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GE Medical Holding AB
Org nr 556648-9315

Årsredovisning för räkenskapsåret 2022

Styrelsen avger följande årsredovisning.

Innehåll Sida

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Om inte annat särskilt anges, redovisas alla belopp i tusental kronor. Uppgifter inom parentes avser föregående år.

Undertecknad styrelseledamot/VD i GE Medical Holding AB intygar, dels att denna kopia av årsredovisningen överrensstämmer med originalet, dels att resultaträkningen och balansräkningen fastställts på årsstämma den 2023.06.30.

Årsstämman beslöt att godkänna styrelsens förslag till vinstdisposition.

Stockholm **den** 2023.06.30

Namnförtydligande:

JOHN LINDWERT

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Förvaltningsberättelse

Information om verksamheten

GE Medical Holding AB verksamhet består av förvaltning av aktier i dotterbolag. Bolaget har inte haft några anställda och inga löner eller ersättningar har betalats ut under räkenskapsåret.

Bolaget är har sitt säte i Stockholm. Bolaget är undantaget från lagstadgad revision.

Ägarförhållande

GE Medical Holding AB ett helägt dotterbolag till Instrumentarium Holdings, Inc, med säte i Wauwatosa, Delaware, USA. Moderbolaget i den största koncern där bolaget är dotterföretag och koncernredovisning upprättas är General Electric Company, registrerat i New York, med säte i Boston, Massachusetts, USA. Koncernredovisning upprättas ej i Sverige med hänsyn till ÅRL kap 7:2. Det yttersta moderföretagets koncernredovisning finns att tillgå hos GE Medical Holding AB, 556648-9315, Box 70 Vendevägen 89, 182 11 Danderyd, alternativt på www.ge.com.

Från och med 4 januari 2023 har bolaget en ny yttersta koncernmoder i GE HealthCare Technologies Inc (88-2515116), registrerat i Delaware, med säte i 500 W. Monroe Street, Chicago, Illinois 60661, USA. Se ytterligare information i not Väsentliga händelser efter räkenskapsåret slut.

Flerårsjämförelse

		2022	2021	2020	2019
Resultat efter finansiella poster	tkr	11 962 460	151 676	2 484	72 947 727
Balansomslutning	tkr	25 928 260	26 039 706	25 928 563	122 504 348
Soliditet	%	99,9	100,0	99,9	99,9

Nyckeltalsdefinitioner framgår av not 1

Fotokopians överensstämmelse med originalet intygas

JOHN LINDWERT
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Väsentliga händelser under räkenskapsåret

Bolaget har under räkenskapsåret genomfört följande transaktioner/väsentliga händelser:

Den 23:e november 2021, undertecknades fusionplan där dotterbolaget GE Healthcare Sweden Holding AB (556771-4257) fusioneras in i GE Medical Holding AB (556648-9315). Fusionen verkställdes 14 februari 2022, då dotterbolaget uppgick i Bolaget. Övertagna tillgångarna och skulder har övertagits till bokförda värden. Fusiondifferens redovisad i eget kapital om -33 tkr.

I maj 2022 erhålls en utdelning från dotterbolaget GE Healthcare Holding A/S om 4 000 MNOK. GE Medical Holding AB lämnar samma dag en extra vinstutdelning till Instrumentarium Holdings, Inc. om 4 330 MSEK.
I oktober 2022 erhålls ytterligare en utdelning från GE Healthcare Holding A/S om 7 339 MNOK. GE Medical Holding AB lämnar samma dag en extra vinstutdelning till Instrumentarium Holdings, Inc. om 7 760 MSEK.

Förändring av eget kapital (tkr)

	Aktie-kapital	Reserv-fond	Övrigt fritt eget kapital	Summa eget kapital
Eget kapital 2021-12-31	**100**	**20**	**26 039 556**	**26 039 676**
Lämnad utdelning			-12 090 240	-12 090 240
Fusionsdifferens			-33	-33
Årets resultat			11 962 460	11 962 460
Eget kapital 2022-12-31	**100**	**20**	**25 911 743**	**25 911 863**

Aktiekapitalet 1 000 st aktier á 100 kr

Fotokopians överensstämmelse
med originalet intygas

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Förslag till vinstdisposition

Till årsstämmans förfogande står följande vinstmedel
(i kronor)

Balanserade vinstmedel		13 949 282 512
Årets resultat		11 962 460 133
	kronor	25 911 742 645

Styrelsen föreslår att vinstmedlen disponeras så att

i ny räkning överförs		25 911 742 645
	kronor	25 911 742 645

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Resultaträkning

	Not	2022	2021
Rörelsens kostnader			
Övriga externa kostnader		-101	-161
Summa rörelsens kostnader		-101	-161
Rörelseresultat		-101	-161
Resultat från finansiella poster			
Resultat från andelar i koncernföretag	3	11 963 176	153 902
Ränteintäkter och liknande resultatposter	4	586	98
Räntekostnader och liknande resultatposter	5	-1 201	-2 163
Summa resultat från finansiella poster		11 962 561	151 837
Resultat efter finansiella poster		11 962 460	151 676
Skatt på årets resultat	6	0	-15 390
Årets vinst		11 962 460	136 286

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Balansräkning	**Not**	**2022-12-31**	**2021-12-31**
Tillgångar			
Anläggningstillgångar			
Finansiella anläggningstillgångar			
Andelar i koncernföretag	7	25 928 254	25 928 557
Summa anläggningstillgångar		25 928 254	25 928 557
Omsättningstillgångar			
Kortfristiga fordringar			
Fordringar hos koncernföretag		0	111 143
Övriga kortfristiga fordringar		6	6
Summa omsättningstillgångar		6	111 149
Summa tillgångar		25 928 260	26 039 706

Innehåll Originalet i myndighetens

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Balansräkning	**Not**	**2022-12-31**	**2021-12-31**
Eget kapital och skulder			
Eget kapital			
Bundet eget kapital			
Aktiekapital		100	100
Reservfond		20	20
		120	120
Fritt eget kapital			
Balanserat resultat		13 949 283	25 903 270
Årets vinst		11 962 460	136 286
		25 911 743	26 039 556
Summa eget kapital		25 911 863	26 039 676
Kortfristiga skulder			
Skulder till koncernföretag	8	16 397	30
Summa kortfristiga skulder		16 397	30
Summa eget kapital och skulder		25 928 260	26 039 706

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Noter

Not 1 Redovisnings- och värderingsprinciper

Bolaget upprättas koncern- och årsredovisningarna med tillämpning av årsredovisningslagen och Bokföringsnämndens allmänna råd BFNAR 2012:1 Årsredovisning och koncernredovisning (K3).

Utländska valutor
Tillgångar och skulder i utländsk valuta värderas till balansdagens kurs. Transaktioner i utländsk valuta omräknas enligt transaktionsdagens avistakurs.

Intäkter
Intäkter som intjänats intäktsredovisas enligt följande:
Ränteintäkter; i enlighet med effektiv avkastning.
Erhållen utdelning; när rätten att erhålla utdelning bedöms som säker.

Inkomstskatter
Redovisade inkomstskatter innefattar skatt som skall betalas eller erhållas avseende aktuellt år, justeringar avseende tidigare års aktuella skatt. Skatteskulder/-fordringar värderas till vad som enligt företagets bedömning skall erläggas eller erhållas från Skatteverket. Bedömningen görs enligt de skatteregler och skattesatser som är beslutade eller som aviseras och med stor säkerhet kommer att fastställas. För poster som redovisas i resultaträkningen, redovisas även därmed sammanhängande skatteeffekter i resultaträkningen. Skatteeffekter av poster som redovisas direkt mot eget kapital redovisas mot eget kapital.
Uppskjuten skatt avseende framtida skatteeffekter redovisas i resultat- och balansräkningen. Uppskjuten skattefordran avseende underskottsavdrag eller andra framtida skattemässiga avdrag redovisas i den utsträckning det är sannolikt att avdraget kan avräknas mot överskott vid framtida beskattning.

Nedskrivningar
När det finns en indikation på att en tillgång eller en grupp av tillgångar minskat i värde görs en bedömning av dess redovisade värde. I de fall det redovisade värdet överstiger det beräknade återvinningsvärdet skrivs det redovisade värdet omedelbart ned till detta återvinningsvärde. Nedskrivningen ingår i resultaträkningens post resultat från finansiella poster.

Finansiella tillgångar och skulder
Finansiella tillgångar och skulder redovisas i enlighet med kapitel 11 (Finansiella instrument värderade utifrån anskaffningsvärdet) i BFNAR 2012:1.

Redovisning i och borttagande från balansräkningen
En finansiell tillgång eller finansiell skuld tas upp i balansräkningen när företaget blir part i instrumentets avtalsmässiga villkor. En finansiell tillgång tas bort från balansräkningen när den avtalsenliga rätten till kassaflödet från tillgången har upphört eller reglerats. Detsamma gäller när de risker och fördelar som är förknippade med innehavet i allt väsentligt överförts till annan part och företaget inte längre har kontroll över den finansiella tillgången. En finansiell skuld tas bort från balansräkningen när den avtalade förpliktelsen fullgjorts eller upphört.

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Värdering av finansiella tillgångar
Finansiella tillgångar värderas vid första redovisningstillfället till anskaffningsvärde, inklusive eventuella transaktionsutgifter som är direkt hänförliga till förvärvet av tillgången.
Finansiella omsättningstillgångar värderas efter första redovisningstillfället till det lägsta av anskaffningsvärdet och nettoförsäljningsvärdet på balansdagen.

Finansiella anläggningstillgångar värderas efter första redovisningstillfället till anskaffningsvärde med avdrag för eventuella nedskrivningar och med tillägg för eventuella uppskrivningar.
Räntebärande finansiella tillgångar värderas till upplupet anskaffningsvärde med tillämpning av effektivräntemetoden.

Värdering av finansiella skulder
Finansiella skulder värderas till upplupet anskaffningsvärde. Utgifter som är direkt hänförliga till upptagande av lån korrigerar lånets anskaffningsvärde och periodiseras enligt effektivräntemetoden.

Fusion
Bolaget tillämpar BFNAR 2020:5 vid fusion. Övertagna tillgångarna och skulder har övertagits till bokförda värden.

Fordringar
Fordringar med förfallodag mer än 12 månader efter balansdagen redovisas som anläggningstillgångar, övriga som omsättningstillgångar. Fordringar upptas till det belopp som efter individuell prövning beräknas bli betalt.

Eventualförpliktelser
En eventualförpliktelse redovisas när det finns:
-En möjlig förpliktelse som härrör till följd av inträffade händelser och vars förekomst endast kommer att bekräftas av en eller flera osäkra framtida händelser, som inte helt ligger inom företagets kontroll, inträffar eller uteblir, eller
-En befintlig förpliktelse till följd av inträffade händelser, men som inte redovisas som skuld eller avsättning eftersom det inte är sannolikt att ett utflöde av resurser kommer att krävas för att reglera förpliktelsen eller förpliktelsens storlek inte kan beräknas med tillräcklig tillförlitlighet.

Nyckeltalsdefinitioner

Soliditet
Eget kapital och obeskattade reserver (med avdrag för uppskjuten skatt) i förhållande till balansomslutningen.

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Not 2 Uppskattningar och bedömningar

Upprättandet av de finansiella rapporterna i enlighet med K3 kräver att företagsledningen och styrelsen gör uppskattningar och bedömningar samt gör antaganden som påverkar tillämpningen av redovisningsprinciperna och de redovisade beloppen av tillgångar, skulder, intäkter och kostnader.

Uppskattningarna och bedömningarna är baserade på historiska erfarenheter och andra faktorer som under rådande förhållande den anses vara rimliga. Resultatet av dessa uppskattningar och bedöm-ningar används sedan för att fastställa de redovisade värdena på tillgångar och skulder som inte annars framgår tydligt från andra källor. Det slutliga utfallet kan komma att avvika från resultatet av dessa uppskattningar och bedömningar. Uppskattningarna och bedömningarna ses över regelbundet.

Effekterna av ändringar i uppskattningar redovisas i den period ändringen görs om ändringen endast påverkat denna period, eller i den period ändringen görs och framtida perioder om ändringen påverkar både aktuell period och framtida perioder.

Not 3 Resultat från andelar i koncernföretag

	2022	2021
Utdelningar	11 963 176	153 902
Summa	11 963 176	153 902

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Not 4 Övriga ränteintäkter och liknande resultatposter

	2022	2021
Ränteintäkter koncern	586	98
Summa	586	98

Not 5 Räntekostnader och liknande resultatposter

	2022	2021
Kursdifferenser	-895	-2 092
Räntekostnader koncern	-306	-71
Summa	-1 201	-2 163

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Not 6 Skatt på årets resultat

	2022	2021
Aktuell skatt	0	0
Skatt utdelning	0	-15 390
Skatt på årets resultat	0	-15 390
Redovisat resultat före skatt	11 962 460	151 676
Skatt beräknad enligt gällande skattesats (20,6%)	-2 464 267	-31 245
Skatteeffekt av ej skattepliktiga intäkter	2 464 414	31 704
Skatteeffekt av ej avdragsgilla kostnader	-63	-15
Skatteeffekt till följd av skapade underskott	-84	-444
Utländsk skatt	0	-15 390
Redovisad skattekostnad	0	-15 390

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Not 7 Andelar i koncernföretag

	2022	2021
Ingående ackumulerade anskaffningsvärden	110 130 169	110 130 169
Genom fusion	-59 463 264	0
Utgående ackumulerade anskaffningsvärden	50 666 905	110 130 169
Ingående nedskrivningar	-84 201 612	-84 201 612
Genom fusion	59 462 961	0
Utgående ackumulerade nedskrivningar	-24 738 651	-84 201 612
Utgående redovisat värde	25 928 254	25 928 557

Namn	Org nr	Säte	Kapital-andel (%)
GE Healthcare Korea, Inc	129-81-14880	Seongnam, Kor	100 (100)
GE Healthcare Holding AS	987015225	Oslo, Nor	100 (100)

Moderbolaget	Kapital-andel %	Rösträtts-andel %	Antal aktier	Bokfört värde 22-12-31	Bokfört värde 21-12-31
GE Healthcare Korea, Inc	100	100	25 000	105 805	105 805
GE Healthcare Holding AS	100	100	1 160 000	25 822 449	25 822 450
GE Healthcare Sweden Holding AB (fusionerad 14 feb 2022)	0	0	0	0	302
Summa				25 928 254	25 928 557

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Not 8 Upplåning

	2022-12-31	2021-12-31
Räntebärande skulder		
Kortfristiga skulder		
Cashpool koncern - GE Precision Healthcare LLC	-16 355	0
Summa	-16 355	0
Summa räntebärande skulder	-16 355	0

Not 9 Eventualförpliktelser

	2022-12-31	2021-12-31
Summa eventualförpliktelser	0	0

Not 10 Ställda säkerheter

	2022-12-31	2021-12-31
Summa ställda säkerheter	0	0

Not 11 Väsentliga händelser efter räkenskapsårets slut

Bolagets nya yttersta koncernmoder är GE HealthCare Technologies Inc, och ersätter General Electric Company (GE). GE HealthCare Holding LLC bildades som ett Limited Liability Company i Delaware 16 maj 2022 i syfte att framöver ta emot samtliga nettotillgångar i GE HealthCare. Den 29:e december 2022, omvandlades GE HealthCare Holding LLC till ett Delaware-bolag och namnändrades till GE HealthCare Technologies Inc. Separationen fullbordades på slutet av dagen den 3 januari 2023, genom utdelning av cirka 80.1 % av aktierna i GE HealthCare Technologies Inc, till de aktieägare som vid tidpunkten 16 december 2022 ägde aktier i General Electric Company, varpå GE HealthCare Technologies Inc, blev ett självständigt publikt bolag noterat under symbolen "GEHC" på Nasdaq Stock Market LLC. Bolagets första dag för handel på Nasdaq var 4 januari 2023.

GE HealthCare Technologies Inc (88-2515116), är registrerat i Delaware, med säte i 500 W. Monroe Street, Chicago, Illinois 60661, USA.

GE Medical Holding AB
556648-9315

Stockholm , 2023-06-29

John Lindwert
Ordförande

Tommy Fürsten

Sejal Dhillon

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General Electric Company

konsernredovisning 2022-12-31

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2022
ANNUAL REPORT

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FORWARD-LOOKING STATEMENTS

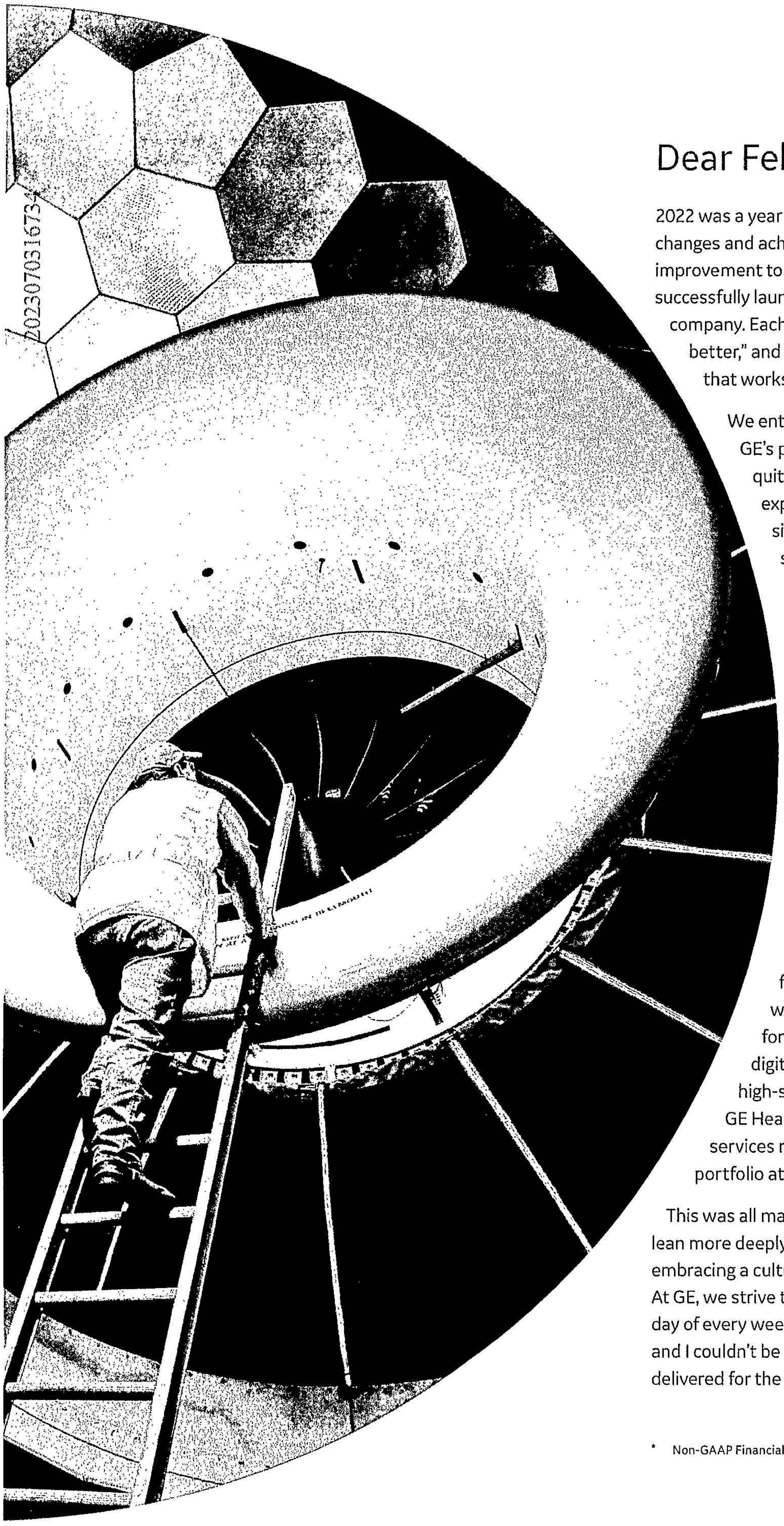
Some of the information we provide in this document is forward-looking and therefore could change over time to reflect changes in the environment in which GE competes. For details on the uncertainties that may cause our actual results to be materially different than those expressed in our forward-looking statements, see https://www.ge.com/investor-relations/important-forward-looking-statement-information. We do not undertake to update our forward-looking statements.

NON-GAAP FINANCIAL MEASURES

We sometimes use information derived from consolidated financial data but not presented in our financial statements prepared in accordance with U.S. generally accepted accounting principles (GAAP). Certain of these data are considered "non-GAAP financial measures" under the U.S. Securities and Exchange Commission rules. These non-GAAP financial measures supplement our GAAP disclosures and should not be considered an alternative to the GAAP measure. The reasons we use these non-GAAP financial measures and the reconciliations to their most directly comparable GAAP financial measures can be found on pages 19 and 26-29 of the Management's Discussion and Analysis within our Form 10-K and in GE's fourth-quarter 2022 earnings materials posted to ge.com/investor, as applicable.

INSIDE FRONT COVER

GE Aerospace is defining the future of flight. GE Aerospace's Mark Honigman inspects a GEnx engine, the fastest-selling widebody jet engine in GE Aerospace history, as it sits inside a Turbulence Control Structure (TCS) at Peebles Test Operations in Peebles, Ohio.



Dear Fellow Shareholder,

2022 was a year that propelled GE forward. Our changes and achievements were both small—one improvement to one process at one site—and big—successfully launching GE HealthCare as an independent company. Each was rooted in kaizen, "change to make it better," and delivered on our purpose to build a world that works.

We entered the year with a clear strategy for GE's path ahead and faced a world that looked quite different from what we expected. We experienced inflationary pressures not seen since the 1980s, geopolitical conflict, global supply chain challenges, and an enduring pandemic. In these times, we focused on "controlling the controllable," as my mentor at Danaher and GE alumnus George Sherman used to say, and by doing so, we advanced our plans to create independent, industry-leading public companies.

We maintained our day-to-day focus of meeting customer commitments and made significant operational progress while delivering strong financial performance. GE ended the year with solid revenue growth and margin expansion, and $4.8 billion of free cash flow.* GE Aerospace led the way with order and revenue growth above 20% for the year, and Power delivered double-digit order growth organically and achieved high-single-digit margins. And today, excluding GE HealthCare, higher-margin and more resilient services represent an even larger part of our portfolio at approximately 60% of our revenue.

This was all made possible by our team's embedding lean more deeply, putting our customers first, and embracing a culture of humility, transparency, and focus. At GE, we strive to make every hour of every day, every day of every week, every week of every month count, and I couldn't be prouder of the way our employees have delivered for the company and for each other.

* Non-GAAP Financial Measure

Solid Foundation

"Step by step and the bird makes its nest," Abdelhamid Chemami, Operations and Maintenance Specialist at Gas Power, wrote to me in November of 2022 as GE marked the one-year anniversary of the announcement of our spin plans. This message stuck with me. Throughout our journey over the past four years—step by step—we have built a stronger GE.

Our first priority was to reduce our debt load, and we have done so by over $100 billion since 2018—no small feat. Often there were hard decisions to make, but those choices have given us optionality to play more offense both organically and inorganically. Today our balance sheet is solid, and we are operating from a position of strength.

We are also focused on changing the way we work. A lean mindset focuses on safety, quality, delivery, and cost (SQDC)—in that order—and gives us the tools and instincts to make the right decisions and necessary trade-offs. By deeply embedding lean principles and tools, we are creating a problem-solving culture and serving our customers better.

While developing a lean mindset takes many years, we are gaining ground. At our GE Aerospace site in Greenville, South Carolina, our team performs complex machining operations and detailed inspections on high-pressure turbine blades. With a clear focus on reducing blade delivery lead time, the team created standard lines, which in turn improved part flow. This has reduced lead time by more than 10 days, with a clear target for more reduction to come, improving our operations for our customers and reducing inventory. This is just one of the countless examples of effective utilization of lean across GE.

Our progress on these priorities has made our foundation strong enough to launch three companies. More than a year after this announcement, the logic behind—and our conviction in—our historic transformation has only strengthened. Along the way, the feedback from our customers, investors, employees, and other stakeholders has been overwhelmingly positive.

Let's take a closer look at our businesses.

GE Aerospace

At GE Aerospace, we have a tremendously talented team, a highly differentiated product and technology portfolio, leading positions in attractive commercial and military sectors, and a bold vision for the future of flight.

In 2022, nearly 3 billion people flew with our technology under wing. We have nearly 41,000 commercial engines[1] at work in more than 70% of global airlines, and a diverse portfolio of more than 26,000 military engines. We take that responsibility seriously, living our purpose to invent the future of flight, lift people up, and bring them home safely.

A highlight in 2022 was being with the team and our customers at the Farnborough International Airshow—the industry's first major gathering since the pandemic began. As I looked across the tarmac and saw so many of our engines under wing, I felt a deep sense of pride and appreciation—for our employees who make it possible and for our customers who put their trust in us.

GE Aerospace's Tatum Ross is a Lead Manufacturing Engineer in Evendale, Ohio, seen here with a Passport engine.

A WINNING VALUE PROPOSITION

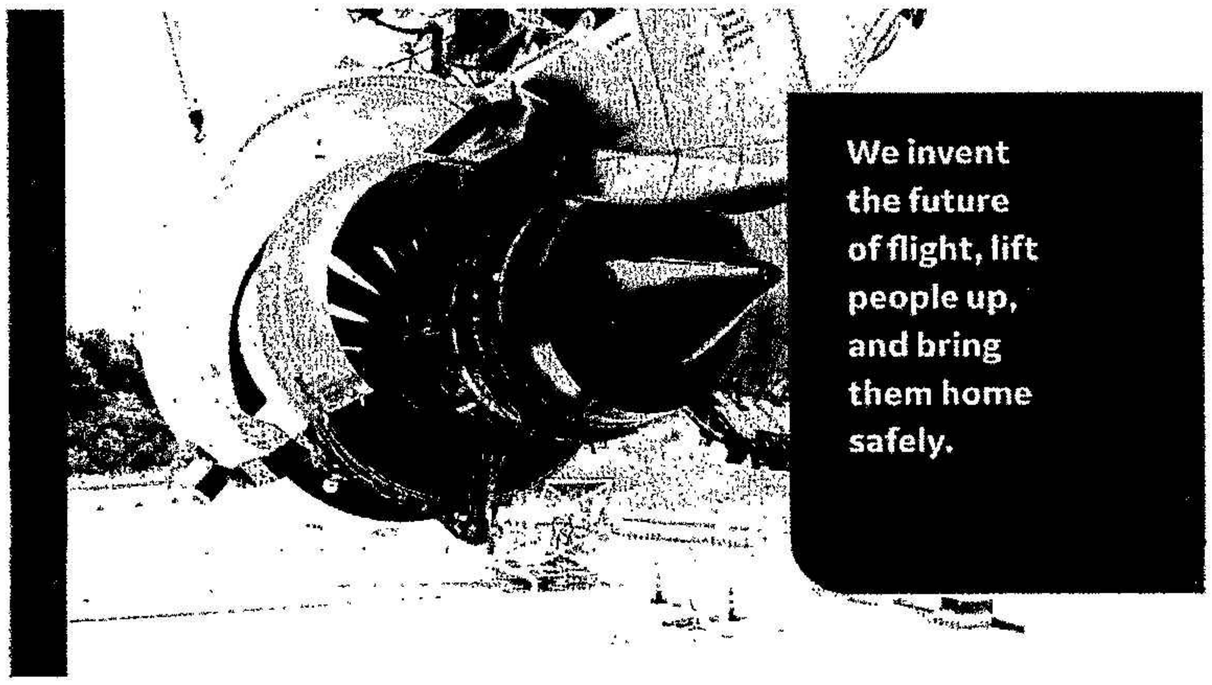
It's now been three years since the start of the pandemic, and the world is eager to travel. The commercial market recovery continues, and we expect total departures to return to 2019 levels in late 2023.

GE Aerospace is uniquely positioned to serve this market as customers expand and upgrade their fleets. Today we have new engines in each market segment that offer double-digit fuel burn reduction, lowering one of our customers' greatest variable costs. In 2022, CFM International, our joint venture with Safran, was selected by Delta Air Lines to deliver 200 CFM LEAP-1B engines to power its new fleet of Boeing 737-10 aircraft, with options for up to 60 additional engines. We also signed an order with Qatar Airways for GE9X engines to propel up to 50 of its Boeing 777-8 Freighters, as well as a services agreement to cover the maintenance, repair, and overhaul (MRO) of these engines.

Commercial departures are a leading indicator of shop visit demand, which we expect to grow by double digits in the year ahead. We have a diversified services portfolio with an extensive MRO network, providing us with full flexibility to meet customer needs. This year, both Delta TechOps and Air France Industries KLM Engineering &

1 Including GE and its joint venture partners

WE RISE TO THE CHALLENGE OF BUILDING A WORLD THAT WORKS



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Maintenance joined the global network of LEAP MRO facilities as we work to expand shop visit capacity for the rapidly growing fleet. This is one of many highlights of how we are continuing to serve our customers.

On the military side, national defense budgets are growing. In the U.S. alone, the Department of Defense increased its fiscal 2023 budget by 4%. Our business is focused on winning core platforms. Our groundbreaking XA100 fighter engine is the first and only adaptive cycle engine to successfully complete testing with the U.S. Air Force, confirming our ability to deliver 30% more range and twice the thermal management capability of the incumbent engine on the F-35 aircraft. In the face of rising geopolitical threats, we stand ready to bring this innovative engine that pairs power with efficiency to the F-35 fighter jet before the end of this decade.

In the rotorcraft segment, we began testing our T901 turboshaft engine, selected by the U.S. Army to replace our ubiquitous T700 powering the Black Hawk and Apache helicopters as well as the Future Attack Reconnaissance Aircraft. And we continue to expand our international efforts with allied nations, for example powering South Korea's KF-21 Boramae fighter with our F414 engines.

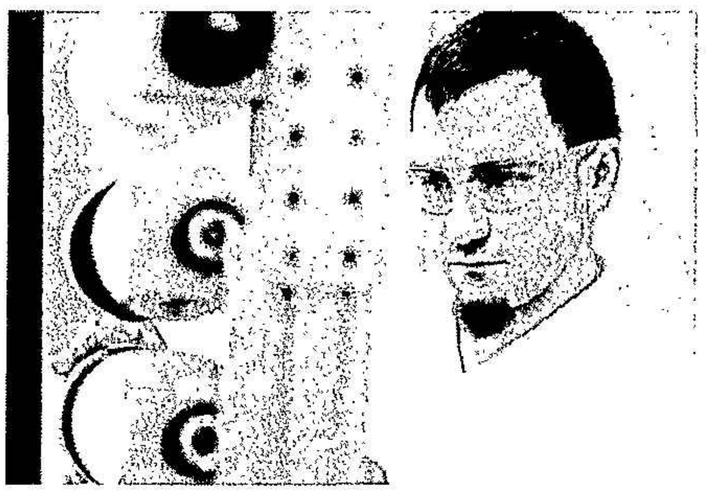
DELIVERING STRONG GROWTH IN 2022

Delivering on this unprecedented ramp starts with our team. The GE Aerospace leadership team balances unparalleled experience with fresh perspective, with nearly half of the leaders new to their roles in the past year.

We see an opportunity to accelerate our lean progress both within GE Aerospace and with our partners, suppliers, and customers. We have improved our operating rhythms, moving to a more frequent weekly and monthly cadence for each of our P&Ls. This helps us manage the business in real time and deliver better, faster, and more efficiently in a highly dynamic environment. To help improve engine delivery, for example, we reprioritized 20% of our existing engineers to solve problems closer to the point of impact and quicker through daily management. As a result, engine output was up year over year.

This year, we have taken steps to vertically integrate our P&Ls further, driving focus within the portfolio. For example, in our Commercial Engines and Services business, we are increasingly running our product lines as their own P&Ls, aligned with how our customers work with us. And we moved the Electric Power and Avionics teams to our Military business, aligning P&Ls with a strong military customer base. This granularity is improving our process capabilities, especially within our supply chain, and driving accountability closer to the customer.

Taken together, lean and decentralization are making a real impact. For the year, revenue was up 23% organically,* driven by Commercial Services, with internal shop visits up over 20%. Margins were 18.3%, and free cash flow* was $4.9 billion, driven by earnings and working capital.



GE Aerospace lab specialist Dakota Martin inspects spools of Ceramic Matrix Composite fiber, a centerpiece of GE Aerospace's 21st century commercial and military engine strategy.

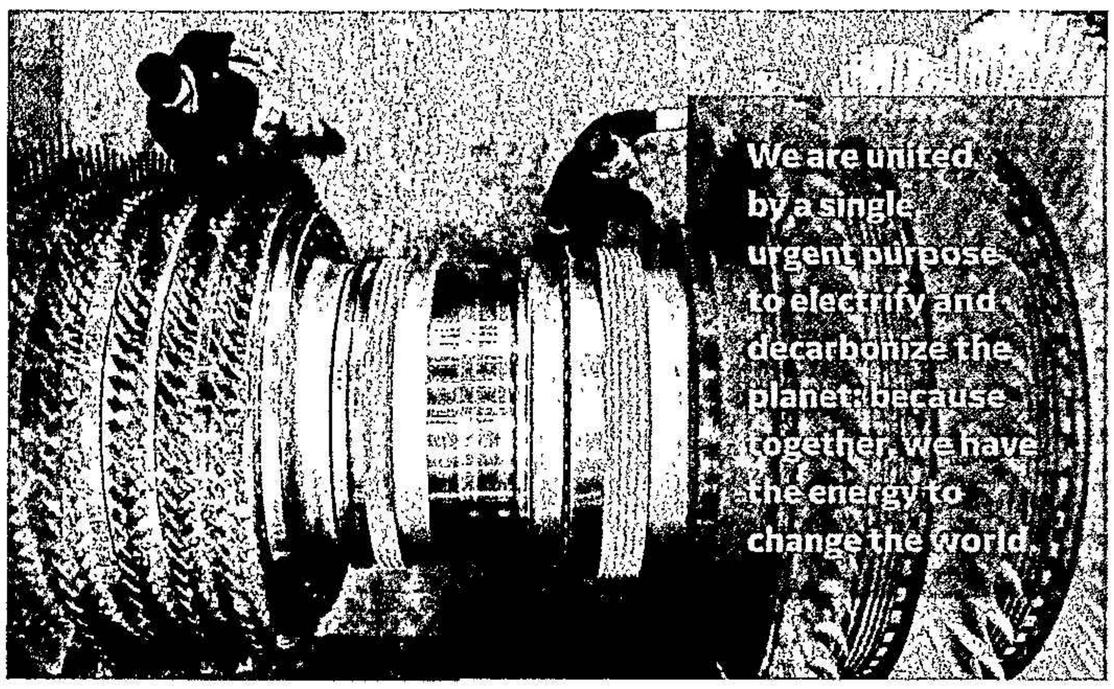
SHAPING THE FUTURE OF FLIGHT

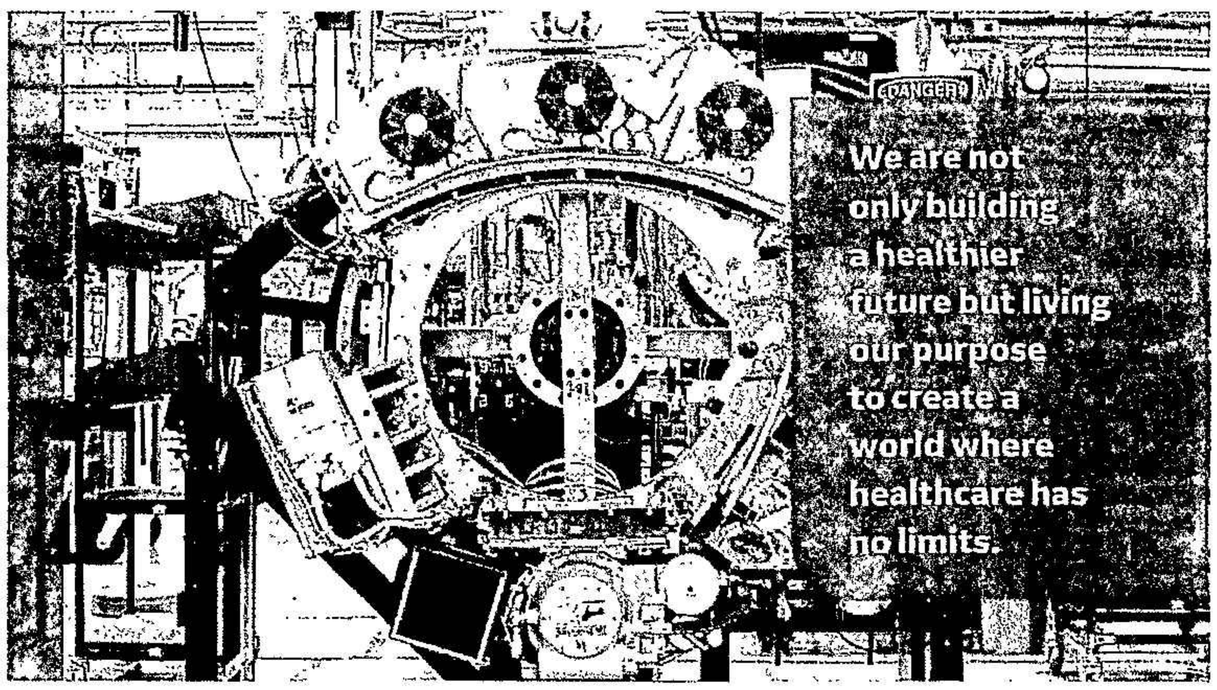
GE Aerospace has a bright future and, as the company that defines flight for the next generation, we have not taken our eye off our mission to create a smarter and more efficient future of flight. We are continuing our efforts to support use of sustainable aviation fuel, or SAF, which is vital to enabling the airline industry to meet its decarbonization goals.

The revolutionary CFM RISE Technology Demonstration Program is the manifestation of the deep commitment GE and Safran share for achieving ambitious goals for a sustainable future. Leveraging an open fan architecture, hybrid electric capability, and key materials technologies like additive manufacturing and ceramic matrix composites (CMCs), this program is aiming to reduce fuel consumption and CO2 emissions by more than 20% compared with today's most efficient engines. In 2022, we announced a new flight test program for a hydrogen combustion engine and an open fan flight test demonstration, both with Airbus. In hybrid electric, we are working with NASA and Boeing to fly a megawatt-class hybrid electric system. And our Avio Aero team will lead a European project to test a hybrid electric motor powered by hydrogen fuel cells.

Overall, GE Aerospace is an exceptional franchise. The quality of our technology and product development plans, the energy and collaboration of our team, and our unique positioning as the industry's largest and youngest fleet give us confidence that this business will generate significant value for decades to come.

* Non-GAAP Financial Measure





A STRONG RECORD OF LEADERSHIP

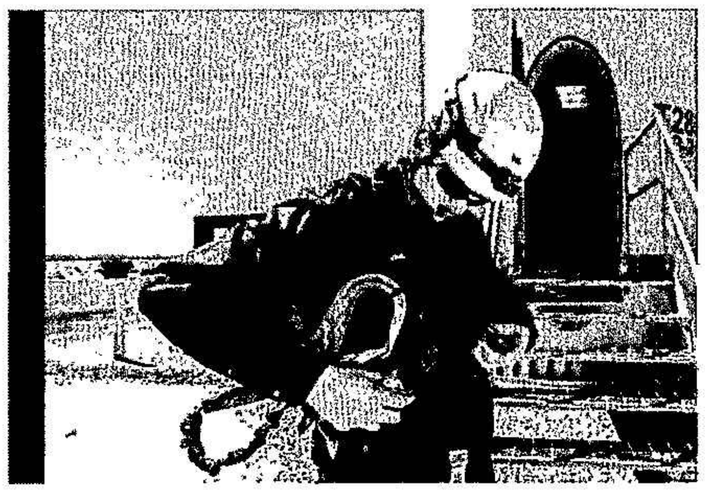
H. Lawrence Culp, Jr.
CEO, GE Aerospace
"GE Aerospace has a bright future, defining flight for the next generation."

Scott Strazik
CEO, GE Vernova
"Our strategic imperative to both electrify and decarbonize the world is a challenge that GE Vernova, our portfolio of energy businesses, was made to meet."

