

## GE Healthcare Danmark A/S

Park Allé 295

2605 Brøndby

CVR-nr./CVR no. 26 52 77 91

### Annual report 2021

The annual report was presented and approved at the Company's annual general meeting on

30 May 2022



Lydia Liya  
Chairman

## **Contents**

Statement by the Board of Directors and the Executive Board	2
Independent auditor's report	3
Management's review	5
Company details	5
Financial highlights	6
Operating review	7
Financial statements for the period 1 January – 31 December	12
Income statement	12
Balance sheet	13
Statement of changes in equity	16
Notes	17

## Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of GE Healthcare Danmark A/S for the financial year 1 January – 31 December 2021.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

It is our opinion that the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2021 and of the results of the Company's operations for the financial year 1 January – 31 December 2021.

Further, in our opinion, the Management's review gives a fair review of the development in the Company's operations and financial matters and of the results of the Company's operations and its financial position.

We recommend that the annual report be approved at the annual general meeting.


Brøndby, 30 May 2022.

Executive Board:



Mie Ingemann-Paulsen

Board of Directors:

  
Lydia Lilja  
chairman  
Jostein Strømme  
Mie Ingemann-Paulsen

## Independent auditor's report

### To the shareholders of GE Healthcare Danmark A/S

#### Opinion

We have audited the financial statements of for the financial year 1 January 2021 - 31 December 2021, 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 December 2021 and of the results of its operations for the financial year 1 January 2021 - 31 December 2021 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.

## Independent auditor's report

- 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's review

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the 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 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, 30 May 2022

**Deloitte**  
**Statsautoriseret Revisionspartnerselskab**  
CVR No. 33963556



Lars Siggaard Hansen  
**State Authorised Public Accountant**  
Identification No (MNE) mne32208

## Management's review

### Company details

GE Healthcare Danmark A/S

Park Allé 295

2605 Brøndby

Telefon/Telephone: +45 43 29 54 00

Telefax/Fax: +45 43 29 57 01

Website: [www.healthcare.dk](http://www.healthcare.dk)

CVR no.: 26 52 77 91

Established: 1. juni 2002 / 1 June 2002

Registered office: Brøndby

Financial year: 1. januar – 31. december / 1 January – 31 December

### Board of Directors

Mie Ingemann-Paulsen

Lydia Lilja

Jostein Strømmesen

### Executive Board

Mie Ingemann-Paulsen

### Auditor

Deloitte Statsautoriseret Revisionspartnerselskab

### Annual general meeting

The annual general meeting will be held on 30 May 2022.

## Management's review

### Financial highlights

DKKm	2021	2020	2019	2018	2017
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#### Key figures

Revenue	378.3	385.7	392.3	362.6	324.5
Gross profit	89.5	97.0	94.1	91.0	110.8
Ordinary operating profit/loss	14.2	18.5	12.2	7.8	32.2
Loss from financial income and expenses	-0.1	-1.0	-2.5	-1.3	-3.9
Tax on profit/loss for the year	-3.1	-3.9	-2.2	-1.5	-6.3
<b>Profit/loss for the year</b>	<b>10.9</b>	<b>13.6</b>	<b>7.6</b>	<b>5.0</b>	<b>22.0</b>

<b>Total assets</b>	268.8	308.9	278.3	307.5	264.3
<b>Equity</b>	107.6	71.3	57.7	50.2	46.5

#### Financial ratios

Operating margin	3.7%	4.8%	3.1%	2.1%	9.9%
Gross margin	23.6%	25.2%	24.0%	25.1%	34.1%
Solvency ratio	40.0%	23.1%	20.7%	16.3%	17.6%
Return on equity	12.2%	21.1%	13.1%	14.0%	10.4%

<b>Average number of full-time employees</b>	53	60	65	56	53
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*For terms and definitions, please see the accounting policies.*

## Management's review

### Operating review

#### Principal activities of the Company

As in prior years, the principal activities consist of sale of medical equipment and related services. The majority of the equipment sold has been produced by other companies in the General Electric Group, primarily in France and USA. The products are primarily sold in Denmark.

