullying within the Company. To this end we require all of our managers to implement processes designed to ensure equality of opportunity and inclusion for all the Company employees. These include avoiding any form of forced, bonded or compulsory labour (or any other kind of modern slavery or human trafficking).

Goals and implementation

Our Code of conduct will have a section on respecting human rights. It is our goal that we will not experience issues related to non-compliance with human rights. We are not aware of any breaches concerning human rights in the Company in 2021/22.

Ethics and anti-corruption

The Company has a zero tolerance towards corruption and bribery, including means such as improper payments,

bribes and kickbacks, and facilitation payments. The Company is committed to complying with the United States Foreign Corrupt Practice Act (FCPA), export controls and comparable laws where the Company engages in business.

We require the same commitment from our employees, business partners and suppliers.

Goals and implementation

All employees and distributors receive guidelines on anti-corruption and bribery. It is our goal that we will not experience issues related to ethics and anti-corruption. We are not aware of any breaches concerning corruption and bribery in the Company in 2021/22.

Workplace responsibilities

We are committed to maintaining a safe and healthy work environment by complying with applicable health and safety rules and practices. Furthermore, we encourage employees to raise work-related issues, questions or concerns. We value the talents, abilities and diversity of all employees and require all employment decisions (e.g. recruiting, hiring, training, promoting, and compensation) related to employees and applicants to be based on merit, qualifications, and job performance.

Goals and implementation

To implement our workplace responsibilities, we focus on offering relevant training, internal courses and employee development interviews. We conclude that our activities have contributed to maintaining a good working environment in the Company in 2021/22.

Statutory report on the underrepresented gender

Policy regarding the Proportion of Gender in other Management Levels of BK Medical ApS

BK Medical ApS is committed to continue working towards and maintaining equal opportunities for women and men at all management levels within the Company. BK Medical ApS encourages talented male and female employees to pursue a career within the Company. In connection with recruitment, including recruitment at management level, it is BK Medical ApS' policy to meet the Company's needs for employees with the right skills and competences, regardless of gender, age, ethnicity, etc. When choosing between equally qualified candidates, the diversity among the employees is taken into consideration, as it is the aim that both genders attain representation at management levels of at least 30%. In connection with recruitment for managerial positions it must be ensured, where possible, that the candidates invited for interview include both men and women. The Company's focus on diversity among its employees, including at management levels, must be visible during recruitment.

The policy may be amended by the Board of Directors and should be interpreted in accordance with applicable equal rights and anti-discrimination legislation in Denmark, applicable at any given time.

We currently have less than 30% representation of the gender with lowest proportion at manager level. We are however, on level with the general proportion of gender for the company. We follow our policy of not discriminating when we hire for both management positions and regular employees. Since the proportion of each gender at manager level is consistent with the general proportion, no steps have been initiated this financial year.

Policy regarding the Proportion of Gender in the board of BK Medical ApS

The Company aims to continue the current strategy as it is the policy of BK Medical ApS to meet the Company's needs for board members with the right skills and competences, regardless of gender, age, ethnicity, etc. When

choosing between equally qualified candidates, the diversity among the employees is taken into consideration, as it is the objective that both genders attain representation at board level of at least 20%.

Further, the Company continuously aims at ensuring that the board supports the inter-company relations by means of its composition which is currently made up by 2 members elected by the employees and 3 members elected by the general meeting, where two are also connected to the parent company: Chairman Brooks Edward West and Director Robert Joseph Patterson.

There is currently a minimum of 20% representation of each gender on the board, which falls within our policy, and therefore, no steps have been initiated this financial year.

Statutory report on data ethics policy

Bk Medical ApS are following The Spirit & The Letter that defines GE's approach to data ethics pursuant to section 99d of the Danish Financial Statements Act. The Spirit embodies GE's promise to act ethically at all times. At GE all employees commit to doing the right thing, always with unyielding integrity. The Letter covers The Spirit & The Letter compliance policies. These policies apply to all employees in every business, everywhere in the world. Data ethics concerns the ethical considerations which GE as a company must take into account when we use data and new technologies globally. GE collects, handles and protects Personal Information responsibly. GE does this in compliance with applicable privacy laws and with company's Commitment to the Protection of Personal Information.