Peter Arduini
CEO, GE HealthCare
"As a new standalone company, GE HealthCare continues to deliver on its purpose to create a world where healthcare has no limits."

GE Vernova

GE's portfolio of energy businesses, now called GE Vernova, is helping the energy sector solve for sustainability, reliability, and affordability. With approximately 54,000 wind turbines and 7,000 gas turbines, GE Vernova helps generate 30% of the world's electricity and has a meaningful role to play in the energy transition. Our experienced leadership team brings industry expertise to drive business improvement and we are excited about its planned future as a standalone company.



Wind Technician Sage Thill performs a safety check as he prepares to perform maintenance on a 2 MW wind turbine at Pattern's Western Spirit wind farm in New Mexico.

AT THE CENTER OF A DYNAMIC AND GROWING MARKET

GE Vernova sits at the center of a dynamic and growing market. External catalysts, including U.S. climate legislation and constraints in the European energy market, are increasing investment in new decarbonization technologies, an area where GE Vernova's portfolio is uniquely positioned to lead. These catalysts also improve the long-term economic profile of the underlying businesses.

The U.S. Inflation Reduction Act is game-changing. It provides the certainty and stability our Renewable Energy customers need to make long-term investments, especially in onshore wind. GE Vernova's decarbonization technologies are aligned with the $370 billion in tax credits the bill provides. Additionally, the Infrastructure Investment and Jobs Act provides at least $65 billion for investment in grid, nuclear, and breakthrough technologies.

With Europe seeking to address energy security concerns, there is renewed urgency to reduce emissions and make energy more resilient, and there is pragmatism in doing so. The new EU taxonomy, for example, reinforces the important roles of gas and nuclear alongside renewables. Our customers in the region are engaging our full technology roadmap, including wind, hydropower, gas fuel blends, and grid.

Global gas generation and utilization continues to grow, with strength in Europe and the U.S. While we saw volatility in gas prices and availability this year, gas remains a fuel of choice on dispatch curves globally to meet growing electricity demand, and we continue to plan for a gas turbine market of 25 to 30 gigawatts annually.

MAKING PROGRESS & PREPARING TO SPIN

While these trends provide tailwinds for GE Vernova over time, external pressures faced in 2022 impacted business performance.

Power delivered solid performance. Gas Power grew, driven by services strength and aeroderivative momentum. We continued to advance our turnaround at Power Conversion, focus on services at Steam Power, and deliver innovation at GE Hitachi Nuclear Energy. This progress enabled us to deliver double-digit orders growth organically, with growth across each business, achieve high-single-digit margins with significant margin expansion, and improve free cash flow* of

* Non-GAAP Financial Measure

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$1.9 billion for the year. Services continues to be a major driver of our business performance and improvement, and we are well positioned for continued growth with our expanded HA fleet.

Scott Strazik, CEO of GE Vernova, who successfully led the Gas Power business, is now running a similar strategy at Renewable Energy.

Onshore Wind is an $8 billion annual revenue business, where we have added over 40 gigawatts to the grid. However, like most of the industry, this business has faced challenges due to the U.S. production tax credit (PTC) lapse, which reduced 2022 demand. Additionally, cost has been a challenge, with inflation and rapid innovation straining quality. We moved quickly to enhance product quality and reduce costs. We deployed corrective measures in our existing fleet to increase availability; reduced fixed costs, which included the difficult but necessary step of decreasing our global headcount; and are more selective on the projects we bid on to ensure we're executing profitably.

Offshore Wind is transitioning to approximately $500 million in annual revenue and growing. We installed and commissioned 80 turbines for EDF on schedule, and now our focus shifts to our 7-gigawatt Haliade-X backlog.

Grid is a $3 billion annual revenue business, where market demand in automation and hardware remains strong. In the fourth quarter of 2022, we saw a major inflection point—Grid was profitable for the first time since 2018, reflecting our restructuring and selectivity efforts, and orders also grew significantly.

Lean continues to generate new opportunities for sustained improvement across GE Vernova and, in turn, for our customers. For example, Gas Power Services' business playbook for planned maintenance outage events, called Live Outage, hosts all critical content and standard procedures that field crews need at their fingertips. Initially launched in the United States, at power plants powered by GE 7F gas turbines, it helped complete outages safely with a substantial reduction in cycle time, getting our customers' turbine back online sooner. In 2022, Live Outage expanded to the Europe and the Middle East for GE 9F turbines.

LEADING A NEW ERA OF ENERGY

The planned spin-off of GE Vernova comes as the world faces a 50% increase in electricity demand over the next two decades. Against this backdrop, the strategic imperative to electrify and decarbonize the world is a challenge that GE Vernova was made to meet.

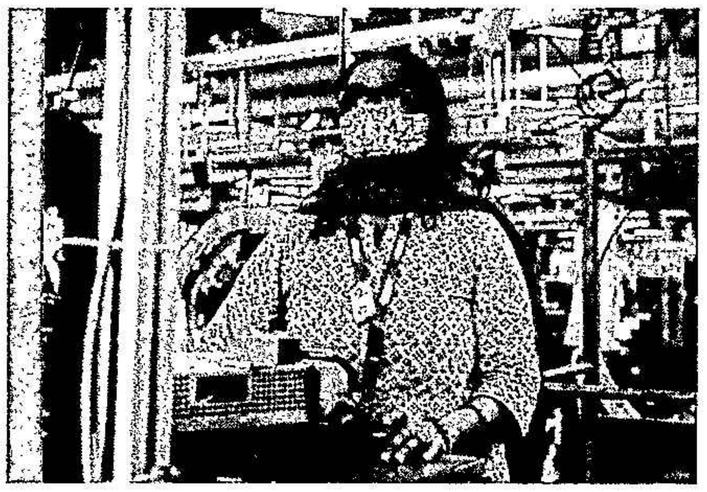
In the U.S., Power secured an order from Kindle Energy in Louisiana to provide H-Class power generation equipment. Initially fueled by natural gas, it has the ability to use up to 50% hydrogen by volume. In Vietnam, Power secured its first new 9HA.02 combined-cycle power plant order, which is expected to improve the reliability and stability of the energy grid to support renewables penetration. Renewable Energy, along with Invenergy, completed the largest wind farm in North America in a single phase. Notably, the Traverse Wind Energy Center is powered by more than 350 of our 2-megawatt platform turbines. Hydro Solutions signed orders with a total generating capacity of 7 gigawatts in 2022, and GE Hitachi Nuclear Energy is working with several customers, including Ontario Power Generation in Canada, to deploy advanced nuclear technologies like our BWRX-300 small modular reactor, which produces no carbon during operation.

I'm excited about our plans for the future of GE Vernova. Combining Renewable Energy, Power, and Digital into one business brings together unique experience, talented people, and a pioneering spirit that can power the future while also helping decarbonize the world.

GE HealthCare

Big picture, GE HealthCare operates in an attractive, growing market, fueled by global trends, including the aging population, chronic disease, and the rise of the middle class in developing markets. The healthcare industry is also facing challenges in improving productivity, harnessing patient data more effectively, and extending care out of the hospital to alternative care sites. There is no medical technology company better suited to address these challenges.

GE HealthCare is a new company, and one with extensive scale—serving 1 billion patients across 2 billion procedures a year—and profound global reach, with almost 60% of annual sales outside the U.S. It also has more than 4 million equipment installations, and upgrades to the fleet help the business create value and stay close to customers. Investing $1 billion in research and development annually, GE HealthCare remains at the forefront of innovation.



Geetha B.P. in the GE HealthCare plant in Bangalore, India, where high voltage amplifiers for MR subsystems, tubes and generators are made.

With the spin, GE effectively distributed a $30 billion dividend in the form of GE HealthCare shares, while retaining an approximately 19.9% stake in the company. And shareholders in the new GE HealthCare are already seeing value unlocked as the independent company embarks on its important mission to create a world where healthcare has no limits.

Creating Value Today & Tomorrow

GE Board Member and former U.S. Secretary of Defense Ash Carter sadly passed away in October. We miss him every day and again express our deepest sympathies to his wife and family. Ash once said to me, "I like the ethos of GE," and how GE sits on the same side of the table with customers when it comes to technology and efficient production. I couldn't agree more. We approach our work with our customers as "one team with one fight," as Ash would describe it. That was as true this past year as it was for the more than 130 years that came before it, and we will carry that ethos into our future.

2022 marked the beginning of a new era for GE. One where we are unleashing our full potential as three independent industry leaders. Creating a smarter and more efficient future of flight, driving decarbonization through the energy transition, and enabling precision care are big challenges, not for the faint of heart. I know our teams are ready to deliver.

H. LAWRENCE CULP, JR.
Chairman of the Board and Chief Executive Officer, GE
Chief Executive Officer, GE Aerospace
February 10, 2023

How GE Performed in 2022

Dollars in millions; except per-share amounts

PURPOSE We rise to the challenge of building a world that works

CEO H. Lawrence Culp, Jr.

EMPLOYEES ~172,000[1]

GLOBAL OPERATIONS ~170 countries

Total Company

GAAP	FY22	FY21	Y/Y REPORTED
Total Revenues	$76,555	$74,196	3%
Profit	$1,412	$(3,683)	F
Profit Margin	1.8%	(5.0)%	680 bps
Continuing EPS	$0.53	$(3.25)	F
Net EPS	$(0.05)	$(6.16)	99%
Cash from Operating Activities (CFOA)	$5,864	$888	F
Orders	$82,981	$79,418	4%
Backlog	$478,228	$428,121	12%

NON-GAAP*	FY22	FY21	Y/Y
Organic Revenues	$75,440	$70,989	6%
Adjusted profit	$5,835	$4,608	27%
Adjusted profit margin	7.9%	6.5%	140 bps
Adjusted EPS	$2.62	$1.71	53%
Free cash flow (FCF)	$4,758	$1,889	F

AEROSPACE

MISSION *Providing customers with engines, components, avionics and systems for* commercial, military and business & general aviation aircraft and a global service network to support these offerings

UNITS Commercial Engines and Services, Military, Systems & Other

INSTALLED BASE ~40,900 commercial aircraft engines[2] and ~26,100 military aircraft engines

CEO H. Lawrence Culp, Jr.

EMPLOYEES ~45,000

	FY22	FY21	Y/Y REPORTED	Y/Y ORGANIC*
Revenues	$26,050	$21,310	22%	23%
Profit/Loss	$4,775	$2,882	66%	62%
Profit/Loss Margin	18.3%	13.5%	480 bps	440 bps
Segment FCF*	$4,890	$4,315	13%	
Orders	$31,106	$25,589	22%	22%
Backlog	$352,627	$303,441	16%	

RENEWABLE ENERGY

MISSION Making renewable power sources more affordable, reliable, and accessible for the benefit of people everywhere

UNITS Onshore Wind, Offshore Wind, Grid Solutions Equipment and Services, Hydro Solutions, Hybrids Solutions

INSTALLED BASE 400+ GW of renewable energy equipment

CEO Scott Strazik

EMPLOYEES ~36,000

	FY22	FY21	Y/Y REPORTED	Y/Y ORGANIC*
Revenues	$12,977	$15,697	(17)%	(13)%
Profit/Loss	$(2,240)	$(795)	U	U
Profit/Loss Margin	(17.3)%	(5.1)%	(1,220) bps	(1,150) bps
Segment FCF*	$(2,040)	$(1,395)	(46)%	
Orders	$14,657	$18,163	(19)%	(17)%
Backlog	$32,830	$31,511	4%	

POWER

MISSION Powering lives and making electricity more affordable, reliable, accessible, and more sustainable

UNITS Gas Power, Steam Power, Power Conversion, Nuclear & Other

INSTALLED BASE ~7,000 gas turbines

CEO Scott Strazik

EMPLOYEES ~32,000

	FY22	FY21	Y/Y REPORTED	Y/Y ORGANIC*
Revenues	$16,262	$16,903	(4)%	2%
Profit/Loss	$1,217	$726	68%	69%
Profit/Loss Margin	7.5%	4.3%	320 bps	300 bps
Segment FCF*	$1,850	$929	99%	
Orders	$17,826	$16,412	9%	13%
Backlog	$74,307	$74,270	–%	

HEALTHCARE[1]

MISSION Building a healthier future and creating a world where healthcare has no limits

UNITS Healthcare Systems, Pharmaceutical Diagnostics

INSTALLED BASE 4M+ installations; 2B+ patient exams per year

CEO Peter Arduini

EMPLOYEES ~49,000

	FY22	FY21	Y/Y REPORTED	Y/Y ORGANIC*
Revenues	$18,461	$17,725	4%	7%
Profit/Loss	$2,705	$2,966	(9)%	(2)%
Profit/Loss Margin	14.7%	16.7%	(200) bps	(150) bps
Segment FCF*	$2,125	$2,705	(21)%	
Orders	$19,862	$19,596	1%	4%
Backlog	$18,926	$19,205	(1)%	

* Non-GAAP Financial Measure

1 On January 3, 2023, GE completed the planned separation of its healthcare business, launching GE HealthCare Technologies Inc. (GE HealthCare). As of December 31, 2022, GE had ~123,000 employees excluding GE HealthCare employees who are now part of the standalone company.

2 Including GE and its joint venture partners

U Unfavorable

F Favorable

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United States Securities and Exchange Commission

WASHINGTON, D.C. 20549

FORM 10-K

☑ Annual Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
For the fiscal year ended December 31, 2022
Commission file number 001-00035

GENERAL ELECTRIC COMPANY

(Exact name of registrant as specified in its charter)

New York	**14-0689340**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
5 Necco Street Boston MA	**02210**
(Address of principal executive offices)	(Zip Code)

(Registrant's telephone number, including area code) **(617) 443-3000**

Securities Registered Pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common stock, par value $0.01 per share	GE	New York Stock Exchange
1.250% Notes due 2023	GE 23E	New York Stock Exchange
0.875% Notes due 2025	GE 25	New York Stock Exchange
1.875% Notes due 2027	GE 27E	New York Stock Exchange
1.500% Notes due 2029	GE 29	New York Stock Exchange
7 1/2% Guaranteed Subordinated Notes due 2035	GE /35	New York Stock Exchange
2.125% Notes due 2037	GE 37	New York Stock Exchange

Securities Registered Pursuant to Section 12(g) of the Act:

(Title of class)

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☑

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☑

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☑ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☑ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer	☑	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
Emerging growth company	☐		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.☑

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☑

The aggregate market value of the outstanding common equity of the registrant not held by affiliates as of the last business day of the registrant's most recently completed second fiscal quarter was at least $68.8 billion. There were 1,089,286,553 shares of common stock with a par value of $0.01 outstanding at January 31, 2023.

DOCUMENTS INCORPORATED BY REFERENCE

The definitive proxy statement relating to the registrant's Annual Meeting of Shareholders, to be held May 3, 2023, is incorporated by reference into Part III to the extent described therein.

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FORWARD-LOOKING STATEMENTS. Our public communications and SEC filings may contain statements related to future, not past, events. These forward-looking statements often address our expected future business and financial performance and financial condition, and often contain words such as "expect," "anticipate," "intend," "plan," "believe," "seek," "see," "will," "would," "estimate," "forecast," "target," "preliminary," or "range." Forward-looking statements by their nature address matters that are, to different degrees, uncertain, such as statements about planned and potential transactions, including our plan to pursue a spin-off of our portfolio of energy businesses that are planned to be combined as GE Vernova (Renewable Energy, Power, Digital and Energy Financial Services); the impacts of macroeconomic and market conditions and volatility on our business operations, financial results and financial position and on the global supply chain and world economy; our expected financial performance, including cash flows, revenues, organic growth, margins, earnings and earnings per share; impacts related to the COVID-19 pandemic; our de-leveraging plans, including leverage ratios and targets, the timing and nature of actions to reduce indebtedness and our credit ratings and outlooks; our funding and liquidity; our businesses' cost structures and plans to reduce costs; restructuring, goodwill impairment or other financial charges; or tax rates.

For us, particular areas where risks or uncertainties could cause our actual results to be materially different than those expressed in our forward-looking statements include:

- our success in executing planned and potential transactions, including our plan to pursue a spin-off of GE Vernova, and sales or other dispositions of our equity interests in AerCap Holdings N.V. (AerCap) and GE HealthCare, the timing for such transactions, the ability to satisfy any applicable pre-conditions, and the expected proceeds, consideration and benefits to GE;
- changes in macroeconomic and market conditions and market volatility, including impacts related to the COVID-19 pandemic, risk of recession, inflation, supply chain constraints or disruptions, rising interest rates, the value of securities and other financial assets (including our equity interests in AerCap and GE HealthCare), oil, natural gas and other commodity prices and exchange rates, and the impact of such changes and volatility on our business operations, financial results and financial position;
- global economic trends, competition and geopolitical risks, including impacts from the ongoing conflict between Russia and Ukraine and the related sanctions and other measures, decreases in the rates of investment or economic growth globally or in key markets we serve, or an escalation of sanctions, tariffs or other trade tensions between the U.S. and China or other countries, and related impacts on our businesses' global supply chains and strategies;
- the continuing severity, magnitude and duration of the COVID-19 pandemic, including impacts of virus variants and resurgences, and of government, business and individual responses, such as continued or new government-imposed lockdowns and travel restrictions, and in particular any adverse impacts to the aviation industry and its participants;
- our capital allocation plans, including de-leveraging actions to reduce GE's indebtedness, the capital structures of the public companies that we plan to form from our businesses with the planned spin-off, the timing and amount of dividends, share repurchases, acquisitions, organic investments, and other priorities;
- downgrades of our current short- and long-term credit ratings or ratings outlooks, or changes in rating application or methodology, and the related impact on our funding profile, costs, liquidity and competitive position;
- the amount and timing of our cash flows and earnings, which may be impacted by macroeconomic, customer, supplier, competitive, contractual and other dynamics and conditions;
- capital and liquidity needs associated with our financial services operations, including in connection with our run-off insurance operations and mortgage portfolio in Poland (Bank BPH), the amount and timing of any required capital contributions and any strategic actions that we may pursue;
- market developments or customer actions that may affect demand and the financial performance of major industries and customers we serve, such as demand for air travel and other aviation industry dynamics related to the COVID-19 pandemic; pricing, cost, volume and the timing of investment by customers or industry participants and other factors in renewable energy markets; conditions in key geographic markets; technology developments; and other shifts in the competitive landscape for our products and services;
- operational execution by our businesses, including the success at our Renewable Energy business in improving product quality and fleet availability, executing on cost reduction initiatives and other aspects of operational performance, as well as the performance of GE Aerospace amidst the ongoing market recovery;
- changes in law, regulation or policy that may affect our businesses, such as trade policy and tariffs, regulation and incentives related to climate change (including the impact of the Inflation Reduction Act and other policies), and the effects of tax law changes;
- our decisions about investments in research and development, and new products, services and platforms, and our ability to launch new products in a cost-effective manner;
- our ability to increase margins through implementation of operational improvements, restructuring and other cost reduction measures;
- the impact of regulation and regulatory, investigative and legal proceedings and legal compliance risks, including the impact of Alstom, Bank BPH and other investigative and legal proceedings;
- the impact of actual or potential quality issues or failures of our products or third-party products with which our products are integrated, and related costs and reputational effects;
- the impact of potential information technology, cybersecurity or data security breaches at GE or third parties; and
- the other factors that are described in the "Risk Factors" in this Annual Report on Form 10-K for the year ended December 31, 2022, as such descriptions may be updated or amended in any future reports we file with the SEC.

These or other uncertainties may cause our actual future results to be materially different than those expressed in our forward-looking statements. We do not undertake to update our forward-looking statements. This document includes certain forward-looking projected financial information that is based on current estimates and forecasts. Actual results could differ materially.

ABOUT GENERAL ELECTRIC. General Electric Company (General Electric, GE or the Company) is a high-tech industrial company that today operates worldwide through three segments: Aerospace, Renewable Energy, and Power. Our products include commercial and military aircraft engines and systems; wind and other renewable energy generation equipment and grid solutions; and gas, steam, nuclear and other power generation equipment. We have significant global installed bases of equipment across these sectors, and services to support these products are also an important part of our business alongside new equipment sales.

In November 2021, we announced a strategic plan to form three industry-leading, global, investment-grade public companies from (i) our Aerospace business, (ii) our Renewable Energy, Power, Digital and Energy Financial Services businesses, which we plan to combine and refer to as GE Vernova, and (iii) our former HealthCare business. In July 2022, we announced the new brand names for our three planned future companies: GE Aerospace, GE HealthCare and GE Vernova. For purposes of this report, we refer to our reporting segments as Aerospace (previously Aviation), HealthCare (previously Healthcare), Renewable Energy and Power. The composition of these reporting segments is unchanged. On January 3, 2023, we completed the separation of the HealthCare business from GE through the spin-off of GE HealthCare Technologies Inc. (GE HealthCare). In the spin-off, GE made a pro-rata distribution of approximately 80.1% of the shares of GE HealthCare's common stock to GE shareholders, retaining approximately 19.9% of GE HealthCare common stock. This spin-off marked the culmination of our first business separation in accordance with the November 2021 strategic plan, and we are working toward the planned spin-off of GE Vernova.

Over our more than 130-year history, GE's innovation and technology have improved quality of life around the world by adapting and innovating solutions to pressing global challenges related to the future of flight, the energy transition and precision healthcare. At GE Aerospace, with a differentiated product and technology portfolio across the commercial and military sectors, we are well positioned to serve customers in expanding and upgrading their fleets amidst the demand ramp for engines and services with the ongoing recovery from the peak of the COVID-19 pandemic. At the same time, we are working to develop next generation engine programs that will allow a smarter and more efficient future of flight, including efforts to support increased use of sustainable aviation fuel with our engines' capabilities and developing new engine architectures such as open fan, hybrid electric and hydrogen technologies. The GE Vernova portfolio of businesses are positioned to lead the energy transition, helping the energy sector solve for sustainability, reliability and affordability. These businesses are at the center of a dynamic and growing market, as the world faces a significant increase in electricity demand in the coming decades along with the need to electrify and decarbonize. With a range of power generation technologies spanning gas power, onshore and offshore wind and others, as well as power grid automation and hardware, these businesses offer solutions for customers to reduce emissions, meet the growth in electricity demand and make energy more accessible globally, secure and resilient. And GE HealthCare, as an independent company since January 2023, will carry forward its mission of advancing precision care to help solve the healthcare industry's challenges in harnessing data more effectively to provide better outcomes for patients, improving productivity and extending care out of the hospital to alternative care sites.

We believe our businesses' strategies and focus on these significant global challenges are well aligned with broader goals of sustainable development, and we approach sustainability with GE's commitment to innovation as a central element. Sustainability priorities are embedded in our policies, leadership engagement, operating mechanisms, commitments, and, ultimately, our products. In addition to working to develop technologies that will help build a more sustainable world, we advance GE's sustainability priorities through our own commitments to our people, communities and planet. More information that may be of interest to a variety of stakeholders about GE's sustainability approach, priorities and performance, including about safety, greenhouse gas emission reductions for our own operations and for our products, environmental stewardship, diversity and inclusion (as also discussed further below), supply chain and human rights and other matters, can be found in our Sustainability Report.

In the remainder of this report, we discuss GE on a consolidated basis and its businesses as of, and for the years ended, December 31, 2022 unless otherwise indicated. The HealthCare business was a segment included in GE's consolidated results for all of 2022, and accordingly we include GE HealthCare's results and other details for 2022 in this report. The historical results of GE HealthCare and certain assets and liabilities included in the spin-off will be reported in GE's consolidated financial statements as discontinued operations beginning in the first quarter of 2023. For the GE Vernova businesses, we continue to refer to our reporting segments of Renewable Energy and Power, reflecting the organization and management of these businesses within GE today.

We serve customers in 170 countries. Manufacturing and service operations are carried out at 75 manufacturing plants located in 26 states in the United States and Puerto Rico and at 130 manufacturing plants located in 32 other countries.

In all of our global business activities, we encounter aggressive and able competition. In many instances, the competitive environment is characterized by changing technology that requires continuing research and development. With respect to manufacturing operations, we continue to make improvements through deployment of lean initiatives and we believe that, in general, we are one of the leading firms in most of the major industries in which we participate.

As a diverse global company, we are affected by economic and market developments around the world, supply chain disruptions, instability in certain regions, commodity prices, foreign currency volatility and policies regarding trade and imports. See the Segment Operations section within MD&A for further information. Other factors impacting our business include:

- product development cycles for many of our products are long and product quality and efficiency are critical to success;
- research and development expenditures are important to our business;
- many of our products are subject to a number of regulatory standards; and
- changing end markets, including shifts in energy sources and demand related to cost, decarbonization efforts and other factors, as well as the impact of technology changes.

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The strength and talent of our workforce are critical to the success of our businesses, and we continually strive to attract, develop and retain personnel commensurate with the needs of our businesses in their operating environments. The Company's human capital management priorities are designed to support the execution of our business strategy and improve organizational effectiveness. Our focus on organizational performance and talent will remain front and center through the execution of our strategic plan to separate into three independent companies. We will continue to monitor various factors across our human capital priorities, including as a part of our business operating reviews during the year and with oversight by our Board of Directors and the Board's Management Development and Compensation Committee. The following are our human capital priorities:

- Protecting the health and safety of our workforce: GE is committed to establishing and maintaining effective health and safety standards and protocols across our businesses, making continuous process improvements, and providing ongoing education. Our Chief Safety Officer, hired in 2021, has continued to advance our Safety Promotion Office and safety program, leveraging lean as a critical tool to prevent injuries and incidents and drive safety as a core operational attribute for the businesses. For the past two years, our annual bonus program for executives has included a modifier based on the Company's safety performance.
- Sustaining a Company culture based in leadership behaviors of humility, transparency and focus, with a commitment to unyielding integrity: GE's organizational culture supports talent attraction, engagement and retention and promotes ways of working that are strongly connected to our goals. In early 2022, we conducted an annual enterprise-wide culture survey. While survey results varied among our businesses, a Company-wide view of trends in responses confirmed our employees' view of GE's solid foundations in safety, compliance, and employee development. Our performance management system, "People, Performance, and Growth," directly links individual performance outcomes to incentive compensation. Supporting our culture of integrity, The Spirit & The Letter, GE's employee code of conduct, sets forth the Company's integrity and compliance standards.
- Developing and managing our talent to best support our organizational goals: GE's approach to talent management aims to ensure strong individual and company performance; our employee training and development offerings are designed to support these goals. As a key pillar of our talent strategy, GE's senior management leads an annual organization and talent review for each business to support a strong leadership pipeline and succession planning process for our strategy to form three industry-leading, global, investment-grade public companies. To support our lean culture transformation, we have two lean leadership development programs designed to elevate high potential executive level talent who can lead us towards a more sustainable future. Developed in partnership with our existing leaders, our leadership development programs are premised upon a rigorous learning process tied directly to outcomes, with a focus on hands-on, experiential learning and building a lean mindset.
- Promoting inclusion and diversity across the enterprise: At GE, we are committed to building a more diverse workforce and a more inclusive workplace by focusing on transparency, accountability and community. We believe in the value of each person's unique identity, background and experiences, and are committed to fostering an inclusive culture in which all employees feel empowered to do their best work because they feel accepted, respected and that they belong. In 2022, we disclosed in our Diversity Annual Report our long-standing commitment to fair and competitive pay practices. On average, men and women performing similar work are paid within 1% of each other in each GE business. Going forward, our goal remains 100% pay equity in each of our businesses.

Additionally, in 2021, we began publishing a Diversity Annual Report to transparently share our diversity data and hold ourselves accountable for continuous improvement. To support our inclusion and diversity goals, we have a GE Chief Diversity Officer and Chief Diversity Officers in each business unit. Additionally, we have several Employee Resource Groups which have added value to our colleagues and businesses by helping to engage and develop diverse talent for nearly 30 years. These groups accelerate development through mentoring, learning, networking, organizing outreach and service activities, and they address challenges that are important to their members and the Company through targeted initiatives. These groups also support our goals to build a diverse talent pipeline through efforts such as partnering with organizations to raise money for scholarship funds and promoting professional development opportunities.

At December 31, 2022, General Electric Company and consolidated affiliates employed approximately 172,000 people, of whom approximately 58,000 were employed in the United States. Our Aerospace, Renewable Energy, Power, and HealthCare segments employed approximately 45,000, 36,000, 32,000, and 49,000 people, respectively. In addition, Corporate employed approximately 10,000 employees, including legacy GE Capital employees. In connection with the January 3, 2023 spin-off of GE HealthCare, approximately 49,000 of our full-time employees formerly associated with our HealthCare segment became employees of GE HealthCare.

At December 31, 2022, GE has approximately 5,745 union-represented manufacturing and service employees in the United States. Following the spin-off of GE HealthCare, GE has approximately 4,670 union-represented manufacturing and service employees in the United States. The majority are covered by four-year collective bargaining agreements that were ratified in 2019 and are scheduled to terminate in 2023. GE will hold negotiations to enter into new agreements on or before their termination dates. While the outcome of the 2023 negotiations cannot be predicted, GE's recent past negotiations have resulted in agreements that provide employees with good wages and benefits while addressing the competitive realities facing GE. GE's relationship with employee-representative organizations outside the U.S. takes many forms, including in Europe where GE engages employees' representatives' bodies such as works councils (at both European level and locally) and trade unions in accordance with local law.

We are subject to numerous U.S. federal, state and foreign laws and regulations covering a wide variety of subject matters related to our products, services and business operations, including requirements regarding the protection of human health and safety and the environment. Relevant laws and regulations can apply to our business directly and indirectly, such as through the effect that laws and regulations applicable to our customers may have in influencing the products and services they purchase from us. Like other industrial manufacturing companies that operate in the sectors we serve, which are high-tech, increasingly digitally connected and global, we face significant scrutiny from both U.S. and foreign governmental authorities with respect to our compliance with laws and regulations. Many of the sales across our businesses are also made to U.S. or foreign governments, regulated entities such as public utilities, state-owned companies or other public sector customers, and these types of sales often entail additional compliance obligations. For further information about government regulation applicable to our businesses, see the Segment Operations section within MD&A, Risk Factors and Note 24.

We own, or hold licenses to use, numerous patents. New patents are continuously being obtained through our research and development activities. Patented inventions are used both within the Company and are licensed to others. GE is a trademark and service mark of General Electric Company.

Because of the diversity of our products and services, as well as the wide geographic dispersion of our production facilities, we use numerous sources for the wide variety of raw materials needed for our operations.

ADDITIONAL INFORMATION ABOUT GE. General Electric's address is 1 River Road, Schenectady, NY 12345-6999; we also maintain executive offices at 5 Necco Street, Boston, MA 02210. GE's Internet address at www.ge.com, Investor Relations website at www.ge.com/investor-relations and our corporate blog at www.gereports.com, as well as GE's Facebook page, Twitter accounts and other social media, including @GE_Reports, contain a significant amount of information about GE, including financial and other information for investors. GE encourages investors to visit these websites from time to time, as information is updated and new information is posted. Additional information on non-financial matters, including our Sustainability Report, environmental and social matters, our integrity policies and our Diversity Annual Report, is available at www.ge.com/sustainability and www.ge.com/about-us/diversity. All of such additional information referenced in this report (including the information contained in, or available through, other reports and websites) is provided as a convenience and is not incorporated by reference herein. Therefore, such information should not be considered part of this report.

Our Annual Report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and amendments to those reports are available, without charge, on our website, www.ge.com/investor-relations/events-reports, as soon as reasonably practicable after they are filed electronically with the U.S. Securities and Exchange Commission (SEC). Copies are also available, without charge, from GE Corporate Investor Communications. Reports filed with the SEC may be viewed at www.sec.gov.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (MD&A).

The consolidated financial statements of General Electric Company are prepared in conformity with U.S. generally accepted accounting principles (GAAP). Unless otherwise noted, tables are presented in U.S. dollars in millions. Certain columns and rows within tables may not add due to the use of rounded numbers. Percentages presented in this report are calculated from the underlying numbers in millions. Discussions throughout this MD&A are based on continuing operations unless otherwise noted. Results for the years ended December 31, 2022 versus 2021 are discussed within this report. Refer to our Annual Report on Form 10-K for the year ended December 31, 2021 for discussions of results for the years ended December 31, 2021 versus 2020. The MD&A should be read in conjunction with the Financial Statements and Notes to the consolidated financial statements.

In the accompanying analysis of financial information, we sometimes use information derived from consolidated financial data but not presented in our financial statements prepared in accordance with GAAP. Certain of these data are considered "non-GAAP financial measures" under SEC rules. See the Non-GAAP Financial Measures section for the reasons we use these non-GAAP financial measures and the reconciliations to their most directly comparable GAAP financial measures.

CONSOLIDATED RESULTS

SUMMARY OF 2022 RESULTS. Total revenues were $76.6 billion, up $2.4 billion for the year, driven primarily by increases at Aerospace and HealthCare, partially offset by decreases at Renewable Energy and Power.

Continuing earnings (loss) per share was $0.53. Excluding the results from our run-off Insurance business, separation costs, the Steam asset sale impairment, restructuring costs, non-operating benefit costs, debt extinguishment costs, Russia and Ukraine charges, gains (losses) on purchases and sales of business interests and gains (losses) on equity securities, Adjusted earnings per share* was $2.62. For the year ended December 31, 2022, profit margin was 1.8% and profit was up $5.1 billion, primarily due to a decrease in debt extinguishment costs of $6.1 billion, a decrease in non-operating benefit costs of $2.3 billion, an increase in segment profit of $0.7 billion, a decrease in Adjusted corporate operating costs* of $0.5 billion and a decrease in interest and other financial charges of $0.3 billion, partially offset by a decrease in gains on equity securities of $1.8 billion, separation costs of $1.0 billion, the Steam asset sale impairment of $0.8 billion, an increase in restructuring and other charges of $0.5 billion, a decrease in Insurance profit of $0.5 billion and Russia and Ukraine charges of $0.3 billion. Adjusted organic profit* increased $1.5 billion (32%), driven primarily by increases at Aerospace and Power and lower Adjusted corporate operating costs*, partially offset by increased losses at Renewable Energy.

*Non-GAAP Financial Measure

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Cash flows from operating activities (CFOA) were $5.9 billion and $0.9 billion for the years ended December 31, 2022 and 2021, respectively. Cash flows from operating activities increased primarily due to a decrease in cash collateral paid net of settlements on interest rate derivative contracts, an increase in net income (after adjusting for amortization of intangible assets, non-cash losses related to our interests in AerCap and Baker Hughes and non-operating debt extinguishment costs), an increase in cash from working capital and an increase in cash from all other operating activities. Free cash flows* (FCF) were $4.8 billion and $1.9 billion for the years ended December 31, 2022 and 2021, respectively. FCF* increased primarily due to the same reasons as noted for CFOA above. See the Capital Resources and Liquidity - Statement of Cash Flows section for further information.

Remaining performance obligation (RPO) is unfilled customer orders for products and product services (expected life of contract sales for product services) excluding any purchase order that provides the customer with the ability to cancel or terminate without incurring a substantive penalty. See Note 25 for further information.

RPO		2022		2021		2020
Equipment	$	48,936	$	45,065	$	45,991
Services		202,061		194,755		184,608
Total RPO	$	250,997	$	239,820	$	230,600

As of December 31, 2022, RPO increased $11.2 billion (5%) from December 31, 2021, primarily at Aerospace, from engines contracted under long-term service agreements that have now been put into service and an increase in Commercial and Military orders; at Renewable Energy, from new orders at Grid and Hydro exceeding sales; and at Power, driven by Gas Power services and equipment; partially offset by a decrease at HealthCare, from the impact of contract renewal timing in services.

REVENUES		2022		2021		2020
Equipment revenues	$	31,976	$	34,200	$	37,584
Services revenues		41,626		36,890		35,385
Insurance revenues		2,954		3,106		2,865
Total revenues	$	76,555	$	74,196	$	75,833

For the year ended December 31, 2022, total revenues increased $2.4 billion (3%). Equipment revenues decreased, primarily at Renewable Energy, due to fewer wind turbine deliveries at Onshore Wind and lower revenue at Grid; and at Power, due to a decrease in Steam Power equipment on the exit of new build coal; partially offset by increases at HealthCare, driven by Imaging and Ultrasound; and at Aerospace, primarily driven by more commercial install and spare engine unit shipments. Services revenues increased, primarily at Aerospace, due to higher prices, increased shop visit volume and higher volume of commercial spare part shipments; at Renewable Energy, primarily due to higher services revenue at Onshore Wind from a larger installed base; and at HealthCare, driven by the continued growth of Healthcare Systems (HCS); partially offset by a decrease at Power, due to lower planned contractual services outages in Gas Power and prior year Steam Power services volume that did not repeat. Insurance revenues decreased $0.2 billion (5%).

Excluding the change in Insurance revenues, the net effects of acquisitions of $0.3 billion, the net effects of dispositions of $0.2 billion and the effects of a stronger U.S. dollar of $2.1 billion, organic revenues* increased $4.5 billion (6%), with equipment revenues down $1.3 billion (4%) and services revenues up $5.7 billion (16%). Organic revenues* increased at Aerospace, HealthCare and Power, partially offset by a decrease at Renewable Energy.

EARNINGS (LOSS) AND EARNINGS (LOSS) PER SHARE *(Per-share in dollars and diluted)*		2022		2021		2020
Continuing earnings (loss) attributable to GE common shareholders	$	581	$	(3,562)	$	6,141
Continuing earnings (loss) per share	$	0.53	$	(3.25)	$	5.46

For the year ended December 31, 2022, continuing earnings increased $4.1 billion primarily due to a decrease in debt extinguishment costs of $6.1 billion, a decrease in non-operating benefit costs of $2.3 billion, an increase in segment profit of $0.7 billion, a decrease in Adjusted corporate operating costs* of $0.5 billion and a decrease in interest and other financial charges of $0.3 billion, partially offset by a decrease in gains on equity securities of $1.8 billion, separation costs of $1.0 billion, the Steam asset sale impairment of $0.8 billion, an increase in provision for income tax of $0.8 billion, an increase in restructuring and other charges of $0.5 billion, a decrease in Insurance profit of $0.5 billion and Russia and Ukraine charges of $0.3 billion. Adjusted earnings* were $2.9 billion, an increase of $1.0 billion. Profit margin was 1.8%, an increase from (5.0)%. Adjusted profit* was $5.8 billion, an increase of $1.5 billion organically*, due to increases at Aerospace and Power, and lower Adjusted corporate operating costs*, partially offset by a decrease at Renewable Energy. Adjusted profit margin* was 7.9%, an increase of 160 basis points organically*.

We continue to experience inflation pressure in our supply chain, as well as delays in sourcing key materials needed for our products and skilled labor shortages. This has delayed our ability to convert RPO to revenue and negatively impacted our profit margins. While the impact of inflation is expected to be challenging, we continue to take actions to limit this pressure, including lean initiatives to drive cost productivity, partnering with our suppliers and adjusting the pricing of our products and services. Also, geopolitical uncertainties with the ongoing Russia and Ukraine conflict, as well as recent COVID-19 impacts in China, are introducing additional challenges. As of December 31, 2022, we had approximately $0.5 billion of remaining assets in Russia and Ukraine, mainly in our HealthCare and Power businesses, which primarily relate to activity not subject to sanctions or restricted under Company policy.

*Non-GAAP Financial Measure

SEGMENT OPERATIONS. Segment revenues include sales of equipment and services by our segments. Segment profit is determined based on performance measures used by our Chief Operating Decision Maker (CODM), who is our Chief Executive Officer (CEO), to assess the performance of each business in a given period. In connection with that assessment, the CEO may exclude matters, such as charges for impairments, significant, higher-cost restructuring programs, costs associated with separation activities, manufacturing footprint rationalization and other similar expenses, acquisition costs and other related charges, certain gains and losses from acquisitions or dispositions, and certain litigation settlements. See the Corporate section for further information about costs excluded from segment profit. Segment profit excludes results reported as discontinued operations and the portion of earnings or loss attributable to noncontrolling interests of consolidated subsidiaries, and as such only includes the portion of earnings or loss attributable to our share of the consolidated earnings or loss of consolidated subsidiaries. Certain corporate costs, including those related to shared services, employee benefits, and information technology, are allocated to our segments based on usage or their relative net cost of operations.