#### Development in activities and financial position

##### Profit for the year

The Company realized a profit of DKK 10.9 million against a profit of DKK 13.6 million in 2020. Sales decreased by 2%, production costs and costs for the sale of goods were down by 3%. In ultrasound we retained market share with a slight positive trend in a decreasing market (compared exceptional 2020). Life Care Solutions was during 2021 under indirect partnership of Vingmed A/S, which ended in the last quarter of 2021. We strengthen our partnerships with customers which can be seen in increasing business in post-sales technical service support. We maintained stable service operations despite a challenging global situation during. The market for the larger diagnostic systems that Imaging represents was very strong reaching 100 mDKK. GEHC secured a share of 34%, a significant increase vs. 2020 26%, this was partly driven by large investments in radiopharmacy (cyclotrons) related to the new hospital builds. In December 2021, GE announced it completed the acquisition of BK Medical, a leader in advanced surgical visualization, from Altaris Capital Partners, LLC. With this acquisition, GE Healthcare adds the fast-growing and relatively new field of real-time surgical visualization to GE's pre- and post-operative Ultrasound capabilities, creating an end-to-end offering through the full continuum of care— from diagnosis through therapy and beyond. Through significant synergies with the benefit of GE's technology and commercial scale, BK Medical will be able to reach new customers and markets around the world.

CGI and GE Healthcare are joining forces to support health and care providers to accelerate their digital transformation journeys in Denmark. CGI, one of the largest independent IT and business consulting services firms in the world, will support the implementation of digital solutions as GE Healthcare's chosen systems integrator across a number of important initiatives.

The demand for more advanced diagnostics and treatment continues to increased and it is expected that the new hospital builds will drive investments in 2022-2025. Not least, the company has received orders for larger scanners for customers, which we have not sold to for a number of years. There is demand in the market for GE's equipment and IT solutions and a continuing trend towards regional consolidations and enterprise IT solutions in the healthcare sector. Electronic patient records have been the first step, which has required significant integration work to maintain IT specialties. Research agreements in and around the interconnection of equipment and artificial intelligence have seen decisive progress in 2021.

On 5th May 2021, entity received contribution of 25.275.546 DKK from Group Company AcceptFinans Aps.



## Management's review

### Operating review

#### Outlook

The Company estimates that the 2022 for Imaging will be smaller in 2021 which was a very strong year. Procurement of particularly large scanners continues in part in the implementation of the construction of new superhospitals and upgrades of existing hospitals, although the delay of most of these hospitals may actually risk flattening the curve for procurement: Some regions may decide to continue with the currently installed scanners for longer than expected. We see continued strong demand for our ultrasounds solutions and there is expected to be a national framework for the period of 2022-2026 for ultrasound in 2022. For Maternal and Infant Care, GE Healthcare continues to have a leading position and expect a strong market 2022, as well as for Diagnostic Cardiology segment. General Electric announced on November 9th 2021 its plan to form three industry-leading, global public companies focused on the growth sectors of aviation, healthcare and energy. By early 2023 GE Healthcare will be spun off creating a pure-play company at the center of precision health in which GE expects to retain a stake of 19,9 percent.

The Company expects to realize a stable year in terms of results. 2021 was an exceptional year for imaging driven by a few large contracts which are not recurring.

In all our product groups, there will continue to be a strong focus on unit prices due to the increasing centralisation and the expected increase in the volume of purchases by the regions in recent years. The Danish regions introduce a more value-based settlement of hospital work instead of a procedure based - although the actual results so far are limited.

#### Particular risks

##### Price risks

Competition is very severe in the medical devices industry, and prices remain under pressure each year. The decrease in prices is partly compensated for by the introduction of new technology, which drives higher end user value.

##### Interest rate risks

As the net interest-bearing debt is not significant, moderate changes to the interest rate level will not have any essential direct effect on earnings. Thus, interest rate positions to hedge interest rate risks are not taken.

##### Currency risks

As almost all equipment is purchased abroad, profit, cash flows and equity are affected by the development in exchange rates and interest rates for several currencies, primarily EUR and USD. It is the Company's policy not to hedge commercial currency risks.

##### Credit risks

The primary credit risks relate to sales to private hospitals.