The company processes personal information lawfully, fairly and transparently, and provide for individual rights, consistent with applicable law.

GE uses GE Proprietary Information and GE Information Resources responsibly.

More information on the Spirit & the Letter and data ethics can be found here:

https://www.ge.com/sites/default/files/S&L_Booklet_English_0.pdf

Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Income statement for 2021/22

	Notes	2021/22 DKK'000	2020/21 DKK '000
Revenue	2	1,164,736	495,218
Cost of sales		(695,492)	(235,616)
Gross profit/loss		469,244	259,602
Research and development costs		(198,068)	(108,106)
Distribution costs		(75,800)	(37,527)
Administrative expenses	3	(105,161)	(63,200)
Operating profit/loss		90,215	50,769
Other financial income	5	157,797	25,026
Other financial expenses	6	(42,780)	(3,247)
Profit/loss before tax		205,232	72,548
Tax on profit/loss for the year	7	(21,430)	(9,751)
Profit/loss for the year	8	183,802	62,797

Balance sheet at 31.12.2022

Assets

	Notes	2021/22 DKK'000	2020/21 DKK'000
Completed development projects	10	6,865	22,370
Goodwill		23,809	45,534
Development projects in progress	10	94,109	33,678
Intangible assets	9	124,783	101,582
Land and buildings		88,869	84,542
Plant and machinery		17,311	14,975
Other fixtures and fittings, tools and equipment		5,972	2,208
Property, plant and equipment	11	112,152	101,725
Investments in group enterprises		24,680	25,225
Receivables from group enterprises		7,588	7,588
Financial assets	12	32,268	32,813
Fixed assets		269,203	236,120
Raw materials and consumables		61,149	18,381
Manufactured goods and goods for resale		152,785	33,042
Inventories		213,934	51,423
Trade receivables		55,339	57,744
Receivables from group enterprises		78,854	62,754
Other receivables		873	1,541
Prepayments	13	3,136	2,060
Receivables		138,202	124,099
Cash		30,189	25,449
Current assets		382,325	200,971
Assets		651,528	437,091

Equity and liabilities

	Notes	2021/22 DKK'000	2020/21 DKK'000
Contributed capital		64,225	64,225
Reserve for development expenditure		78,888	43,845
Retained earnings		133,372	(15,581)
Equity		276,485	92,489
Deferred tax	14	26,919	5,489
Provisions		26,919	5,489
Payables to group enterprises		90,588	239,132
Other payables		10,557	176
Deferred income	15	6,233	6,193
Non-current liabilities other than provisions	16	107,378	245,501
Prepayments received from customers		6,433	5,226
Trade payables		87,123	29,964
Payables to group enterprises		121,126	6,389
Tax payable		0	2,364
Other payables		26,064	49,669
Current liabilities other than provisions		240,746	93,612
Liabilities other than provisions		348,124	339,113
Equity and liabilities		651,528	437,091
Events after the balance sheet date	1		
Staff costs	4		
Contingent liabilities	17		
Related parties with controlling interest	18		
Non-arm's length related party transactions	19		
Group relations	20		

Statement of changes in equity for 2021/22

	Contributed capital DKK'000	Reserve for development expenditure DKK'000	Retained earnings DKK'000	Total DKK'000
Equity beginning of year	64,225	43,845	(15,581)	92,489
Value adjustments	0	0	194	194
Transfer to reserves	0	35,043	(35,043)	0
Profit/loss for the year	0	0	183,802	183,802
Equity end of year	64,225	78,888	133,372	276,485

Notes

1 Events after the balance sheet date

The Company's new ultimate parent is GE HealthCare Technologies Inc, replacing General Electric Company (GE). GE HealthCare Holding LLC was formed as a Delaware limited liability corporation on 16 May 2022 for the purpose of receiving all net assets of GE HealthCare.

On 29 December 2022, GE HealthCare Holding LLC converted into a Delaware corporation and was renamed GE HealthCare Technologies Inc. The separation was completed on 3 January 2023 through a distribution of approximately 80.1% of the common stock of GE HealthCare Technologies Inc to holders of record of GE's common stock as of the close of business on 16 December 2022, and GE HealthCare Technologies Inc became an independent public company, listed under the symbol "GEHC" on the Nasdaq Stock Market LLC.