SUMMARY OF REPORTABLE SEGMENTS	2022	2021	2020
Aerospace	$ 26,050	$ 21,310	$ 22,042
Renewable Energy	12,977	15,697	15,666
Power	16,262	16,903	17,589
HealthCare	18,461	17,725	18,009
Total segment revenues	73,749	71,635	73,306
Corporate	2,806	2,561	2,528
Total revenues	$ 76,555	$ 74,196	$ 75,833
Aerospace	$ 4,775	$ 2,882	$ 1,229
Renewable Energy	(2,240)	(795)	(715)
Power	1,217	726	274
HealthCare	2,705	2,966	3,060
Total segment profit (loss)	6,456	5,778	3,848
Corporate(a)	(3,413)	892	8,061
Interest and other financial charges	(1,552)	(1,813)	(2,018)
Debt extinguishment costs	(465)	(6,524)	(301)
Non-operating benefit income (cost)	532	(1,782)	(2,430)
Goodwill impairments	—	—	(877)
Benefit (provision) for income taxes	(689)	124	333
Preferred stock dividends	(289)	(237)	(474)
Earnings (loss) from continuing operations attributable to GE common shareholders	581	(3,562)	6,141
Earnings (loss) from discontinued operations attributable to GE common shareholders	(644)	(3,195)	(911)
Net earnings (loss) attributable to GE common shareholders	$ (64)	$ (6,757)	$ 5,230

(a) Includes interest and other financial charges of $54 million, $63 million, and $50 million; and benefit for income taxes of $213 million, $162 million, and $154 million related to Energy Financial Services (EFS) within Corporate for the years ended December 31, 2022 and 2021, and 2020, respectively.

GE AEROSPACE. Aerospace designs and produces commercial and military aircraft engines, integrated engine components, electric power and mechanical aircraft systems. We also provide aftermarket services to support our products.

Commercial Engines and Services – manufactures jet engines for commercial airframes. Aerospace engines power aircraft in all categories: narrowbody, widebody and regional, which includes engines sold by CFM International, a 50-50 non-consolidated company with Safran Aircraft Engines, a subsidiary of Safran Group of France, and Engine Alliance, a 50-50 non-consolidated company with Raytheon Technologies Corporation via their Pratt & Whitney segment. This includes engines and components for business aviation and aeroderivative applications as well. Commercial provides maintenance, component repair and overhaul services (MRO), including sales of spare parts.

Military – manufactures jet engines for military airframes. Our military engines power a wide variety of military aircraft including fighters, bombers, tankers, helicopters and surveillance aircraft, as well as marine applications. We provide maintenance, component repair and overhaul services, including sales of spare parts.

Systems & Other – provides avionics systems, aviation electric power systems, turboprop engines, engine gear and transmission components and services for commercial and military segments. Additionally, we provide a wide variety of products and services including additive machines, additive materials (including metal powders), and additive engineering services.

Competition & Regulation. The global businesses for aircraft jet engines, maintenance, component repair and overhaul services (including spare part sales) are highly competitive. Both domestic and international sales are important to the growth and success of the business. Product development cycles are long and product quality and efficiency are critical to success. Research and development expenditures are important in this business, as are focused intellectual property strategies and protection of key aircraft engine design, manufacture, repair and product upgrade technologies. In addition, we are subject to market and regulatory dynamics related to decarbonization which will require a combination of technological innovation in the fuel efficiency of engines, expanding the use of sustainable aviation fuels and the development of electric flight and hydrogen-based aviation technologies. Aircraft engine and systems orders tend to follow civil air travel demand and military procurement cycles.

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Our products, services and activities are subject to a number of global regulators such as the U.S. Federal Aviation Administration (FAA), European Union Aviation Safety Agency (EASA), Civil Aviation Administration of China (CAAC) and other regulatory bodies.

Significant Trends & Developments. Our results in 2022 reflect the continued recovery of commercial air travel from the effects of the COVID-19 pandemic. A key underlying driver of our commercial engine and services business is global commercial air traffic, which improved 21% during 2022 compared to 2021, and now stands at approximately 90% of 2019 levels.

The recovery trends vary by region from the travel restrictions imposed by governments and the prevalence of COVID-19 virus variants around the globe. We remain confident in the recovery, and current trends are in line with our recovery forecast. Consistent with updated industry projections, we estimate both narrowbody and widebody air traffic to recover to 2019 levels in late 2023. We are in frequent dialogue with our airline, airframe, and maintenance, repair and overhaul customers about the outlook for commercial air travel, new aircraft production, fleet retirements, and after-market services, including shop visit and spare parts demand.

As it relates to the military environment, we continue to forecast strong military demand creating future growth opportunities for our Military business as the U.S. Department of Defense and foreign governments have continued flight operations, and have allocated budgets to upgrade and modernize their existing fleets. In September 2022, Aerospace and the U.S. Air Force successfully concluded testing on the second XA100 adaptive cycle engine, marking the final major contract milestone of the Air Force's Adaptive Engine Transition Program (AETP).

Global material availability and labor shortages, in part driven by the pandemic, continue to cause disruptions for us and our suppliers, and have impacted our production and delivery across our businesses. We increased our Commercial and Military engine sales units by 13% in 2022 compared to 2021, and the combined engine sales units increased more than 25% in the second half of 2022 compared to the first half of 2022. We continue to partner with our airframe partners on future production rates. Aerospace has proactively managed the impact of inflationary pressure by deploying lean initiatives to drive cost productivity, partnering with our suppliers and adjusting the pricing of our products and services. We expect the impact of inflation will continue to be challenging and we will continue to take actions to manage.

Total engineering, comprising company, customer and partner-funded and nonrecurring engineering costs, increased compared to the prior year. We continue to be committed to investment in developing and maturing technologies that enable a more sustainable future of flight.

We continue to take actions to protect our ability to serve our customers now and as the global airline industry recovers. Our deep history of innovation and technology leadership, commercial engine installed base, including joint ventures, of approximately 40,900 units, with approximately 11,600 units under long-term service agreements, and military engine installed base of approximately 26,100 units represents strong long-term fundamentals. We believe Aerospace is well-positioned to drive long-term profitable growth and cash generation over time.

Sales in units, except where noted	2022	2021	2020
Commercial Engines(a)	1,663	1,487	1,720
LEAP Engines(b)	1,136	845	815
Military Engines	632	553	683
Spare Parts Rate(c)	$ 26.9	$ 17.8	$ 18.0

(a) Commercial Engines now includes Business Aviation and Aeroderivative units for all periods presented.
(b) LEAP engines are subsets of commercial engines.
(c) Commercial externally shipped spare parts and spare parts used in time and material shop visits in millions of dollars per day.

RPO	December 31, 2022	December 31, 2021	December 31, 2020
Equipment	$ 13,748	$ 11,139	$ 10,597
Services	121,511	114,133	103,500
Total RPO	$ 135,260	$ 125,272	$ 114,097

SEGMENT REVENUES AND PROFIT	2022	2021	2020
Commercial Engines & Services	$ 18,665	$ 14,360	$ 14,479
Military	4,410	4,136	4,572
Systems & Other	2,975	2,814	2,991
Total segment revenues	$ 26,050	$ 21,310	$ 22,042
Equipment	$ 7,842	$ 7,531	$ 8,582
Services	18,207	13,780	13,460
Total segment revenues	$ 26,050	$ 21,310	$ 22,042
Segment profit	$ 4,775	$ 2,882	$ 1,229
Segment profit margin	18.3 %	13.5 %	5.6 %

For the year ended December 31, 2022, segment revenues were up $4.7 billion (22%) and segment profit was up $1.9 billion (66%).

RPO as of December 31, 2022 increased $10.0 billion (8%) from December 31, 2021, due to increases in both equipment and services. Equipment increased primarily due to an increase in Commercial and Military orders since December 31, 2021. Services increased primarily as a result of engines contracted under long-term service agreements that have now been put into service and contract modifications.

Revenues increased $4.8 billion (23%) organically*. Commercial Services revenues increased, primarily due to increased shop visit volume and commercial spare part shipments, and higher prices. Commercial Services revenues also increased due to a net favorable change of $0.1 billion for its long-term service agreements compared to a net unfavorable change of $0.3 billion in the prior year. Commercial Engines revenues increased, primarily driven by 176 more commercial install and spare engine unit shipments, including 291 more LEAP units versus the prior year, partially offset by lower GEnx engine production rates and product transition with fewer engine shipments on legacy programs. Military revenues increased, primarily due to growth in services and 79 more engine shipments than the prior year, partially offset by product mix.

Profit increased $1.8 billion (62%) organically*, primarily due to increased shop visit volume and commercial spare part shipments, higher prices and the impact of favorable contract margin reviews for long-term service agreements. These increases in profit were partially offset by lower profit on Commercial Engine shipments driven by product transition with fewer engine shipments on legacy programs and more shipments on newer programs, inflation in our supply chain and additional growth investment.

RENEWABLE ENERGY – will be part of GE Vernova, GE's portfolio of energy businesses. We benefit from one of the broadest portfolios in the industry that uniquely positions us to lead the energy transition while building on advanced technologies that grow renewable energy generation, lower the cost of electricity and modernize the grid. Our portfolio of business units includes onshore and offshore wind, blade manufacturing, grid solutions, hydro, storage, hybrid renewables and digital services offerings. We have installed more than 400 gigawatts of clean renewable energy equipment and equipped more than 90% of transmission utilities with our grid solutions in developed and emerging markets.

Onshore Wind – delivers technology and services for the onshore wind power industry by providing a range of turbines. Wind Services assist customers in improving cost, capacity and performance of their assets over the lifetime of their fleet, utilizing digital infrastructure to monitor, predict and optimize wind farm energy performance. Our Onshore Wind business supports a turbine installed base of approximately 54,000 units, of which, slightly less than half are under service agreements.

Grid Solutions Equipment and Services (Grid) – enables power utilities and industries worldwide to effectively manage electricity from the point of generation to consumption, helping the reliability, efficiency and resiliency of the grid. Service offerings include a comprehensive portfolio of equipment, hardware, protection and control, automation and digital services. Grid is also addressing the challenges of the energy transition by safely and reliably connecting intermittent renewable energy generation to transmission networks.

Hydro, Offshore Wind and Hybrid Solutions – Hydro provides a portfolio of solutions and services for hydropower generation for both large hydropower plants and small hydropower solutions. Offshore Wind leads the industry in wind power technologies and wind farm development. Hybrid Solutions provides integration of renewable energies that drive stability to the grid and integrates storage and renewable energy generation sources.

Competition & Regulation. While many factors, including government incentives, specific market rules, and permitting regulations and challenges, affect how renewable energy can deliver outcomes for customers in a given region, renewable energy has become competitive with fossil fuels in terms of levelized cost of electricity. We continue to invest in improving the durability of our wind turbine products, fleet availability and project execution with increased focus on project selectivity. Additionally, we continue to explore ways to further improve the efficiency and flexibility of our hydropower technology with new innovative turbine designs and digital solutions. As industry models continue to evolve, our digital strategy and investments in technical innovation will position us to add value for customers looking for clean, renewable energy.

Significant Trends & Developments. During the third quarter of 2022, the Inflation Reduction Act of 2022 (IRA) was signed into law, introducing new and extending existing tax incentives for 10 years. The IRA is expected to resolve recent U.S. policy uncertainty that resulted in project delays and deferral of customer investments in Onshore Wind and significantly increase near- and longer-term demand in the U.S. for onshore and offshore wind projects. The timing of this demand growth depends in part on how quickly the IRA incentives are implemented. While the offshore wind industry continues to expect global growth through the decade, cost pressures and the ability to complete with the rapid pace of innovation remain key challenges. Finally, our Grid business is positioned to support grid expansion and modernization needs.

We have experienced significant cost inflation across all businesses which we expect to continue, and are working to mitigate through pricing and cost actions. At Onshore Wind, based on experience across our fleet, we are deploying repairs and other corrective measures to improve our overall quality and fleet availability resulting in higher warranty and related reserves. Concurrently, we are undertaking a restructuring program to reduce fixed cost, reflecting our selectivity strategy to operate in fewer markets and to simplify and standardize product variants. Our financial results are dependent on costs to address fleet availability and quality, execution of cost reduction initiatives and the inflationary environment. Additionally, initiatives to improve selectivity and pricing as well as U.S. Treasury tax implementation guidance related to the IRA are expected to further improve our results.

*Non-GAAP Financial Measure

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New product introductions account for a large portion of our RPO in Onshore and Offshore Wind, such as our 5 MW and 3 MW Onshore units, and our 12-14 MW Haliade-X Offshore units. During the fourth quarter of 2022, we started shipping Haliade-X units for our first commercial project. Improving Onshore and Offshore fleet availability while reducing the cost of these new product platforms and blade technologies, remains a key priority. At Grid, we are securing our position in the high growth offshore interconnection market with products meeting the 2GW high voltage direct current (HVDC) solution standard and developing new technology such as flexible transformers and eco-friendly g³ switchgears that solve for a denser, more resilient and efficient electric grid and lower greenhouse gas emissions.

Onshore and Offshore sales in units	2022	2021	2020
Wind Turbines	2,190	3,590	3,744
Wind Turbine Gigawatts	7.5	11.7	10.8
Repower units	580	561	1,022

RPO	December 31, 2022	December 31, 2021	December 31, 2020
Equipment	$ 20,142	$ 18,639	$ 18,273
Services	12,688	12,872	12,531
Total RPO	$ 32,830	$ 31,511	$ 30,804

SEGMENT REVENUES AND PROFIT	2022	2021	2020
Onshore Wind	$ 8,373	$ 11,026	$ 10,881
Grid Solutions equipment and services	3,086	3,207	3,585
Hydro, Offshore Wind and Hybrid Solutions	1,518	1,464	1,200
Total segment revenues	$ 12,977	$ 15,697	$ 15,666
Equipment	$ 10,191	$ 13,224	$ 12,859
Services	2,785	2,473	2,807
Total segment revenues	$ 12,977	$ 15,697	$ 15,666
Segment profit (loss)	$ (2,240)	$ (795)	$ (715)
Segment profit margin	(17.3) %	(5.1) %	(4.6) %

For the year ended December 31, 2022, segment revenues were down $2.7 billion (17%) and segment losses were up $1.4 billion.

RPO as of December 31, 2022 increased $1.3 billion (4%) from December 31, 2021 primarily from new orders at Grid and Hydro exceeding sales, partially offset by the approximately $1.3 billion impact from a stronger U.S. dollar and revenue exceeding new orders at Offshore Wind.

Revenues decreased $2.1 billion (13%) organically*, primarily from 1,400 fewer wind turbine deliveries, primarily at Onshore Wind, including customer delays and deferrals due to U.S. tax policy uncertainty, and lower revenue at Grid due to increased commercial selectivity, partially offset by higher services revenue at Onshore Wind from a larger installed base.

Segment losses increased $1.5 billion organically*, primarily attributable to Onshore Wind's lower U.S. volume, higher warranty and related reserve charges of $0.5 billion in the third quarter of 2022 in response to the deployment of corrective measures and repair campaigns within our fleet, execution of lower margin RPO and the impact of transitioning to newer product offerings internationally. Additionally, we observed cost inflation across all businesses and higher ramp up costs at Offshore Wind. These higher costs were partially offset by the favorable impact of cost reduction initiatives and lower project related charges, primarily at Grid.

POWER – will be part of GE Vernova, GE's portfolio of energy businesses. Power serves power generation, industrial, government and other customers worldwide with products and services related to energy production. Our products and technologies harness resources such as oil, gas, fossil, diesel and nuclear to produce electric power and include gas and steam turbines, full balance of plant, upgrade and service solutions, as well as data-leveraging software. We have organized the businesses within our Power segment into Gas Power, Steam Power and Power Conversion, Nuclear and other.

Gas Power – offers a wide spectrum of heavy-duty and aeroderivative gas turbines for utilities, independent power producers and numerous industrial applications, ranging from small, mobile power to utility scale power plants. Gas Power also delivers maintenance and service solutions across total plant assets and over their operational lifecycle.

Steam Power – offers a broad portfolio of technologies and services predominately for nuclear and fossil power plants to help customers deliver reliable power as they transition to a lower carbon future.

Power Conversion, Nuclear and other - applies the science and systems of power conversion to provide motors, generators, automation and control equipment and drives for energy intensive industries such as marine, oil and gas, mining, rail, metals and test systems. Through joint ventures with Hitachi, it also provides nuclear technology solutions for boiling water reactors including reactor design, reactor fuel and support services, and the design and development of small modular reactors.

*Non-GAAP Financial Measure

Competition & Regulation. Worldwide competition for power generation products and services is intense. Demand for power generation is global, and as a result, is sensitive to the economic and political environments of each country in which we do business. Our products and services sold to end customers are often subject to many regulatory requirements and performance standards under different federal, state, foreign and energy industry standards. In addition, we are subject to market and other dynamics related to decarbonization, where it will remain important to lower greenhouse gas emissions for decades to come, which will likely depend in part on technologies that are not yet deployed or widely adopted today but may become more important over time (such as hydrogen-based power generation, carbon capture and sequestration technologies or small modular or other advanced nuclear power).

Significant Trends & Developments. During the year ended December 31, 2022, global gas power generation grew mid-single digits and GE gas turbine utilization grew low-single digits with strength in the U.S. Utilization of the fleet continues to follow growing gas power generation, capturing shortfalls from coal retirements, and resilient asset usage with a dynamic Europe environment with the Russia and Ukraine conflict and mild winter. Looking ahead, we anticipate H-class units to be commissioned into the serviceable installed base and the uncertain timing of deal closures due to financing and the complexities of working in emerging markets. Power has proactively managed the impact of inflationary pressure by deploying lean initiatives to drive cost productivity, partnering with our suppliers and adjusting the pricing of our products and services. We expect the impact of inflation will continue to be challenging and we will continue to take actions to manage. Although market factors related to the energy transition such as greater renewable energy penetration and the adoption of climate change-related policies continue to impact long-term demand (and related financing), we expect the gas market to remain stable over the next decade with gas generation continuing to grow low-single-digits. We believe gas will play a critical role in the energy transition. We remain focused on our underwriting discipline and risk management to ensure we are securing deals that meet our financial hurdles and we have high confidence to deliver for our customers.

In the first quarter of 2022, we signed a non-binding memorandum of understanding for GE Steam Power to sell a portion of its business to Électricité de France S.A. (EDF), which resulted in a reclassification of that business to held for sale. In the fourth quarter of 2022, we signed a binding agreement and expect to complete the sale, subject to regulatory approval, in the second half of 2023. In the second quarter of 2022, we announced that Gas Power intends to acquire Nexus Controls, a business specializing in aftermarket control system upgrades and controls field services. The deal, which is subject to customary closing conditions including regulatory approval and mandatory information and consultation processes with employees and their representatives, is expected to close in the second quarter of 2023.

We continue to invest in new product development, such as our Nuclear small modular reactors and our HA-Turbines, with over 1.6 million operating hours. Our fundamentals remain strong with approximately $69.0 billion in RPO, including 27 HA-Turbines, and a gas turbine installed base of approximately 7,000 units, including 78 HA-Turbines, which has nearly doubled since 2019, and approximately 1,800 units under long-term service agreements.

Sales in units	2022	2021	2020
GE Gas Turbines	101	62	71
Heavy-Duty Gas Turbines(a)	53	43	51
HA-Turbines(b)	11	13	21
Aeroderivatives(a)	48	19	20

(a) Heavy-Duty Gas Turbines and Aeroderivatives are subsets of GE Gas Turbines.
(b) HA-Turbines are a subset of Heavy-Duty Gas Turbines.

RPO	December 31, 2022	December 31, 2021	December 31, 2020
Equipment	$ 11,561	$ 12,169	$ 14,991
Services	57,420	56,569	58,318
Total RPO	$ 68,981	$ 68,738	$ 73,308

SEGMENT REVENUES AND PROFIT	2022	2021	2020
Gas Power	$ 12,072	$ 12,080	$ 12,655
Steam Power	2,643	3,241	3,557
Power Conversion, Nuclear and other	1,547	1,582	1,378
Total segment revenues	$ 16,262	$ 16,903	$ 17,589
Equipment	$ 4,737	$ 5,035	$ 6,707
Services	11,526	11,868	10,883
Total segment revenues	$ 16,262	$ 16,903	$ 17,589
Segment profit (loss)	$ 1,217	$ 726	$ 274
Segment profit margin	7.5 %	4.3 %	1.6 %

For the year ended December 31, 2022, segment revenues were down $0.6 billion (4%) and segment profit was up $0.5 billion (68%).

RPO as of December 31, 2022 increased $0.2 billion from December 31, 2021, primarily driven by Gas Power services and equipment, partially offset by the continued wind down of the Steam Power new build coal business.

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Revenues increased $0.4 billion (2%) organically*, primarily due to higher Gas Power aeroderivative deliveries, favorable price in Gas Power contractual and non-contractual services and growth in Gas Power non-contractual services, partially offset by lower planned contractual services outages in Gas Power and a reduction in Steam Power equipment on the exit of new build coal and prior year Steam Power services volume that did not repeat.

Profit increased $0.5 billion (69%) organically* primarily due to prior year project and legal charges at Steam Power that did not repeat, reduced intangible asset amortization at Steam Power, favorable price in Gas Power contractual and non-contractual services and higher Gas Power aeroderivative deliveries, partially offset by lower Gas Power planned contractual services outages, unfavorable equipment mix at Gas Power, a reduction in Steam Power equipment on the exit of new build coal and prior year Steam Power services volume that did not repeat.

GE HEALTHCARE. HealthCare is a leading global medical technology, pharmaceutical diagnostics and digital solutions innovator. Our products, solutions and services span the continuum of patient care including screening, diagnosis, treatment and monitoring with the goal of empowering clinicians to deliver better care at lower cost. Our customers include healthcare providers as well as researchers, including public, private and academic institutions. We sell our products through a combination of a global sales force and a network of channel partners, including distributors and other third parties. On January 3, 2023, GE completed the previously announced separation of its HealthCare business, into a separate, independent publicly traded company. See Note 28 for further information.

Healthcare Systems (HCS) – develops, manufactures, markets and services a broad suite of products and solutions used in the diagnosis, treatment and monitoring of patients that is encompassed in imaging, ultrasound and patient care solutions. Imaging includes magnetic resonance, computed tomography, molecular imaging, x-ray mammography, image-guided therapy systems, enterprise imaging, service capabilities and digital solutions. Ultrasound includes consoles and probes, handheld devices, intraoperative imaging systems, visualization software, service capabilities and digital solutions. Patient Care Solutions (PCS) includes consoles and probes, handheld devices, intraoperative imaging systems, visualization software, service capabilities, and digital solutions.

Pharmaceutical Diagnostics (PDx) – researches, manufactures and markets innovative imaging agents used during medical scanning procedures to highlight organs, tissue and functions inside the human body, to aid physicians in the early detection, diagnosis and management of disease through advanced in-vivo diagnostics. These products include both contrast imaging and molecular imaging agents.

BioPharma – This business was sold on March 31, 2020. It delivered products, services and manufacturing solutions for drug discovery, biopharmaceutical production, and cellular and gene therapy technologies.

Competition & Regulation. HealthCare competes with a variety of U.S. and non-U.S. manufacturers and services providers. Customers require products and services that allow them to provide better access to healthcare, improve the affordability of care and improve the quality of patient outcomes. Key factors affecting competition include technological innovations, productivity solutions, competitive pricing and the ability to provide lifecycle services. New technologies and solutions could make our products and services obsolete unless we continue to develop new and improved offerings. Our products are subject to regulation by numerous government agencies, as well as laws and regulations that apply to various reimbursement systems or other government funded healthcare programs.

Significant Trends & Developments. Market demand and RPO conversion remain positive despite inflationary and supply challenges continuing to impact the industry. Global spending in healthcare is solid and expected to continue, particularly in public markets across Europe and Asia. We are experiencing strong order growth in our China equipment business due to government stimulus programs. Overall, continued patient demand is leading providers to invest in products and services that increase productivity and reduce operating costs, an important dynamic as healthcare systems modernize post-pandemic and prepare for increased demand longer-term. Actions of our supply chain, engineering and manufacturing teams, as well as proactive supplier engagement are driving fewer delays in securing key materials and have improved our ability to deliver products to our customers. However, shortages are still impacting our ability to deliver certain products. Our expectation is that supply chain pressures will continue to improve. We continue to experience inflationary pressure within our supply chain, however, we have partially offset this pressure by adjusting pricing of our products, as well as managing discretionary and fixed cost in our business and prioritizing research and development investments.

We continue to grow and invest in precision health, with a focus on creating new products and digital solutions as well as expanding uses of existing offerings that are tailored to the different needs of our global customers. We introduced over 40 solutions that aim to improve patient outcomes and increase healthcare efficiency at the Radiological Society of North America's (RSNA) 2022 Annual Meeting. For example, we announced a platform of four inventive components, which are SIGNA One, a new anticipatory user interface with virtually no learning curve; AIR Recon DL; AIR Coils; and automated workflow solutions, that leverage AI and deep learning to ensure the smoothest scanning experience in magnetic resonance (MR) imaging. In January 2023 we announced we entered into an agreement to acquire IMACTIS, an innovator in the rapidly growing field of computed tomography (CT) interventional guidance across an array of care areas. IMACTIS created CT-Navigation™, an ergonomic universal solution that provides stereotactic needle guidance, enabling intuitive pre-planning and continuous control throughout a wide range of procedures, from diagnosis to treatment. We remain committed to innovate and invest to create more integrated, efficient and personalized precision care.

RPO	December 31, 2022	December 31, 2021	December 31, 2020
Equipment	$ 4,739	$ 4,232	$ 3,465
Services	9,676	10,375	9,458
Total RPO	$ 14,415	$ 14,606	$ 12,923

*Non-GAAP Financial Measure

SEGMENT REVENUES AND PROFIT	2022	2021	2020
Healthcare Systems (HCS)	$ 16,489	$ 15,694	$ 15,387
Pharmaceutical Diagnostics (PDx)	1,972	2,031	1,792
BioPharma	—	—	830
Total segment revenues	$ 18,461	$ 17,725	$ 18,009
Equipment	$ 9,643	$ 9,104	$ 9,992
Services	8,818	8,620	8,017
Total segment revenues	$ 18,461	$ 17,725	$ 18,009
Segment profit	$ 2,705	$ 2,966	$ 3,060
Segment profit margin	14.7 %	16.7 %	17.0 %

For the year ended December 31, 2022, segment revenues were up $0.7 billion (4%) and segment profit was down $0.3 billion (9%).

RPO as of December 31, 2022 decreased $0.2 billion (1%) from December 31, 2021, primarily due to the impact of contract renewal timing in services, partially offset by an increase in equipment orders.

Revenues increased $1.3 billion (7%) organically*. Equipment revenues increased, driven by Imaging and Ultrasound, mainly due to strong growth in the U.S. and Europe, the Middle East and Africa, partially offset by China. Services revenues increased, driven by the continued growth of HCS and PDx.

Profit decreased $0.1 billion (2%) organically*, driven by increased material inflation and logistics cost across all product lines, partially offset by increased volume and price. We also continued to make planned research and development and commercial investments.

CORPORATE. The Corporate amounts related to revenues and earnings include the results of disposed businesses, certain amounts not included in operating segment results because they are excluded from measurement of their operating performance for internal and external purposes and the elimination of intersegment activities. In addition, the Corporate amounts related to earnings include certain costs of our principal retirement plans, significant, higher-cost restructuring programs, separation costs, and other costs reported in Corporate.

Corporate includes the results of the GE Digital business and our remaining GE Capital businesses, our former financial services business, including our run-off Insurance business (see Other Items - Insurance for further information) and the Lighting segment through its disposition in the second quarter of 2020.

REVENUES AND OPERATING PROFIT (COST)	2022	2021	2020
Corporate revenues	$ 882	$ 945	$ 1,313
Insurance revenues (Note 12)	2,954	3,106	2,865
Eliminations and other	(1,030)	(1,490)	(1,650)
Total Corporate revenues	$ 2,806	$ 2,561	$ 2,528
Gains (losses) on purchases and sales of business interests	$ 51	$ (44)	$ 12,452
Gains (losses) on equity securities	76	1,921	(1,891)
Restructuring and other charges (Note 20)	(918)	(380)	(680)
Separation costs (Note 20)	(973)	—	—
Steam asset sale impairment (Notes 6 and 7)	(824)	—	(363)
SEC Settlement charge	—	—	(200)
Russia and Ukraine charges	(263)	—	—
Goodwill impairments, net of noncontrolling interests of $149 million in 2020 (Note 7)	—	—	(728)
Insurance profit (loss) (Note 12)	60	566	197
Adjusted total Corporate operating costs (Non-GAAP)	(621)	(1,170)	(1,602)
Total Corporate operating profit (cost) (GAAP)	$ (3,413)	$ 892	$ 7,184
Less: gains (losses), impairments, Insurance, and restructuring & other	(2,792)	2,062	8,786
Adjusted total Corporate operating costs (Non-GAAP)	$ (621)	$ (1,170)	$ (1,602)
Functions & operations	$ (568)	$ (848)	$ (1,303)
Environmental, health and safety (EHS) and other items	(94)	(302)	(104)
Eliminations	41	(20)	(195)
Adjusted total Corporate operating costs (Non-GAAP)	$ (621)	$ (1,170)	$ (1,602)

Adjusted total corporate operating costs* excludes gains (losses) on purchases and sales of business interests, significant, higher-cost restructuring programs, separation costs, gains (losses) on equity securities, impairments and our run-off Insurance business profit. We believe that adjusting corporate costs to exclude the effects of items that are not closely associated with ongoing corporate operations provides management and investors with a meaningful measure that increases the period-to-period comparability of our ongoing corporate costs.

*Non-GAAP Financial Measure

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For the year ended December 31, 2022, revenues increased by $0.2 billion due to $0.5 billion of lower intersegment eliminations, partially offset by $0.2 billion of lower revenue in our run-off Insurance business and $0.1 billion of lower revenue in our Digital business. Corporate operating profit decreased by $4.3 billion due to $1.8 billion of lower gains on equity securities, primarily related to our AerCap and Baker Hughes investments. Corporate operating profit also decreased as the result of $1.0 billion of separation costs and $0.5 billion of lower operating profit in our run-off Insurance business, primarily due to a charge related to terminating several reinsurance contracts (see Other Items - Insurance). In addition, operating profit decreased due to $0.8 billion of non-cash impairment charges related to property, plant and equipment and intangible assets as a result of reclassification of a portion of our Steam Power business to held for sale in the first quarter of 2022 (see Notes 6 and 7). Corporate operating profit also decreased due to $0.5 billion of higher restructuring and other charges primarily related to our Corporate segment and $0.3 billion of charges from contracts and recoverability of assets in connection with the conflict between Russia and Ukraine and resulting sanctions, primarily within our Aerospace and Power businesses. These decreases were partially offset by $0.1 billion of lower losses on purchases and sales of business interests due to a $0.2 billion held for sale loss within our Power segment in 2021.

Adjusted total corporate operating costs* decreased by $0.5 billion primarily as the result of $0.3 billion of lower functional costs and $0.2 billion of lower costs associated with EHS and other items primarily driven by core reductions and favorability from interest rate and foreign exchange dynamics.

OTHER CONSOLIDATED INFORMATION

RESTRUCTURING AND SEPARATION COSTS. Significant, higher-cost restructuring programs are excluded from measurement of segment operating performance for internal and external purposes; those excluded amounts are reported in Restructuring and other charges for Corporate. In addition, we incur costs associated with separation activities, which are also excluded from measurement of segment operating performance for internal and external purposes. See Note 20 for further information on restructuring and separation costs.

INTEREST AND OTHER FINANCIAL CHARGES were $1.6 billion, $1.9 billion and $2.1 billion for the years ended December 31, 2022, 2021 and 2020, respectively. The decrease was primarily due to lower average borrowings balances, partially offset by a lower allocation of interest expense to discontinued operations. Inclusive of interest expense in discontinued operations, total interest and other financial charges were $1.7 billion, $2.5 billion and $3.0 billion for the years ended December 31, 2022, 2021 and 2020, respectively. The primary components of interest and other financial charges are interest on short- and long-term borrowings.

DEBT EXTINGUISHMENT COSTS were $0.5 billion, $6.5 billion and $0.3 billion for the years ended December 31, 2022, 2021 and 2020, respectively. During 2022, we executed a debt tender in the fourth quarter and incurred debt extinguishment costs of $0.5 billion in the same quarter. The majority of these costs relate to the present value of accelerating future interest payments associated with the debt. As a result of these actions, we expect lower interest expense going forward.

POSTRETIREMENT BENEFIT PLANS. Refer to Note 13 for information about our pension and retiree benefit plans.

INCOME TAXES	2022	2021	2020
Effective tax rate (ETR)	33.7 %	7.8 %	(8.2)%
Provision (benefit) for income taxes	$ 476	$ (286)	$ (487)
Cash income taxes paid(a)	$ 1,128	$ 1,330	$ 1,291

(a) Included taxes paid related to discontinued operations.

For the year ended December 31, 2022, the income tax rate was 33.7% compared to 7.8% for the year ended December 31, 2021. The tax rate for 2022 reflects tax expense on pre-tax income. The tax rate for 2021 reflects a tax benefit on a pre-tax loss.

The provision (benefit) for income taxes was $0.5 billion and $(0.3) billion for the years ended December 31, 2022 and 2021, respectively. The increase in tax was primarily due to a decrease in tax benefit associated with lower debt extinguishment costs ($0.4 billion), the nonrecurrence of tax benefits associated with internal restructurings to recognize deductible stock and loan losses in excess of the amount offsetting AerCap and Baker Hughes tax in 2021 ($0.2 billion) and the increase in pre-tax income excluding debt extinguishment and the net gains in 2022 on our interests in AerCap and Baker Hughes ($0.2 billion). There was an insignificant tax effect on the net gains in AerCap and Baker Hughes in both periods because of available capital losses.

For the year ended December 31, 2022, the adjusted income tax rate* was 21.6% compared to 20.2% for the year ended December 31, 2021. The adjusted income tax rate* increased primarily due to larger non-U.S. losses without a tax benefit.

Absent additional taxes on global income enacted as part of the Tax Cuts and Jobs Act of 2017 (U.S. tax reform) and non-U.S. losses without a tax benefit, our consolidated income tax provision is generally reduced because of the benefits of lower-taxed global operations as certain non-U.S. income is subject to local country tax rates that are below the U.S. statutory tax rate.

*Non-GAAP Financial Measure

The rate of tax on our profitable non-U.S. earnings is below the U.S. statutory tax rate because we have significant business operations subject to tax in countries where the tax on that income is lower than the U.S. statutory rate and because GE funds certain non-U.S. operations through foreign companies that are subject to low foreign taxes. Most of these earnings have been reinvested in active non-U.S. business operations. Given U.S. tax reform, substantially all of our net prior unrepatriated earnings were subject to U.S. tax and accordingly we generally expect to have the ability to repatriate available non-U.S. cash without additional U.S. federal tax cost and any foreign withholding taxes on a repatriation to the U.S. would potentially be partially offset by a U.S. foreign tax credit. We reassess reinvestment of earnings on an ongoing basis. In 2022, in connection with the execution of the Company's plans to prepare for the spin-off of GE HealthCare, we incurred $0.1 billion of tax due to repatriation of previously reinvested earnings.

A substantial portion of the benefit for lower-taxed non-U.S. earnings related to business operations subject to tax in countries where the tax on that income is lower than the U.S. statutory rate is derived from our Aerospace operations located in Singapore where the earnings are primarily taxed at a rate of 8% and our Power operations located in Switzerland where the earnings are taxed at between 17.4% and 18.6%.

The rate of tax on non-U.S. operations is increased, however, because we have losses in foreign jurisdictions where it is not likely that the losses can be utilized and no tax benefit is provided for those losses. Non-U.S. losses also limit our ability to claim U.S. foreign tax credits on certain operations, further increasing the rate of tax on non-U.S. operations. In addition, as part of U.S. tax reform, the U.S. enacted a tax on "base eroding" payments from the U.S. We have taken restructuring actions to mitigate the impact from this provision. The U.S. also enacted a minimum tax on foreign earnings (global intangible low tax income). Because we have tangible assets outside the U.S. and pay significant foreign taxes, we generally do not expect a significant increase in tax liability from this U.S. tax on foreign earnings. Overall, these enacted provisions increase the rate of tax on our non-U.S. operations.

(BENEFIT)/EXPENSE FROM GLOBAL OPERATIONS	2022	2021	2020
Foreign tax rate difference on non-U.S. earnings	$ 44	$ 137	$ (104)
Audit resolutions	(23)	(81)	(129)
Other	321	99	186
Total (benefit)/expense	$ 342	$ 155	$ (47)

For the year ended December 31, 2022, the increase in expense from global operations compared to 2021 reflects larger non-U.S. losses without a tax benefit and the impact of revaluing deferred taxes as a result of tax law changes.

A more detailed analysis of differences between the U.S. federal statutory rate and the consolidated effective rate, as well as other information about our income tax provisions, is provided in the Critical Accounting Estimates section and Note 15.

RESEARCH AND DEVELOPMENT. We conduct research and development (R&D) activities to continually enhance our existing products and services, develop new products and services to meet our customers' changing needs and requirements, and address new market opportunities. In addition to funding R&D internally, we also receive funding externally from our customers and partners, which contributes to the overall R&D for the company.

	GE funded			Customer and Partner funded(b)			Total R&D		
	2022	2021	2020	2022	2021	2020	2022	2021	2020
Aerospace	$ 806	$ 664	$ 707	$ 1,160	$ 972	$ 1,090	$ 1,965	$ 1,637	$ 1,797
Renewable Energy	519	546	466	22	15	19	540	561	485
Power	299	294	317	83	34	13	383	329	330
HealthCare	1,026	816	845	29	32	27	1,056	847	872
Corporate(a)	163	177	231	135	134	106	297	311	336
Total	$ 2,813 (c)	$ 2,497	$ 2,565	$ 1,429	$ 1,187	$ 1,255	$ 4,242	$ 3,685	$ 3,820

(a) Includes Global Research Center and Digital business.
(b) Customer funded is principally U.S. Government funded in our Aerospace segment.
(c) 2022 expense excludes $166 million of costs offset by funding from government grants and incentives.

DISCONTINUED OPERATIONS primarily comprise our GE Capital Aviation Services (GECAS) business, discontinued in 2021, our mortgage portfolio in Poland, and other trailing assets and liabilities associated with prior dispositions. Results of operations, financial position and cash flows for these businesses are reported as discontinued operations for all periods presented and the notes to the financial statements have been adjusted on a retrospective basis. See Note 2 for further information regarding our businesses in discontinued operations.

CAPITAL RESOURCES AND LIQUIDITY

FINANCIAL POLICY. We intend to maintain a disciplined financial policy with a sustainable investment-grade long-term credit rating. In the fourth quarter of 2021, the Company announced plans to form three industry-leading, global, investment-grade companies, each of which will determine their own financial policies, including capital allocation, dividend, mergers and acquisitions and share buyback decisions.

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LIQUIDITY POLICY. We maintain a strong focus on liquidity and define our liquidity risk tolerance based on sources and uses to maintain a sufficient liquidity position to meet our business needs and financial obligations under both normal and stressed conditions. We believe that our consolidated liquidity and availability under our revolving credit facilities will be sufficient to meet our liquidity needs.

CONSOLIDATED LIQUIDITY. Our primary sources of liquidity consist of cash and cash equivalents, free cash flows* from our operating businesses, cash generated from asset sales and dispositions, and short-term borrowing facilities, including revolving credit facilities. Cash generation can be subject to variability based on many factors, including seasonality, receipt of down payments on large equipment orders, timing of billings on long-term contracts, timing of Aerospace-related customer allowances, market conditions and our ability to execute dispositions. Total cash, cash equivalents and restricted cash was $17.3 billion at December 31, 2022, of which $11.7 billion was held in the U.S. and $5.5 billion was held outside the U.S.

Cash held in non-U.S. entities has generally been reinvested in active foreign business operations; however, substantially all of our unrepatriated earnings were subject to U.S. federal tax and, if there is a change in reinvestment, we would expect to be able to repatriate available cash (excluding amounts held in countries with currency controls) without additional federal tax cost. Any foreign withholding tax on a repatriation to the U.S. would potentially be partially offset by a U.S. foreign tax credit. With regards to our announcement to form three public companies, the planning for and execution of the separations has impacted and is expected to continue to impact indefinite reinvestment. The impact of such changes will be recorded when there is a specific change in ability and intent to reinvest earnings.