#### Intellectual capital

The Company's business foundation includes supplying high-tech and reliable equipment to public and private and hospitals, as well as to a lesser extent to other segments such as research institutes and veterinarians. This places particularly great demands on the employees' knowledge and the quality of the business processes. The company must therefore recruit and retain employees with a high level of education in medical systems. It is our goal that the company has the latest knowledge and a quick adaptability. As a goal for this, employee composition and employee turnover are important indicators. The employee share with a high level of education is more than 52% (target / acceptable level is 50%).

Staff turnover of employees with extensive professional qualifications was well below 8% during the year (objective/acceptable level is 10%). During 2021 the relevant positions have again been filled.

We have observed increasing lead times among sub suppliers and overall a turbulent logistics. Many countries are still impacted by Covid. Therefore GEHC have both globally and locally put processes in place to ensure diligent monitoring of deliveries, communication to customers in order to live up to our commitments and maintain customer satisfaction.

## Management's review

### Operating review

#### Statement of Corporate Social Responsibility

As in prior years, the principal activities consist of sale of medical equipment and related services. The majority of the equipment sold has been produced by other companies in the General Electric Group, primarily in France and USA. The products are primarily sold in Denmark. GE Healthcare Danmark A/S is governed by the corporate social responsibility policies of the parent company GE. GE has formulated policies to all mandatory areas: climate, environment, human rights, anti-corruption and social and staff matters under 99a. Therefore, we report on Corporate Social Responsibility on Group level.

#### Environment and climate

The GE Group delivers innovative solutions and services to provide essential infrastructure for the world. GE continuously measure and report its greenhouse gas emissions and seek to reduce the impact of its technology and environmental footprint.

GE recognize the heightened risks in regard to the emission of greenhouse gases throughout its business and continue to invest in research and development to reduce the carbon footprint of its equipment. GE also recognise both the risks and opportunities related to climate change, such as the adoption of climate change related policies (e.g. carbon taxes, cap and trade regimes, increasing efficiency standards, or incentives or mandates for particular types of engines). To address such risks, the Group lead by example in its operations and working for years to reduce greenhouse gas emissions and water usage as part of its longstanding commitment to environmental stewardship. We also lead by example—setting a goal to become carbon neutral in our facilities and operations by 2030.

In 2021, we have collected data regarding operational greenhouse gas emission, total electricity used, total freshwater usage, which will be published in the joint ESG report.

At GE Healthcare we consider the environmental impact of our products to be an important aspect of the design process. Concerns around the release of greenhouse gases, along with demands for increased efficiency in health expenditures, have led to a renewed interest in promoting low-flow anaesthetic techniques to reduce the quantity of volatile anaesthetic agents used. Et Control (automated target control), used on the new Aisys CS2, has the potential to dramatically reduce the waste of anaesthetic agent use and costs, clinician workload, and the rate of greenhouse gas emissions. A recent publication indicated that the use of Et Control was associated with a 44% decrease in the rate of greenhouse gas emissions compared with manual control. The SIGNA™ Lift program allows customers to reset the life of their existing scanner with new applications and the latest generation hardware.

GE Healthcare has implemented processes to extend the lifecycle of selected products and avoid related parts entering the waste stream. The Goldseal program is designed to refurbish selected products. There is an extensive inspection and testing process, designed to bring equipment back to original certified manufacturing specifications. Over the years, more than 10,000 GoldSeal pre-owned assets have been successfully installed around the world. This not only helps save our environment, but also extends healthcare globally to those who may not otherwise have access due to budget constraints. Ensuring easy global access to these vital technologies is a major focus of GE Healthcare and of the GoldSeal refurbishment program.

#### Social- and employee matters

The GE Group are committed to protecting its people, the environment, and the communities in which it operates. GE holds itself to the same high expectations and standards throughout its operations, and assess the EHS impacts of its business globally at all stages of operations.

At GE, operations are accountable for EHS, with active participation from senior leadership. This engagement is aimed at ensuring compliance with GE's high standards and EHS laws, as well as finding ways to continuously improve how it manage and reduce risks of injuries and illness related to its business activities. GE is committed to managing the emerging EHS risks from new products and operations by developing and maintaining strong, progressive EHS programs and review practices.