The new company's first day of trading on Nasdaq was 4 January 2023.

GE HealthCare Technologies Inc (88-2515116), is registered in Delaware, with principal address at 500 W. Monroe Street, Chicago, Illinois 60661, US.

2 Revenue

	2021/22	2020/21
	DKK'000	DKK'000
Denmark	29,300	20,463
Scandinavia	63,320	24,599
Europe	351,700	167,956
USA	364,156	105,856
Asia, Pacific and rest of the world	356,260	176,344
Total revenue by geographical market	1,164,736	495,218

3 Fees to the auditor appointed by the Annual General Meeting

	2021/22	2020/21
	DKK'000	DKK'000
Statutory audit services	1,158	927
Other assurance engagements	50	55
Other services	66	41
	1,274	1,023

4 Staff costs

	2021/22	2020/21
	DKK'000	DKK'000
Wages and salaries	254,293	129,707
Pension costs	19,662	9,792
Other social security costs	6,127	728
	280,082	140,227
Staff costs classified as assets	(48,136)	(26,107)
	231,946	114,120
Average number of full-time employees	252	171

	Remuneration of Management 2021/22 DKK'000	Remuneration of Management 2020/21 DKK'000
Executive Board	5,416	3,615
	5,416	3,615

Beginning of the year, the executive board and senior officers at BK Medical ApS participated in an incentive compensation plan under BKM Holding Company Inc. The incentive plan has been entered with BKM Holding Company Inc. and BK Medical ApS is not impacted financially.

5 Other financial income

	2021/22	2020/21
	DKK'000	DKK'000
Other interest income	157,797	25,026
	157,797	25,026

6 Other financial expenses

	2021/22	2020/21
	DKK'000	DKK'000
Other interest expenses	42,780	3,247
	42,780	3,247

7 Tax on profit/loss for the year

	2021/22	2020/21
	DKK'000	DKK'000
Current tax	0	4,294
Change in deferred tax	21,430	5,457
	21,430	9,751

8 Proposed distribution of profit and loss

	2021/22	2020/21
	DKK'000	DKK'000
Retained earnings	183,802	62,797
	183,802	62,797

9 Intangible assets

	Completed development projects DKK'000	Goodwill DKK'000	Development projects in progress DKK'000
Cost beginning of year	160,332	306,691	33,678
Additions	0	0	60,431
Cost end of year	160,332	306,691	94,109
Amortisation and impairment losses beginning of year	(137,962)	(261,157)	0
Amortisation for the year	(15,505)	(21,725)	0
Amortisation and impairment losses end of year	(153,467)	(282,882)	0
Carrying amount end of year	6,865	23,809	94,109

10 Development projects

The Company has capitalized internal development cost relating to the continuous development into our products, being scanners, transducers and accessories. We typically have one to two scanner and several transducers in development.

11 Property, plant and equipment

	Land and buildings DKK'000	Plant and machinery DKK'000	Other fixtures and fittings, tools and equipment DKK'000
Cost beginning of year	142,789	49,978	17,280
Additions	9,049	7,263	5,397
Disposals	0	(3,240)	(74)
Cost end of year	151,838	54,001	22,603
Depreciation and impairment losses beginning of year	(58,247)	(35,003)	(15,072)
Depreciation for the year	(4,722)	(4,921)	(1,631)
Reversal regarding disposals	0	3,234	72
Depreciation and impairment losses end of year	(62,969)	(36,690)	(16,631)
Carrying amount end of year	88,869	17,311	5,972

12 Financial assets

	Investments in group enterprises DKK'000	Receivables from group enterprises DKK'000
Cost beginning of year	25,225	7,588
Additions	139	0
Disposals	(684)	0
Cost end of year	24,680	7,588
Carrying amount end of year	24,680	7,588

Investments in subsidiaries	Registered in	Equity interest %
Ultrasonix Medical Corporation	Canada	100.00
BK Medical Schweiz GmbH	Switzerland	100.00
BK Medical Austria GmbH	Austria	100.00
BK Medical UK Limited	United Kingdom	100.00
BK Medical Sweden AB	Sweden	100.00
BK Medical Italia S.r.l.	Italy	100.00
BK Medical Medizinische Systeme GmbH	Germany	100.00
BK Medical France SAS	France	100.00
BK Medical Australia Pty Ltd.	Australia	100.00
BK Medical Benelux NV	Belgium	99.99

13 Prepayments

Prepayments mainly relate to prepaid insurance premiums and other prepayments where criteria to recognise the expenses in the financial year have not been met.