Cash, cash equivalents and restricted cash at December 31, 2022 included $2.4 billion of cash held in countries with currency control restrictions (including a total of $0.1 billion in Russia and Ukraine) and $0.7 billion of restricted use cash. Cash held in countries with currency controls represents amounts held in countries that may restrict the transfer of funds to the U.S. or limit our ability to transfer funds to the U.S. without incurring substantial costs. Restricted use cash represents amounts that are not available to fund operations, and primarily comprised funds restricted in connection with certain ongoing litigation matters. Excluded from cash, cash equivalents and restricted cash was $0.6 billion of cash in our run-off Insurance business, which was classified as All other assets in the Statement of Financial Position.

In connection with the program we launched in 2020 to fully monetize our Baker Hughes position over approximately three years, we received proceeds of $4.7 billion in 2022. In addition, we expect to fully monetize our stake in AerCap over time.

Following approval of a statutory permitted accounting practice in 2018 by our primary insurance regulator, the Kansas Insurance Department (KID), we provided a total of $11.4 billion of capital contributions to our insurance subsidiaries, including $2.0 billion in the first quarter of 2022. We expect to provide further capital contributions of approximately $3.6 billion through 2024 (of which approximately $1.8 billion is expected to be contributed in the first quarter of 2023, pending completion of our December 31, 2022 statutory reporting process). See Note 12 for further information.

On March 6, 2022, the Board of Directors authorized the repurchase of up to $3 billion of our common stock. In connection with this authorization, we repurchased 13 million shares for a total of $1.0 billion for the year ended December 31, 2022.

BORROWINGS. Consolidated total borrowings were $32.4 billion and $35.2 billion at December 31, 2022 and 2021, respectively, a decrease of $2.8 billion. The reduction in borrowings was driven by $10.1 billion of net maturities and repayments of debt including a $6.4 billion debt tender completed in the fourth quarter of 2022, and $1.0 billion primarily related to changes in foreign exchange rates, partially offset by $8.3 billion issued by GE HealthCare in the fourth quarter of 2022.

We have in place committed revolving credit facilities totaling $14.4 billion at December 31, 2022, comprising a $10.0 billion unused back-up revolving syndicated credit facility and a total of $4.4 billion of bilateral revolving credit facilities.

GE HealthCare Actions. In the fourth quarter of 2022, as part of the financing for the planned spin-off, GE HealthCare issued a total of $8.3 billion in aggregate principal amount of senior unsecured debt. These notes are obligations of GE HealthCare and were guaranteed by GE until the completion of the spin-off on January 3, 2023. These notes remained with GE HealthCare at the spin-off on January 3, 2023. See Note 10 for further information.

Also in the fourth quarter of 2022, in connection with the planned spin-off, GE HealthCare entered into three new credit facilities totaling $5.5 billion. These credit facilities consist of a five-year senior unsecured revolving credit facility in an aggregate committed amount of $2.5 billion; a 364-day senior unsecured revolving facility in an aggregate committed amount of $1.0 billion; and a three-year senior unsecured term loan credit facility in an aggregate principal amount of $2.0 billion. These credit facilities remained with GE HealthCare at the spin-off on January 3, 2023.

GE Liability Management Actions. In the fourth quarter of 2022, GE used the majority of the proceeds from the senior unsecured debt issued by GE HealthCare to complete a debt tender to repurchase a total of $6.4 billion of debt issued by GE or certain affiliates (and assumed or guaranteed by GE). In doing so, we incurred debt extinguishment costs of $0.5 billion, resulting in an aggregate purchase price of $7.0 billion. See Note 10 for further information.

*Non-GAAP Financial Measure

CREDIT RATINGS AND CONDITIONS. We have relied, and may continue to rely, on the short- and long-term debt capital markets to fund, among other things, a significant portion of our operations. The cost and availability of debt financing is influenced by our credit ratings. Moody's Investors Service (Moody's), Standard and Poor's Global Ratings (S&P), and Fitch Ratings (Fitch) currently issue ratings on our short- and long-term debt. Our credit ratings as of the date of this filing are set forth in the table below.

	Moody's	S&P	Fitch
Outlook	Negative	Stable	Stable
Short term	P-2	A-2	F2
Long term	Baa1	BBB+	BBB

We are disclosing our credit ratings and any current quarter updates to these ratings to enhance understanding of our sources of liquidity and the effects of our ratings on our costs of funds and access to liquidity. Our ratings may be subject to a revision or withdrawal at any time by the assigning rating organization, and each rating should be evaluated independently of any other rating. In connection with the planned spin-off of GE HealthCare, rating agencies reviewed ratings for GE. In the fourth quarter of 2022, Moody's and Fitch reaffirmed their ratings for GE, and S&P announced that it changed its outlook for GE from Credit Watch Negative to Stable. For a description of some of the potential consequences of a reduction in our credit ratings, see the Financial Risks section of Risk Factors.

Substantially all of the Company's debt agreements in place at December 31, 2022 do not contain material credit rating covenants. Our unused back-up revolving syndicated credit facility and certain of our bilateral revolving credit facilities contain a customary net debt-to-EBITDA financial covenant, which we satisfied at December 31, 2022.

The Company may from time to time enter into agreements that contain minimum ratings requirements. The following table provides a summary of the maximum estimated liquidity impact in the event of further downgrades below each stated ratings level.

Triggers Below	December 31, 2022
BBB+/A-2/P-2	$ 69
BBB/A-3/P-3	266
BBB-	1,427
BB+ and below	610

Our most significant contractual ratings requirements are related to ordinary course commercial activities. The timing within the quarter of the potential liquidity impact of these areas may differ, as can the remedies to resolving any potential breaches of required ratings levels.

FOREIGN EXCHANGE AND INTEREST RATE RISK. As a result of our global operations, we generate and incur a significant portion of our revenues and expenses in currencies other than the U.S. dollar. Such principal currencies include the euro, the Chinese renminbi, the Indian rupee and the British pound sterling, among others. The effects of foreign currency fluctuations on earnings was less than $0.1 billion for each of the years ended December 31, 2022, 2021 and 2020. See Note 22 for further information about our risk exposures, our use of derivatives, and the effects of this activity on our financial statements.

Exchange rate and interest rate risks are managed with a variety of techniques, including selective use of derivatives. We apply policies to manage each of these risks, including prohibitions on speculative activities. It is our policy to minimize currency exposures and to conduct operations either within functional currencies or using the protection of hedge strategies. To assess exposure to interest rate risk, we apply a +/- 100 basis points change in interest rates and keep that in place for the next 12 months. To assess exposure to currency risk of assets and liabilities denominated in other than their functional currencies, we evaluated the effect of a 10% shift in exchange rates against the U.S. dollar (USD). The analyses indicated that our 2022 consolidated net earnings would decline by less than $0.1 billion for interest rate risk and for foreign exchange risk.

LIBOR REFORM. In connection with the transition away from the use of the London interbank offered rate (LIBOR) as an interest rate benchmark, the ICE Benchmark Administration Limited (IBA) plans to cease the remaining USD LIBOR settings immediately following the LIBOR publication on June 30, 2023. The Company's most significant exposures to LIBOR relate to preferred stock and certain floating-rate debt securities issued by the Company, which use USD LIBOR. Such preferred stock and floating rate debt are governed by New York law. On December 16, 2022, the Federal Reserve Board adopted a final rule that implements the Adjustable Interest Rate (LIBOR) Act by identifying benchmark rates based on SOFR (Secured Overnight Financing Rate) that will replace LIBOR in certain financial contracts after June 30, 2023. We are in the process of managing the transition, and any financial impact will be accounted for under Accounting Standards Update (ASU) 2020-04, *Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting*.

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STATEMENT OF CASH FLOWS

CASH FLOWS FROM CONTINUING OPERATIONS. The most significant source of cash in CFOA is customer-related activities, the largest of which is collecting cash resulting from equipment or services sales. The most significant operating use of cash is to pay our suppliers, employees, tax authorities, and post retirement plans. GE measures itself on a free cash flows* basis. This metric includes CFOA plus investments in property, plant and equipment and additions to internal-use software; this metric excludes any cash received from dispositions of property, plant and equipment. We believe that investors may also find it useful to compare free cash flows* performance without the effects of cash flows for taxes related to business sales, contributions to the GE Pension Plan, discontinued factoring programs, operating activities related to our run-off Insurance business, separation cash expenditures, Corporate restructuring cash expenditures (associated with the separation-related program announced in October 2022) and eliminations related to our receivables factoring and supply chain finance programs. We believe this measure will better allow management and investors to evaluate the capacity of our operations to generate free cash flows*.

CFOA (GAAP) AND FREE CASH FLOWS (FCF) BY SEGMENT (NON-GAAP)

For the year ended December 31, 2022	Aerospace	Renewable Energy	Power	HealthCare	Corporate	Total
CFOA (GAAP)	$ 5,514	$ (1,759)	$ 2,078	$ 2,435	$ (2,404)	$ 5,864
Less: Insurance CFOA	—	—	—	—	136	136
CFOA excl. Insurance (Non-GAAP)	$ 5,514	$ (1,759)	$ 2,078	$ 2,435	$ (2,540)	$ 5,728
Add: gross additions to property, plant and equipment	(543)	(275)	(210)	(310)	(34)	(1,371)
Add: gross additions to internal-use software	(81)	(7)	(18)	—	(7)	(113)
Less: separation cash expenditures	—	—	—	—	(261)	(261)
Less: Corporate restructuring cash expenditures	—	—	—	—	(38)	(38)
Less: taxes related to business sales	—	—	—	—	(214)	(214)
Free cash flows (Non-GAAP)	$ 4,890	$ (2,040)	$ 1,850	$ 2,125	$ (2,068)	$ 4,758
For the year ended December 31, 2021						
CFOA (GAAP)	$ 2,815	$ (1,576)	$ 24	$ 1,471	$ (1,846)	$ 888
Less: Insurance CFOA	—	—	—	—	86	86
CFOA excl. Insurance (Non-GAAP)	$ 2,815	$ (1,576)	$ 24	$ 1,471	$ (1,933)	$ 802
Add: gross additions to property, plant and equipment	(445)	(349)	(189)	(242)	(25)	(1,250)
Add: gross additions to internal-use software	(61)	(9)	(23)	(6)	(13)	(111)
Less: CFOA impact from factoring programs discontinued in 2021	(2,006)	(539)	(1,117)	(1,481)	35	(5,108)
Less: CFOA impact from receivables factoring and supply chain finance eliminations	—	—	—	—	2,666	2,666
Less: taxes related to business sales	—	—	—	—	(6)	(6)
Free cash flows (Non-GAAP)	$ 4,315	$ (1,395)	$ 929	$ 2,705	$ (4,665)	$ 1,889

Cash from operating activities was $5.9 billion in 2022, an increase of $5.0 billion compared to 2021, primarily due to: a decrease in financial services-related cash collateral paid net of settlements on interest rate derivative contracts of $1.0 billion, which is a standard market practice to minimize derivative counterparty exposures; an increase in net income (after adjusting for amortization of intangible assets, non-cash losses related to our interests in AerCap and Baker Hughes and non-operating debt extinguishment costs) primarily in our Aerospace business; an increase in cash from working capital of $2.3 billion; and an increase in cash from All other operating activities of $2.5 billion. The components of All other operating activities were as follows:

Years ended December 31	2022	2021
Increase (decrease) in Aerospace-related customer allowance accruals	$ 47	$ 514
Net interest and other financial charges/(cash paid)	45	(695)
Increase (decrease) in employee benefit liabilities	270	(64)
Net restructuring and other charges/(cash expenditures)	192	(15)
Decrease in factoring related liabilities	(26)	(480)
Cash settlement of Alstom legacy legal matter	—	(175)
Increase (decrease) in product warranty liabilities	262	(163)
Other	370	(239)
All other operating activities	$ 1,160	$ (1,317)

*Non-GAAP Financial Measure

The cash impacts from changes in working capital compared to prior year were as follows: current receivables of $(2.8) billion, driven by higher volume partially offset by the impact of decreases in sales of receivables to third parties in 2021; inventories, including deferred inventory, of $(1.6) billion, driven by higher material purchases partially offset by higher liquidations; current contract assets of $0.4 billion, driven by higher billings on our long-term service agreements, partially offset by net favorable changes in estimated profitability; accounts payable and equipment project payables of $2.8 billion, driven by higher volume and lower disbursements related to purchases of materials in prior periods; and progress collections and current deferred income of $3.5 billion, driven by lower liquidations and higher collections, including $0.6 billion of increased customer collections on equipment orders to support production at our Aerospace business.

Cash from investing activities was $1.8 billion in 2022, a decrease of $21.9 billion compared to 2021, primarily due to: non-recurrence of sale proceeds of $22.4 billion from the combination of our GECAS business with AerCap in 2021; cash paid related to net settlements between our continuing operations and businesses in discontinued operations of $0.3 billion in 2022, primarily related to a capital contribution to Bank BPH, as compared to cash received of $1.6 billion in 2021, primarily from our GECAS business (both components of All other investing activities); partially offset by non-recurrence of the acquisition of BK Medical by our HealthCare business of $1.5 billion in 2021; an increase in proceeds of $0.6 billion from the sales of our retained ownership interest in Baker Hughes and a decrease in net purchases of insurance investment securities of $0.4 billion. Cash used for additions to property, plant and equipment and internal-use software, which are components of free cash flows*, was $1.5 billion in 2022 and $1.4 billion in 2021.

Cash used for financing activities was $5.6 billion in 2022, a decrease of $39.7 billion compared to 2021, primarily due to: lower cash paid to repurchase long-term debt of $32.3 billion; GE HealthCare's long-term debt issuance in connection with the spin-off of $8.3 billion and lower other net debt maturities of $0.9 billion; partially offset by an increase in purchases of GE common stock for treasury of $0.9 billion, the settlement of Concept Laser GmbH's interest in an Aerospace technology joint venture of $0.2 billion and higher cash paid on derivatives hedging foreign currency debt of $0.2 billion (both components of All other financing activities). We paid cash to repurchase long-term debt of $6.9 billion and $39.2 billion, including cash received of $0.3 billion and cash paid of $7.2 billion related to debt extinguishment costs, excluding a non-cash debt basis adjustment of $(0.8) billion and $0.6 billion in 2022 and 2021, respectively.

CASH FLOWS FROM DISCONTINUED OPERATIONS. Cash from investing activities in 2022 was primarily due to a capital contribution to Bank BPH from continuing operations. Cash from operating activities and cash used for investing activities in 2021 was primarily due to cash generated from earnings in our GECAS business and net settlements from GECAS to continuing operations, respectively.

SUPPLY CHAIN FINANCE PROGRAMS. We facilitate voluntary supply chain finance programs with third parties, which provide participating suppliers the opportunity to sell their GE receivables to third parties at the sole discretion of both the suppliers and the third parties. At December 31, 2022 and 2021, included in accounts payable was $4.1 billion and $3.4 billion, respectively, of supplier invoices that are subject to the third-party programs. Total supplier invoices paid through these third-party programs were $7.6 billion and $6.9 billion for the years ended December 31, 2022 and 2021, respectively. See Note 11 for further information.

CRITICAL ACCOUNTING ESTIMATES. Accounting estimates and assumptions discussed in this section are those that we consider to be the most critical to an understanding of our financial statements because they involve significant judgments and uncertainties. Actual results in these areas could differ from management's estimates. See Note 1 for further information on our most significant accounting policies.

REVENUE RECOGNITION ON LONG-TERM SERVICES AGREEMENTS. We have long-term service agreements with our customers predominately within our Power and Aerospace segments that require us to maintain the customers' assets over the contract terms, which generally range from 5 to 25 years. However, contract modifications that extend or revise contracts are not uncommon. We recognize revenue as we perform under the arrangements using the percentage of completion method which is based on our costs incurred to date relative to our estimate of total expected costs. This requires us to make estimates of customer payments expected to be received over the contract term as well as the costs to perform required maintenance services.

Customers generally pay us based on the utilization of the asset (per hour of usage for example) or upon the occurrence of a major event within the contract such as an overhaul. As a result, a significant estimate in determining expected revenues of a contract is estimating how customers will utilize their assets over the term of the agreement. The estimate of utilization, which can change over the contract life, impacts both the amount of customer payments we expect to receive and our estimate of future contract costs. Customers' asset utilization will influence the timing and extent of overhauls and other service events over the life of the contract. We generally use a combination of both historical utilization trends as well as forward-looking information such as market conditions and potential asset retirements in developing our revenue estimates.

To develop our cost estimates, we consider the timing and extent of future maintenance and overhaul events, including the amount and cost of labor, spare parts and other resources required to perform the services. In developing our cost estimates, we utilize a combination of our historical cost experience and expected cost improvements. Cost improvements are only included in future cost estimates after savings have been observed in actual results or proven effective through an extensive regulatory or engineering approval process.

*Non-GAAP Financial Measure

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We routinely review estimates under long-term service agreements and regularly revise them to adjust for changes in outlook. These revisions are based on objectively verifiable information that is available at the time of the review. Contract modifications that change the rights and obligations, as well as the nature, timing and extent of future cash flows, are evaluated for potential price concessions, contract asset impairments and significant financing to determine if adjustments of earnings are required before effectively accounting for a modified contract as a new contract.

We regularly assess expected billings adjustments and customer credit risk inherent in the carrying amounts of receivables and contract assets, including the risk that contractual penalties may not be sufficient to offset our accumulated investment in the event of customer termination. We gain insight into future utilization and cost trends, as well as credit risk, through our knowledge of the installed base of equipment and fleet management strategies through close interaction with our customers that comes with supplying critical services and parts over extended periods. Revisions may affect a long-term services agreement's total estimated profitability resulting in an adjustment of earnings.

On December 31, 2022, our net long-term service agreements balance of $(0.7) billion represents approximately (0.3)% of our total estimated life of contract billings of $202.2 billion. Our contracts (on average) are approximately 18.7% complete based on costs incurred to date and our estimate of future costs. Revisions to our estimates of future billings or costs that increase or decrease total estimated contract profitability by one percentage point would increase or decrease the long-term service agreements balance by $0.4 billion. Billings collected on these contracts were $11.7 billion and $10.0 billion during the years ended December 31, 2022 and 2021, respectively. See Notes 1 and 8 for further information.

IMPAIRMENT OF GOODWILL AND OTHER IDENTIFIED INTANGIBLE ASSETS. We perform our annual goodwill impairment testing in the fourth quarter. In assessing the possibility that a reporting unit's fair value has been reduced below its carrying amount due to the occurrence of events or circumstances between annual impairment testing dates, we consider all available evidence, including (i) the results of our impairment testing from the most recent testing date (in particular, the magnitude of the excess of fair value over carrying value observed), (ii) downward revisions to internal forecasts, decreases in market multiples (and the magnitude thereof) or changes to interest rates, if any, and (iii) declines in market capitalization below book value (and the magnitude and duration of those declines), if any.

We determine fair value for each of the reporting units using the market approach, when available and appropriate, or the income approach, or a combination of both. We assess the valuation methodology based upon the relevance and availability of the data at the time we perform the valuation. If multiple valuation methodologies are used, the results are weighted appropriately.

Valuations using the market approach are derived from metrics of publicly traded companies or historically completed transactions of comparable businesses. The selection of comparable businesses is based on the markets in which the reporting units operate giving consideration to risk profiles, size, geography, and diversity of products and services. A market approach is limited to reporting units for which there are publicly traded companies that have characteristics similar to our businesses.

Under the income approach, fair value is determined based on the present value of estimated future cash flows, discounted at an appropriate risk-adjusted rate. We use our internal forecasts to estimate future cash flows and include an estimate of long-term future growth rates based on our most recent views of the long-term outlook for each business. We derive our discount rates using a capital asset pricing model and analyzing published rates for industries relevant to our reporting units to estimate the cost of equity financing. We use discount rates that are commensurate with the risks and uncertainty inherent in the respective businesses and in our internally developed forecasts. Discount rates used in our annual reporting unit valuations ranged from 11% to 21%.

Estimating the fair value of reporting units requires the use of significant judgments that are based on a number of factors including actual operating results, internal forecasts, market observable pricing multiples of similar businesses and comparable transactions, possible control premiums, determining the appropriate discount rate and long-term growth rate assumptions, and, if multiple approaches are being used, determining the appropriate weighting applied to each approach. It is reasonably possible that the judgments and estimates described above could change in future periods.

We review identified intangible assets with defined useful lives and subject to amortization for impairment whenever events or changes in circumstances indicate that the related carrying amounts may not be recoverable. Determining whether an impairment loss has occurred requires the use of our internal forecast to estimate future cash flows and the useful life over which these cash flows will occur. To determine fair value, we use our internal cash flow estimates discounted at an appropriate discount rate. See Notes 1 and 7 for further information.

INSURANCE AND INVESTMENT CONTRACTS. Refer to the Other Items - Insurance section for further discussion of the accounting estimates and assumptions in our insurance reserves and their sensitivity to change. See Notes 1 and 12 for further information.

PENSION ASSUMPTIONS. Refer to Note 13 for our accounting estimates and assumptions related to our postretirement benefit plans.

INCOME TAXES. Our annual tax rate is based on our income, statutory tax rates and tax planning opportunities available to us in the various jurisdictions in which we operate. Tax laws are complex and subject to different interpretations by the taxpayer and respective governmental taxing authorities. Significant judgment is required in determining our tax expense and in evaluating our tax positions, including evaluating uncertainties. We review our tax positions quarterly and adjust the balances as new information becomes available. Our income tax rate is significantly affected by the tax rate on our global operations. In addition to local country tax laws and regulations, this rate can depend on the extent earnings are indefinitely reinvested outside the U.S. Historically U.S. taxes were due upon repatriation of foreign earnings. Due to the enactment of U.S. tax reform in 2017, repatriations of available cash from foreign earnings are expected to be free of U.S. federal income tax but may incur withholding or state taxes. Indefinite reinvestment is determined by management's judgment about and intentions concerning the future operations of the Company. Most of these earnings have been reinvested in active non-U.S. business operations. We reassess reinvestment of earnings on an ongoing basis. In 2022, in connection with the execution of the Company's plans to prepare for the spin-off of GE HealthCare, we incurred $0.1 billion of tax due to repatriation of previously reinvested earnings.

We evaluate the recoverability of deferred income tax assets by assessing the adequacy of future expected taxable income from all sources, including reversal of taxable temporary differences, forecasted operating earnings and available tax planning strategies, which heavily rely on estimates. We use our historical experience and our short- and long-range business forecasts to provide insight. Further, our global and diversified business portfolio gives us the opportunity to employ various prudent and feasible tax planning strategies to facilitate the recoverability of future deductions. Amounts recorded for deferred tax assets related to non-U.S. net operating losses, net of valuation allowances, were $1.3 billion and $1.5 billion at December 31, 2022 and 2021, respectively. Of this, $0.1 billion at both December 31, 2022 and 2021, were associated with losses reported in discontinued operations, primarily related to our legacy financial services businesses. See Other Consolidated Information – Income Taxes section and Notes 1 and 15 for further information.

LOSS CONTINGENCIES. Loss contingencies are existing conditions, situations or circumstances involving uncertainty as to possible loss that will ultimately be resolved when future events occur or fail to occur. Such contingencies include, but are not limited to, environmental obligations, litigation, regulatory investigations and proceedings, product quality and losses resulting from other events and developments. When a loss is considered probable and reasonably estimable, we record a liability in the amount of our best estimate for the ultimate loss. When there appears to be a range of possible costs with equal likelihood, liabilities are based on the low-end of such range. However, the likelihood of a loss with respect to a particular contingency is often difficult to predict and determining a meaningful estimate of the loss or a range of loss may not be practicable based on the information available and the potential effect of future events and negotiations with or decisions by third parties that will determine the ultimate resolution of the contingency. Moreover, it is not uncommon for such matters to be resolved over many years, during which time relevant developments and new information must be continuously evaluated to determine both the likelihood of potential loss and whether it is possible to reasonably estimate a range of possible loss. Disclosure is provided for material loss contingencies when a loss is probable but a reasonable estimate cannot be made, and when it is reasonably possible that a loss will be incurred or the amount of a loss will exceed the recorded provision. We regularly review contingencies to determine whether the likelihood of loss has changed and to assess whether a reasonable estimate of the loss or range of loss can be made. See Note 24 for further information.

OTHER ITEMS

INSURANCE. The run-off insurance operations of North American Life and Health (NALH) primarily include Employers Reassurance Corporation (ERAC) and Union Fidelity Life Insurance Company (UFLIC). ERAC primarily assumes long-term care insurance and life insurance from numerous cedents under various types of reinsurance treaties and stopped accepting new policies after 2008. UFLIC primarily assumes long-term care insurance, structured settlement annuities with and without life contingencies and variable annuities from Genworth Financial Inc. (Genworth) and has been closed to new business since 2004. Our run-off insurance liabilities and annuity benefits primarily comprise a liability for future policy benefits for those insurance contract claims not yet incurred and claim reserves for claims that have been incurred. We regularly monitor emerging experience in our run-off insurance operations and industry developments to identify trends that may help us refine our reserve assumptions.

Key Portfolio Characteristics

Long-term care insurance contracts. The long-term care insurance contracts we reinsure provide coverage at varying levels of benefits to policyholders and may include attributes (e.g., lifetime benefit periods, inflation protection options, and joint life policies) that could result in claimants being on claim for longer periods or at higher daily claim costs, or alternatively limiting the premium paying period, compared to contracts with a lower level of benefits.

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Presented in the table below are GAAP and statutory reserve balances and key attributes of our long-term care insurance portfolio.

December 31, 2022	ERAC	UFLIC	Total
Gross GAAP future policy benefit reserves and claim reserves	$ 16,844	$ 5,109	$ 21,953
Gross statutory future policy benefit reserves and claim reserves(a)	24,670	6,354	31,024
Number of policies in force	181,700	52,600	234,300
Number of covered lives in force	241,500	52,600	294,100
Average policyholder attained age	77	84	79
Gross GAAP future policy benefit reserve per policy (in actual dollars)	$ 78,600	$ 58,800	$ 74,100
Gross GAAP future policy benefit reserve per covered life (in actual dollars)	59,100	58,800	59,100
Gross statutory future policy benefit reserve per policy (in actual dollars)(a)	120,300	79,800	111,200
Gross statutory future policy benefit reserve per covered life (in actual dollars)(a)	90,500	79,800	88,600
Percentage of policies with:			
Lifetime benefit period	69 %	32 %	61 %
Inflation protection option	80 %	91 %	83 %
Joint lives	33 %	— %	26 %
Percentage of policies that are premium paying	69 %	75 %	70 %
Policies on claim	9,700	8,200	17,900

(a) Statutory balances reflect recognition of the estimated remaining statutory increase in reserves of approximately $1.8 billion through 2023 under the permitted accounting practice discussed further in Note 12.

Structured settlement annuities and life insurance contracts. We reinsure approximately 26,000 structured settlement annuities with an average attained age of 55. These structured settlement annuities were primarily underwritten on impaired lives (i.e., shorter-than-average life expectancies) at origination and have projected payments extending decades into the future. Our primary risks associated with these contracts include mortality (i.e., life expectancy or longevity), mortality improvement (i.e., assumed rate that mortality is expected to reduce over time), which may extend the duration of payments on life contingent contracts beyond our estimates, and reinvestment risk (i.e., a low interest rate environment may reduce our ability to achieve our targeted investment margins). Unlike long-term care insurance, structured settlement annuities offer no ability to require additional premiums or reduce benefits.

Our life reinsurance business typically covers the mortality risk associated with various types of life insurance policies that we reinsure from approximately 150 ceding company relationships where we pay a benefit based on the death of a covered life. As of December 31, 2022, across our U.S. and Canadian life insurance blocks, we reinsure approximately $59 billion of net amount at risk (i.e., difference between the death benefit and any accrued cash value) from approximately 1.4 million policies with an average attained age of 61. In 2022, our incurred claims were approximately $0.5 billion with an average individual claim of approximately $46,000. The covered products primarily include permanent life insurance and 20- and 30-year level term insurance. We anticipate a significant portion of the 20-year level term policies, which represent approximately 17% of the net amount of risk, to lapse through 2024 as the policies reach the end of their 20-year level premium period.

Critical Accounting Estimates. Our insurance reserves include the following key accounting estimates and assumptions described below.

Future policy benefit reserves. Future policy benefit reserves represent the present value of future policy benefits less the present value of future gross premiums based on actuarial assumptions including, but not limited to, those discussed in Premium Deficiency Testing below. Assumptions are locked-in throughout the remaining life of a contract unless a premium deficiency develops.

Claim reserves. Claim reserves are established when a claim is incurred and represents our best estimate of the present value of the ultimate obligations for future claim payments and claim adjustment expenses. Key inputs include actual known facts about the claim, such as the benefits available and cause of disability of the claimant, as well as assumptions derived from our actual historical experience and expected future changes in experience factors. Claim reserves are evaluated periodically for potential changes in loss estimates with the support of qualified actuaries, and any changes are recorded in earnings in the period in which they are determined.

Premium Deficiency Testing. We annually perform premium deficiency testing in the third quarter in the aggregate across our run-off insurance portfolio. The premium deficiency testing assesses the adequacy of future policy benefit reserves, net of unamortized capitalized acquisition costs, using current assumptions without provision for adverse deviation. A comprehensive review of premium deficiency assumptions is a complex process and depends on a number of factors, many of which are interdependent and require evaluation individually and in the aggregate across all insurance products. The vast majority of our run-off insurance operations consists of reinsurance from multiple ceding insurance entities pursuant to treaties having complex terms and conditions. Premium deficiency testing relies on claim and policy information provided by these ceding entities and considers the reinsurance treaties and underlying policies. In order to utilize that information for purposes of completing experience studies covering all key assumptions, we perform detailed procedures to conform and validate the data received from the ceding entities. Our long-term care insurance business includes coverage where credible claim experience for higher attained ages is still emerging, and to the extent future experience deviates from current expectations, new projections of claim costs extending over the expected life of the policies may be required. Significant uncertainties exist in making projections for these long-term care insurance contracts, which requires that we consider a wide range of possible outcomes.

The primary assumptions used in the premium deficiency tests include:

Morbidity. Morbidity assumptions used in estimating future policy benefit reserves are based on estimates of expected incidences of disability among policyholders and the costs associated with these policyholders asserting claims under their contracts, and these estimates account for any expected future morbidity improvement. For long-term care exposures, estimating expected future costs includes assessments of incidence (probability of a claim), utilization (amount of available benefits expected to be incurred) and continuance (how long the claim will last).

Rate of Change in Morbidity. Our annual premium deficiency testing incorporates our best estimates of projected future changes in the morbidity rates reflected in our base claim cost curves. These estimates draw upon a number of inputs, some of which are subjective, and all of which are interpreted and applied in the exercise of professional actuarial judgment in the context of the characteristics specific to our portfolios. This exercise of judgment considers factors such as the work performed by internal and external independent actuarial experts engaged to advise us in our annual testing, the observed actual experience in our portfolios measured against our base projections, industry developments, and other trends, including advances in the state of medical care and health-care technology development.

Mortality. Mortality assumptions used in estimating future policy benefit reserves are based on published mortality tables as adjusted for the results of our experience studies and estimates of expected future mortality improvement.

Discount rate. Interest rate assumptions used in estimating the present value of future policy benefit reserves are based on expected future investment yields, net of related investment expenses and expected defaults. In estimating future investment yields, we consider the actual yields on our current investment securities held by our run-off insurance operations and the future rates at which we expect to reinvest any proceeds from investment security maturities, net of other operating cash flows, and the projected future capital contributions into our run-off insurance operations.

Future long-term care premium rate increases. Long-term care insurance policies allow the issuing insurance entity to increase premiums, or alternatively allow the policyholder the option to decrease benefits, with approval by state regulators, should actual experience emerge worse than what was projected when such policies were initially underwritten. As a reinsurer, we rely upon the primary insurers that issued the underlying policies to file proposed premium rate increases on those policies with the relevant state insurance regulators. While we have no direct ability to seek or to institute such premium rate increases, we often collaborate with the primary insurers in accordance with reinsurance contractual terms to file proposed premium rate increases. The amount of times that rate increases have occurred varies by ceding company. We consider recent experience of rate increase filings made by our ceding companies along with state insurance regulatory processes and precedents in establishing our current expectations.

Terminations. Terminations refers to the rate at which the underlying policies are cancelled due to either mortality, lapse (non-payment of premiums by a policyholder), or, in the case of long-term care insurance, benefit exhaustion. Termination rate assumptions used in estimating the present value of future policy benefit reserves are based on the results of our experience studies and reflect actuarial judgment.

2022 Premium Deficiency Testing. We completed our annual premium deficiency testing in the aggregate across our run-off insurance portfolio in the third quarter of 2022. These procedures included updating certain experience studies since our last test completed in the third quarter of 2021, independent actuarial analysis (principally on long-term care insurance exposures) and review of industry benchmarks. Using updated assumptions, the 2022 premium deficiency testing results indicated a positive margin of about 10% of the related future policy benefit reserves recorded at September 30, 2022, or approximately equivalent to the 2021 premium deficiency testing results.

GAAP Reserve Sensitivities. The following table provides sensitivities with respect to the impact of changes of key assumptions underlying our 2022 premium deficiency testing, exclusive of the impacts of converting our long-term care insurance claim cost projection models to first principles models as the conversion remains incomplete at the time of our 2022 premium deficiency testing. Many of our assumptions are interdependent and require evaluation individually and in the aggregate across all insurance products. Small changes in the amounts used in the sensitivities could result in materially different outcomes from those reflected below.

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	2021 assumption	2022 assumption	Hypothetical change in 2022 assumption	Estimated adverse impact to projected present value of future cash flows (In millions, pre-tax)
Long-term care insurance *morbidity improvement*	1.25% per year over 12 *to 20 years*	1.25% per year over 12 *to 20 years*	25 basis point reduction *No morbidity improvement*	$500 $2,500
Long-term care insurance morbidity	Based on company experience	Based on company experience	5% increase in dollar amount of paid claims	$900
Long-term care insurance mortality improvement	0.5% per year for 10 years with annual improvement graded to 0% over next 10 years	0.5% per year for 10 years with annual improvement graded to 0% over next 10 years	1.0% per year for 10 years with annual improvement graded to 0% over next 10 years	$400
Total terminations:				
Long-term care insurance mortality	Based on company experience	Based on company experience	Any change in termination assumptions that reduce total terminations by 10%	$900
Long-term care insurance lapse rate	Varies by block, attained age and benefit period; average 0.5% - 1.15%	Varies by block, attained age and benefit period; average 0.5% -1.15%		
Long-term care insurance benefit exhaustion	Based on company experience	Based on company experience		
Long-term care insurance *future premium* rate increases	Varies by block based *on filing experience*	Varies by block based *on filing experience*	25% adverse change in *success rate on premium* rate increase actions not yet approved	$200
Overall discount rate	6.15%	6.20%	25 basis point reduction	$700
Life insurance mortality	Based on company experience	Based on company experience	5% increase in mortality	$300

While higher assumed inflation, holding all other assumptions constant, would result in unfavorable impacts to the projected present value of future cash flows, it would be expected to be mitigated by a higher discount rate and more policies reaching contractual daily or monthly benefit caps.

Our run-off insurance subsidiaries are required to prepare statutory financial statements in accordance with statutory accounting practices. Statutory accounting practices are set forth by the National Association of Insurance Commissioners (NAIC) as well as state laws, regulation and general administrative rules and differ in certain respects from GAAP and would result in several of the sensitivities described in the table above being less impactful on our statutory reserves.

See Capital Resources and Liquidity, Other Items - New Accounting Standards and Notes 3 and 12 for further information related to our run-off insurance operations.

NEW ACCOUNTING STANDARDS. The Financial Accounting Standards Board issued new guidance on accounting for long-duration insurance contracts that is effective for our interim and annual periods beginning January 1, 2023 and applied retrospectively to January 1, 2021 (i.e., the transition date). We will adopt the new guidance using the modified retrospective transition method where permitted. We expect adoption of the new guidance will significantly change the accounting for measurements of our long-duration insurance liabilities and reinsurance recoverables and materially affect our consolidated financial statements and require changes to our actuarial, accounting and financial reporting processes, systems, and internal controls. The new guidance requires cash flow assumptions used in the measurement of various insurance liabilities to be reviewed at least annually and updated if actual experience or other evidence indicates previous assumptions warrant revision with any required changes recorded in earnings. These changes will result in the elimination of premium deficiency testing and shadow adjustments. Under the new guidance, the discount rate will be equivalent to the upper-medium grade (i.e., single A) fixed-income instrument yield reflecting the duration characteristics of our insurance liabilities and is required to be updated in each reporting period with changes recorded in Accumulated other comprehensive income (AOCI). As reinsurance recoverables are recognized in a manner consistent with the liabilities relating to the underlying reinsurance contracts, changes in reinsurance recoverables from updating the single A discount rate in each reporting period are also recognized in AOCI. The allowance for credit losses on reinsurance recoverables will continue to be based on the locked-in discount rate for purposes of assessing changes in each reporting period. As such, movements in the gross reinsurance recoverable balance resulting from changes in the single A discount rate will not impact the allowance for credit losses. Following the recapture transaction effective in the fourth quarter of 2022, as explained in Note 12, the remaining reinsurance recoverables are not material.

In conjunction with the adoption of the new guidance, we are in process of converting our long-term care insurance claim cost projection models to first principles models that are based on more granular assumptions of expected future experience and will facilitate the new guidance's requirements.

We currently estimate a decrease in Shareholders' equity at the transition date from adoption of the new guidance to be in an after-tax range of $7.0 billion to $8.0 billion, including approximately $5.5 billion to $6.0 billion in AOCI and $1.5 billion to $2.0 billion in Retained earnings. The decrease in AOCI is primarily attributable to remeasuring our insurance liabilities and reinsurance recoverables using the single A discount rate required under the new guidance, which is lower than our current locked-in discount rate, and the removal of shadow adjustments. The decrease in Retained earnings at the transition date is primarily attributable to certain long-term care insurance exposures where the projected present value of future cash flows exceeds the reserves at the transition date, based on the required lower level of grouping of contracts, combined with converting our long-term care insurance claim cost projection models to first principles models. As of December 31, 2022, we estimate the decrease in Shareholders' equity to be reduced to approximately $3.0 billion to $4.0 billion, primarily due to changes in the market interest rate environment subsequent to the transition date.

The new guidance is only applicable to the measurements of our long-duration insurance liabilities under GAAP. In addition, we do not expect changes to statutory insurance reserves, regulatory capital requirements or projected funding as a result of the implementation of the first principles models.

NON-GAAP FINANCIAL MEASURES. We believe that presenting non-GAAP financial measures provides management and investors useful measures to evaluate performance and trends of the total company and its businesses. This includes adjustments in recent periods to GAAP financial measures to increase period-to-period comparability following actions to strengthen our overall financial position and how we manage our business. In addition, management recognizes that certain non-GAAP terms may be interpreted differently by other companies under different circumstances. In various sections of this report we have made reference to the following non-GAAP financial measures in describing our (1) revenues, specifically organic revenues by segment; organic revenues; and equipment and services organic revenues and (2) profit, specifically organic profit and profit margin by segment; Adjusted profit and profit margin; Adjusted organic profit and profit margin; Adjusted earnings (loss); Adjusted income tax rate; and Adjusted earnings (loss) per share (EPS). The reasons we use these non-GAAP financial measures and the reconciliations to their most directly comparable GAAP financial measures follow.