During 2020 and 2021, the GE team was focused first and foremost on protecting the health and safety of our employees and communities. At the onset of the COVID-19 pandemic, GE quickly instituted strong safety precautions for its global workforce and pledged financial support to employees and their families through GE's new Employee Relief Fund. GE Board was engaged throughout the year with leadership in taking steps to keep our workplaces around the world safe, to accelerate the manufacture of life-saving respirators and to assure GE's operations were functioning well in a digital and remote work environment.

## Management's review

### Operating review

#### Human rights

The GE Group work with the highest integrity, a compliance culture and respect for human rights. GE is proud to be a leader in respecting human rights across its operations – from its supply chain to its products. The Group was among the first global brands to publish a Statement of Principles on Human Rights, and have long collaborated with peers, partners, governments and civil society. Moreover, GE is an active member of the UN Global Compact and is a co-founder of the Global Business Initiative on Human Rights.

The GE Group, as a global company, recognize the potential risks of safety, labour, and human rights throughout its supply chain. To address such risks, the Group's Supplier Integrity Guide governs the expectations of all suppliers and includes specific prohibitions against forced, prison or indentured labor and against subjecting workers to any form of compulsion, coercion or human trafficking. The Supplier Integrity Guide is reinforced by its industry-leading global supply chain audit program under which it audits suppliers in high risk countries before approval for on-boarding and periodically thereafter.

GE Healthcare Danmark A/S has not seen any violations of the policies during 2021.

More information on our policies on environment and climate, social- and employee matters and human rights can be in the Group Proxy and Annual report 2021, which can be found here:

<https://www.ge.com/investor-relations/annual-report>

#### Anti-corruption and bribery

GE Group has long taken a leading role in pushing for transparency and integrity in the global marketplace. Its policy against improper payments in business transactions is a key element of its code of conduct, and represents a cores belief for how the Group do business.

The GE Group takes various measures including, but not limited to; the implementation of corporate policies and procedures towards prohibiting improper payments in every transaction, prompt investigation and remediation of any concerns, and robust internal control and accounting processes. The GE Group continuously pays high attention to key risk areas such as gifts and entertainment, travel and living expenses, donations, and facilitating payments. To address these risks, the Group conduct extensive controls, including thorough due diligence, careful screening and training on GE policies for third-party intermediaries and strategic use of Corporate Audit Staff to identify and assess potential improper payments.

GE Healthcare Danmark A/S has not seen any violations of the policies during 2021.

More information about our policies on anti-corruption and bribery can be found here:

[https://www.ge.com/sites/default/files/GEA33641\\_Anticorruption.pdf](https://www.ge.com/sites/default/files/GEA33641_Anticorruption.pdf)

#### Statement of Gender equality

For 2021, the Company has 3 members part of the Board of Directors, of whom two are female. Hence, according to the 99b requirements of the Danish Financial Statements Act, it is not a requirement to set a target.

GE Healthcare Danmark A/S has among its 62 employees a distribution of women and men (41% / 59%). The leadership team consists of 2 men and 5 women, which according to 99b requirements of the Danish Financial Statements Act is considered an equal distribution.

Furthermore, GE Healthcare Danmark A/S acts in accordance to GE's Code of Conduct, the company and its employees will help to create an atmosphere where fair employment terms apply to all members of a diverse GE community.

## Management's review

### Operating review

#### Data ethics

The Spirit & The Letter 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. Policies can be found here: <https://inside.integrity.ge.com/>

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

#### Research and development activities

Research and development activities are primarily carried out in other companies in the General Electric Group. However, our clinical and development collaboration with the Danish public institutions has increased significantly during 2021, when several major research agreements, principally in the field of artificial intelligence, were signed between GE Healthcare and hospitals / universities. Going forward these collaborations will be further expanded and strengthened.

GEHC Global has supported medical research in the Danish market by allocating critical programs to Danish Hospitals and has invested in dedicated local research staff as well as parts of GE's Edison IT infrastructure, which will be installed at a central Danish hospital.

As an important part of the collaboration with our customers, the frequency of training and application courses has increased significantly. As Covid19 has put an end to physical gathering, our virtual possibilities have expanded significantly.

We now conduct training and product presentations virtually.

This effort not only improves the quality of the utilization of our products, but also leads to a better understanding of the need for new, often digital, functionality built into the latest diagnostic equipment - which further increases both daily use and the opportunity to conduct advanced research on our equipment.