14 Deferred tax

	2021/22 DKK'000	2020/21 DKK'000
Changes during the year		
Beginning of year	5,489	32
Recognised in the income statement	21,430	5,457
End of year	26,919	5,489

15 Deferred income

Deferred income is mainly related to service contracts, extended warranties and to income where the revenue recognition criteria as to collectability has not been met.

16 Non-current liabilities other than provisions

	Due after more than 12 months 2021/22 DKK'000
Payables to group enterprises	90,588
Other payables	10,557
Deferred income	6,233
	107,378

Deferred income is mainly relating to extended warranty and to income where the revenue recognition criteria as to collectability has not been met.

17 Contingent liabilities

In connection with several tenders, the Company has per 31 December 2022 issued customary performance guarantees through banks and insurance companies.

As per 31 december 2022, unrecognised rental and lease commitments consist of approximately 1,1 million DKK.

18 Related parties with controlling interest

BK Medical Holding Company, Inc. (83-0875144) exercises control over BK Medical ApS, owning 100 % of the shares/votes. Parent company is registered in Delaware, with principal address at 25 Corporate Drive, Burlington, Massachusetts 01803, US.

19 Non-arm's length related party transactions

Only related party transactions not conducted on an arm's length basis are disclosed in the annual report. No such transactions have been conducted in the financial year.

20 Group relations

As of December 31, 2022, BK Medical ApS is part of the consolidated financial statements of General Electric Company (14-0689340), which is the smallest and largest group in which the Company is included as a subsidiary. The consolidated financial statements of the ultimate parent company, General Electric Company, 5 Necco Street, Boston, Massachusetts 02210, USA, is available at www.ge.com and at the Company's address in Denmark.

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (large).

The accounting policies applied to these financial statements are consistent with those applied last year.

Consolidated financial statements

Referring to section 112(2) of the Danish Financial Statements Act, no consolidated financial statements have been prepared.

BK Medical ApS is included in the consolidated financial statement for General Electric Company.

Non-comparability

The annual report covers a period of 17 months (01.08.2021 - 31.12.2022) as the financial year has been changed. As such, the current year figures presented in the annual report are non-comparable with previous year's figures.

Going forward, the financial year will follow the normal calendar year (1 January - 31 December).

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Business combinations

Newly acquired or newly established enterprises are recognised in the financial statements from the time of acquiring or establishing such enterprises. Divested or wound-up enterprises are recognised in the income statement up to the time of their divestment or winding-up.

The purchase method is applied at the acquisition of new enterprises, under which identifiable assets and liabilities of these enterprises are measured at fair value at the acquisition date. Provisions for costs of restructuring of the enterprise acquired are only made in so far as such restructuring was decided by the

enterprise acquired prior to acquisition. Allowance is made for the tax effect of restatements.

Positive differences in amount (goodwill) between cost of the acquired share and fair value of the assets and liabilities taken over are recognised in intangible assets, and they are amortised systematically over the income statement based on an individual assessment of their useful lives. If the useful life cannot be estimated reliably, it is fixed at 10 years. Useful life is reassessed annually. Negative balances (negative goodwill) are recognised as income in the income statement.

The uniting-of-interests method is applied on acquisition of enterprises, mergers, demergers, contributions of assets and exchanges of shares, etc where the enterprises concerned are controlled by the Parent, under which method the combination is considered completed at the date of acquisition without restatement of comparative figures. Under the uniting-of-interests method, the acquiree's assets and liabilities are recognised at their carrying amounts, adjusted for any differences in accounting policies and accounting estimates. The difference between the consideration agreed and the carrying amount of the acquiree is recognised in equity.

Income statement

Revenue

Income from the sales of finished goods for resale and finished goods is recognised in revenue when transfer of the most significant rewards and risks to the buyer has taken place and provided that the income can be reliably measured and payment is expected to be received. The date of the transfer of the most significant rewards and risks is based on standardised terms of delivery based on Incoterms 2010.