ORGANIC REVENUES, PROFIT (LOSS) AND PROFIT MARGIN BY SEGMENT (NON-GAAP)

	Revenue			Segment profit (loss)			Profit margin		
	2022	2021	V%	2022	2021	V%	2022	2021	V pts
Aerospace (GAAP)	$26,050	$21,310	22 %	$ 4,775	$ 2,882	66 %	18.3 %	13.5 %	4.8pts
Less: acquisitions	—	—		—	—				
Less: business dispositions	—	—		—	—				
Less: foreign currency effect	(80)	—		101	3				
Aerospace organic (Non-GAAP)	$26,129	$21,311	23 %	$ 4,674	$ 2,879	62 %	17.9 %	13.5 %	4.4pts
Renewable Energy (GAAP)	$12,977	$15,697	(17)%	$(2,240)	$ (795)	U	(17.3)%	(5.1)%	(12.2)pts
Less: acquisitions	—	(55)		—	(17)				
Less: business dispositions	—	—		—	—				
Less: foreign currency effect	(702)	2		55	52				
Renewable Energy organic (Non-GAAP)	$13,678	$15,749	(13)%	$(2,295)	$ (831)	U	(16.8)%	(5.3)%	(11.5)pts
Power (GAAP)	$16,262	$16,903	(4)%	$ 1,217	$ 726	68 %	7.5 %	4.3 %	3.2pts
Less: acquisitions	—	—		—	—				
Less: business dispositions	—	502		—	(2)				
Less: foreign currency effect	(503)	(5)		(78)	(40)				
Power organic (Non-GAAP)	$16,765	$16,405	2 %	$ 1,295	$ 768	69 %	7.7 %	4.7 %	3.0pts
HealthCare (GAAP)	$18,461	$17,725	4 %	$ 2,705	$ 2,966	(9)%	14.7 %	16.7 %	(2.0)pts
Less: acquisitions	238	—		(54)	(16)				
Less: business dispositions	—	—		—	—				
Less: foreign currency effect	(772)	—		(169)	(14)				
HealthCare organic (Non-GAAP)	$18,994	$17,725	7 %	$ 2,928	$ 2,995	(2)%	15.4 %	16.9 %	(1.5)pts

We believe these measures provide management and investors with a more complete understanding of underlying operating results and trends of established, ongoing operations by excluding the effect of acquisitions, dispositions and foreign currency, which includes translational and transactional impacts, as these activities can obscure underlying trends.

ORGANIC REVENUES (NON-GAAP)	2022	2021	V%
Total revenues (GAAP)	$ 76,555	$ 74,196	3 %
Less: Insurance revenues (Note 12)	2,954	3,106	
Adjusted revenues (Non-GAAP)	$ 73,602	$ 71,090	4 %
Less: acquisitions	241	(55)	
Less: business dispositions	—	158	
Less: foreign currency effect(a)	(2,079)	(3)	
Organic revenues (Non-GAAP)	$ 75,440	$ 70,989	6 %

(a) Foreign currency impact in 2022 was primarily driven by U.S. dollar appreciation against the euro, Japanese yen and British pound.

We believe these measures provide management and investors with a more complete understanding of underlying operating results and trends of established, ongoing operations by excluding the effect of revenues from our run-off Insurance business, acquisitions, dispositions and foreign currency, which includes translational and transactional impacts, as these activities can obscure underlying trends.

EQUIPMENT AND SERVICES ORGANIC REVENUES (NON-GAAP)	2022	2021	V%
Total equipment revenues (GAAP)	$ 31,976	$ 34,200	(7)%
Less: acquisitions	207	—	
Less: business dispositions	—	(177)	
Less: foreign currency effect	(1,319)	—	
Equipment organic revenues (Non-GAAP)	$ 33,088	$ 34,378	(4)%
Total services revenues (GAAP)	$ 41,626	$ 36,890	13 %
Less: acquisitions	34	(55)	
Less: business dispositions	—	336	
Less: foreign currency effect	(760)	(2)	
Services organic revenues (Non-GAAP)	$ 42,352	$ 36,612	16 %

We believe this measure provides management and investors with a more complete understanding of underlying operating results and trends of established, ongoing operations by excluding the effect of acquisitions, dispositions and foreign currency, which includes translational and transactional impacts, as these activities can obscure underlying trends.

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ADJUSTED PROFIT AND PROFIT MARGIN (NON-GAAP)	2022	2021	V%
Total revenues (GAAP)	$ 76,555	$ 74,196	3%
Less: Insurance revenues (Note 12)	2,954	3,106	
Adjusted revenues (Non-GAAP)	$ 73,602	$ 71,090	4%
Total costs and expenses (GAAP)	$ 76,375	$ 80,702	(5)%
Less: Insurance cost and expenses (Note 12)	2,894	2,540	
Less: interest and other financial charges(a)	1,552	1,813	
Less: non-operating benefit cost (income)	(532)	1,782	
Less: restructuring & other(a)	949	455	
Less: debt extinguishment costs(a)	465	6,524	
Less: separation costs(a)	973	—	
Less: Steam asset sale impairment(a)	824	—	
Less: Russia and Ukraine charges(a)	263	—	
Add: noncontrolling interests	67	(71)	
Add: EFS benefit from taxes	(213)	(162)	
Adjusted costs (Non-GAAP)	$ 68,840	$ 67,354	2%
Other income (loss) (GAAP)	$ 1,231	$ 2,823	(56)%
Less: gains (losses) on equity securities(a)	76	1,921	
Less: restructuring & other(a)	31	75	
Less: gains (losses) on purchases and sales of business interests(a)	51	(44)	
Adjusted other income (loss) (Non-GAAP)	$ 1,074	$ 871	23%
Profit (loss) (GAAP)	$ 1,412	$ (3,683)	F
Profit (loss) margin (GAAP)	1.8%	(5.0)%	6.8pts
Adjusted profit (loss) (Non-GAAP)	$ 5,835	$ 4,608	27%
Adjusted profit (loss) margin (Non-GAAP)	7.9%	6.5%	1.4pts

(a) See the Corporate and Other Consolidated Information sections for further information.

We believe that adjusting profit to exclude the effects of items that are not closely associated with ongoing operations provides management and investors with a meaningful measure that increases the period-to-period comparability. Gains (losses) and restructuring and other items are impacted by the timing and magnitude of gains associated with dispositions, and the timing and magnitude of costs associated with restructuring and other activities.

ADJUSTED ORGANIC PROFIT (NON-GAAP)	2022	2021	V%
Adjusted profit (loss) (Non-GAAP)	$ 5,835	$ 4,608	27 %
Less: acquisitions	(72)	(32)	
Less: business dispositions	—	14	
Less: foreign currency effect(a)	(104)	70	
Adjusted organic profit (loss) (Non-GAAP)	$ 6,011	$ 4,556	32 %
Adjusted profit (loss) margin (Non-GAAP)	7.9 %	6.5 %	1.4 pts
Adjusted organic profit (loss) margin (Non-GAAP)	8.0 %	6.4 %	1.6 pts

(a) Included foreign currency negative effect on revenues of $2,079 million and positive effect on operating costs and other income (loss) of $1,975 million for the year ended December 31, 2022.

We believe this measure provides management and investors with a more complete understanding of underlying operating results and trends of established, ongoing operations by excluding the effect of acquisitions, dispositions and foreign currency, which includes translational and transactional impacts, as these activities can obscure underlying trends.

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ADJUSTED EARNINGS (LOSS) AND ADJUSTED INCOME TAX RATE (NON-GAAP)

(Per-share amounts in dollars)	2022 Earnings	2022 EPS	2021 Earnings	2021 EPS
Earnings (loss) from continuing operations (GAAP) (Note 18)	$ 584	$ 0.53	$ (3,571)	$ (3.25)
Insurance earnings (loss) (pre-tax)	65	0.06	570	0.52
Tax effect on Insurance earnings (loss)	(21)	(0.02)	(126)	(0.11)
Less: Insurance earnings (loss) (net of tax) (Note 12)	44	0.04	444	0.40
Earnings (loss) excluding Insurance (Non-GAAP)	$ 540	$ 0.49	$ (4,015)	$ (3.66)
Non-operating benefit (cost) income (pre-tax) (GAAP)	532	0.48	(1,782)	(1.62)
Tax effect on non-operating benefit (cost) income	(112)	(0.10)	374	0.34
Less: Non-operating benefit (cost) income (net of tax)	420	0.38	(1,408)	(1.28)
Gains (losses) on purchases and sales of business interests (pre-tax)(a)	51	0.05	(44)	(0.04)
Tax effect on gains (losses) on purchases and sales of business interests	67	0.06	6	0.01
Less: Gains (losses) on purchases and sales of business interests (net of tax)	118	0.11	(37)	(0.03)
Gains (losses) on equity securities (pre-tax)(a)	76	0.07	1,921	1.75
Tax effect on gains (losses) on equity securities(b)(c)	(17)	(0.02)	128	0.12
Less: Gains (losses) on equity securities (net of tax)	58	0.05	2,049	1.87
Restructuring & other (pre-tax)(a)	(918)	(0.83)	(380)	(0.35)
Tax effect on restructuring & other	199	0.18	35	0.03
Less: Restructuring & other (net of tax)	(719)	(0.65)	(346)	(0.31)
Debt extinguishment costs (pre-tax)(a)	(465)	(0.42)	(6,524)	(5.94)
Tax effect on debt extinguishment costs	68	0.06	430	0.39
Less: Debt extinguishment costs (net of tax)	(397)	(0.36)	(6,094)	(5.55)
Separation costs (pre-tax)(a)	(973)	(0.88)	—	—
Tax effect on separation costs	77	0.07	—	—
Less: Separation costs (net of tax)	(896)	(0.81)	—	—
Steam asset sale impairment (pre-tax)(a)	(824)	(0.75)	—	—
Tax effect on Steam asset sale impairment	84	0.08	—	—
Less: Steam asset sale impairment (net of tax)	(740)	(0.67)	—	—
Russia and Ukraine charges (pre-tax)(a)	(263)	(0.24)	—	—
Tax effect on Russia and Ukraine charges	15	0.01	—	—
Less: Russia and Ukraine charges (net of tax)	(248)	(0.23)	—	—
Less: Accretion of redeemable noncontrolling interest (pre-tax and net of tax) (Note 18)	—	—	(9)	(0.01)
Less: Accretion of preferred share repurchase (pre-tax and net of tax) (Note 18)	4	—	—	—
Less: U.S. and foreign tax law change enactment	58	0.05	8	0.01
Less: Tax loss related to GECAS transaction	—	—	(54)	(0.05)
Adjusted earnings (loss) (Non-GAAP)	$ 2,881	$ 2.62	$ 1,876	$ 1.71
Earnings (loss) from continuing operations before taxes (GAAP)	$ 1,412		$ (3,683)	
Less: Total adjustments above (pre-tax)	(2,719)		(6,240)	
Adjusted earnings before taxes (Non-GAAP)	$ 4,131		$ 2,558	
Provision (benefit) for income taxes (GAAP)	$ 476		$ (286)	
Less: Tax effect on adjustments above	(418)		(802)	
Adjusted provision (benefit) for income taxes (Non-GAAP)	$ 893		$ 516	
Income tax rate (GAAP)	33.7%		7.8%	
Adjusted income tax rate (Non-GAAP)	21.6%		20.2%	

(a) See the Corporate and Other Consolidated Information sections for further information.

(b) Includes tax benefits available to offset the tax on gains (losses) on equity securities.

(c) Includes related tax valuation allowances.

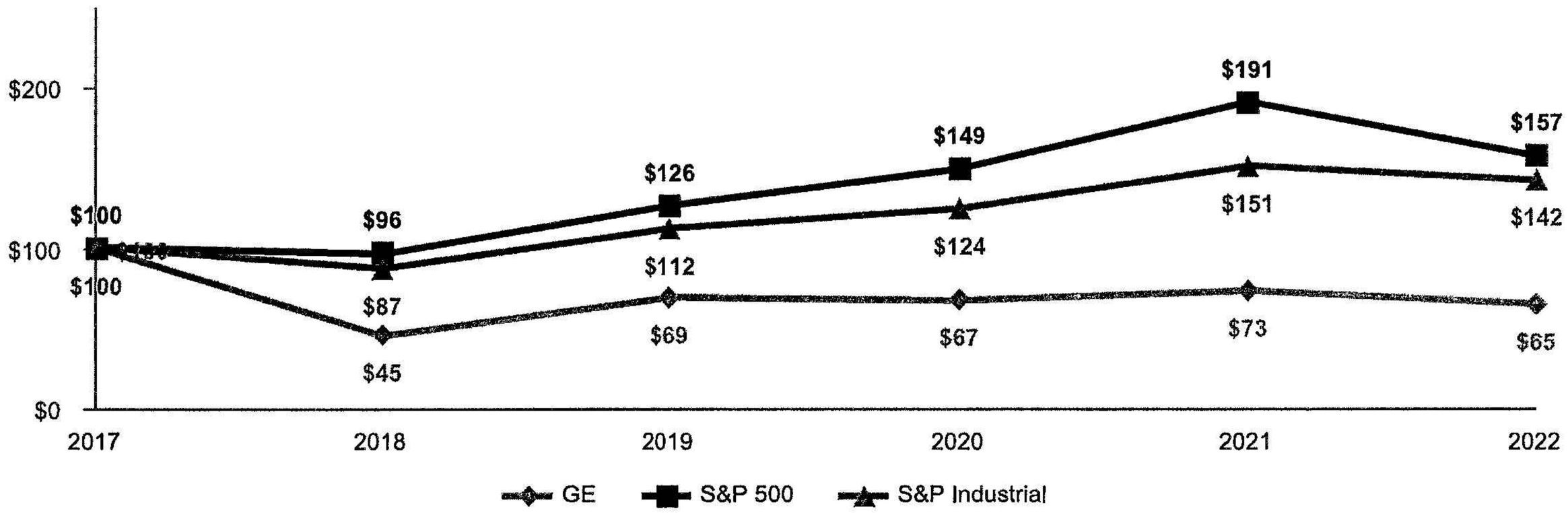
Earnings-per-share amounts are computed independently. As a result, the sum of per-share amounts may not equal the total.

The service cost for our pension and other benefit plans are included in Adjusted earnings*, which represents the ongoing cost of providing pension benefits to our employees. The components of non-operating benefit costs are mainly driven by capital allocation decisions and market performance. We believe the retained costs in Adjusted earnings* and the Adjusted income tax rate* provides management and investors a useful measure to evaluate the performance of the total company and increases period-to-period comparability.

*Non-GAAP Financial Measure

OTHER FINANCIAL DATA.

FIVE-YEAR PERFORMANCE GRAPH



The annual changes for the five-year period shown in the above graph are based on the assumption that $100 had been invested in General Electric common stock, the Standard & Poor's 500 Stock Index (S&P 500) and the Standard & Poor's 500 Industrials Stock Index (S&P Industrial) on December 31, 2017, and that all quarterly dividends were reinvested. The cumulative dollar returns shown on the graph represent the value that such investments would have had on December 31 for each year indicated.

With respect to "Market Information," in the United States, General Electric common stock is listed on the New York Stock Exchange under the ticker symbol "GE" (its principal market). General Electric common stock is also listed on the London Stock Exchange, Euronext Paris and the SIX Swiss Exchange.

As of January 31, 2023, there were approximately 276,000 shareholder accounts of record.

PURCHASES OF EQUITY SECURITIES BY THE ISSUER AND AFFILIATED PURCHASERS. On March 6, 2022, the Board of Directors authorized up to $3 billion of common share repurchases. We repurchased 4,171 thousand shares for $326 million during the three months ended December 31, 2022 under this authorization.

Period	Total number of shares purchased	Average price paid per share	Total number of shares purchased as part of our share repurchase authorization	Approximate dollar value of shares that may yet be purchased under our share repurchase authorization
(Shares in thousands)				
2022				
October	1,810	$ 69.24	1,810	
November	2,122	85.42	1,909	
December	452	83.56	452	
Total	4,384	$ 78.55	4,171	$ 2,026

RISK FACTORS. The following discussion of the material factors, events and uncertainties that may make an investment in the Company speculative or risky contains "forward-looking statements," as discussed in the Forward-Looking Statements section. These risk factors may be important to understanding any statement in this Form 10-K report or elsewhere. The risks described below should not be considered a complete list of potential risks that we face, and additional risks not currently known to us or that we currently consider immaterial may also negatively impact us. The following information should be read in conjunction with the MD&A section and the consolidated financial statements and related notes. The risks we describe in this Form 10-K report or in our other SEC filings could, in ways we may not be able to accurately predict, recognize or control, have a material adverse effect on our business, reputation, financial position, results of operations, cash flows and stock price, and they could cause our future results to be materially different than we presently anticipate.

STRATEGIC RISKS. Strategic risk relates to the Company's future business plans and strategies, including the risks associated with: our strategic plan to separate into three public companies; the global macro-environment; the global energy transition; competitive threats, the demand for our products and services and the success of our investments in technology and innovation; our portfolio of businesses and capital allocation decisions; dispositions, acquisitions, joint ventures and restructuring activity; intellectual property; and other risks.

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Strategic plan - We may encounter challenges to executing our plan to separate GE into three public companies, or to completing the plan within the timeframes we anticipate, and we may not realize some or all of the expected benefits of the separations. In November 2021, we announced our plan to form three independent public companies from our (i) Aerospace business, (ii) HealthCare business and (iii) portfolio of energy businesses that we plan to combine as GE Vernova (Renewable Energy, Power, Digital and Energy Financial Services), to better position those businesses to deliver long-term growth and create value for customers, investors, and employees. In January 2023, our HealthCare business was spun off as GE HealthCare. The GE HealthCare business separation was, and the planned GE Vernova business separation is expected to be, effected through spin-offs by GE that are intended to be tax-free for the Company and its shareholders for U.S. federal income tax purposes and with all three resulting companies having investment grade credit ratings. The GE Vernova separation transaction will be subject to the satisfaction of a number of customary conditions, including, among others, final approvals by GE's Board of Directors, receipt of tax rulings in certain jurisdictions and/or tax opinions from external counsel, the filing with the SEC and effectiveness of a Form 10 registration statement, and establishment of the capital structures and credit ratings for both GE Vernova and the remainder of GE following the spin-off. A failure to satisfy required conditions, or disruptions in market conditions, could delay the completion of the GE Vernova separation transaction for a significant period of time or prevent it from occurring at all. Additionally, the GE Vernova separation transaction is complex in nature, and business, market or other developments or changes may affect our ability to complete the separation transaction as currently expected, within the anticipated timeframe or at all. These or other developments could cause us not to realize some or all of the expected benefits, or to realize them on a different timeline than expected. If we are unable to complete the GE Vernova separation, we will have incurred costs without realizing the benefits of such transaction. In addition, the terms and conditions of the required regulatory authorizations and consents that are granted, if any, may impose requirements, limitations or costs, or place restrictions on the conduct of GE Vernova or GE Aerospace as independent companies. In addition, although we intend for the GE Vernova separation transaction to be tax-free to the Company and its shareholders for U.S. federal income tax purposes, we expect to incur non-U.S. cash taxes on the preparatory restructuring and may also incur non-cash tax expense including potential impairments of deferred tax assets. Moreover, there can be no assurance that either of the separation transactions will qualify as tax-free for U.S. purposes for the Company or its shareholders. If either of the separation transactions were ultimately determined to be taxable, we would incur a significant tax liability, while the distributions to the Company's shareholders would become taxable and the new independent companies might incur income tax liabilities as well. Furthermore, there can be no assurance that each separate company will be successful as a standalone public company.

Whether or not the GE Vernova separation transaction is completed, our businesses may face material challenges as a result of the GE HealthCare separation and in connection with the GE Vernova separation, including the diversion of management's attention from ongoing business concerns and impact on the businesses of the Company; appropriately allocating assets and liabilities among GE Aerospace and GE Vernova; maintaining employee morale and retaining and attracting key management and other employees; retaining existing or attracting new business and operational relationships, including with customers, suppliers, employees and other counterparties; assigning customer contracts, guaranties and other contracts and instruments to each of the businesses, and obtaining releases from the counterparties to those contracts or beneficiaries of those instruments; providing financial or credit support for new business; assigning intellectual property to each of the businesses; establishing transition service agreements and standalone readiness for key functions; and potential negative reactions from investors or the financial community. In particular, GE for the past several years has been undertaking various restructuring and business transformation actions (including workforce reductions, global facility consolidations and other cost reduction initiatives, and the GE HealthCare separation) that have entailed changes across our organizational structure, senior leadership, culture, functional alignment, outsourcing and other areas. These pose risks in the form of personnel capacity constraints and institutional knowledge loss that could lead to missed performance or financial targets, loss of key personnel and harm to our reputation, and these risks are heightened with the additional interdependent actions that will be needed to complete the planned separation of GE Vernova.

Moreover, completion of the GE HealthCare separation has resulted, and completion of the GE Vernova separation will result in independent public companies that are smaller, less diversified companies with more limited businesses concentrated in their respective industries than GE was prior to the separation transactions. As a result, each company may be more vulnerable to global economic trends, geopolitical risks, demand or supply shocks, and changing market conditions, which could have a material adverse effect on its business, financial condition, cash flows and results of operations. In addition, the diversification of revenues, costs, and cash flows will diminish, such that each company's results of operations, cash flows, working capital, effective tax rate, and financing requirements may be subject to increased volatility and its ability to execute of capital allocation plans, fund capital expenditures and investments, pay dividends and meet debt obligations and other liabilities may be diminished. Each of the separate companies will also incur ongoing costs, including costs of operating as independent public companies, that the separated businesses will no longer be able to share. Additionally, we cannot predict whether the market value of our common stock and the common stock of each of the new independent companies after the separation transactions will be, in the aggregate, less than, equal to or greater than the market value of our common stock prior to the separation transactions. Investors holding our common stock may also sell the common stock of any of the new independent companies that do not match their investment strategies, which may cause a decline in the market price of such common stock. Any decline in the market price of GE HealthCare common stock will also affect the value of our retained equity ownership in that company and could affect the timing and tax treatment of our disposition of that stake.

Global macro-environment - Our growth is subject to global economic, political and geopolitical risks. We operate in virtually every part of the world, serve customers in over 170 countries and received 57% of our revenues for 2022 from outside the United States. Our operations and the execution of our business plans and strategies are subject to the effects of global economic trends, geopolitical risks and demand or supply shocks from events such as war or international conflict, a major terrorist attack, natural disasters or actual or threatened public health emergencies (such as COVID-19, including virus variants and resurgences and responses to those). They are also affected by local and regional economic environments, supply chain constraints and policies in the U.S. and other markets that we serve, including factors such as continuing inflationary pressures in many markets, continuing increases in interest rates from recent historic lows, economic growth rates, the availability of skilled labor, monetary policy, exchange rates and

currency volatility, commodity prices and sovereign debt levels. For example, ongoing inflationary pressures have caused and may continue to cause many of our material and labor costs to increase, which can adversely affect our profitability and cash flows, particularly when we are unable to increase customer contract values or pricing to offset those pressures. At the same time, Russia's invasion of Ukraine and related political and economic consequences, such as sanctions and other measures imposed by the European Union, the U.S. and other countries and organizations in response, have also caused and may continue to cause disruption and instability in global markets, supply chains and industries that negatively impact our businesses, financial condition and results of operations and pose reputational risks. Further deterioration of economic conditions or outlooks, such as lower rates of investment, lower economic growth, recession or fears of recession in the U.S., China, Europe or other key markets, may adversely affect the demand for or profitability of our products and services, and the impact from developments outside the U.S. on our business performance can be significant given the extent of our global activities. In addition, political changes and trends such as populism, protectionism, economic nationalism and sentiment toward multinational companies, as well as tariffs, export controls, restrictions on outbound investment or other trade barriers, sanctions, technical or local content regulations, currency controls, or changes to tax or other laws and policies, have been and may continue to be disruptive and costly to our businesses. These can interfere with our global operating model, supply chain, production costs, customer relationships and competitive position. Further escalation of any specific trade tensions, including intensified decoupling between the U.S. and China, or in global trade conflict more broadly could be harmful to global economic growth or to our business in or with China or other countries. We also do business in many emerging market jurisdictions where economic, political and legal risks are heightened and the operating environments are complex.

COVID-19 - The global COVID-19 pandemic has had and may continue to have a material adverse impact on our operations and financial performance, as well as on the operations and financial performance of many of the customers and suppliers in industries that we serve, particularly for our Aerospace business. Our operations and financial performance since early 2020 have been negatively impacted by the COVID-19 pandemic that has caused, and may continue to cause, a slowdown of economic activity (including the decrease in demand for a broad variety of goods and services), disruptions in global supply chains and significant volatility and disruption of financial markets. While there has been recovery in many business sectors compared to the initial years of the pandemic, virus resurgences and variants, regional or site lockdowns and similar dynamics may continue to cause operational challenges at our facilities or with customers or suppliers and adversely affect our business and financial performance. In particular, our Aerospace business constitutes a substantial portion of our financial results, and accordingly the adverse impacts that COVID-19 has had and may continue to have on commercial air traffic and operators, airlines, airframers, lessors, suppliers and other actors in the aviation sector more broadly are significant for GE. Interruptions of regional and international air travel from COVID-19 have had a material adverse effect on our airline and airframer customers and their demand for our services and products, and in some cases may threaten the future viability of some customers. Industry participants' measures in response to these dynamics could lead to future requests for payment deferrals, contract modifications, and similar actions across the aviation sector, which may lead to additional charges, impairments and other adverse financial impacts, or to customer disputes. There are also risks related to longer-term strategies the aviation industry may implement, such as reducing capacity, shifting route patterns or other strategies to mitigate impacts from COVID-19 and the risk of future public health crises, and from potential shifts in the flying public's demand for travel, any of which could adversely affect the pace of recovery in commercial air traffic capacity and the demand for or profitability of our products and services. The continuing impact of the COVID-19 pandemic on our operations and financial performance depends on many factors that are not within our control, including, but not limited, to: the severity and duration of the COVID-19 outbreaks around the world; governmental, business and individuals' actions that have been and continue to be taken in response to the pandemic (including regional lockdowns, restrictions on travel and transport or changes such as China's recent reversal of its zero-COVID policy); the impact of the pandemic and actions taken in response on global and regional economies, travel, and economic activity; the availability, public acceptance and continued efficacy of treatments or vaccines; and the pace and extent of recovery from the past and any future adverse effects of the COVID-19 pandemic. Impacts and risks related to the COVID-19 pandemic may also have the effect of heightening many of the other risk factors described in this section.

Energy transition - The strategic priorities and financial performance of many of our businesses are subject to market and other dynamics related to decarbonization, which can pose risks in addition to opportunities. Given the nature of our businesses and the industries we serve, we must anticipate and respond to market, technological, regulatory and other changes driven by broader trends related to decarbonization efforts in response to climate change and energy security. These changes present both risks and opportunities for our businesses, many of which provide products and services to customers in sectors like power generation and commercial aviation that have historically been carbon intensive and we expect will remain important to efforts globally to lower greenhouse gas emissions for decades to come. For example, the significant decreases in recent years in the levelized cost of energy for renewable sources of power generation (such as wind and solar), along with ongoing changes in government, investor, customer and consumer policies, commitments, preferences and considerations related to climate change, in some cases have adversely affected, and may continue to affect, the demand for and the competitiveness of products and services related to fossil fuel-based power generation, including sales of new gas turbines and the utilization and servicing needs for existing gas power plants that are unmitigated with capabilities such as hydrogen or carbon capture. Continued shifts toward greater penetration by renewables in both new capacity additions and the proportionate share of power generation, particularly depending on the pace and timeframe for such shifts across different markets globally, could have a material adverse effect on the performance of our Power business and our consolidated results. While the currently anticipated market growth and power generation share for renewable energy is expected to be favorable for our wind businesses over time, we face uncertainties related to future levels and timeframes of government subsidies and credits (including the impact of the Inflation Reduction Act and other policies), significant price competition among wind equipment manufacturers, changing dynamics between onshore and offshore wind power, potential further consolidation in the wind industry, competition with solar power-based and other sources of renewable energy and the pace at which power grids are modernized to maintain reliability with higher levels of renewables penetration. The achievement of deep decarbonization goals for the power sector over the coming decades is likely to depend in part on technologies that are not yet deployed or widely adopted today but that may become more important over time (such as hydrogen-based power generation, carbon capture and sequestration technologies, small modular or other advanced nuclear power and grid-scale batteries or other storage solutions). Successfully navigating these changes

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will require significant investments in power grids and other infrastructure, research and development and new technology and products, both by GE and third parties. Similar dynamics exist in the aviation sector, where decarbonization over time will require a combination of continued technological innovation in the fuel efficiency of engines, expanded use of sustainable aviation fuels and the development of electric flight and hydrogen-based aviation technologies. For example, the risk of insufficient availability of low carbon fuels (such as sustainable aviation fuels or hydrogen) may compromise the pace and degree of decarbonization within the aviation sector. Our success in advancing decarbonization objectives across our businesses will depend in part on the actions of governments, regulators and other market participants to invest in infrastructure, create appropriate market incentives and to otherwise support the development of new technologies. The process of developing new high-technology products and enhancing existing products to mitigate climate change is often complex, costly and uncertain, and we may pursue strategies or make investments that do not prove to be commercially successful in the time frames expected or at all.

A failure by GE or other industry participants to invest successfully in these technological developments, or to adequately position our businesses to benefit from the growth in adoption of new technologies, could adversely affect our competitive position, business, ability to attract and retain talent, results of operations, cash flows and financial condition. In addition, we face increasing scrutiny and expectations from many customers, governments, regulators, investors, banks, project financiers and other stakeholders regarding the roles that the private sector and individual companies play in decarbonization, which can result in additional costs and pose reputational or other risks for companies like GE that serve carbon intensive industries or relative to progress that we make over time in reducing emissions from our operations or products and achieving our publicly announced ambitions. We anticipate that we will continue to need to make investments in new technologies and capabilities and devote additional management and other resources in response to the foregoing, and we may not realize the anticipated benefits of those investments and actions. Trends related to the global energy transition and decarbonization, will affect the relative competitiveness of different types of product and service offerings within and across our energy businesses and our Aerospace business. Important factors that could impact our businesses include the pace of technological developments and related cost considerations, the levels of economic growth in different markets around the world and the adoption and pace of implementation of climate change-related policies (such as carbon taxes, cap and trade regimes, increased efficiency standards, greenhouse gas emission reduction targets or commitments, incentives or mandates for particular types of energy or policies that impact the availability of financing for certain types of projects) at the national and sub-national levels or by customers, investors or other private actors.

Competitive environment - We are dependent on the maintenance of existing product lines and service relationships, market acceptance of new product and service introductions, and technology and innovation leadership for revenue and earnings growth. The markets in which we operate are highly competitive in terms of pricing, product and service quality, product development and introduction time, customer service, financing terms, the ability to respond to shifts in market demand and the ability to attract and retain skilled talent. Our long-term operating results and competitive position also depend substantially upon our ability to continually develop, introduce, and market new and innovative technology, products, services and platforms, to develop digital solutions for our own operations and our customers, to modify existing products and services, to customize products and services, to maintain long-term customer relationships and to increase our productivity over time as we perform on long-term service agreements. We often enter into long-term service agreements in both our Aerospace and Power businesses in connection with significant contracts for the sale of equipment. In connection with these agreements, we must accurately estimate our costs associated with delivering the products, product durability and reliability, and the provision of services over time in order to be profitable and generate acceptable returns on our investments. A failure to appropriately estimate or plan for or execute our business plans may adversely affect our delivery of products, services and outcomes in line with our projected financial performance or cost estimates, and ultimately may result in excess costs, build-up of inventory that becomes obsolete, lower profit margins and an erosion of our competitive position. In addition, at our Renewable Energy business, the rapid pace of innovation among onshore and offshore wind turbine manufacturers in recent years has led to short product cycles, early market introductions and faster time to market, all of which can lead to quality and execution issues, higher costs and other challenges to achieving profitability for new products.

Our businesses are also subject to technological change and advances, such as growth in industrial automation and increased digitization of the operations, infrastructure and solutions that customers demand across all the industries we serve. The introduction of innovative and disruptive technologies in the markets in which we operate also poses risks in the form of new competitors (including new entrants from outside our traditional industries, such as competitors from digital technology companies), market consolidation, substitutions of existing products, services or solutions, niche players, new business models and competitors that are faster to market with new or more cost-effective products or services. Existing and new competitors frequently offer services for our installed base, and if the customers that purchase our equipment and products select our competitors' services of if we otherwise fail to maintain or renew service relationships, this can erode the revenues and profitability of our businesses. In addition, the research and development cycle involved in bringing products in our businesses to market is often lengthy, it is inherently difficult to predict the economic conditions or competitive dynamics that will exist when any new product is complete, and our investments, to the extent they result in bringing a product to market, may generate weaker returns than we anticipated at the outset. Our capacity to invest in research and development efforts to pursue advancement in a wide range of technologies, products and services also depends on the financial resources that we have available for such investment relative to other capital allocation priorities. Under-investment in research and development, or investment in technologies that prove to be less competitive in the future (at the expense of alternative investment opportunities not pursued), could lead to loss of sales of our products and services in the future, particularly in our long-cycle businesses that have longer product development cycles. The amounts that we do invest in research and development efforts may not lead to the development of new technologies or products on a timely basis or meet the needs of our customers as fully as competitive offerings.

Business portfolio - Our success depends on achieving our strategic and financial objectives, including through acquisitions, integrations, dispositions and joint ventures. With respect to acquisitions and business integrations or with dispositions, separations, such as the spin-off of GE HealthCare, and joint ventures, we may not achieve expected returns or other benefits on a timely basis or at all as a result of changes in strategy, integration challenges or other factors. Over the past several years we have also

been pursuing a variety of dispositions, and we plan to exit our equity interests in AerCap and GE HealthCare over time. Declines in the values of equity interests (such as our interests AerCap and GE HealthCare) or other assets (such as the AerCap senior notes that we hold) that we sell can diminish the cash proceeds that we realize, and our ability and timing to sell can depend on the liquidity of the relevant asset and other market conditions. We may dispose of businesses or assets at a price or on terms that are less favorable than we had anticipated, or with purchase price adjustments or the exclusion of assets or liabilities that must be divested, managed or run off separately. Dispositions or other business separations also often involve continued financial involvement in the divested business, such as through continuing equity ownership, retained assets or liabilities, transition services agreements, commercial agreements, guarantees, indemnities or other current or contingent financial obligations or liabilities. Under these arrangements, performance by the divested businesses or other conditions outside our control could materially affect our future financial results. Evaluating or executing on all types of potential or planned portfolio transactions can divert senior management time and resources from other pursuits. We also participate in a number of joint ventures with other companies or government enterprises in various markets around the world, including joint ventures where we have a lesser degree of control over the business operations, which expose us to additional operational, financial, reputational, legal or compliance risks.

Intellectual property - Our intellectual property portfolio may not prevent competitors from independently developing products and services similar to or duplicative to ours, and the value of our intellectual property may be negatively impacted by external dependencies. Our patents and other intellectual property may not prevent competitors from independently developing or selling products and services similar to or duplicative of ours, and there can be no assurance that the resources invested by us to protect our intellectual property will be sufficient or that our intellectual property portfolio will adequately deter misappropriation or improper use of our technology, particularly in certain markets outside the US where intellectual property laws and related enforcement mechanisms may not be as well-developed. Trademark licenses of the GE brand in connection with dispositions may negatively impact the overall value of the brand in the future. We also face competition in some countries where we have not invested in an intellectual property portfolio. If we are not able to protect our intellectual property, the value of our brand and other intangible assets may be diminished, and our business may be adversely affected. We also face attempts, both internally from insider threats and externally from cyber-attacks, to gain unauthorized access to our IT systems or products for the purpose of improperly acquiring our trade secrets or confidential business information. In addition, we have observed an increase in the use of social engineering tactics by bad actors attempting to obtain confidential business information or credentials to access systems with our intellectual property. The theft or unauthorized use or publication of our trade secrets and other confidential business information as a result of such incidents could adversely affect our competitive position and the value of our investment in research and development. In addition, we are subject to the enforcement of patents or other intellectual property by third parties, including aggressive and opportunistic enforcement claims by non-practicing entities. Regardless of the merit of such claims, responding to infringement claims can be expensive and time-consuming. GE has in the past, and may in the future be, found to infringe third-party rights, which could require us to pay substantial damages or enjoin us from offering some of our products and services. The value of, or our ability to use, our intellectual property may also be negatively impacted by dependencies on third parties, such as our ability to obtain or renew on reasonable terms licenses that we need in the future, or our ability to secure or retain ownership or rights to use data in certain software analytics or services offerings.

OPERATIONAL RISKS. Operational risk relates to risks arising from systems, processes, people and external events that affect the operation of our businesses. It includes risks related to product and service lifecycle and execution; product safety and performance; information management and data protection and security, including cybersecurity; and supply chain and business disruption.

Operational execution - Operational challenges could have a material adverse effect on our business, reputation, financial position, results of operations and cash flows. The Company's financial results depend on the successful execution of our businesses' operating plans across all steps of the product and service lifecycle. We continue working to improve the operations and execution of our businesses and our ability to make the desired improvements will be a significant factor in our overall financial performance. We also face operational risks in connection with launching or ramping new product platforms, such as the Haliade-X offshore wind turbine or new onshore wind turbine models at Renewable Energy, or the LEAP engine at Aerospace. Particularly with newer product platforms and technologies, our businesses seek to reduce the costs of these products over time with experience, and risks related to our supply chain, the availability of skilled labor, product quality, timely delivery, liquidated damages or other aspects of operational execution can adversely affect our ability to meet customers' expectations, profits and cash flows. Operational failures at any of our businesses that result in quality problems or potential product, environmental, health or safety risks, could have a material adverse effect on our business, reputation, financial position, cash flows and results of operations.

In addition, a portion of our business in recent years at our Power and Renewable Energy businesses involves large projects where we have taken on, or are members of a consortium responsible for, the full scope of engineering, procurement, construction or other services. We have been increasing our selectivity as to how frequently and with what scope of work we will participate in these types of projects, which often pose unique risks related to their location, scale, complexity, duration and pricing or payment structure. Delivering on these types of projects with multiple parties and subcontractors involved, particularly outside of mature markets in the U.S. and Europe, is highly complex with risks related to the safety and security of workers, impacts on local communities, corruption, breach or theft of intellectual property and other factors. Performance issues or schedule delays can arise due to inadequate technical expertise, unanticipated project modifications, developments at project sites, environmental, health and safety issues, execution by or coordination with suppliers, subcontractors or consortium partners, financial difficulties of our customers or significant partners or compliance with government regulations, and these can lead to cost overruns, contractual penalties, liquidated damages and other adverse consequences. Where GE is a member of a consortium, we are typically subject to claims based on joint and several liability, and claims can extend to aspects of the project or costs that are not directly related or limited to GE's scope of work or over which GE does not have control. Operational, quality or other issues at large projects, or across our projects portfolio more broadly, can adversely affect GE's business, reputation, cash flows or results of operations.

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Product safety and quality - Our products and services are highly sophisticated and specialized, and a major failure or quality issue affecting our products or third-party products with which our products are integrated can adversely affect our business, reputation, financial position, results of operations and cash flows. We produce highly sophisticated products and provide specialized services for both our own and third-party products that incorporate or use complex or leading-edge technology, including both hardware and software. Many of our products and services involve complex industrial machinery or infrastructure projects, such as commercial jet engines, gas turbines, onshore and offshore wind turbines or nuclear power generation, and accordingly the adverse impact of product quality issues can be significant. Actual or perceived design, production, performance or other quality issues related to new product introductions or existing product lines can result in reputational harm to our businesses, in addition to direct warranty, maintenance and other costs that may arise. For example, as discussed above, based on experience across our Onshore Wind fleet, we are deploying repairs and other corrective measures to improve overall quality and fleet availability resulting in higher warranty and related reserves. In addition, a catastrophic product failure or similar event resulting in injuries or death, widespread outages, a fleet grounding or similar systemic consequences could have a material adverse effect on our business, reputation, financial position, cash flows and results of operations. Even when there has not been a particularly significant or widespread product failures in the field, many of our products and services must function under demanding operating conditions and meet exacting certification, performance and reliability standards that we, our customers or regulators adopt. Developing and maintaining products that meet or exceed these can be costly and technologically challenging, and may also involve extensive coordination of suppliers and highly skilled labor from thousands of workers; a failure to deliver products and services that meet these standards could have significant adverse financial, competitive or reputational effects. In some circumstances we have also incurred and in the future we may continue to incur increased costs, delayed payments or lost equipment or services revenue in connection with a significant issue with a third party's product with which our products are integrated, or if parts or other components that we incorporate in our products have defects or other quality issues. There can be no assurance that the operational processes around product design, manufacture, performance and servicing that we or our customers or other third parties have designed to meet rigorous quality standards will be sufficient to prevent us or our customers or other third parties from experiencing operational process or product failures and other problems, including through manufacturing or design defects, process or other failures of contractors or third-party suppliers, cyber-attacks or other intentional acts, software vulnerabilities or malicious software, that could result in potential product, safety, quality, regulatory or environmental risks.