The company's management has on several occasions at professional seminars been asked to give key lectures on innovation - especially on artificial intelligence.

## Financial statements for the period 1 January – 31 December

### Income statement

DKK'000	Note	<u>2021</u>	<u>2020</u>
Revenue	2	378,296	385,696
Production costs	3	<u>-288,833</u>	<u>-288,659</u>
<b>Gross profit</b>		<b>89,463</b>	<b>97,037</b>
Distribution costs	3	-74,037	-75,440
Administrative expenses	3,4	<u>-1,261</u>	<u>-3,073</u>
<b>Operating profit</b>		<b>14,165</b>	<b>18,524</b>
Financial income	5	68	265
Financial expenses	6	<u>-161</u>	<u>-1,278</u>
<b>Profit from ordinary activities</b>		<b>14,072</b>	<b>17,511</b>
<b>Profit before tax</b>		<b>14,072</b>	<b>17,511</b>
Tax on profit for the year	7	<u>-3,132</u>	<u>-3,897</u>
<b>Profit for the year</b>	8	<u><b>10,940</b></u>	<u><b>13,614</b></u>

## Financial statements for the period 1 January – 31 December

### Balance sheet

DKK'000	Note	2021	2020
<b>ASSETS</b>			
<b>Fixed assets</b>			
<b>Property, plant and equipment</b>			
Fixtures and fittings, tools and equipment		117	0
Leasehold Improvements		97	0
Asset under construction		207	0
<b>Total fixed assets</b>	9	<b>421</b>	<b>0</b>
<b>Current assets</b>			
<b>Inventories</b>			
Finished goods		5,999	10,253
<b>Total Inventories</b>		<b>5,999</b>	<b>10,253</b>
<b>Receivables</b>			
Trade receivables		77,401	110,654
Receivables from group entities		154,528	156,255
Other receivables		27,851	28,068
Deferred tax asset	10	2,596	3,686
<b>Total Receivables</b>		<b>262,376</b>	<b>298,663</b>
<b>Total current assets</b>		<b>268,376</b>	<b>308,916</b>
<b>TOTAL ASSETS</b>		<b>268,797</b>	<b>308,916</b>

## Financial statements for the period 1 January – 31 December

### Balance sheet

DKK'000	Note	<u>2021</u>	<u>2020</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	11	500	500
Proposed Dividend		65,000	0
Retained earnings		42,054	70,839
<b>Total equity</b>		<b><u>107,554</u></b>	<b><u>71,339</u></b>
<b>Provisions</b>			
Other provisions	12	5,389	5,222
<b>Total provisions</b>		<b><u>5,389</u></b>	<b><u>5,222</u></b>
<b>Liabilities other than provisions</b>			
<b>Non-current liabilities other than provisions</b>	13	<b><u>0</u></b>	<b><u>0</u></b>
<b>Current liabilities other than provisions</b>			
Trade payables		6,892	8,393
Payables to group entities		36,510	84,218
Joint taxation contribution payable		2,043	2,962
Other payables		49,550	72,250
Deferred income	14	60,859	64,532
<b>Total current liabilities other than provisions</b>		<b><u>155,854</u></b>	<b><u>232,355</u></b>
<b>Total liabilities including provisions</b>		<b><u>161,243</u></b>	<b><u>237,577</u></b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b><u><u>268,797</u></u></b>	<b><u><u>308,916</u></u></b>

## Financial statements for the period 1 January – 31 December

### Balance sheet

- 15 **Mortgages and collateral**
- 16 **Contingencies, etc.**
- 17 **Related party disclosures**



## Financial statements for the period 1 January – 31 December

### Statement of changes in equity

DKK'000	<u>Share capital</u>	<u>Retained earnings</u>	<u>Proposed dividend</u>	<u>Total</u>
Equity at 1 January 2021	500	70,839	0	71,339
Proposed dividend		-65,000	65,000	0
Profit for the year		10,940		10,940
Contribution from group companies		<u>25,276</u>		<u>25,276</u>
Equity at 31 December 2021	<u><b>500</b></u>	<u><b>42,054</b></u>	<u><b>65,000</b></u>	<u><b>107,554</b></u>

## Financial statements for the period 1 January – 31 December

### Notes

#### 1 Accounting policies

The annual report of GE Healthcare Danmark A/S for 2021 has been prepared in accordance with the provisions applying to reporting class C entities (large-sized) under the Danish Financial Statements Act.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

The annual report of GE Healthcare Danmark A/S is included in the consolidated financial statements of General Electric Company.