Revenue from the sales of services, comprising service contracts, is recognised in revenue on a straight-line basis as delivered as the services are delivered in the form of an indefinite number of actions over a specific period of time.

Revenue from software compensation is recognised as the company's IP assets are used.

Revenue is recognised exclusive of VAT and net of sales discounts and is measured at fair value of the consideration fixed.

Cost of sales

Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for ordinary inventory writedowns.

Research and development costs

Research and development costs comprise research costs, costs of development projects not qualifying for recognition in the balance sheet, and amortisation and impairment losses relating to development projects.

Distribution costs

Distribution costs comprise costs incurred for sale and distribution of the Entity's products, including wages and salaries for sales staff, advertising costs, travelling and entertainment expenses, etc, and amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment involved in the distribution process.

Administrative expenses

Administrative expenses comprise expenses incurred for the Entity's administrative functions, including wages and salaries for administrative staff and Management, stationery and office supplies, and amortisation,

depreciation and impairment losses relating to intangible assets and property, plant and equipment used for administration of the Entity.

Other financial income

Other financial income comprises dividends etc received on other investments, interest income, including interest income on receivables from group enterprises, net capital or exchange gains on securities, payables and transactions in foreign currencies, amortisation of financial assets, and tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities, and tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

Balance sheet

Goodwill

Goodwill is the positive difference between cost and fair value of assets and liabilities arising from acquisitions. Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area. The amortisation periods used are 20 years.

Goodwill is written down to the lower of recoverable amount and carrying amount.

Intellectual property rights etc

Intellectual property rights etc comprise development projects completed and in progress with related intellectual property rights, acquired intellectual property rights and prepayments for intangible assets.

Development projects on clearly defined and identifiable products and processes, for which the technical rate of utilisation, adequate resources and a potential future market or development opportunity in the enterprise can be established, and where the intention is to manufacture, market or apply the product or process in question, are recognised as intangible assets. Other development costs are recognised as costs in the income statement as incurred. When recognising development projects as intangible assets, an amount equalling the costs incurred less deferred tax is taken to equity in the reserve for development costs that is reduced as the development projects are amortised and written down.

The cost of development projects comprises costs such as salaries and amortisation that are directly and indirectly attributable to the development projects.

Completed development projects are amortised on a straight-line basis using their estimated useful lives which are determined based on a specific assessment of each development project. If the useful life cannot be estimated reliably, it is fixed at 10 years. For development projects protected by intellectual property rights, the maximum period of amortisation is the remaining duration of the relevant rights. The amortisation periods used is 5 years.

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

Property, plant and equipment

Land and buildings, plant and machinery, and other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

	Useful life
Buildings	40 years
Plant and machinery	3-7 years
Other fixtures and fittings, tools and equipment	3-8 years

Estimated useful lives and residual values are reassessed annually.

Investments in group enterprises

Investments in group enterprises are measured at cost. Investments are written down to the lower of recoverable amount and carrying amount.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value, less writedowns for bad and doubtful debts.

Inventories

Inventories are measured at the lower of cost using the FIFO method and net realisable value.

Cost consists of purchase price plus delivery costs. Cost of manufactured goods and work in progress consists of costs of raw materials, consumables, direct labour costs and indirect production costs.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash

Cash comprises cash in hand and bank deposits.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset.

However, no deferred tax is recognised for amortisation of goodwill disallowed for tax purposes and temporary differences arising at the date of acquisition that do not result from a business combination and that do not have

any effect on profit or loss or on taxable income.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Deferred tax relating to retaxation of previously deducted losses in foreign subsidiaries is recognised on the basis of an actual assessment of the purpose of each subsidiary.

Operating leases

Lease payments on operating leases are recognised on a straight-line basis in the income statement over the term of the lease.

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Prepayments received from customers

Prepayments received from customers comprise amounts received from customers prior to delivery of the goods agreed or completion of the service agreed.

Tax receivable or payable

Current tax receivable or payable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

Deferred income

Deferred income comprises income received for recognition in subsequent financial years. Deferred income is measured at cost.

Cash flow statement

Referring to section 86(4) of the Danish Financial Statements Act, the Entity has prepared no cash flow statement as such statement is included in the consolidated cash flow statement of GE Healthcare Technologies Inc.