Cybersecurity - Increased cybersecurity requirements, vulnerabilities, threats and more sophisticated and targeted computer crime pose a risk to our systems, networks, products, solutions, services and data. Increased global cybersecurity vulnerabilities, threats, computer viruses and more sophisticated and targeted cyber-related attacks such as ransomware, as well as cybersecurity failures resulting from human error and technological errors, pose a risk to the security of GE's and its customers', partners', suppliers' and third-party service providers' infrastructure, products, systems and networks and the confidentiality, availability and integrity of GE's and its customers' data, as well as associated financial risks. As the perpetrators of such attacks become more capable (including sophisticated state or state-affiliated actors), and as critical infrastructure is increasingly becoming digitized, the risks in this area continue to grow. Bad actors have attempted and may continue to attempt to use our strategic plan to separate into three separate companies as an opportunity to launch attacks or increase their number of attacks against GE's network. A significant cyber-related attack in one of our industries, such as an attack on power grids, power plants or commercial aircraft (even if such an attack does not involve GE products, services or systems), could pose broader disruptions and adversely affect our business. We have also observed an increase in third-party breaches and ransomware attacks at suppliers, service providers and software providers, and our efforts to mitigate adverse effects on GE if this trend continues may not be successful in the future. The large number of suppliers that we work with requires significant effort for the initial and ongoing verification of the effective implementation of cybersecurity requirements by suppliers. The increasing degree of interconnectedness between GE and its partners, suppliers and customers also poses a risk to the security of GE's network as well as the larger ecosystem in which GE operates. There can be no assurance that our efforts to mitigate cybersecurity risks by employing a number of measures, including employee training, monitoring and testing, performing security reviews and requiring business partners with connections to the GE network to appropriately secure their information technology systems, and maintenance of protective systems and contingency plans, will be sufficient to prevent, detect and limit the impact of cyber-related attacks, and we remain vulnerable to known or unknown threats.

In addition to existing risks from the integration of digital technologies into our business portfolio, the adoption of new technologies in the future may also increase our exposure to cybersecurity breaches and failures. While we have developed secure development lifecycle design practices to secure our software designs and connected products, an unknown vulnerability or compromise could potentially impact the security of GE's software or connected products and lead to the misuse or unintended use of our products, loss of GE intellectual property, misappropriation of sensitive, confidential or personal data, safety risks or unavailability of equipment. We also have access to sensitive, confidential or personal data or information in certain of our businesses that is subject to privacy and security laws, regulations or customer-imposed controls. Despite our use of reasonable and appropriate controls to protect our systems and sensitive, confidential or personal data or information, we have vulnerability to security breaches, theft, misplaced, lost or corrupted data, programming errors, employee errors and/or malfeasance (including misappropriation by departing employees) that could potentially lead to material compromising of sensitive, confidential or personal data or information, improper use of our systems, software solutions or networks, unauthorized access, use, disclosure, modification or destruction of or denial of access to information, defective products, production downtimes and operational disruptions. In addition, while we require our suppliers to implement and maintain reasonable and appropriate controls to protect information we provide to them, they may be the victim of a cyber-related attack that could lead to the compromise of the Company's intellectual property, personal data or other confidential information, or to production downtimes and operational disruptions that could have an adverse effect on our ability to meet our commitments to customers. An unknown security vulnerability or malicious software embedded in a supplier's product that is later integrated into a GE product could lead to a vulnerability in the security of GE's product or if used internally in the GE network environment to a compromise of the GE network, which could potentially lead to the loss of information or operational disruptions. Data privacy and protection laws are evolving, can vary significantly by country and present increasing compliance challenges, which increase our costs, affect our competitiveness and can expose us to substantial fines or other penalties. In addition, a significant cyber-related attack could result in

other negative consequences, including damage to our reputation or competitiveness, remediation, increased digital infrastructure or other costs that are not covered by insurance, litigation or regulatory action.

Supply chain - Significant raw material or other component shortages, supplier capacity constraints, supplier or customer production disruptions, supplier quality and sourcing issues or price increases can increase our operating costs and adversely impact the competitive positions of our products. Our reliance on third-party suppliers, contract manufacturers and service providers, and commodity markets to secure raw materials, parts, components and sub-systems used in our products exposes us to volatility in the prices and availability of these materials, parts, components, systems and services. As our supply chains extend into many different countries and regions around the world, we are also subject to global economic and geopolitical dynamics and risks associated with exporting components manufactured in particular countries for incorporation into finished products completed in other countries. We are operating in a supply-constrained environment and are facing, and may continue to face, supply-chain shortages, inflationary pressures, shortages of skilled labor, transportation and logistics challenges and manufacturing disruptions that impact our revenues, profitability and timeliness in fulfilling customer orders. We anticipate supply chain pressures across our businesses will continue to challenge and adversely affect our operations and financial performance for some period of time. For example, successfully executing the significant production ramp-up efforts at our Aerospace business in connection with both newer engine platforms such as the LEAP and the aviation sector's ongoing recovery from the COVID-19 pandemic, depends in part on our suppliers having access to the materials and skilled labor they require and making timely deliveries to us, as well as meeting the required quality and performance standards for commercial aviation. In addition, some of our suppliers or their sub-suppliers are limited- or sole-source suppliers, and our ability to meet our obligations to customers depends on the performance, product quality and stability of such suppliers. We also have internal dependencies on certain key GE manufacturing or other facilities. Disruptions in deliveries, capacity constraints, production disruptions up- or down-stream, price increases, or decreased availability of raw materials or commodities, including as a result of war, natural disasters (including the effects of climate change such as sea level rise, drought, flooding, wildfires and more intense weather events), actual or threatened public health emergencies or other business continuity events, adversely affect our operations and, depending on the length and severity of the disruption, can limit our ability to meet our commitments to customers or significantly impact our operating profit or cash flows. Quality, capability, compliance and sourcing issues experienced by third-party providers can also adversely affect our costs, margin rates and the quality and effectiveness of our products and services and result in liability and reputational harm; the harm to us could be significant if, for example, a quality issue at a supplier or with components that we integrate into our products results in a widespread quality issue across one of our product lines or our installed base of equipment. In addition, our suppliers may experience cyber-related attacks, as described above, which could negatively impact their ability to meet their delivery obligations to us and in turn have an adverse effect on our ability to meet our commitments to customers.

FINANCIAL RISKS. Financial risk relates to our ability to meet financial obligations and mitigate exposure to broad market risks, including funding and liquidity risks, such as risk related to our credit ratings and our availability and cost of funding; credit risk; and volatility in foreign currency exchange rates, interest rates and commodity prices. Liquidity risk refers to the potential inability to meet contractual or contingent financial obligations (whether on- or off-balance sheet) as they arise, and could potentially impact our financial condition or overall safety and soundness. Credit risk is the risk of financial loss arising from a customer or counterparty failure to meet its contractual obligations, and we face credit risk arising from both our industrial businesses and from our remaining financial services operations.

Customers and counterparties - Global economic, industry-specific or other developments that weaken the financial condition or soundness of significant customers, governments or other parties we deal with can adversely affect our business, results of operations and cash flows. The business and operating results of our businesses have been, and will continue to be, affected by worldwide economic conditions, including conditions in the air transportation, power generation, renewable energy and other industries we serve. Existing or potential customers may delay or cancel plans to purchase our products and services, including large infrastructure projects, and may not be able to fulfill their obligations to us in a timely fashion or at all as a result of business deterioration, cash flow shortages or difficulty obtaining financing for particular projects or due to macroeconomic conditions, geopolitical disruptions, changes in law or other challenges affecting the strength of the global economy. The airline industry, for example, is highly cyclical, and sustained economic growth and political stability in both developed and emerging markets are principal factors underlying long-term air traffic growth; the current macroeconomic and geopolitical environment and the potential for recession pose risks to the rate of that growth. Aviation industry activity is also particularly influenced by the actions of a small group of large original equipment manufacturers, as well as large airlines in various geographies. We have significant business with, and credit exposure to, some of our largest aviation customers and accordingly our Aerospace business performance can be adversely affected by challenges that individual customers or the industry faces related to factors such as competition, the need for cost reduction, financial stability and soundness, and the availability of aircraft leasing and financing alternatives, the satisfaction of certification or other regulatory requirements for aircraft in various jurisdictions, the retirement of older aircraft and other dynamics affecting the original equipment and aftermarket service markets. As described above, the extended disruption of regional and international air travel from the COVID-19 pandemic has had and may continue to have a material adverse effect on our airframer and airline customers and suppliers. A potential future disruption in connection with a terrorist incident, cyberattack, actual or threatened public health emergency or recessionary economic environment that results in the loss of business and leisure traffic could also adversely affect these customers, their ability to fulfill their obligations to us in a timely fashion or at all, demand for our products and services and the viability of a customer's business. In our Power and Renewable Energy businesses, our customers also face a variety of challenges, including in connection with decarbonization, industry consolidation, competition and shifts in the availability of financing for certain types of power projects or technologies (such as prohibitions on financing for fossil fuel-based projects or technologies); these dynamics can also have a significant impact on the operating results and outlooks for our businesses. In addition, our customers include numerous governmental entities within and outside the U.S., including the U.S. federal government and state and local entities. We also at times face greater challenges collecting on receivables with customers that are sovereign governments or located in emerging markets. If there is significant deterioration in the global economy, in our industries, in financial markets or with particular significant counterparties, our results of operations, financial position and cash flows could be materially adversely affected.

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Borrowings - We may face risks related to our debt levels, particularly if we face severely adverse market conditions. We have significantly reduced our debt levels over the past several years through debt tenders and other liability management actions, and we expect to allocate additional capital to debt reduction in the future, with cash flows from operations and the proceeds from asset sales and dispositions (including our stakes in AerCap and GE HealthCare) as sources for that. If we are unable to generate cash flows in accordance with our plans, our deleveraging plan could be delayed or altered, which may require that we delay investments or capital expenditures. We may be required to adopt one or more alternatives such as increasing borrowing under credit lines, reducing or delaying investments or capital expenditures or taking other actions. In addition, we have significant pension and run-off insurance liabilities that are sensitive to numerous factors and assumptions that we use in our pension liability, GAAP insurance reserve and statutory insurance calculations. Our debt levels could put us at a competitive disadvantage compared to competitors with lower debt levels that may provide them with greater financial flexibility to secure additional funding for their operations, pursue strategic acquisitions, finance long-term projects or take other actions. Significant debt levels could also pose risks in the event of recession or adverse industry-specific conditions. In addition, elevated debt may limit our ability to obtain new debt financing on favorable terms or at all in the future, particularly if coupled with downgrades of our credit ratings or a deterioration of capital markets conditions more generally.

Liquidity - Failure to meet our cash flow targets, or additional credit downgrades, could adversely affect our liquidity, funding costs and related margins. We rely primarily on cash and cash equivalents, free cash flows from our operating businesses and cash generated from asset sales and dispositions (including from our equity stakes in AerCap and GE HealthCare) to fund our operations and meet our financial obligations, and to meet our capital allocation objectives. We maintain short-term borrowing facilities, including revolving credit facilities, as a contingency buffer of liquidity and to meet our financial obligations and capital allocation priorities. Failure to meet our cash flow objectives could adversely affect our financial condition or our credit ratings. There can be no assurance that we will not face credit downgrades as a result of factors such as the performance of our businesses, the failure to make progress as planned on the separation transactions and continued progress in decreasing GE's leverage, reduced diversification of GE's businesses following the separation transactions, or changes in rating application or methodology. Future downgrades could further adversely affect our ability to execute the planned spin-off of GE Vernova, as well as our cost of funds and related margins, liquidity, competitive position and access to capital markets, and a significant downgrade could have an adverse commercial impact on our businesses. In addition, swap, forward and option contracts are executed under standard master agreements that typically contain mutual downgrade provisions that provide the ability of the counterparty to require termination if the credit ratings of the applicable GE entity were to fall below specified ratings levels agreed upon with the counterparty. For additional discussion about our current credit ratings and related considerations, refer to the Capital Resources and Liquidity - Credit Ratings and Conditions section within MD&A.

Financial services operations - We continue to have exposure to insurance, credit, legal and other risks in our financial services operations and, in the event of future adverse developments, may not be able to meet our business and financial objectives without further actions or additional capital contributions. To fund the remaining statutory capital contributions that we expect to make to our insurance subsidiaries, as well as to meet our debt maturities and other obligations, we expect to rely on liquidity from our operations. There is a risk that future adverse developments could cause funding or liquidity stress. For example, it is possible that future requirements for capital contributions to our insurance subsidiaries will be greater than currently estimated, or that contemplated contributions could be accelerated by regulators. Our annual testing of insurance reserves is subject to a variety of assumptions, including assumptions about the discount rate (which is sensitive to changes in market interest rates), morbidity, mortality and future long-term care premium increases. Any future adverse changes to these assumptions (to the extent not offset by any favorable changes to these assumptions) could result in an increase to future policy benefit reserves and, potentially, to the amount of capital we are required to contribute to our insurance subsidiaries (as discussed in the Other Items - Insurance section within MD&A). We also anticipate that the new insurance accounting standard that became effective on January 1, 2023 (as discussed in the Other Items - New Accounting Standards section within MD&A) will materially affect our financial statements and require changes to certain of our processes, systems, and controls. In addition, we continue to evaluate potential strategic options to accelerate the further reduction in the size of our financial services operations. Some of these options could involve cash payments, financial charges or other adverse effects depending on the timing, negotiated terms and conditions of any ultimate arrangements. In addition, our financial services operations also have exposure to various industries and counterparties, including insurance companies, brokers and dealers, and financial institutions, which exposes us to credit and other risks in the event of insolvency or other default of a counterparty. For example, a portion of our run-off insurance operations' assets are held in trust accounts associated with reinsurance contracts. For our UFLIC subsidiary, such trust assets are currently held in trusts for the benefit of insurance company subsidiaries of Genworth, which stated in 2021 that any proceeds from its contingency plan will be used to repay parent company debt and not to bolster the capital position of its insurance subsidiaries. Solvency or other concerns about Genworth or its insurance company subsidiaries may cause those subsidiaries or their regulators to take or attempt to take actions that could adversely affect UFLIC, including control over assets in the relevant trusts. It is also possible that contingent liabilities and loss estimates from our financial services-related continuing or discontinued operations, such as those related to Bank BPH (see Note 24), will need to be recognized or increase in the future and will become payable. There can be no assurance that future liabilities, losses or impairments to the carrying value of assets within our financial services operations would not materially and adversely affect GE's business, financial position, cash flows, results of operations or capacity to provide financing to support orders at the businesses.

Postretirement benefit plans - Increases in pension, healthcare and life insurance benefits obligations and costs can adversely affect our earnings, cash flows and further progress toward our leverage goals. Our results of operations and financial conditions may be positively or negatively affected by the amount of income or expense we record for our defined benefit pension plans. GAAP requires that we calculate income or expense for the plans using actuarial valuations, which reflect assumptions about financial markets, interest rates and other economic conditions such as the discount rate and the expected long-term rate of return on plan assets. We are also required to make an annual measurement of plan assets and liabilities, which may result in a significant reduction or increase to equity. The factors that impact our pension calculations are subject to changes in key economic indicators, and

future decreases in the discount rate or low returns on plan assets can increase our funding obligations and adversely impact our financial results. In addition, although GAAP expense and pension funding contributions are not directly related, key economic factors that affect GAAP expense, such as a prolonged environment of low interest rates or sustained market volatility, would also likely affect the amount of cash we would be required to contribute to pension plans under ERISA. Such factors could also result in a failure to achieve expected returns on plan assets. In addition, there may be upward pressure on the cost of providing healthcare benefits to current and future retirees. There can be no assurance that the measures we have taken to control increases in these costs, or that the assignment of assets and liabilities with respect to certain U.S. and non-U.S. benefit plans in connection with GE's ongoing separation into three separate companies, will succeed in limiting cost increases, and continued upward pressure could reduce our profitability. For a discussion regarding how our financial statements have been and can be affected by our pension and healthcare benefit obligations, the legal split of certain benefit plans and the transfer of certain postretirement plans to GE HealthCare in connection with the Separation, see Notes 13 and 28.

LEGAL AND COMPLIANCE RISKS. Legal and compliance risk relates to risks arising from the government and regulatory environment, legal proceedings and compliance with integrity policies and procedures, including matters relating to financial reporting and the environment, health and safety. Government and regulatory risk includes the risk that the government or regulatory actions will impose additional cost on us or require us to make adverse changes to our business models or practices.

Regulatory - We are subject to a wide variety of laws, regulations and government policies that may change in significant ways. Our businesses are subject to regulation under a wide variety of U.S. federal and state and non-U.S. laws, regulations and policies. There can be no assurance that laws, regulations and policies will not be changed or interpreted or enforced in ways that will require us to modify our business models and objectives or affect our returns on investments by restricting existing activities and products, subjecting them to escalating costs or prohibiting them outright. In particular, recent trends globally toward increased protectionism, import and export controls, required licenses or authorizations to engage in business dealings with certain countries or entities, the use of tariffs, restrictions on outbound investment and other trade barriers can result in actions by governments around the world that have been and may continue to be disruptive and costly to our businesses, and can interfere with our global operating model and weaken our competitive position. In addition, changes in environmental and climate change laws, regulations or policies (including carbon pricing, emission standards or sustainable finance, among others) affecting the power or aviation sectors could lead to additional costs or compliance requirements, a need for additional investment in product designs, require carbon offset investments or otherwise negatively impact our businesses or competitive position. Other legislative and regulatory areas of significance for our businesses that U.S. and non-U.S. governments have focused and continue to focus on include cybersecurity, data privacy and sovereignty, anti-corruption, competition law, public procurement law, compliance with complex trade controls and economic sanctions laws, technical regulations or local content requirements that could result in market access criteria that our products cannot or do not meet, foreign exchange intervention in response to currency volatility and currency controls that could restrict the movement of liquidity from particular jurisdictions. Potential changes to tax laws, including changes to taxation of global income, may have an effect on our subsidiaries' structure, operations, sales, liquidity, cash flows, capital requirements, effective tax rate and performance. For example, legislative or regulatory measures by U.S. federal, states or non-U.S. governments, or rules, interpretations or audits under new or existing tax laws such as newly adopted global minimum taxes or other changes to the treatment of global income could increase our cash tax costs and effective tax rate. Regulation or government scrutiny may impact the requirements for marketing our products and slow our ability to introduce new products, resulting in an adverse impact on our business. Furthermore, we make sales to U.S. and non-U.S. governments and other public sector customers, and we participate in various governmental financing programs, that require us to comply with strict governmental regulations. As a U.S. government contractor, we are also subject to risks relating to U.S. government audits and investigations that can lead to fines, damages or other penalties. Inability to comply with applicable regulations could adversely affect our status with government customers or our ability to participate in projects, and could have collateral consequences such as suspension or debarment. Suspension or debarment, depending on the entity involved and length of time, can limit our ability to bid for new U.S. government contracts or business with other government-related customers, or to participate in projects involving multilateral development banks, and this could adversely affect our results of operations, financial position and cash flows.

Legal proceedings - We are subject to legal proceedings, disputes, investigations and legal compliance risks, including trailing liabilities from businesses that we dispose of or that are inactive. We are subject to a variety of legal proceedings, commercial disputes, legal compliance risks and environmental, health and safety compliance risks in virtually every part of the world. We, our representatives, and the industries in which we operate are subject to continuing scrutiny by regulators, other governmental authorities and private sector entities or individuals in the U.S., the European Union, China and other jurisdictions, which have led or may, in certain circumstances, lead to enforcement actions, adverse changes to our business practices, fines and penalties, required remedial actions such as contaminated site clean-up or other environmental claims, or the assertion of private litigation claims and/or damages that could be material. For example, following our acquisition of Alstom's Thermal, Renewables and Grid businesses in 2015, we are subject to legacy legal proceedings and legal compliance risks that relate to claimed anti-competitive conduct or corruption by Alstom in the pre-acquisition period, and payments for settlements, judgments, penalties or other liabilities in connection with those matters have resulted and will in the future result in cash outflows. In addition, while in December 2020 we entered into a settlement to conclude the previously disclosed SEC investigation of GE, we remain subject to shareholder lawsuits related to the Company's financial performance, accounting and disclosure practices and related legacy matters. We have observed that these proceedings related to claims about past financial performance and reporting pose particular reputational risks for the Company that can cause new allegations about past or current misconduct, even if unfounded, to have a more significant impact on our reputation and how we are viewed by investors, customers and others than they otherwise would. We have established reserves for legal matters when and as appropriate; however, the estimation of legal reserves or possible losses involves significant judgment and may not reflect the full range of uncertainties and unpredictable outcomes inherent in litigation and investigations, and the actual losses arising from particular matters may exceed our current estimates and adversely affect our results of operations. The risk management and compliance programs we have adopted and related actions that we take may not fully mitigate legal and compliance risks that we face, particularly

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in light of the global and diverse nature of our operations and the current enforcement environments in many jurisdictions. For example, when we investigate potential noncompliance under U.S. and non-U.S. law involving GE employees or third parties we work with, in some circumstances we make self-disclosures about our findings to the relevant authorities who may pursue or decline to pursue enforcement proceedings against us in connection with those matters. We are also subject to material trailing legal liabilities from businesses that we dispose of or that are inactive. We also expect that additional legal proceedings and other contingencies will arise from time to time. Moreover, we sell products and services in growth markets where claims arising from alleged violations of law, product failures or other incidents involving our products and services are adjudicated within legal systems that are less developed and less reliable than those of the U.S. or other more developed markets, and this can create additional uncertainty about the outcome of proceedings before courts or other governmental bodies in those markets. See Note 24 for further information about legal proceedings and other loss contingencies.

LEGAL PROCEEDINGS. We are reporting the following environmental matter in compliance with SEC requirements to disclose environmental proceedings where a governmental authority is a party and that involve potential monetary sanctions of $300,000 or greater. In July 2022, GE HealthCare received a notice of intention to impose an administrative fine of approximately $0.6 million related to a December 2019 liquid hazardous waste event at its Rehovot, Israel site. The event involved clean room waste that spilled onto an unsealed floor, leading to an escape of a small amount of liquid to a third-party facility on a lower floor. The Israeli Ministry of Environmental Protection (MEP) concluded that the incident breached the site's toxins permit. In accordance with local law, GE HealthCare responded to MEP's notice of fine challenging both the basis for, and level of, the fine. A decision from MEP is pending. With our spin-off of GE HealthCare in January 2023, GE will no longer report on this matter. Refer to Legal Matters and Environmental, Health and Safety Matters in Note 24 to the consolidated financial statements for further information relating to our legal matters.

MANAGEMENT AND AUDITOR'S REPORTS

MANAGEMENT'S DISCUSSION OF FINANCIAL RESPONSIBILITY. Management is responsible for the preparation of the consolidated financial statements and related information that are presented in this report. The consolidated financial statements, which include amounts based on management's estimates and judgments, have been prepared in conformity with U.S generally accepted accounting principles.

The Company designs and maintains accounting and internal control systems to provide reasonable assurance that assets are safeguarded against loss from unauthorized use or disposition, and that the financial records are reliable for preparing consolidated financial statements and maintaining accountability for assets. These systems are enhanced by policies and procedures, an organizational structure providing division of responsibilities, careful selection and training of qualified personnel, and a program of internal audits.

The Company engaged Deloitte and Touche LLP, an independent registered public accounting firm, to audit and render an opinion on the consolidated financial statements and internal control over financial reporting in accordance with the standards of the Public Company Accounting Oversight Board (PCAOB).

The Board of Directors, through its Audit Committee, which consists entirely of independent directors, meets periodically with management, internal auditors, and our independent registered public accounting firm to ensure that each is meeting its responsibilities and to discuss matters concerning internal controls and financial reporting. Deloitte and Touche LLP and the internal auditors each have full and free access to the Audit Committee.

MANAGEMENT'S ANNUAL REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING. Management is responsible for establishing and maintaining adequate internal control over financial reporting for the Company. With our participation, an evaluation of the effectiveness of our internal control over financial reporting was conducted as of December 31, 2022, based on the framework and criteria established in Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission.

Based on this evaluation, our management has concluded that our internal control over financial reporting was effective as of December 31, 2022.

Our independent registered public accounting firm has issued an audit report on our internal control over financial reporting. Their report follows.

/s/ H. Lawrence Culp, Jr.
H. Lawrence Culp, Jr.
Chairman and Chief Executive Officer
February 10, 2023

/s/ Carolina Dybeck Happe
Carolina Dybeck Happe
Chief Financial Officer

DISCLOSURE CONTROLS. Under the direction of our Chief Executive Officer and Chief Financial Officer, we evaluated our disclosure controls and procedures and internal control over financial reporting and concluded that our disclosure controls and procedures were effective as of December 31, 2022. There have been no changes in the Company's internal control over financial reporting during the quarter ended December 31, 2022, that have materially affected, or are reasonably likely to materially affect, its internal control over financial reporting.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM
To the shareholders and the Board of Directors of General Electric Company

Opinion on the Financial Statements
We have audited the accompanying consolidated statements of financial position of General Electric Company and subsidiaries (the "Company") as of December 31, 2022 and 2021, the related consolidated statements of earnings (loss), comprehensive income (loss), changes in shareholders' equity, and cash flows for the years ended 2022 and 2021, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021, and the results of its operations and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2022, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated February 10, 2023, expressed an unqualified opinion on the Company's internal control over financial reporting.

Basis for Opinion
These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audit included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

Critical Audit Matters
The critical audit matters communicated below are matters arising from the current-period audit of the financial statements that were communicated or required to be communicated to the audit committee and that (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Sales of services - Revenue recognition on certain long-term service agreements - Refer to Notes 1 and 8 to the financial statements

Critical Audit Matter Description
The Company enters into long-term service agreements with certain customers, predominately within the Aerospace and Power segments. These agreements require the Company to provide maintenance services for customer assets over the contract term, which generally range from 5 to 25 years. Revenue for these agreements is recognized using the percentage of completion method, based on costs incurred relative to total estimated costs over the contract term. As part of the revenue recognition process, the Company estimates both customer payments that are expected to be received and costs to perform maintenance services over the contract term. Key estimates that require significant judgment from management include: (a) how the customer will utilize the assets covered over the contract term; (b) the expected timing and extent of future maintenance and overhaul services; (c) the future cost of materials, labor, and other resources; and (d) forward looking information concerning market conditions.

Given the complexity involved with evaluating the key estimates, which includes significant judgment necessary to estimate customer payments and future costs, auditing these assumptions required a high degree of auditor judgment and extensive audit effort, including the involvement of professionals with specialized skills and industry knowledge.

How the Critical Audit Matter Was Addressed in the Audit
Our auditing procedures over the key estimates described above related to the amount and timing of revenue recognition of the long-term service agreements, predominately within the Aerospace and Power segments, included the following, among others:

- We tested the effectiveness of controls over the revenue recognition process for the long-term service agreements, including controls over management's key estimates.
- We evaluated management's risk assessment process through observation of key meetings and processes, including inspection of documentation, addressing contract status and current market conditions including the timely incorporation of changes that affect total estimated costs to complete the contract and future billings.
- We evaluated the appropriateness and consistency of management's methods and key assumptions applied in recognizing revenue and developing cost estimates.

- We tested management's utilization assumptions for the assets covered over the contract term, which impact the estimated timing and extent of future maintenance and overhaul services by comparing current estimates to historical information and projected market conditions.
- We tested management's process for estimating the timing and amount of costs associated with maintenance, overhaul, and other major events throughout the contract term, including comparing estimates to historical cost experience, performing a retrospective review, performing analytical procedures, and utilizing specialists to evaluate engineering studies and statistical models used by the Company to estimate the useful life of certain components of the installed equipment.

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Premium deficiency testing - future policy benefits – refer to Notes 1 and 12 to the financial statements

Critical Audit Matter Description

The Company performs premium deficiency testing to assess the adequacy of future policy benefit reserves on an annual basis or whenever events or changes in circumstances indicate that a premium deficiency event may have occurred. Significant uncertainties exist in testing cash flow projections in the premium deficiency test for these insurance contracts, including consideration of a wide range of possible outcomes of future events over the life of the insurance contracts that can extend for long periods of time.

Given the significant judgments made by management in estimating the cash flow projections used in the premium deficiency test, including the determination of certain key assumptions, auditing the premium deficiency test required a high degree of auditor judgment and an increased extent of effort, including the involvement of our actuarial specialists. Key assumptions impacting the cash flow projections that are sensitive and are more subjective requiring significant judgment by management are discount rate, rate of changes in morbidity, and future long-term care premium rate increases.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures, which included the involvement of our actuarial specialists, related to the premium deficiency analysis included the following, among others:

- We tested the effectiveness of controls related to the premium deficiency test process, including controls over the development of key assumptions and management's judgments related to the development of the cash flow projections.
- We tested the underlying data for completeness and accuracy, including historical cash flows that served as the basis for the actuarial estimates.
- We evaluated the key assumptions by considering historical actual experience, sensitivity analyses, relevant industry data when available, and management's basis for changes or lack of change in key assumptions.
- We performed recalculations to assess key assumptions were appropriately applied in the cash flow projections.
- We evaluated management's conclusion for the premium deficiency test and verified the results appropriately reflected key assumptions.

/s/ DELOITTE & TOUCHE LLP

Boston, Massachusetts
February 10, 2023
We have served as the Company's auditor since 2020.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the shareholders and the Board of Directors of General Electric Company

Opinion on Internal Control over Financial Reporting

We have audited the internal control over financial reporting of General Electric Company and subsidiaries (the "Company") as of December 31, 2022, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2022, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by COSO.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated financial statements as of and for the year ended December 31, 2022, of the Company and our report dated February 10, 2023, expressed an unqualified opinion on those financial statements.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Annual Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ DELOITTE & TOUCHE LLP

Boston, Massachusetts
February 10, 2023

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders of General Electric Company:

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated statements of earnings (loss), comprehensive income (loss), changes in shareholders' equity, and cash flows of the General Electric Company and consolidated affiliates (the Company) for the year ended December 31, 2020, and the related notes (collectively, the consolidated financial statements). In our opinion, the consolidated financial statements present fairly, in all material respects, the results of its operations and its cash flows for the year ended December 31, 2020, in conformity with U.S. generally accepted accounting principles.

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Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. Our audit included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audit provides a reasonable basis for our opinion.

/s/ KPMG LLP

KPMG LLP

We served as the Company's auditor from 1909 to 2020.

Boston, Massachusetts

February 12, 2021, except for the changes described in the third paragraph of note 1 and the fifth paragraph of note 2, as to which the date is February 11, 2022.

STATEMENT OF EARNINGS (LOSS)

For the years ended December 31 (In millions; per-share amounts in dollars)	2022	2021	2020
Sales of equipment	$ 31,976	$ 34,200	$ 37,584
Sales of services	41,626	36,890	35,385
Insurance revenues (Note 12)	2,954	3,106	2,865
Total revenues	76,555	74,196	75,833
Cost of equipment sold	30,426	31,399	35,242
Cost of services sold	25,109	22,497	22,629
Selling, general and administrative expenses	12,781	11,716	12,628
Separation costs (Note 20)	973	—	—
Research and development	2,813	2,497	2,565
Interest and other financial charges	1,607	1,876	2,068
Debt extinguishment costs (Note 10)	465	6,524	301
Insurance losses, annuity benefits and other costs (Note 12)	2,734	2,410	2,519
Goodwill impairments (Note 7)	—	—	877
Non-operating benefit cost (income)	(532)	1,782	2,430
Total costs and expenses	76,375	80,702	81,259
Other income (loss) (Note 19)	1,231	2,823	11,396
Earnings (loss) from continuing operations before income taxes	1,412	(3,683)	5,970
Benefit (provision) for income taxes (Note 15)	(476)	286	487
Earnings (loss) from continuing operations	936	(3,396)	6,457
Earnings (loss) from discontinued operations, net of taxes (Note 2)	(644)	(3,195)	(911)
Net earnings (loss)	292	(6,591)	5,546
Less net earnings (loss) attributable to noncontrolling interests	67	(71)	(158)
Net earnings (loss) attributable to the Company	225	(6,520)	5,704
Preferred stock dividends	(289)	(237)	(474)
Net earnings (loss) attributable to GE common shareholders	$ (64)	$ (6,757)	$ 5,230
Amounts attributable to GE common shareholders			
Earnings (loss) from continuing operations	$ 936	$ (3,396)	$ 6,457
Less net earnings (loss) attributable to noncontrolling interests, continuing operations	67	(71)	(158)
Earnings (loss) from continuing operations attributable to the Company	869	(3,325)	6,615
Preferred stock dividends	(289)	(237)	(474)
Earnings (loss) from continuing operations attributable to GE common shareholders	581	(3,562)	6,141
Earnings (loss) from discontinued operations attributable to GE common shareholders	(644)	(3,195)	(911)
Net earnings (loss) attributable to GE common shareholders	$ (64)	$ (6,757)	$ 5,230
Earnings (loss) per share from continuing operations (Note 18)			
Diluted earnings (loss) per share	$ 0.53	$ (3.25)	$ 5.46
Basic earnings (loss) per share	$ 0.53	$ (3.25)	$ 5.46
Net earnings (loss) per share (Note 18)			
Diluted earnings (loss) per share	$ (0.05)	$ (6.16)	$ 4.63
Basic earnings (loss) per share	$ (0.06)	$ (6.16)	$ 4.63

STATEMENT OF FINANCIAL POSITION

December 31 (In millions)		2022		2021
Cash, cash equivalents and restricted cash	$	17,262	$	15,770
Investment securities (Note 3)		7,609		12,297
Current receivables (Note 4)		17,976		15,620
Inventories, including deferred inventory costs (Note 5)		17,403		15,847
Current contract assets (Note 8)		3,088		4,881
All other current assets (Note 9)		1,521		1,933
Assets of businesses held for sale (Note 2)		1,374		—
Current assets		66,234		66,348
Investment securities (Note 3)		36,048		42,209
Property, plant and equipment – net (Note 6)		14,478		15,609
Goodwill (Note 7)		25,798		26,182
Other intangible assets – net (Note 7)		7,625		9,330
Contract and other deferred assets (Note 8)		6,010		6,124
All other assets (Note 9)		16,998		19,040
Deferred income taxes (Note 15)		11,705		10,855
Assets of discontinued operations (Note 2)		2,892		3,177
Total assets	$	187,788	$	198,874
Short-term borrowings (Note 10)	$	3,757	$	4,361
Accounts payable and equipment project payables (Note 11)		18,644		16,243
Progress collections and deferred income		18,118		17,372
All other current liabilities (Note 14)		14,485		13,977
Liabilities of businesses held for sale (Note 2)		1,944		—
Current liabilities		56,947		51,953
Deferred income		2,006		1,989
Long-term borrowings (Note 10)		28,593		30,824
Insurance liabilities and annuity benefits (Note 12)		33,347		37,166
Non-current compensation and benefits		16,021		21,202
All other liabilities (Note 14)		12,154		13,240
Liabilities of discontinued operations (Note 2)		1,137		887
Total liabilities		150,206		157,262
Preferred stock (Note 16)		6		6
Common stock (Note 16)		15		15
Accumulated other comprehensive income (loss) – net attributable to GE		(1,311)		1,582
Other capital		34,173		34,691
Retained earnings		84,693		85,110
Less common stock held in treasury		(81,209)		(81,093)
Total GE shareholders' equity		36,366		40,310
Noncontrolling interests (Note 16)		1,216		1,302
Total equity		37,582		41,612
Total liabilities and equity	$	187,788	$	198,874

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STATEMENT OF CASH FLOWS

For the years ended December 31 (In millions)	2022	2021	2020
Net earnings (loss)	$ 292	$ (6,591)	$ 5,546
(Earnings) loss from discontinued operations activities	644	3,195	911
Adjustments to reconcile net earnings (loss) to cash from (used for) operating activities			
Depreciation and amortization of property, plant and equipment	1,802	1,871	2,128
Amortization of intangible assets (Note 7)	1,742	1,138	1,336
Goodwill impairments (Note 7)	—	—	877
(Gains) losses on purchases and sales of business interests (Note 19)	(66)	40	(12,469)
(Gains) losses on equity securities (Note 19)	144	(1,656)	2,085
Debt extinguishment costs	465	6,524	301
Principal pension plans cost (Note 13)	575	2,650	3,559
Principal pension plans employer contributions (Note 13)	(325)	(326)	(2,806)
Other postretirement benefit plans (net) (Note 13)	(1,160)	(1,144)	(893)
Provision (benefit) for income taxes (Note 15)	476	(286)	(487)
Cash recovered (paid) during the year for income taxes	(1,127)	(1,165)	(1,441)
Changes in operating working capital:			
Decrease (increase) in current receivables	(3,011)	(177)	(1,319)
Decrease (increase) in inventories, including deferred inventory costs	(2,341)	(702)	1,105
Decrease (increase) in current contract assets	1,463	1,031	1,631
Increase (decrease) in accounts payable and equipment project payables	2,793	(2)	(582)
Increase (decrease) in progress collections and current deferred income	2,492	(1,052)	(247)
Financial services derivatives net collateral/settlement	(154)	(1,143)	1,897
All other operating activities	1,160	(1,317)	(109)
Cash from (used for) operating activities – continuing operations	5,864	888	1,025
Cash from (used for) operating activities – discontinued operations	52	2,444	2,543
Cash from (used for) operating activities	5,916	3,332	3,568
Additions to property, plant and equipment	(1,371)	(1,250)	(1,579)
Dispositions of property, plant and equipment	209	167	203
Additions to internal-use software	(113)	(111)	(151)
Proceeds from sale of discontinued operations	—	22,356	—
Proceeds from principal business dispositions	15	1	20,562
Net cash from (payments for) principal businesses purchased	(30)	(1,550)	(85)
Sales of retained ownership interests	4,717	4,145	417
Net (purchases) dispositions of insurance investment securities	(876)	(1,290)	(1,352)
All other investing activities	(726)	1,237	1,280
Cash from (used for) investing activities – continuing operations	1,825	23,705	19,297
Cash from (used for) investing activities – discontinued operations	444	(2,397)	(2,626)
Cash from (used for) investing activities	2,270	21,308	16,671
Net increase (decrease) in borrowings (maturities of 90 days or less)	65	(710)	(4,168)
Newly issued debt (maturities longer than 90 days)	8,205	364	15,028
Repayments and other debt reductions (maturities longer than 90 days)	(11,205)	(36,521)	(29,632)
Dividends paid to shareholders	(639)	(575)	(648)
Cash received (paid) for debt extinguishment costs	338	(7,196)	(335)
Purchases of GE common stock for treasury	(1,048)	(107)	(28)
All other financing activities	(1,302)	(551)	23
Cash from (used for) financing activities – continuing operations	(5,585)	(45,296)	(19,762)
Cash from (used for) financing activities – discontinued operations	—	119	(90)
Cash from (used for) financing activities	(5,585)	(45,177)	(19,852)
Effect of currency exchange rate changes on cash, cash equivalents and restricted cash	(369)	(213)	145
Increase (decrease) in cash, cash equivalents and restricted cash	2,232	(20,750)	531
Cash, cash equivalents and restricted cash at beginning of year	16,859	37,608	37,077
Cash, cash equivalents and restricted cash at December 31	19,092	16,859	37,608
Less cash, cash equivalents and restricted cash of discontinued operations at December 31	1,176	736	623
Cash, cash equivalents and restricted cash of continuing operations at December 31	$ 17,916	$ 16,123	$ 36,985
Supplemental disclosure of cash flows information			
Cash paid during the year for interest	$ (1,561)	$ (2,536)	$ (2,976)

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STATEMENT OF COMPREHENSIVE INCOME (LOSS)

For the years ended December 31 (In millions)	2022	2021	2020
Net earnings (loss)	$ 292	$ (6,591)	$ 5,546
Less: net earnings (loss) attributable to noncontrolling interests	67	(71)	(158)
Net earnings (loss) attributable to the Company	$ 225	$ (6,520)	$ 5,704
Currency translation adjustments	(1,355)	(174)	435
Benefit plans	2,889	9,044	1,632
Investment securities and cash flow hedges	(4,425)	2,466	(78)
Less: other comprehensive income (loss) attributable to noncontrolling interests	1	5	6
Other comprehensive income (loss) attributable to the Company	$ (2,893)	$ 11,330	$ 1,984
Comprehensive income (loss)	$ (2,600)	$ 4,745	$ 7,536
Less: comprehensive income (loss) attributable to noncontrolling interests	68	(66)	(152)
Comprehensive income (loss) attributable to the Company	$ (2,668)	$ 4,810	$ 7,688

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For the years ended December 31 (In millions)	2022	2021	2020
Preferred stock issued	$ 6	$ 6	$ 6
Common stock issued	$ 15	$ 15	$ 702
Beginning balance	1,582	(9,749)	(11,732)
Currency translation adjustments	(1,353)	(177)	433
Benefit plans	2,886	9,041	1,628
Investment securities and cash flow hedges	(4,425)	2,466	(78)
Accumulated other comprehensive income (loss)	$ (1,311)	$ 1,582	$ (9,749)
Beginning balance	34,691	34,307	34,405
Gains (losses) on treasury stock dispositions	(741)	(740)	(703)
Stock-based compensation	362	429	429
Other changes(a)	(139)	696	176
Other capital	$ 34,173	$ 34,691	$ 34,307
Beginning balance	85,110	92,247	87,732
Net earnings (loss) attributable to the Company	225	(6,520)	5,704
Dividends and other transactions with shareholders	(642)	(617)	(1,014)
Changes in accounting	—	—	(175)
Retained earnings	$ 84,693	$ 85,110	$ 92,247
Beginning balance	(81,093)	(81,961)	(82,797)
Purchases	(1,048)	(107)	(28)
Dispositions	931	974	864
Common stock held in treasury	$ (81,209)	$ (81,093)	$ (81,961)
GE shareholders' equity balance	36,366	40,310	35,552
Noncontrolling interests balance	1,216	1,302	1,522
Total equity balance at December 31	$ 37,582	$ 41,612	$ 37,073

(a) Included $687 million related to the change in par value of issued common stock from $0.06 to $0.01 in the year ended December 31, 2021.