#### Cash flow statement

Pursuant to section 86(4) of the Danish Financial Statements Act, a cash flow statement has not been prepared as the Company's cash flows are included in the consolidated cash flow statement of General Electric Company.

#### Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

#### Income statement

##### Revenue

As in prior years, revenue comes from sale of medical equipment and related services.

IFRS 15 establishes a five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognised at an amount that reflects the consideration which an entity expects to be entitled in exchange for transferring goods or services to a customer.

Revenue for selling healthcare equipment is recognised when control is transferred to customers at a point in time when delivery is complete. Revenue from part sales is also recognised at a point in time when control is transferred to customers typically upon completion of delivery.

Revenue from service contracts is recognised in the income statement on a straight-line basis over the term of the service contract. Installation of equipment sold is considered a separate performance obligation for which revenue is to be recognised over time.

Revenue is recognised excluding VAT, taxes and discounts in connection with the sale.

## Financial statements for the period 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

##### Production costs

Production costs comprise costs incurred in generating revenue for the year that are a direct consequence of revenue. As the Company has no production and is solely a distributor, costs primarily include cost of sales in connection with the sale of MedTech equipment, costs for installation and service on equipment sold as well as commission for sales staff.

##### Distribution costs

Costs incurred in distributing goods and services sold during the year and in conducting sales campaigns, etc., during the year are recognised as distribution costs. Also, costs relating to sales staff, rent, advertising, exhibitions and depreciation are recognised as distribution costs.

##### Administrative expenses

Administrative expenses comprise expenses incurred during the year for company management and administration, including expenses for administrative staff and accounting staff and other administrative expenses.

##### Financial income and expenses

Financial income and expenses comprise interest income and expense, gains and losses on transactions denominated in foreign currencies as well as surcharges and refunds under the on-account tax scheme, etc.

##### Tax on profit/loss for the year

Tax for the year comprises current tax for the year and changes in deferred tax. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to amounts directly recognised in equity is recognised directly in equity.

The Company is subject to the Danish rules on mandatory joint taxation of the GE Group's Danish companies. As a result, the Company settles all payments of corporation tax via payment of joint taxation contribution to the administrative company.

## Financial statements for the period 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

##### Balance sheet

##### Property, plant and equipment

Fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses. Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use. Depreciation is provided on a straight-line basis over the expected useful life. The expected useful lives are as follows:

Fixtures and fittings, tools and equipment, leasehold improvement: 3-5 years

The useful life and residual value are reassessed annually. Changes are treated as accounting estimates, and the effect on depreciation is recognised prospectively.

##### Impairment of assets

The carrying amount of property, plant and equipment is subject to an annual test for indications of impairment other than the decrease in value reflected by amortisation or depreciation.

Impairment tests are conducted of individual assets or groups of assets when there is an indication that they may be impaired. Write-down is made to the recoverable amount if this is lower than the carrying amount.

The recoverable amount is the higher of an asset's net selling price and its value in use. The value in use is determined as the present value of the expected net cash flows from the use of the asset or the group of assets.

##### Inventories

Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value.

Goods for resale and raw materials and consumables are measured at cost, comprising purchase price plus delivery costs.

The net realisable value of inventories is calculated as the sales amount less costs of completion and costs necessary to make the sale and is determined taking into account marketability, obsolescence and development in expected selling price.

##### Receivables

Receivables are measured at amortised cost.

Write-down is made for bad debt losses where there is an objective indication that a receivable has been impaired. If there is an objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

Write-downs are calculated as the difference between the carrying amount of receivables and the present value of forecast cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

## Financial statements for the period 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

##### Equity – dividend

Proposed dividends are recognised as a liability at the date when they are adopted at the annual general meeting (declaration date). The expected dividend payment for the year is disclosed as a separate item under equity.