NOTE 1. BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

FINANCIAL STATEMENT PRESENTATION. Our financial statements are prepared in conformity with U.S. generally accepted accounting principles (GAAP), which requires us to make estimates based on assumptions about current, and for some estimates, future, economic and market conditions which affect reported amounts and related disclosures in our financial statements. Although our current estimates contemplate current and expected future conditions, as applicable, it is reasonably possible that actual conditions could differ from our expectations, which could materially affect our results of operations, financial position and cash flows. Such changes could result in future impairments of goodwill, intangibles, long-lived assets and investment securities, revisions to estimated profitability on long-term product service agreements, incremental credit losses on receivables and debt securities, a change in the carrying amount of our tax assets and liabilities, or a change in our insurance liabilities and pension obligations as of the time of a relevant measurement event.

In preparing our Statement of Cash Flows, we make certain adjustments to reflect cash flows that cannot otherwise be calculated by changes in our Statement of Financial Position. These adjustments may include, but are not limited to, the effects of currency exchange, acquisitions and dispositions of businesses, businesses classified as held for sale, the timing of settlements to suppliers for property, plant and equipment, non-cash gains/losses and other balance sheet reclassifications.

We have reclassified certain prior-year amounts to conform to the current-year's presentation, including retrospective adjustments made in 2021 to present: the remainder of our former Capital segment within Corporate, sales of spare parts within Sales of services and the related costs as Costs of services sold, and earnings per share to reflect the reverse stock split. Unless otherwise noted, tables are presented in U.S. dollars in millions. Certain columns and rows may not add due to the use of rounded numbers. Percentages presented are calculated from the underlying numbers in millions. Earnings per share amounts are computed independently for earnings from continuing operations, earnings from discontinued operations and net earnings. As a result, the sum of per-share amounts may not equal the total. Unless otherwise indicated, information in these notes to consolidated financial statements relates to continuing operations. Certain of our operations have been presented as discontinued. We present businesses whose disposal represents a strategic shift that has, or will have, a major effect on our operations and financial results as discontinued operations when the components meet the criteria for held for sale, are sold, or spun-off. See Note 2 for further information.

On January 3, 2023, General Electric Company (the Company or GE) completed the previously announced separation (the Separation) of its HealthCare business, into a separate, independent publicly traded company. See Note 28 for further information.

CONSOLIDATION. Our financial statements consolidate all of our affiliates, entities where we have a controlling financial interest, most often because we hold a majority voting interest, or where we are required to apply the variable interest entity (VIE) model because we have the power to direct the most economically significant activities of entities. We reevaluate whether we have a controlling financial interest in all entities when our rights and interests change.

REVENUES FROM THE SALE OF EQUIPMENT. Performance Obligations Satisfied Over Time. We recognize revenue on agreements for the sale of customized goods including power generation equipment, long-term construction projects and military development contracts on an over-time basis as we customize the customer's equipment during the manufacturing or integration process and obtain right to payment for work performed.

We recognize revenue as we perform under the arrangements using the percentage of completion method, which is based on our costs incurred to date relative to our estimate of total expected costs. Our estimate of costs to be incurred to fulfill our promise to a customer is based on our history of manufacturing or constructing similar assets for customers and is updated routinely to reflect changes in quantity or pricing of the inputs. We provide for potential losses on these agreements when it is probable that we will incur the loss.

Our billing terms for these over-time contracts are generally based on achieving specified milestones. The differences between the timing of our revenue recognized (based on costs incurred) and customer billings (based on contractual terms) results in changes to our contract asset or contract liability positions. See Note 8 for further information.

Performance Obligations Satisfied at a Point in Time. We recognize revenue on agreements for non-customized equipment including commercial aircraft engines, healthcare equipment and other goods we manufacture on a standardized basis for sale to the market at the point in time that the customer obtains control of the product, which is generally no earlier than when the customer has physical possession. We use proof of delivery for certain large equipment with more complex logistics, whereas the delivery of other equipment is estimated based on historical averages of in-transit periods (i.e., time between shipment and delivery).

Where arrangements include customer acceptance provisions based on seller or customer-specified objective criteria, we recognize revenue when we have concluded that the customer has control of the equipment and that acceptance is likely to occur. We do not provide for anticipated losses on point-in-time transactions prior to transferring control of the equipment to the customer.

Our billing terms for these point-in-time equipment contracts generally coincide with delivery to the customer; however, within certain businesses, we receive progress collections from customers for large equipment purchases, to generally reserve production slots.

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REVENUES FROM THE SALE OF SERVICES. Consistent with our Management's Discussion and Analysis of Financial Condition and Results of Operations (MD&A) discussion and the way we manage our businesses, we refer to sales under service agreements, which includes both goods (such as spare parts and equipment upgrades) and related services (such as monitoring, maintenance and repairs) as sales of "services," which is an important part of our operations. We sometimes offer our customers financing discounts for the purchase of certain equipment when sold in contemplation of long-term service agreements. These sales are accounted for as financing arrangements when payments for the equipment are collected through higher usage-based fees from servicing the equipment. See Note 8 for further information.

Performance Obligations Satisfied Over Time. We enter into long-term service agreements with our customers primarily within our Aerospace and Power segments. These agreements require us to provide preventative maintenance, overhauls, and standby "warranty-type" services that include certain levels of assurance regarding asset performance and uptime throughout the contract periods, which generally range from 5 to 25 years. We account for items that are integral to the maintenance of the equipment as part of our performance obligation, unless the customer has a substantive right to make a separate purchasing decision (e.g., equipment upgrade).

We recognize revenue as we perform under the arrangements using the percentage of completion method which is based on our costs incurred to date relative to our estimate of total expected costs. Throughout the life of a contract, this measure of progress captures the nature, timing and extent of our underlying performance activities as our stand-ready services often fluctuate between routine inspections and maintenance, unscheduled service events and major overhauls at predetermined usage intervals. We provide for potential losses on these agreements when it is probable that we will incur the loss.

Our billing terms for these arrangements are generally based on the utilization of the asset (e.g., per hour of usage) or upon the occurrence of a major maintenance event within the contract, such as an overhaul. The differences between the timing of our revenue recognized (based on costs incurred) and customer billings (based on contractual terms) results in changes to our contract asset or contract liability positions. See Note 8 for further information.

We also enter into long-term services agreements in our HealthCare and Renewable Energy segments. Revenues are recognized for these arrangements on a straight-line basis consistent with the nature, timing and extent of our services, which primarily relate to routine maintenance and as needed equipment repairs. We generally invoice periodically as services are provided.

Performance Obligations Satisfied at a Point in Time. We sell certain tangible products, largely spare parts, through our services businesses. We recognize revenues and bill our customers at the point in time that the customer obtains control of the good, which is at the point in time we deliver the spare part to the customer.

COLLABORATIVE ARRANGEMENTS. Our Aerospace business enters into collaborative arrangements and joint ventures with manufacturers and suppliers of components used to build and maintain certain engines. Under these arrangements, GE and its collaborative partners share in the risks and rewards of these programs through various revenue, cost and profit sharing payment structures. GE recognizes revenue and costs for these arrangements based on the scope of work GE is responsible for transferring to its customers. GE's payments to participants are primarily recorded as either cost of services sold ($2,898 million, $2,125 million and $2,407 million for the years ended December 31, 2022, 2021, and 2020, respectively) or as cost of equipment sold ($658 million, $751 million and $1,093 million for the years ended December 31, 2022, 2021 and 2020, respectively). Our most significant collaborative arrangement is with Safran Aircraft Engines, a subsidiary of Safran Group of France, which sells LEAP and CFM56 engines through CFM International, a jointly owned non-consolidated company. GE makes substantial sales of parts and services to CFM International based on arms-length terms.

INSURANCE REVENUES. Insurance revenues are comprised primarily of premiums and investment income related to our run-off Insurance business. For traditional long-duration insurance contracts, we report premiums as revenue when due. Premiums received on non-traditional long-duration insurance contracts and investment contracts, including annuities without significant mortality risk, are not reported as revenues but rather as deposit liabilities. We recognize revenues for charges and assessments on these contracts, mostly for mortality, contract initiation, administration and surrender. Amounts credited to policyholder accounts are charged to expense.

CASH, CASH EQUIVALENTS AND RESTRICTED CASH. Debt securities and money market instruments with original maturities of three months or less are included in cash, cash equivalents and restricted cash unless classified as available-for-sale investment securities. Restricted cash primarily comprised funds restricted in connection with certain ongoing litigation matters and amounted to $745 million and $317 million at December 31, 2022 and 2021, respectively.

INVESTMENT SECURITIES. We report investments in available-for-sale debt securities and certain equity securities at fair value. Unrealized gains and losses on available-for-sale debt securities are recorded to other comprehensive income, net of applicable taxes and adjustments related to our insurance liabilities. Unrealized gains and losses on equity securities with readily determinable fair values are recorded to earnings.

Although we generally do not have the intent to sell any specific debt securities in the ordinary course of managing our portfolio, we may sell debt securities prior to their maturities for a variety of reasons, including diversification, credit quality, yield and liquidity requirements and the funding of claims and obligations to policyholders.

We regularly review investment securities for impairment. For debt securities, if we do not intend to sell the security or it is not more likely than not that we will be required to sell the security before recovery of our amortized cost, we evaluate qualitative criteria, such as the financial health of and specific prospects for the issuer, to determine whether we do not expect to recover the amortized cost basis of the security. We also evaluate quantitative criteria including determining whether there has been an adverse change in expected future cash flows. If we do not expect to recover the entire amortized cost basis of the security, we consider the security to contain an expected credit loss, and we record the difference between the security's amortized cost basis and its recoverable amount in earnings as an allowance for credit loss and the difference between the security's recoverable amount and fair value in other comprehensive income. If we intend to sell the security or it is more likely than not we will be required to sell the security before recovery of its amortized cost basis, the security is considered impaired, and we recognize the entire difference between the security's amortized cost basis and its fair value in earnings. See Note 3 for further information.

CURRENT RECEIVABLES. Amounts due from customers arising from the sales of equipment and services are recorded at the outstanding amount, less allowance for losses. We regularly monitor the recoverability of our receivables. See Note 4 for further information.

ALLOWANCE FOR CREDIT LOSSES. When we record customer receivables, contract assets and financing receivables arising from revenue transactions, as well as commercial mortgage loans and reinsurance recoverables in our run-off insurance operations, financial guarantees and certain commitments, we record an allowance for credit losses for the current expected credit losses (CECL) inherent in the asset over its expected life. The allowance for credit losses is a valuation account deducted from the amortized cost basis of the assets to present their net carrying value at the amount expected to be collected. Each period, the allowance for credit losses is adjusted through earnings to reflect expected credit losses over the remaining lives of the assets. We evaluate debt securities with unrealized losses to determine whether any of the losses arise from concerns about the issuer's credit or the underlying collateral and record an allowance for credit losses, if required.

We estimate expected credit losses based on relevant information about past events, including historical experience, current conditions, and reasonable and supportable forecasts that affect the collectability of the reported amount. When measuring expected credit losses, we pool assets with similar country risk and credit risk characteristics. Changes in the relevant information may significantly affect the estimates of expected credit losses.

INVENTORIES. All inventories are stated at lower of cost or realizable values. Cost of inventories is primarily determined on a first-in, first-out (FIFO) basis. See Note 5 for further information.

PROPERTY, PLANT AND EQUIPMENT. The cost of property, plant and equipment is generally depreciated on a straight-line basis over its estimated economic life. See Note 6 for further information.

LEASE ACCOUNTING FOR LESSEE ARRANGEMENTS. At lease commencement, we record a lease liability and corresponding right-of-use (ROU) asset. Options to extend the lease are included as part of the ROU lease asset and liability when it is reasonably certain the Company will exercise the option. We have elected to include lease and non-lease components in determining our lease liability for all leased assets except our vehicle leases. Non-lease components are generally services that the lessor performs for the Company associated with the leased asset. The present value of our lease liability is determined using our incremental collateralized borrowing rate at lease inception. For leases with an initial term of 12 months or less, an ROU asset and lease liability is not recognized and lease expense is recognized on a straight-line basis over the lease term. We test ROU assets whenever events or changes in circumstance indicate that the asset may be impaired.

GOODWILL AND OTHER INTANGIBLE ASSETS. We test goodwill at least annually for impairment at the reporting unit level. We recognize an impairment charge if the carrying amount of a reporting unit exceeds its fair value. When a portion of a reporting unit is disposed, goodwill is allocated to the gain or loss on disposition based on the relative fair values of the business or businesses disposed and the portion of the reporting unit that will be retained.

For other intangible assets that are not deemed indefinite-lived, cost is generally amortized on a straight-line basis over the asset's estimated economic life, except for individually significant customer-related intangible assets that are amortized in relation to total related sales. Amortizable intangible assets are reviewed for impairment whenever events or changes in circumstances indicate that the related carrying amounts may not be recoverable. In these circumstances, they are tested for impairment based on undiscounted cash flows and, if impaired, written down to estimated fair value based on either discounted cash flows or appraised values. See Note 7 for further information.

DERIVATIVES AND HEDGING. We use derivatives to manage a variety of risks, including risks related to interest rates, foreign exchange, certain equity investments and commodity prices. Accounting for derivatives as hedges requires that, at inception and over the term of the arrangement, the hedged item and related derivative meet the requirements for hedge accounting. In evaluating whether a particular relationship qualifies for hedge accounting, we test effectiveness at inception and each reporting period thereafter by determining whether changes in the fair value of the derivative offset, within a specified range, changes in the fair value of the hedged item. If fair value changes fail this test, we discontinue applying hedge accounting to that relationship prospectively. Fair values of both the derivative instrument and the hedged item are calculated using internal valuation models incorporating market-based assumptions, subject to third-party confirmation, as applicable. See Note 22 for further information.

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DEFERRED INCOME TAXES. Deferred income tax balances reflect the effects of temporary differences between the carrying amounts of assets and liabilities and their tax bases, as well as from net operating loss and tax credit carryforwards, and are stated at enacted tax rates expected to be in effect when those taxes are paid or recovered. Deferred income tax assets represent amounts available to reduce income taxes payable on taxable income in future years. We evaluate the recoverability of these future tax deductions and credits by assessing the adequacy of future expected taxable income from all sources, including reversal of taxable temporary differences, forecasted operating earnings and available tax planning strategies. To the extent we consider it more likely than not that a deferred tax asset will not be recovered, a valuation allowance is established. Deferred taxes, as needed, are provided for our investment in affiliates and associated companies when we plan to remit those earnings. See Note 15 for further information.

INSURANCE LIABILITIES AND ANNUITY BENEFITS. Our run-off insurance operations include providing insurance and reinsurance for life and health risks and providing certain annuity products. Primary product types include long-term care, structured settlement annuities, life and disability insurance contracts and investment contracts. Insurance contracts are contracts with significant mortality and/or morbidity risks, while investment contracts are contracts without such risks.

Liabilities for traditional long-duration insurance contracts include both future policy benefit reserves and claims reserves. Future policy benefit reserves represent the present value of future policy benefits less the present value of future gross premiums based on actuarial assumptions. Liabilities for investment contracts equal the account value, that is, the amount that accrues to the benefit of the contract or policyholder including credited interest and assessments through the financial statement date.

Claim reserves are established when a claim is incurred or is estimated to have been incurred and represent our best estimate of the present value of the ultimate obligations for future claim payments and claim adjustments expenses.

To the extent that unrealized gains on specific investment securities supporting our insurance contracts would result in a premium deficiency, should those gains be realized, an increase in future policy benefit reserves is recorded, with an offsetting after-tax reduction to net unrealized gains recorded in other comprehensive income.

Reinsurance recoverables are recorded when we cede insurance risk to third parties but are not relieved from our primary obligation to policyholders and cedents. When losses on ceded risks give rise to claims for recovery, we establish allowances for probable losses on such receivables from reinsurers as required. See Note 12 for further information.

POSTRETIREMENT BENEFIT PLANS. We sponsor a number of pension and retiree health and life insurance benefit plans that we present in three categories, principal pension plans, other pension plans and principal retiree benefit plans. We use a December 31 measurement date for these plans. On our Statement of Financial Position, we measure our plan assets at fair value and the obligations at the present value of the estimated payments to plan participants. Participants earn benefits based on their service and pay. Those estimated future payment amounts are determined based on assumptions. Differences between our actual results and what we assumed are recorded in a separate component of equity each period. These differences are amortized into earnings over the remaining average future service of active employees or the expected life of inactive participants, as applicable, who participate in the plan. See Note 13 for further information.

LOSS CONTINGENCIES. Loss contingencies are existing conditions, situations or circumstances involving uncertainty as to possible loss that will ultimately be resolved when future events occur or fail to occur. Such contingencies include, but are not limited to environmental obligations, litigation, regulatory investigations and proceedings, product quality and losses resulting from other events and developments. When a loss is considered probable and reasonably estimable, we record a liability in the amount of our best estimate for the ultimate loss. When there appears to be a range of possible costs with equal likelihood, liabilities are based on the low-end of such range. Disclosure is provided for material loss contingencies when a loss is probable but a reasonable estimate cannot be made, and when it is reasonably possible that a loss will be incurred or the amount of a loss will exceed the recorded provision. We regularly review contingencies to determine whether the likelihood of loss has changed and to assess whether a reasonable estimate of the loss or range of loss can be made. See Note 24 for further information.

SUPPLY CHAIN FINANCE PROGRAMS. We evaluate supply chain finance programs to ensure where we use a third-party intermediary to settle our trade payables, their involvement does not change the nature, existence, amount, or timing of our trade payables and does not provide the Company with any direct economic benefit. If any characteristics of the trade payables change or we receive a direct economic benefit, we reclassify the trade payables as borrowings.

FAIR VALUE MEASUREMENTS. The following sections describe the valuation methodologies we use to measure financial and non-financial instruments accounted for at fair value including certain assets within our pension plans and retiree benefit plans. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect our market assumptions. These inputs establish a fair value hierarchy: Level 1 – Quoted prices for identical instruments in active markets; Level 2 – Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations whose inputs are observable or whose significant value drivers are observable; and Level 3 – Significant inputs to the valuation model are unobservable.

RECURRING FAIR VALUE MEASUREMENTS. For financial assets and liabilities measured at fair value on a recurring basis, primarily investment securities and derivatives, fair value is the price we would receive to sell an asset or pay to transfer a liability in an orderly transaction with a market participant at the measurement date. In the absence of active markets for the identical assets or liabilities, such measurements involve developing assumptions based on market observable data and, in the absence of such data, internal information that is consistent with what market participants would use in a hypothetical transaction that occurs at the measurement date. See Note 21 for further information.

Debt Securities. When available, we use quoted market prices to determine the fair value of debt securities which are included in Level 1. For our remaining debt securities, we obtain pricing information from an independent pricing vendor. The inputs and assumptions to the pricing vendor's models are derived from market observable sources including benchmark yields, reported trades, broker/dealer quotes, issuer spreads, benchmark securities, bids, offers and other market-related data. These investments are included in Level 2. Our pricing vendors may also provide us with valuations that are based on significant unobservable inputs, and in those circumstances, we classify the investment securities in Level 3.

Annually, we conduct reviews of our primary pricing vendor to validate that the inputs used in that vendor's pricing process are deemed to be market observable as defined in the standard. We believe that the prices received from our pricing vendor are representative of prices that would be received to sell the assets at the measurement date (exit prices) and are classified appropriately in the hierarchy. We use non-binding broker quotes and other third-party pricing services as our primary basis for valuation when there is limited, or no, relevant market activity for a specific instrument or for other instruments that share similar characteristics. Debt securities priced in this manner are included in Level 3.

Equity securities with readily determinable fair values. These publicly traded equity securities are valued using quoted prices and are included in Level 1.

Derivatives. The majority of our derivatives are valued using internal models. The models maximize the use of market observable inputs including interest rate curves and both forward and spot prices for currencies and commodities. Derivative assets and liabilities included in Level 2 primarily represent interest rate swaps, cross-currency swaps and foreign currency and commodity forward and option contracts.

Investments in private equity, real estate and collective funds held within our pension plans. Most investments are generally valued using the net asset value (NAV) per share as a practical expedient for fair value provided certain criteria are met. The NAVs are determined based on the fair values of the underlying investments in the funds. Investments that are measured at fair value using the NAV practical expedient are not required to be classified in the fair value hierarchy. Investments classified within Level 3 primarily relate to real estate and private equities which are valued using unobservable inputs, primarily by discounting expected future cash flows, using comparative market multiples, third-party pricing sources, or a combination of these approaches as appropriate. See Note 13 for further information.

NONRECURRING FAIR VALUE MEASUREMENTS. Certain assets are measured at fair value on a nonrecurring basis. These assets may include loans and long-lived assets reduced to fair value upon classification as held for sale, impaired loans based on the fair value of the underlying collateral, impaired equity securities without readily determinable fair value, equity method investments and long-lived assets, and remeasured retained investments in formerly consolidated subsidiaries upon a change in control that results in the deconsolidation of that subsidiary and retention of a noncontrolling stake in the entity. Assets written down to fair value when impaired and retained investments are not subsequently adjusted to fair value unless further impairment occurs.

Equity investments without readily determinable fair value and Associated companies. Equity investments without readily determinable fair value and associated companies are valued using market observable data such as transaction prices when available. When market observable data is unavailable, investments are valued using either a discounted cash flow model, comparative market multiples, third-party pricing sources or a combination of these approaches as appropriate. These investments are generally included in Level 3.

Long-lived Assets. Fair values of long-lived assets are primarily derived internally and are based on observed sales transactions for similar assets. In other instances for which we do not have comparable observed sales transaction data, collateral values are developed internally and corroborated by external appraisal information. Adjustments to third-party valuations may be performed in circumstances where market comparables are not specific to the attributes of the specific collateral or appraisal information may not be reflective of current market conditions due to the passage of time and the occurrence of market events since receipt of the information.

ACCOUNTING CHANGES. The adoption of the new guidance on accounting for long duration insurance contracts on January 1, 2023 will significantly change the accounting for measurements of our long-duration insurance liabilities and reinsurance recoverables and materially affect our consolidated financial statements. We currently estimate a decrease in Shareholders' equity at the transition date of January 1, 2021 from adoption of the new guidance to be in an after-tax range of $7 billion to $8 billion, including approximately $5.5 billion to $6 billion in Accumulated other comprehensive income (AOCI) and $1.5 billion to $2 billion in Retained earnings. As of December 31, 2022, we estimate the after-tax decrease in Shareholders' equity to be reduced to approximately $3 billion to $4 billion, primarily due to changes in the market interest rate environment subsequent to the transition date.

NOTE 2. BUSINESSES HELD FOR SALE AND DISCONTINUED OPERATIONS. In the first quarter of 2022, we signed a non-binding memorandum of understanding to sell a portion of our Steam business within our Power segment to Électricité de France S.A. (EDF). In the fourth quarter of 2022, we signed a binding agreement for this transaction, and we expect to complete the sale, subject to regulatory approval, in the second half of 2023. Closing the transaction is expected to result in a significant gain.

In the fourth quarter of 2022, we classified our captive industrial insurance subsidiary, with assets of $638 million and liabilities of $372 million, into held for sale and recorded a loss of $17 million in Other income (loss) in our Statement of Earnings (Loss). We expect to complete the sale of this business, subject to regulatory approval, by the first half of 2024.

In the fourth quarter of 2021, we completed the sale of GE's share of our boiler manufacturing business in China in our Power segment. In connection with the transaction, we recorded a loss on the disposal of this business of $170 million in Other income (loss) in our consolidated Statement of Earnings (Loss). See Note 19 for further information.

On March 31, 2020, we completed the sale of our BioPharma business within our HealthCare segment for total consideration of $21,112 million (after certain working capital adjustments) and incurred $185 million of cash payments directly associated with the transaction. As a result, in 2020, we recognized a pre-tax gain of $12,362 million ($11,213 million after-tax) in our Statement of Earnings (Loss).

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ASSETS AND LIABILITIES OF BUSINESSES HELD FOR SALE	December 31, 2022	December 31, 2021
Current receivables, inventories and contract assets	$ 495	$ —
Non-current captive insurance investment securities	554	—
Property, plant and equipment and intangible assets - net	232	—
All other assets	94	—
Assets of businesses held for sale	$ 1,374	$ —
Progress collections and deferred income	$ 1,127	$ —
Insurance liabilities and annuity benefits	358	—
Accounts payable, equipment project payables and all other liabilities	458	—
Liabilities of businesses held for sale	$ 1,944	$ —

DISCONTINUED OPERATIONS primarily comprise our GE Capital Aviation Services (GECAS) business, discontinued in 2021, our mortgage portfolio in Poland, and other trailing assets and liabilities associated with prior dispositions. Results of operations, financial position and cash flows for these businesses are reported as discontinued operations for all periods presented and the notes to the financial statements have been adjusted on a retrospective basis.

GECAS/AerCap. On November 1, 2021, we completed the combination of our GECAS business with AerCap Holdings N.V. (AerCap). We deconsolidated this business, reclassified its results to discontinued operations for all periods presented and recognized a non-cash after-tax loss of $3,882 million in discontinued operations for the year ended December 31, 2021.

We have continuing involvement with AerCap, primarily through our ownership interest, ongoing sales or leases of products and services, and transition services that we provide to AerCap. For the year ended December 31, 2022, we had direct and indirect sales of $162 million to AerCap, primarily related to engine services and sales, and purchases of $174 million from AerCap, primarily related to engine leases. We paid net cash of $48 million to AerCap related to this activity.

Bank BPH. The mortgage portfolio in Poland (Bank BPH) comprises floating rate residential mortgages, 85% of which are indexed to or denominated in foreign currencies (primarily Swiss francs). At December 31, 2022, the total portfolio had a carrying value, net of reserves, of $1,199 million. The portfolio is recorded at the lower of cost or fair value, less cost to sell, which reflects market yields as well as estimates with respect to ongoing litigation in Poland related to foreign currency-denominated mortgages and other factors. Loss from discontinued operations included $720 million, $509 million and $121 million non-cash pre-tax charges for the years ended December 31, 2022, 2021 and 2020, respectively, reflecting estimates with respect to ongoing litigation as well as market yields. To ensure appropriate capital levels, we made capital contributions in cash of $530 million and $360 million into Bank BPH during the second quarter of 2022 and fourth quarter of 2021, respectively. Future changes in the estimated legal liabilities or market yields could result in further losses and capital contributions related to these loans in future reporting periods beyond the amounts that we currently estimate. See Note 24 for further information.

RESULTS OF DISCONTINUED OPERATIONS

For the year ended December 31, 2022	GECAS	Bank BPH & Other	Total
Total revenues	$ —	$ —	$ —
Cost of equipment and services sold	—	—	—
Other income, costs and expenses	—	(808)	(808)
Earnings (loss) of discontinued operations before income taxes	—	(808)	(808)
Benefit (provision) for income taxes	—	(32)	(32)
Earnings (loss) of discontinued operations, net of taxes(a)	—	(841)	(841)
Gain (loss) on disposal before income taxes	(18)	75	58
Benefit (provision) for income taxes	139	—	139
Gain (loss) on disposal, net of taxes	121	75	196
Earnings (loss) from discontinued operations, net of taxes	$ 121	$ (765)	$ (644)

For the year ended December 31, 2021	GECAS	Bank BPH & Other	Total
Total revenues	$ —	$ —	$ —
Cost of equipment and services sold	(398)	—	(398)
Other income, costs and expenses	1,992	(599)	1,393
Earnings (loss) of discontinued operations before income taxes	1,594	(599)	995
Benefit (provision) for income taxes	(258)	(77)	(335)
Earnings (loss) of discontinued operations, net of taxes(a)	1,336	(676)	660
Gain (loss) on disposal before income taxes	(3,312)	65	(3,246)
Benefit (provision) for income taxes	(570)	(38)	(608)
Gain (loss) on disposal, net of taxes	(3,882)	27	(3,855)
Earnings (loss) from discontinued operations, net of taxes	$ (2,546)	$ (648)	$ (3,195)

For the year ended December 31, 2020			
Total revenues	$ —	$ —	$ —
Cost of equipment and services sold	(2,555)	—	(2,555)
Other income, costs and expenses	1,781	(195)	1,586
Earnings (loss) of discontinued operations before income taxes	(773)	(195)	(968)
Benefit (provision) for income taxes	(13)	101	89
Earnings (loss) of discontinued operations, net of taxes(a)	(786)	(93)	(879)
Gain (loss) on disposal before income taxes	—	(31)	(31)
Benefit (provision) for income taxes	—	(1)	(1)
Gain (loss) on disposal, net of taxes	—	(32)	(32)
Earnings (loss) from discontinued operations, net of taxes	$ (786)	$ (125)	$ (911)

(a) Earnings (loss) of discontinued operations from GECAS operations included zero, $359 million and $2,545 million of depreciation and amortization for the years ended December 31, 2022, 2021 and 2020, respectively. GECAS depreciation and amortization ceased on March 10, 2021.

ASSETS AND LIABILITIES OF DISCONTINUED OPERATIONS	December 31, 2022	December 31, 2021
Cash, cash equivalents and restricted cash	$ 1,176	$ 736
Financing receivables held for sale (Polish mortgage portfolio)	1,199	1,799
Property, plant, and equipment - net	73	88
All other assets	444	554
Assets of discontinued operations	$ 2,892	$ 3,177
Accounts payable and all other liabilities	$ 1,137	$ 887
Liabilities of discontinued operations	$ 1,137	$ 887

NOTE 3. INVESTMENT SECURITIES. All of our debt securities are classified as available-for-sale and substantially all are investment-grade supporting obligations to annuitants and policyholders in our run-off insurance operations. We manage the investments in our run-off insurance operations under strict investment guidelines, including limitations on asset class concentration, single issuer exposures, asset-liability duration variances, and other factors to meet credit quality, yield, liquidity and diversification requirements associated with servicing our insurance liabilities under reasonable circumstances. This process includes consideration of various asset allocation strategies and incorporates information from several external investment advisors to improve our investment yield subject to maintaining our ability to satisfy insurance liabilities when due, as well as considering our risk-based capital requirements, regulatory constraints, and tolerance for surplus volatility. Asset allocation planning is a dynamic process that considers changes in market conditions, risk appetite, liquidity needs and other factors, which are reviewed on a periodic basis by our investment team. On November 1, 2021, we received 111.5 million ordinary shares of AerCap (approximately 46% ownership interest) and an AerCap senior note as partial consideration in conjunction with the GECAS transaction, for which we have adopted the fair value option. Our investment in Baker Hughes (BKR) comprises 7.0 million shares (approximately 1% ownership interest) at December 31, 2022. Both our AerCap and BKR investments are recorded as Equity securities with readily determinable fair values. Investment securities held within insurance entities are classified as non-current as they support the long-duration insurance liabilities.

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	December 31, 2022				December 31, 2021			
	Amortized cost	Gross unrealized gains	Gross unrealized losses	Estimated fair value	Amortized cost	Gross unrealized gains	Gross unrealized losses	Estimated fair value
Equity and note (AerCap)	$ —	$ —	$ —	$ 7,403	$ —	$ —	$ —	$ 8,287
Equity (Baker Hughes)	—	—	—	207	—	—	—	4,010
Current investment securities	$ —	$ —	$ —	$ 7,609	$ —	$ —	$ —	$ 12,297
Debt								
U.S. corporate	$ 26,921	$ 675	$ (2,164)	$ 25,432	$ 25,182	$ 5,502	$ (33)	$ 30,652
Non-U.S. corporate	2,548	18	(300)	2,266	2,361	343	(4)	2,701
State and municipal	2,898	66	(241)	2,722	2,639	573	(6)	3,205
Mortgage and asset-backed	4,442	21	(290)	4,173	3,950	117	(47)	4,019
Government and agencies	1,172	2	(147)	1,026	1,086	104	(2)	1,188
Other equity	429	—	—	429	443	—	—	443
Non-current investment securities	$ 38,410	$ 781	$ (3,143)	$ 36,048	$ 35,662	$ 6,639	$ (92)	$ 42,209

The amortized cost of debt securities excludes accrued interest of $457 million and $415 million at December 31, 2022 and 2021, respectively, which is reported in All other current assets.

The estimated fair value of investment securities at December 31, 2022 decreased since December 31, 2021, primarily due to higher market yields and widening credit spreads, BKR share sales, and the mark-to-market effect on our equity interest in AerCap, partially offset by new insurance investments, including related to the recapture transaction, and the mark-to-market effect on our remaining equity interest in BKR. See Note 12 for further information about the recapture transaction.

Total estimated fair value of debt securities in an unrealized loss position were $21,482 million and $3,446 million, of which $3,275 million and $644 million had gross unrealized losses of $(835) million and $(42) million and had been in a loss position for 12 months or more at December 31, 2022 and 2021, respectively. Gross unrealized losses of $(3,143) million at December 31, 2022 included $(2,164) million related to U.S. corporate securities, $(182) million related to commercial mortgage-backed securities (CMBS) collateralized by pools of commercial mortgage loans on real estate, and $(106) million related to Asset-backed securities. The majority of our U.S. corporate securities' gross unrealized losses were in the consumer, electric, technology, insurance and energy industries. The majority of our CMBS and Asset-backed securities in an unrealized loss position have received investment-grade credit ratings from the major rating agencies. For our securities in an unrealized loss position, the losses are not indicative of credit losses, we currently do not intend to sell the investments, and it is not likely that we will be required to sell the investments before recovery of their amortized cost basis.

Net unrealized gains (losses) for equity securities with readily determinable fair values, which are recorded in Other income (loss) within continuing operations, were $(65) million, $1,656 million and $(1,670) million for the years ended December 31, 2022, 2021 and 2020, respectively.

Proceeds from debt and equity securities sales, early redemptions by issuers and principal payments on the BKR promissory note totaled $7,268 million, $6,666 million and $5,060 million for the years ended December 31, 2022, 2021 and 2020, respectively. Gross realized gains on debt securities were $34 million, $69 million and $173 million for the years ended December 31, 2022, 2021 and 2020, respectively. Gross realized losses and impairments on debt securities were $(42) million, $(11) million and $(68) million for the years ended December 31, 2022, 2021 and 2020, respectively.

Cash flows associated with purchases, dispositions and maturities of insurance investment securities are as follows:

For the years ended December 31	2022	2021
Purchases of investment securities	$ (4,046)	$ (4,286)
Dispositions and maturities of investment securities	3,170	2,997
Net (purchases) dispositions of insurance investment securities	$ (876)	$ (1,290)

Contractual maturities of our debt securities (excluding mortgage and asset-backed securities) at December 31, 2022 are as follows:

	Amortized cost	Estimated fair value
Within one year	$ 413	$ 409
After one year through five years	4,287	4,247
After five years through ten years	5,910	5,869
After ten years	22,928	20,920

We expect actual maturities to differ from contractual maturities because borrowers have the right to call or prepay certain obligations.

In addition to the equity securities described above, we hold $731 million and $441 million of equity securities without readily determinable fair values at December 31, 2022 and 2021, respectively, that are classified within non-current All other assets in our Statement of Financial Position. Fair value adjustments, including impairments, recorded in earnings were $(11) million, $46 million and $(141) million for the years ended December 31, 2022, 2021 and 2020, respectively.

Our run-off insurance operations have approximately $800 million of assets held by states or other regulatory bodies in statutorily required deposit accounts, and approximately $29,700 million of assets held in trust accounts, including $2,300 million to be added in the first quarter of 2023, associated with reinsurance contracts and reinsurance security trust agreements in place between either Employers Reassurance Corporation (ERAC) or Union Fidelity Life Insurance Company (UFLIC) as the reinsuring entity and a number of ceding insurers. Assets in these trusts are held by an independent trustee for the benefit of the ceding insurer, and are subject to various investment guidelines as set forth in the respective reinsurance contracts and trust agreements. Some of these trust agreements may allow a ceding company to withdraw trust assets from the trust and hold these assets on its balance sheet, in an account under its control for the benefit of ERAC or UFLIC which might allow the ceding company to exercise investment control over such assets.

NOTE 4. CURRENT AND LONG-TERM RECEIVABLES

CURRENT RECEIVABLES

December 31		2022		2021
Customer receivables	$	14,916	$	13,079
Revenue sharing program receivables(a)		1,326		1,166
Non-income based tax receivables		1,320		1,222
Supplier advances		711		596
Receivables from disposed businesses		115		148
Other sundry receivables		447		483
Allowance for credit losses(b)		(859)		(1,074)
Total current receivables	$	17,976	$	15,620

(a) Revenue sharing program receivables in Aerospace are amounts due from third parties who participate in engine programs by developing and supplying certain engine components through the life of the program. The participants share in program revenues, receive a share of customer progress payments and share costs related to discounts and warranties.

(b) Allowance for credit losses decreased primarily due to write-offs, recoveries and foreign currency impact, partially offset by net new provisions of $48 million.

December 31		2022		2021
Aerospace	$	7,784	$	5,812
Renewable Energy		2,415		2,218
Power		4,229		4,092
HealthCare		3,354		3,255
Corporate		195		244
Total current receivables	$	17,976	$	15,620

Sales of customer receivables. Previously, GE businesses sold customer receivables to our Working Capital Solutions (WCS) business. These programs were discontinued in 2021. Separately, the Company from time to time sells current or long-term receivables to third parties in response to customer-sponsored requests or programs, to facilitate sales, or for risk mitigation purposes. Activity related to current customer receivables sold by GE businesses is as follows:

	2022	2021	
	Third Parties	WCS	Third Parties
Balance at January 1	$ 161	$ 3,618	$ 2,992
GE businesses sales to WCS	—	13,773	—
GE businesses sales to third parties(a)	2,061	—	1,415
WCS sales to third parties	—	(10,816)	10,816
Collections and other	(2,163)	(6,676)	(15,062)
Reclassification from long-term customer receivables	41	100	—
Balance at December 31	$ 100	$ —	$ 161

(a) The Company sold current customer receivables to third parties related primarily to our participation in customer-sponsored supply chain finance programs. Within these programs, primarily in Renewable Energy and Aerospace, the Company has no continuing involvement, fees associated with the transferred receivables are covered by the customer and cash is received at the original invoice due date.