##### Provisions

Provisions comprise anticipated costs related to warranties and asset retirement obligation. Warranties comprise obligations to make good any defects within the warranty period of 1-3 years. Provisions for warranties are measured and recognised based on past experience. Asset retirement obligation comprises of the liability to return the company's rented offices to its original state and measured at fair value.

##### Financial liabilities

Other liabilities, comprising payables to suppliers, group entities as well as other payables, are recognised at amortised cost.

##### Deferred income

Deferred income recognized under liabilities comprises accrued income concerning service contracts, etc.

##### Corporation tax and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities. Where alternative tax rules can be applied to determine the tax value, for instance in respect of shares, deferred tax is measured based on the planned use of the asset or settlement of the liability, respectively.

Deferred tax assets, including the tax value of tax loss carryforwards, are measured at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity.

Deferred tax is measured in accordance with the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax.

Changes in deferred tax as a result of changes in tax rates are recognised in the income statement.

## Financial statements for the period 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

##### Financial ratios

The financial ratios stated in the survey of financial highlights have been calculated as follows:

Operating margin	$\frac{\text{Operating profit x 100}}{\text{Revenue}}$
Gross margin	$\frac{\text{Gross profit x 100}}{\text{Revenue}}$
Solvency ratio	$\frac{\text{Equity at year end x 100}}{\text{Total equity and liabilities at year end}}$
Return on equity	$\frac{\text{Profit from ordinary activities after tax x 100}}{\text{Average equity}}$

#### 2 Segment information

Segment information is provided on business segments and geographical markets. The segment information is in line with the Company's accounting policies, risks and internal financial management.

DKK'000	<u>Denmark</u>	<u>Exports</u>	<u>Total</u>
<b>2021</b>			
Sale of goods and service contracts	360,250	0	360,250
Sale of goods and services to group entities	<u>0</u>	<u>18,046</u>	<u>18,046</u>
	<b><u>360,250</u></b>	<b><u>18,046</u></b>	<b><u>378,296</u></b>
<b>2020</b>			
Sale of goods and service contracts	374,398	0	374,398
Sale of goods and services to group entities	<u>0</u>	<u>11,298</u>	<u>11,298</u>
	<b><u>374,398</u></b>	<b><u>11,298</u></b>	<b><u>385,696</u></b>

## Financial statements for the period 1 January – 31 December

### Notes

#### 3 Staff costs

DKK'000	2021	2020
Wages and salaries	53,260	59,047
Pensions	4,192	4,474
Other social security costs	114	316
	<b>57,566</b>	<b>63,837</b>
Average number of employees	53	60

Information about remuneration of the Board of Directors and the Executive Board has been omitted in accordance with section 98b(3)(ii) of the Danish Financial Statements Act.

#### 4 Fees to auditor appointed at the general meeting

DKK'000	2021	2020
Statutory audit	193	222
Non-audit services	0	7
	<b>193</b>	<b>229</b>

#### 5 Financial income

DKK'000	2021	2020
Foreign exchange gains	68	265
	<b>68</b>	<b>265</b>

#### 6 Financial expenses

DKK'000	2021	2020
Interest expense, group entities	0	1,017
Foreign exchange losses	0	1
Other interest expense	161	260
	<b>161</b>	<b>1,278</b>

## *Financial statements for the period 1 January – 31 December*

### Notes

#### 7 Tax on profit/loss for the year

DKK'000	<u>2021</u>	<u>2020</u>
Current tax for the year	2,043	2,962
Deferred tax adjustment for the year	<u>1,089</u>	<u>935</u>
	<b><u>3,132</u></b>	<b><u>3,897</u></b>

#### 8 Profit appropriation/distribution of loss

DKK'000	<u>2021</u>	<u>2020</u>
Proposed dividend	65,000	0
Retained earnings	<u>-54,060</u>	<u>13,614</u>
	<b><u>10,940</u></b>	<b><u>13,614</u></b>



## Financial statements for the period 1 January – 31 December

### Notes

#### 9 Property, plant and equipment

DKK'000	Fixtures and fittings, tools and equipments	Leasehold improvements	Asset under constuction
Costs beginning of year	1044	0	0
Additions	152	100	459
Disposals	0	0	-252
Cost end of year	<u>1196</u>	<u>100</u>	<u>207</u>
Depreciation and impairment losses beginning of year	-1044	0	0
Depreciation for the year	-34	-3	0
Depreciation and impairment losses end of year	<u>-1078</u>	<u>-3</u>	<u>0</u>
Carrying amount end of year	<u><b>117</b></u>	<u><b>97</b></u>	<u><b>207</b></u>

#### 10 Deferred tax

DKK'000	2021	2020
Deferred tax asset 1 January	3,686	4,621
Deferred tax adjustment	-1,089	-935
Deferred tax asset 31 December	<u><b>2,597</b></u>	<u><b>3,686</b></u>

The tax asset is recognised in accordance with Management's expectations of the Company's future earnings and expects to be utilized within 3-5 years.

#### 11 Share capital

The share capital consists of 5,000 shares of nom. DKK 100 each. All shares rank equally.

The share capital has not changed in the last five years.

## Financial statements for the period 1 January – 31 December

### Notes

#### 12 Other provisions

DKK'000	<u>2021</u>	<u>2020</u>
Warranty	4,531	4,287
Asset retirement obligation reserve	<u>858</u>	<u>935</u>
	<u><b>5,389</b></u>	<u><b>5,222</b></u>
The provisions are expected to be activated as follows:		
0-1 year	4,506	
1-5 year	883	
> 5 years	<u>0</u>	
	<u><b>5,389</b></u>	

Assuming that asset retirement obligation reserve will be used when contract expires in November 2024.

#### 13 Non-current liabilities other than provisions

No balance to detail.

#### 14 Deferred income

The item comprises deferred income related to future upgrading of scanners and deferred income related to service contracts.

#### 15 Mortgages and collateral

The Company's bank has provided collateral towards third parties in the amount of DKK 1.2 million (2020: DKK 1.2 million).

#### 16 Contingencies, etc.

##### Operating leases

The Company has entered into operating leases regarding cars. The remaining terms of the leases are 1-35 months, and the total residual lease payment amounts to DKK 2,100 thousand (2020: DKK 1,668 thousand).

##### Lease obligation

Office facilities are leased from DADES AS at an annual lease payment of DKK 800 thousand (2020: DKK 800 thousand). The contract has been renewed in 2020 and the lease is non-cancellable for the tenant until 30 November 2024. Subsequently, it is cancellable by GE Healthcare Danmark A/S at 12 months' notice. The minimum lease obligation amounts to DKK 2,497 thousand (2020: DKK 3,297 thousand).

##### Taxation

The Company is jointly taxed with all Danish entities in the GE Group. The Company has joint and several unlimited liability for Danish corporation taxes and withholding taxes on dividends, interest and royalties.

## Financial statements for the period 1 January – 31 December

### Notes

#### 17 Related parties disclosures

GE Healthcare Danmark A/S' related parties comprise the following:

##### Parties exercising control

GE Healthcare BVBA, Kouterveldstraat 20, 1831 Diegem, Belgium and this company's parent companies.

##### Related party transactions

Factoring related with GE Capital Commercial Funding B.V. agreement terminated in November 2020.

The Company is included in a cash pool scheme with associates administered by General Electric International (Benelux) B.V. Receivable from group entities consist of DKK 148,509 thousand (2020: DKK 142,605 thousand) receivable from cash pooling.

All other intercompany balances comprise trade balances related to purchase and sale of goods and services.

DKK'000	2021
Sale of goods to group enterprises, revenue	4,379
Sale of services to group enterprises	13,667
Purchase of goods from group enterprises	-239,381
Purchase of services from group enterprises	-20,616

Intercompany balances as of balance sheet date is disclosed under assets and liabilities.

Purchase of services from group enterprises consists of licencing fee and management fee. Interest income and expenses with respect to group entities are disclosed in Note 6.

No transaction have been carried out with the Board of Directors, the Executive Management, senior employees, major shareholders or other related parties, apart from ordinary remuneration.

##### Ownership

The following shareholder is registered in the Company's register of shareholders as holding 100% of the votes and 100% of the share capital:

GE Healthcare BVBA  
Kouterveldstraat 20  
1831 Diegem  
Belgium

GE Healthcare Danmark A/S is part of the Consolidated financial statements of General Electric Company, 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, are available at the Company's address.

<https://www.ge.com/investor-relations/annual-report>