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LONG-TERM RECEIVABLES

December 31	2022	2021
Long-term customer receivables(a)	$ 535	$ 521
Financing receivables	386	592
Supplier advances	277	309
Non-income based tax receivables	241	245
Receivables from disposed businesses	51	150
Sundry receivables	406	440
Allowance for credit losses	(223)	(160)
Total long-term receivables	$ 1,672	$ 2,097

(a) The Company sold $86 million and $53 million of long-term customer receivables to third parties for the years ended December 31, 2022 and 2021, respectively, primarily in our Gas Power business for risk mitigation purposes.

NOTE 5. INVENTORIES, INCLUDING DEFERRED INVENTORY COSTS

December 31	2022	2021
Raw materials and work in process	$ 10,356	$ 8,710
Finished goods	5,030	4,927
Deferred inventory costs(a)	2,017	2,210
Inventories, including deferred inventory costs	$ 17,403	$ 15,847

(a) Represents cost deferral for shipped goods (such as components for wind turbine assemblies within our Renewable Energy segment) and labor and overhead costs on time and material service contracts (primarily originating in Power and Aerospace) and other costs for which the criteria for revenue recognition has not yet been met.

NOTE 6. PROPERTY, PLANT AND EQUIPMENT AND OPERATING LEASES

December 31	Depreciable lives (in years)	Original Cost 2022	Original Cost 2021	Net Carrying Value 2022	Net Carrying Value 2021
Land and improvements	8	$ 542	$ 585	$ 530	$ 576
Buildings, structures and related equipment	8 - 40	7,913	8,311	3,483	3,728
Machinery and equipment	4 - 20	21,119	21,036	6,913	7,356
Leasehold costs and manufacturing plant under construction	1 - 10	2,059	1,971	1,415	1,343
ROU operating lease assets				2,137	2,606
Property, plant and equipment - net		$ 31,633	$ 31,904	$ 14,478	$ 15,609

In the first quarter of 2022, we signed a non-binding memorandum of understanding for GE Steam Power to sell a portion of its business to EDF, which resulted in a reclassification of that business to held for sale. As a result, we recognized a non-cash pre-tax impairment charge of $59 million related to property, plant and equipment at our remaining Steam business within our Power segment. This charge was recorded by Corporate in Selling, general, and administrative expenses in our consolidated Statement of Earnings (Loss).

Operating Lease Liabilities. Our consolidated operating lease liabilities, included in All other liabilities in our Statement of Financial Position, was $2,393 million and $2,848 million, as of December 31, 2022 and 2021, respectively. Substantially all of our operating leases have remaining lease terms of 11 years or less, some of which may include options to extend.

OPERATING LEASE EXPENSE	2022	2021	2020
Long-term (fixed)	$ 755	$ 770	$ 827
Long-term (variable)	147	119	143
Short-term	153	192	206
Total operating lease expense	$ 1,055	$ 1,081	$ 1,176

MATURITY OF LEASE LIABILITIES	2023	2024	2025	2026	2027	Thereafter	Total
Undiscounted lease payments	$ 687	$ 567	$ 397	$ 291	$ 206	$ 603	$ 2,751
Less: imputed interest							(357)
Total lease liability as of December 31, 2022							$ 2,393

SUPPLEMENTAL INFORMATION RELATED TO OPERATING LEASES	2022	2021	2020
Operating cash flows used for operating leases	$ 790	$ 834	$ 835
Right-of-use assets obtained in exchange for new lease liabilities	526	603	594
Weighted-average remaining lease term	6.2 years	7.2 years	6.7 years
Weighted-average discount rate	3.8 %	4.0 %	4.6 %

NOTE 7. ACQUISITIONS, GOODWILL AND OTHER INTANGIBLE ASSETS

ACQUISITIONS. On December 21, 2021 our HealthCare business acquired BK Medical, a leader in surgical ultrasound imaging and guidance technology, for $1,455 million. The final purchase price allocation resulted in goodwill of $997 million, amortizable intangible assets of $398 million and indefinite-lived intangible assets of $23 million.

CHANGES IN GOODWILL BALANCES

	Balance at December 31, 2020	Acquisitions	Currency exchange and other	Balance at December 31, 2021	Dispositions	Currency exchange and other	Balance at December 31, 2022
Aerospace	$ 9,247	$ —	$ (234)	$ 9,013	$ (6)	$ (171)	$ 8,835
Renewable Energy	3,401	—	(169)	3,231	—	(30)	3,201
Power	146	—	(1)	145	—	(1)	144
HealthCare	11,855	1,064	(40)	12,879	—	(80)	12,799
Corporate(a)	876	43	(4)	914	—	(96)	818
Total	$ 25,524	$ 1,106	$ (448)	$ 26,182	$ (6)	$ (378)	$ 25,798

(a) Corporate balance at December 31, 2022 and 2021 comprises our Digital business.

In the fourth quarter of 2022, we performed our annual impairment test. Based on the results of this test, the fair values of each of our reporting units exceeded their carrying values, however, we identified two reporting units for which the fair values were not substantially in excess of their carrying values. The fair values of our Digital reporting unit at Corporate and the Additive reporting unit in our Aerospace segment were in excess of their carrying values by 16% and 21%, respectively. At December 31, 2022, our Digital and Additive reporting units had goodwill of $818 million and $239 million, respectively.

Determining the fair value of reporting units requires the use of estimates and significant judgments that are based on a number of factors including actual operating results. It is reasonably possible that the judgments and estimates described above could change in future periods.

		2022			2021		
INTANGIBLE ASSETS SUBJECT TO AMORTIZATION December 31	**Useful lives (in years)**	**Gross carrying amount**	**Accumulated amortization**	**Net**	**Gross carrying amount**	**Accumulated amortization**	**Net**
Customer-related(a)	3-15	$ 6,063	$ (3,475)	$ 2,587	$ 6,400	$ (3,250)	$ 3,150
Patents and technology	5-15	8,432	(5,018)	3,415	8,592	(4,361)	4,230
Capitalized software	3-10	5,288	(3,824)	1,464	5,764	(3,999)	1,765
Trademarks & other	2-50	419	(322)	97	449	(313)	136
Total		$ 20,202	$ (12,639)	$ 7,563	$ 21,205	$ (11,923)	$ 9,282

(a) Balance includes payments made to our customers, primarily within our Aerospace business.

December 31	2022	2021
Aerospace	$ 4,748	$ 5,019
Renewable Energy	183	229
Power	958	1,965
HealthCare	1,520	1,847
Corporate	216	271
Total other intangible assets, net(a)	$ 7,625	$ 9,330

(a) Balances include indefinite-lived intangible assets.

Substantially all other intangible assets are subject to amortization. Intangible assets decreased $1,705 million in 2022, primarily as a result of amortization partially offset by the acquisition of capitalized software and patents and technology mainly at Aerospace and HealthCare of $209 million. Consolidated amortization expense was $1,742 million, $1,138 million and $1,336 million for the years ended December 31, 2022, 2021 and 2020, respectively.

In the first quarter of 2022, we signed a non-binding memorandum of understanding for GE Steam Power to sell a portion of its business to EDF, which resulted in a reclassification of that business to held for sale. As a result, we recognized a non-cash pre-tax impairment charge of $765 million related to intangible assets at our remaining Steam business within our Power segment. We determined the fair value of these intangible assets using an income approach. This charge was recorded by Corporate in Selling, general, and administrative expenses in our consolidated Statement of Earnings (Loss).

Estimated consolidated annual pre-tax amortization for intangible assets over the next five calendar years are as follows:

ESTIMATED 5 YEAR CONSOLIDATED AMORTIZATION	2023	2024	2025	2026	2027
Estimated annual pre-tax amortization	$ 1,025	$ 919	$ 848	$ 751	$ 648

During 2022, we recorded additions to intangible assets subject to amortization of $214 million with a weighted-average amortizable period of 7.1 years, including capitalized software of $172 million, with a weighted-average amortizable period of 5.9 years.

NOTE 8. CONTRACT AND OTHER DEFERRED ASSETS & PROGRESS COLLECTIONS AND DEFERRED INCOME

Contract and other deferred assets decreased $1,907 million in the year ended December 31, 2022 primarily due to decreased long-term service agreements and the timing of billing milestones ahead of revenue recognition on long-term equipment contracts. Our long-term service agreements decreased primarily due to billings of $11,665 million, partially offset by revenues recognized of $9,680 million and net favorable changes in estimated profitability of $85 million at Aerospace and $303 million at Power, primarily attributable to contractual increases in billings, partially offset by cost inflation.

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December 31, 2022	Aerospace	Renewable Energy	Power	HealthCare	Corporate	Total
Revenues in excess of billings	$ 2,363	$ —	$ 5,403	$ —	$ —	$ 7,766
Billings in excess of revenues	(6,681)	—	(1,763)	—	—	(8,443)
Long-term service agreements	$ (4,318)	$ —	$ 3,640	$ —	$ —	$ (677)
Short-term and other service agreements	391	108	56	174	245	973
Equipment contract revenues	42	955	1,348	447	—	2,792
Current contract assets	$ (3,884)	$ 1,063	$ 5,044	$ 621	$ 245	$ 3,088
Nonrecurring engineering costs(a)	2,513	17	4	30	—	2,563
Customer advances and other(b)	2,519	—	724	204	—	3,447
Non-current contract and other deferred assets	$ 5,032	$ 17	$ 728	$ 234	$ —	$ 6,010
Total contract and other deferred assets	$ 1,148	$ 1,079	$ 5,772	$ 854	$ 245	$ 9,098
December 31, 2021						
Revenues in excess of billings	$ 2,478	$ —	$ 5,495	$ —	$ —	$ 7,972
Billings in excess of revenues	(5,731)	—	(1,614)	—	—	(7,346)
Long-term service agreements	$ (3,253)	$ —	$ 3,880	$ —	$ —	$ 627
Short-term and other service agreements	340	87	80	166	256	928
Equipment contract revenues	33	1,297	1,709	287	—	3,326
Current contract assets	$ (2,881)	$ 1,384	$ 5,669	$ 453	$ 256	$ 4,881
Nonrecurring engineering costs(a)	2,479	28	12	31	—	2,550
Customer advances and other(b)	2,620	—	801	154	—	3,574
Non-current contract and other deferred assets	$ 5,099	$ 28	$ 813	$ 184	$ —	$ 6,124
Total contract and other deferred assets	$ 2,218	$ 1,412	$ 6,482	$ 637	$ 256	$ 11,005

(a) Included costs incurred prior to production (such as requisition engineering) for equipment production contracts, primarily within our Aerospace segment, which are amortized ratably over each unit produced.

(b) Included amounts due from customers at Aerospace for the sales of engines, spare parts and services, and at Power, for the sale of services upgrades, which we collect through incremental fixed or usage-based fees from servicing the equipment under long-term service agreements.

Progress collections and deferred income increased $763 million primarily due new collections received in excess of revenue recognition at Aerospace, including increased collections to support higher production, and at Renewable Energy, partially offset by a decrease at Power due to the reclassification of a portion of our GE Steam Power business to held for sale. Revenues recognized for contracts included in a liability position at the beginning of the year were $13,863 million and $14,884 million for the years ended December 31, 2022 and 2021, respectively.

December 31, 2022	Aerospace	Renewable Energy	Power	HealthCare	Corporate	Total
Progress collections on equipment contracts	$ 74	$ 2,464	$ 3,973	$ —	$ —	$ 6,511
Other progress collections	5,740	2,731	541	511	131	9,654
Current deferred income	233	208	13	1,391	107	1,952
Progress collections and deferred income	$ 6,047	$ 5,404	$ 4,527	$ 1,902	$ 238	$ 18,118
Non-current deferred income	1,110	183	104	597	12	2,006
Total Progress collections and deferred income	$ 7,157	$ 5,586	$ 4,632	$ 2,499	$ 250	$ 20,124

December 31, 2021	Aerospace	Renewable Energy	Power	HealthCare	Corporate	Total
Progress collections on equipment contracts	$ 142	$ 1,843	$ 5,198	$ —	$ —	$ 7,183
Other progress collections	4,469	2,866	385	522	111	8,354
Current deferred income	170	198	33	1,336	99	1,835
Progress collections and deferred income	$ 4,782	$ 4,907	$ 5,615	$ 1,858	$ 210	$ 17,372
Non-current deferred income	1,090	194	110	592	3	1,989
Total Progress collections and deferred income	$ 5,871	$ 5,101	$ 5,725	$ 2,450	$ 213	$ 19,361

NOTE 9. ALL OTHER ASSETS

December 31	2022	2021
Derivative instruments (Note 22)	$ 482	$ 684
Assets held for sale	95	208
Prepaid taxes and deferred charges	395	341
Cash collateral on derivatives	—	76
Accrued interest and investment income	457	426
Other	93	199
All other current assets	$ 1,521	$ 1,933
Equity method and other investments	8,554	7,840
Long-term receivables (Note 4)	1,672	2,097
Prepaid taxes and deferred charges	670	800
Insurance receivables	2,315	4,705
Insurance cash and cash equivalents(a)	619	353
Pension surplus	2,578	2,784
Other	591	461
All other non-current assets	$ 16,998	$ 19,040
Total All other assets	$ 18,520	$ 20,973

(a) Cash and cash equivalents in our insurance entities are subject to regulatory restrictions and used for operations of those entities. Therefore, the balance is included in All other assets.

Equity method investments. Unconsolidated entities over which we have significant influence are accounted for as equity method investments and presented on a one-line basis in All other assets on our Statement of Financial Position. Equity method income includes our share of the results of unconsolidated entities, gains (loss) from sales and impairments of investments, which is included in Other income and in Insurance revenues in our Statement of Earnings (Loss). See Note 1 for further information.

	Equity method investment balance		Equity method income (loss)		
December 31	2022	2021	2022	2021	2020
Aerospace	$ 1,931	$ 2,000	$ 149	$ 58	$ (41)
Renewable Energy	752	739	32	39	13
Power	960	977	89	23	43
HealthCare	182	223	13	27	7
Corporate(a)	3,991	3,451	103	68	23
Total consolidated	$ 7,815	$ 7,391	$ 386	$ 215	$ 46

(a) Equity method investments within Corporate include investments held by EFS of $1,975 million and $1,943 million and held by our run-off insurance operations of $1,980 million and $1,480 million as of December 31, 2022 and 2021, respectively.

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NOTE 10. BORROWINGS

December 31		2022		2021	
		Amount	Average Rate	Amount	Average Rate
Current portion of long-term borrowings					
Senior notes issued by GE		$ 473	1.04 %	$ 1,249	1.39 %
Senior and subordinated notes assumed by GE		1,973	1.50	1,645	2.05
Senior notes issued by GE Capital		1,188	1.54	1,370	0.63
Other		124		97	
Total short-term borrowings		$ 3,757		$ 4,361	
	Maturities	Amount	Average Rate	Amount	Average Rate
Senior notes issued by GE	2024-2052	$ 12,927	4.75 %	$ 5,373	2.87 %
Senior and subordinated notes assumed by GE	2024-2054	8,406	4.71	11,306	3.73
Senior notes issued by GE Capital	2024-2042	6,289	3.95	13,274	4.26
Other		971		870	
Total long-term borrowings		$ 28,593		$ 30,824	
Total borrowings		$ 32,350		$ 35,186	

The Company has provided a full and unconditional guarantee on the payment of the principal and interest on all senior and subordinated outstanding long-term debt securities issued by subsidiaries of GE Capital, our former financial services business. This guarantee applied to $5,258 million and $13,719 million of senior notes and other debt issued by GE Capital at December 31, 2022 and 2021, respectively.

In the fourth quarter of 2022, GE HealthCare issued a total of $8,250 million in aggregate principal amount of senior unsecured debt, comprising $1,000 million of 5.55% Notes due 2024, $1,500 million of 5.60% Notes due 2025, $1,750 million of 5.65% Notes due 2027, $1,250 million of 5.857% Notes due 2030, $1,750 million of 5.905% Notes due 2032, and $1,000 million of 6.377% Notes due 2052. GE used the majority of the proceeds to complete a debt tender to repurchase a total of $7,234 million of debt, comprising $6,106 million of Capital issued debt with maturities ranging from 2032 through 2035, and $1,128 million of GE assumed debt due 2032. See Note 22 for further information about borrowings and associated interest rate swaps.

Long-term debt maturities over the next five years follow.

	2023	2024	2025	2026	2027
Debt issued by GE	$ 473	$ 1,217	$ 2,357	$ 49	$ 2,450
Debt assumed by GE	1,973	512	237	1,136	222
Debt issued by GE Capital	1,188 (a)	112	694	149	624

(a) Fixed and floating rate notes of $363 million contain put options with exercise dates in 2023, which have final maturity beyond 2034.

The total interest payments on consolidated borrowings are estimated to be $1,367 million, $1,289 million, $1,195 million, $1,052 million and $988 million for 2023, 2024, 2025, 2026 and 2027, respectively.

NOTE 11. ACCOUNTS PAYABLE AND EQUIPMENT PROJECT PAYABLES

December 31	2022	2021
Trade payables	$ 12,479	$ 10,970
Supply chain finance programs	4,081	3,402
Equipment project payables(a)	1,469	1,341
Non-income based tax payables	616	531
Accounts payable and equipment project payables	$ 18,644	$ 16,243

(a) Primarily related to projects in our Power and Renewable Energy segments.

NOTE 12. INSURANCE LIABILITIES AND ANNUITY BENEFITS. Insurance liabilities and annuity benefits comprise substantially all obligations to annuitants and insureds in our run-off insurance operations. Our insurance operations (net of eliminations) generated revenues of $2,954 million, $3,106 million and $2,865 million, profit was $60 million, $566 million and $197 million and net earnings was $44 million, $444 million and $143 million for the years ended December 31, 2022, 2021 and 2020, respectively. These operations were supported by assets of $44,197 million and $49,894 million at December 31, 2022 and 2021, respectively. A summary of our insurance contracts is presented below:

December 31, 2022	Long-term care	Structured settlement annuities & life	Other contracts	Other adjustments(a)	Total
Future policy benefit reserves	$ 17,357	$ 8,678	$ 187	$ —	$ 26,223
Claim reserves	4,596	254	307	—	5,156
Investment contracts	—	864	907	—	1,771
Unearned premiums and other	18	174	5	—	197
Total	$ 21,971	$ 9,970	$ 1,406	$ —	$ 33,347
December 31, 2021					
Future policy benefit reserves	$ 17,097	$ 8,902	$ 188	$ 3,394	$ 29,581
Claim reserves(b)	4,546	258	585	—	5,389
Investment contracts	—	955	954	—	1,909
Unearned premiums and other	15	184	89	—	287
Total	$ 21,658	$ 10,299	$ 1,815	$ 3,394	$ 37,166

(a) The decrease in Other adjustments of $3,394 million is a result of the decline in unrealized gains on investment securities.

(b) Other contracts included claim reserves of $242 million related to short-duration contracts at Electric Insurance Company (EIC), net of eliminations, at December 31, 2021. EIC is a property and casualty insurance company primarily providing insurance to GE and its employees.

Claim reserve activity included incurred claims of $1,481 million, $1,699 million and $1,801 million, of which insignificant amounts related to the recognition of adjustments to prior year claim reserves arising from our periodic reserve evaluation in the years ended December 31, 2022, 2021 and 2020, respectively. Paid claims were $1,518 million, $1,709 million and $1,728 million in the years ended December 31, 2022, 2021 and 2020, respectively.

Reinsurance recoveries are recorded as a reduction of insurance losses and annuity benefits in our Statement of Earnings (Loss) and amounted to $321 million, $351 million and $350 million for the years ended December 31, 2022, 2021 and 2020, respectively. Reinsurance recoverables, net of allowances of an insignificant amount and $1,654 million, are included in non-current All other assets in our Statement of Financial Position, and amounted to $132 million and $2,651 million at December 31, 2022 and 2021, respectively.

In the third quarter of 2022, we agreed to terminate substantially all long-term care insurance exposures previously ceded to a single reinsurance company (recapture transaction) and recorded an increase to our allowance for credit losses on such reinsurance recoverables of $415 million (pre-tax) ($328 million (after-tax)) which is unrelated to changes in claim experience or projections of future policy benefit reserves. Upon closing of the recapture transaction in the fourth quarter of 2022, we received a net portfolio of investment securities with an estimated fair value of $2,396 million in complete settlement of reinsurance recoverables previously recognized under retrocession agreements with the reinsurance company, which represented substantially all of our reinsurance recoverables balance as of September 30, 2022 and recorded an incremental loss of $56 million (pre-tax) ($44 million (after-tax)).

The recapture transaction reduces both our financial and operational risks by removing the future inherent risk of collectability of reinsurance recoverables, eliminating retrocession contracts having complex terms and conditions, assuming direct control of the portfolio of investment securities held in a trust for our benefit and redeploying those assets consistent with our portfolio realignment strategy and establishing administration service standards intended to enhance claim administration and innovation efforts. The effect of the recapture agreement does not increase our long-term care insurance liabilities as under the existing retrocession agreements we were not previously relieved of our primary obligation to companies from which we originally assumed the liabilities. In addition, we do not expect changes to projected statutory funding as a result of the recapture transaction.

Premium Deficiency Testing. We completed our annual premium deficiency testing in the aggregate across our run-off insurance portfolio in the third quarter of 2022. These procedures included updating certain experience studies since our last test completed in the third quarter of 2021, independent actuarial analysis (principally on long-term care insurance exposures) and review of industry benchmarks. Using updated assumptions, the 2022 premium deficiency testing results indicated a positive margin of about 10% of the related future policy benefit reserves recorded at September 30, 2022, or approximately equivalent to the 2021 premium deficiency testing results. The premium deficiency testing margin in 2022 was impacted by a lower discount rate in our ERAC portfolio due to the recapture transaction, as explained above, partially offset by higher prevailing benchmark interest rates in the U.S. The portfolio of investment securities expected to be received from the recapture transaction were assumed to be invested at yields below ERAC's current portfolio yield before ultimately grading to the long-term average investment yield as we reinvest the portfolio over time. This effect was partially offset by the net impact from assumed moderately higher near-term mortality related to COVID-19 in the aggregate across our run-off insurance products (i.e., for life insurance products, higher mortality increases the present value of expected future benefit payments, while for annuity and long-term care insurance contracts, higher mortality decreases the present value of expected future benefit payments). Excluding the net impact from assumed moderately higher near-term mortality related to COVID-19, we have made no substantial change to our assumptions concerning morbidity, morbidity improvement, mortality, mortality improvement, terminations, or long-term care insurance premium rate increases in 2022. We regularly monitor emerging experience and industry developments, including these factors, to help us refine all our reserve assumptions, which may result in future changes to those assumptions.

Statutory accounting practices, not GAAP, determine the required statutory capital levels of our insurance legal entities. Statutory accounting practices are set forth by the National Association of Insurance Commissioners (NAIC) as well as state laws, regulation and general administrative rules and differ in certain respects from GAAP. We annually perform statutory asset adequacy testing and expect our December 31, 2022 testing process to be completed in the first quarter of 2023, the results of which may affect the amount or timing of capital contributions from GE to the insurance legal entities.

Following approval of a statutory permitted accounting practice in 2018 by our primary regulator, the Kansas Insurance Department (KID), we provided a total of $11,400 million of capital contributions to our run-off insurance subsidiaries. We expect to provide further capital contributions of approximately $3,600 million through 2024 (of which approximately $1,800 million is expected to be contributed in the first quarter of 2023, pending completion of our December 31, 2022 statutory reporting process, which includes asset adequacy testing), subject to ongoing monitoring by KID. GE is a party to capital maintenance agreements with its run-off insurance subsidiaries under which GE is required to maintain their statutory capital levels at 300% of their year-end Authorized Control Level risk-based capital requirements as defined from time to time by the NAIC.

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NOTE 13. POSTRETIREMENT BENEFIT PLANS

PENSION BENEFITS AND RETIREE HEALTH AND LIFE BENEFITS. We sponsor a number of pension and retiree health and life insurance benefit plans that we present in three categories, principal pension plans, other pension plans and principal retiree benefit plans. Smaller pension plans with pension assets or obligations that have not reached $50 million and other retiree benefit plans are not presented. Information in this Note is as of a December 31 measurement date for these plans and does not reflect the impact of the GE HealthCare Separation, including the legal split and the transfer of certain postretirement benefit plans. See Note 28 for information regarding the legal split and the transfer of certain postretirement benefit plans to GE HealthCare in connection with the Separation.

DESCRIPTION OF OUR PLANS

Plan Category		Participants	Funding	Comments
Principal Pension Plans	GE Pension Plan	Covers U.S. participants ~177,000 retirees and beneficiaries, ~82,500 vested former employees and ~23,000 active employees	Our funding policy is to contribute amounts sufficient to meet minimum funding requirements under employee benefit and tax laws. We may decide to contribute additional amounts beyond this level.	This plan has been closed to new participants since 2012. Benefits for ~20,000 employees with salaried benefits were frozen effective January 1, 2021, and thereafter these employees receive increased company contributions in the company sponsored defined contribution plan in lieu of participation in a defined benefit plan (announced October 2019).
	GE Supplementary Pension Plan	Provides supplementary benefits to higher-level, longer-service U.S. employees	This plan is unfunded. We pay benefits from company cash.	The annuity benefit has been closed to new participants since 2011 and has been replaced by an installment benefit (which was closed to new executives after 2020). Benefits for ~700 employees who became executives before 2011 were frozen effective January 1, 2021, and thereafter these employees accrue the installment benefit.
Other Pension Plans(a)	41 U.S. and non-U.S. pension plans with pension assets or obligations that have reached $50 million	Covers ~58,000 retirees and beneficiaries, ~48,500 vested former employees and ~14,000 active employees	Our funding policy is to contribute amounts sufficient to meet minimum funding requirements under employee benefit and tax laws in each country. We may decide to contribute additional amounts beyond this level. We pay benefits for some plans from company cash.	In certain countries, benefit accruals have ceased and/or have been closed to new hires as of various dates.
Principal Retiree Benefit Plans	Provides health and life insurance benefits to certain eligible participants	Covers U.S. participants ~151,500 retirees and dependents and ~21,500 active employees	We fund retiree health benefits on a pay-as-you-go basis and the retiree life insurance trust at our discretion.	Participants share in the cost of the healthcare benefits.

(a) Plans that reach $50 million are not removed from the presentation unless part of a disposition or plan termination.

FUNDING STATUS BY PLAN TYPE	Benefit Obligation		Fair Value of Assets		Deficit/(Surplus)	
	2022	2021	2022	2021	2022	2021
Principal Pension Plans:						
GE Pension Plan (subject to regulatory funding)	$ 48,134	$ 65,073	$ 44,993	$ 60,990	$ 3,141	$ 4,083
GE Supplementary Pension Plan (not subject to regulatory funding)	5,457	7,226	—	—	5,457	7,226
	53,591	72,299	44,993	60,990	8,598	11,309
Other Pension Plans:						
Subject to regulatory funding	12,078	19,698	14,512	22,280	(2,434)	(2,582)
Not subject to regulatory funding	1,838	2,558	151	210	1,687	2,348
Principal retiree benefit plans (not subject to regulatory funding)	3,304	4,308	10	42	3,294	4,266
Total plans subject to regulatory funding	60,212	84,771	59,505	83,270	707	1,501
Total plans not subject to regulatory funding	10,599	14,092	161	252	10,438	13,840
Total plans	$ 70,811	$ 98,863	$ 59,666	$ 83,522	$ 11,145	$ 15,341

FUNDING. The Employee Retirement Income Security Act (ERISA) determines minimum funding requirements in the U.S. No contributions were required or made for the GE Pension Plan during 2022 or 2021 and based on our current assumptions, we do not anticipate having to make additional required contributions to the plan in the near future. On an ERISA basis, our estimate is that the GE Pension Plan was 92.8% and 107.3% funded for 2022 and 2021, respectively. The GAAP funded status is 93.5% and 93.7% for 2022 and 2021, respectively.

As of the measurement date of December 31, we would expect to pay approximately $370 million for benefit payments under our GE Supplementary Pension Plan and administrative expenses of our principal pension plans and would expect to contribute approximately $170 million to other pension plans in 2023. We fund retiree health benefits on a pay-as-you-go basis and the retiree life insurance trust at our discretion. As of the measurement date of December 31, we would expect to contribute approximately $365 million in 2023 to fund such benefits.

ACTIONS. Pension benefits for approximately 2,700 United Kingdom (UK) participants have been frozen effective January 1, 2022. In addition, pension benefits for approximately 800 Canadian participants will be frozen effective December 31, 2023. These transactions were reflected as a curtailment loss in 2021 upon announcement.

COST OF OUR BENEFITS PLANS AND ASSUMPTIONS	2022			2021			2020		
	Principal pension	Other pension	Principal retiree benefit	Principal pension	Other pension	Principal retiree benefit	Principal pension	Other pension	Principal retiree benefit
Components of expense (income)									
Service cost - operating	$ 221	$ 86	$ 39	$ 237	$ 233	$ 44	$ 657	$ 243	$ 59
Interest cost	2,069	398	108	1,951	383	103	2,350	422	150
Expected return on plan assets	(3,142)	(967)	—	(3,049)	(1,194)	—	(2,993)	(1,082)	(11)
Amortization of net loss (gain)	1,422	101	(115)	3,483	403	(79)	3,399	434	(82)
Amortization of prior service cost (credit)	5	(8)	(235)	28	(3)	(236)	146	1	(234)
Curtailment / settlement loss (gain)	—	(6)	—	—	76	—	—	12	—
Non-operating	$ 354	$ (482)	$ (242)	$2,413	$ (335)	$ (212)	$2,902	$ (213)	$ (177)
Net periodic expense (income)	$ 575	$ (396)	$ (203)	$2,650	$ (102)	$ (168)	$3,559	$ 30	$ (118)
Weighted-average benefit obligations assumptions									
Discount rate	5.53 %	4.59 %	5.43 %	2.94 %	1.93 %	2.64 %	2.61 %	1.44 %	2.15 %
Compensation increases	3.07	2.44	3.12	3.05	2.35	2.63	2.95	3.06	2.82
Initial healthcare trend rate(a)	N/A	N/A	6.40	N/A	N/A	5.70	N/A	N/A	5.90
Weighted-average benefit cost assumptions									
Discount rate	2.94	1.93	2.64	2.61	1.44	2.15	3.36	1.97	3.05
Expected rate of return on plan assets	6.00	4.80	—	6.25	5.69	1.25	6.25	6.10	7.00

(a) For 2022, ultimately declining to 5% for 2030 and thereafter.

As of the measurement date of December 31, we would expect 2023 net periodic benefit income for principal pension, other pension and principal retiree benefit plans to be about $2,010 million, which is an increase of approximately $1,985 million in income from 2022. The increase would primarily be due to the discount rate. The components of net periodic benefit costs, other than the service cost component, are included in Non-operating benefit cost (income) in our Statement of Earnings (Loss).

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PLAN FUNDED STATUS AND AMOUNTS RECORDED IN ACCUMULATED OTHER COMPREHENSIVE LOSS (INCOME)

	2022			2021		
	Principal pension	Other pension	Principal retiree benefit	Principal pension	Other pension	Principal retiree benefit
Change in benefit obligations						
Balance at January 1	$ 72,299	$22,256	$ 4,308	$ 76,298	$24,658	$ 5,019
Service cost	221	86	39	237	233	44
Interest cost	2,069	398	108	1,951	383	103
Participant contributions	14	19	54	15	24	60
Plan amendments	—	—	—	—	(1)	—
Actuarial loss (gain) - net	(17,281) (a)	(6,282) (a)	(778) (a)	(2,448) (a)	(1,561) (a)	(446)
Benefits paid	(3,731)	(920)	(438)	(3,754)	(998)	(472)
Curtailments	—	—	—	—	(74)	—
Dispositions/acquisitions/other - net	—	—	11	—	(188)	—
Exchange rate adjustments	—	(1,641)	—	—	(220)	—
Balance at December 31	$ 53,591 (b)	$13,916	$ 3,304 (c)	$ 72,299 (b)	$22,256	$ 4,308 (c)
Change in plan assets						
Balance at January 1	$ 60,990	$22,490	$ 42	$ 58,843	$21,506	$ 134
Actual gain (loss) on plan assets	(12,605)	(5,334)	—	5,559	1,602	41
Employer contributions	325	209	352	327	594	279
Participant contributions	14	19	54	15	24	60
Benefits paid	(3,731)	(920)	(438)	(3,754)	(998)	(472)
Dispositions/acquisitions/other - net	—	—	—	—	(138)	—
Exchange rate adjustments	—	(1,801)	—	—	(100)	—
Balance at December 31	$ 44,993	$14,663	$ 10	$ 60,990	$22,490	$ 42
Funded status - surplus (deficit)	$ (8,598)	$ 747	$ (3,294)	$(11,309)	$ 234	$(4,266)
Amounts recorded in Statement of Financial Position						
Non-current assets - other	$ —	$ 2,591	$ —	$ —	$ 2,898	$ —
Current liabilities - other	(351)	(101)	(355)	(337)	(107)	(362)
Non-current liabilities - compensation and benefits	(8,247)	(1,743)	(2,939)	(10,972)	(2,557)	(3,904)
Net amount recorded	$ (8,598)	$ 747	$ (3,294)	$(11,309)	$ 234	$(4,266)
Amounts recorded in Accumulated other comprehensive loss (income)						
Prior service cost (credit)	$ (113)	$ (42)	$ (1,677)	$ (109)	$ (52)	$(1,912)
Net loss (gain)	(5,710)	1,787	(1,705)	(2,754)	2,012	(1,042)
Total recorded in Accumulated other comprehensive loss (income)	$ (5,823)	$ 1,745	$ (3,382)	$ (2,863)	$ 1,960	$(2,954)

(a) Principally associated with discount rate changes.

(b) The benefit obligation for the GE Supplementary Pension Plan, which is an unfunded plan, was $5,457 million and $7,226 million at December 31, 2022 and 2021, respectively.

(c) The benefit obligation for retiree health plans was $1,991 million and $2,548 million at December 31, 2022 and 2021, respectively.

ASSUMPTIONS USED IN CALCULATIONS. Our defined benefit pension plans are accounted for on an actuarial basis, which requires the selection of various assumptions, including a discount rate, a compensation assumption, an expected return on assets, mortality rates of participants and expectation of mortality improvement.

Projected benefit obligations are measured as the present value of expected benefit payments. We discount those cash payments using a discount rate. We determine the discount rate using the weighted-average yields on high-quality fixed-income securities with maturities that correspond to the payment of benefits. Lower discount rates increase present values and generally increase subsequent-year pension expense; higher discount rates decrease present values and generally reduce subsequent-year pension expense.

The compensation assumption is used to estimate the annual rate at which pay of plan participants will grow. If the rate of growth assumed increases, the size of the pension obligations will increase, as will the amount recorded in AOCI in our Statement of Financial Position and amortized into earnings in subsequent periods.

The expected return on plan assets is the estimated long-term rate of return that will be earned on the investments used to fund the benefit obligations. To determine the expected long-term rate of return on pension plan assets, we consider our asset allocation, as well as historical and expected returns on various categories of plan assets. In developing future long-term return expectations for our principal benefit plans' assets, we formulate views on the future economic environment, both in the U.S. and abroad. We evaluate general market trends and historical relationships among a number of key variables that impact asset class returns such as expected earnings growth, inflation, valuations, yields and spreads, using both internal and external sources. We also take into account expected volatility by asset class and diversification across classes to determine expected overall portfolio results given our asset allocation. Based on our analysis, we have assumed a 6.00% and 6.25% long-term expected return on the GE Pension Plan assets for cost recognition in 2022 and 2021, respectively. For 2023 cost recognition, based on GE Pension Plan assets at December 31, 2022, we have assumed a 7.00% long-term expected return.

The Society of Actuaries issued new mortality improvement tables during 2021 that were used to update mortality assumptions in the U.S. These changes in assumptions increased the December 31, 2021 U.S. pension and retiree benefit plans' obligations by $278 million.

The healthcare trend assumptions primarily apply to our pre-65 retiree medical plans. Most participants in our post-65 retiree plan have a fixed subsidy and therefore are not subject to healthcare inflation.

We evaluate these critical assumptions at least annually on a plan and country-specific basis. We periodically evaluate other assumptions involving demographics factors such as retirement age and turnover, and update them to reflect our actual experience and expectations for the future. Actual results in any given year will often differ from actuarial assumptions because of economic and other factors. Differences between our actual results and what we assumed are recorded in AOCI each period. These differences are amortized into earnings over the remaining average future service of active participating employees or the expected life of inactive participants, as applicable. For the principal pension plans, gains and losses are amortized using a straight-line method with a separate layer for each year's gains and losses. For most other pension plans and principal retiree benefit plans, gains and losses are amortized using a straight-line or a corridor amortization method.

SENSITIVITIES TO KEY ASSUMPTIONS. Fluctuations in discount rates can significantly impact pension cost and obligations. As of the December 31 measurement date, we would expect a 25 basis point decrease in discount rate would increase principal pension plan cost in the following year by approximately $130 million and would also expect an increase in the principal pension plan projected benefit obligation at year-end by approximately $1,300 million. The deficit sensitivity to the discount rate would be lower than the projected benefit obligation sensitivity as a result of the liability hedging program incorporated in the plan's asset allocation. A 50 basis point decrease in the expected return on assets would increase principal pension plan cost in the following year by approximately $260 million.

THE COMPOSITION OF OUR PLAN ASSETS. The fair value of our pension plans' investments is presented below. The inputs and valuation techniques used to measure the fair value of these assets are described in Note 1 and have been applied consistently.

	2022		2021	
	Principal pension	Other pension	Principal pension	Other pension
Global equities	$ 3,918	$ 1,097	$ 7,778	$ 3,589
Debt securities				
Fixed income and cash investment funds	4,918	6,506	7,665	10,527
U.S. corporate(a)	8,715	382	10,324	468
Other debt securities(b)	7,853	443	7,331	492
Real estate	1,486	53	2,510	89
Private equities and other investments	1,245	364	1,515	943
Total	28,135	8,845	37,123	16,108
Plan assets measured at net asset value				
Global equities	$ 3,285	$ 1,029	$ 9,517	$ 1,172
Debt securities	3,469	1,024	5,269	1,287
Real estate	1,624	1,976	1,408	2,126
Private equities and other investments	8,480	1,789	7,673	1,797
Total plan assets at fair value	$ 44,993	$ 14,663	$ 60,990	$ 22,490

(a) Primarily represented investment-grade bonds of U.S. issuers from diverse industries.
(b) Primarily represented investments in residential and commercial mortgage-backed securities, non-U.S. corporate and government bonds and U.S. government, federal agency, state and municipal debt.

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Plan assets that were measured at fair value using NAV as a practical expedient were excluded from the fair value hierarchy. GE Pension Plan investments with a fair value of $2,255 million and $3,872 million at December 31, 2022 and 2021, respectively, were classified within Level 3 and primarily relate to private equities and real estate. The remaining investments were substantially all considered Level 1 and 2. Investments with a fair value of $6,759 million and $12,377 million at December 31, 2022 and 2021, respectively, were classified within Level 1 and primarily relate to global equities and cash. Investments with a fair value of $18,606 million and $20,942 million at December 31, 2022 and 2021, respectively, were classified within Level 2 and primarily relate to debt securities. Other pension plans investments with a fair value of $81 million and $138 million at December 31, 2022 and 2021, respectively, were classified within Level 3 and primarily relate to private equities and real estate. The remaining investments were substantially all considered Level 1 and 2. Investments with a fair value of $841 million and $1,312 million at December 31, 2022 and 2021, respectively, were classified within Level 1 and primarily relate to global equities and cash. Investments with a fair value of $7,580 million and $13,802 million at December 31, 2022 and 2021, respectively, were classified within Level 2 and primarily relate to debt securities. Principal retiree benefit plan investments have a fair value of $10 million and $42 million at December 31, 2022 and 2021, respectively. There were no Level 3 principal retiree benefit plan investments held in 2022 and 2021.

ASSET ALLOCATION OF PENSION PLANS	2022 Target allocation		2022 Actual allocation	
	Principal Pension	Other Pension (weighted average)	Principal Pension	Other Pension (weighted average)
Global equities	14.0 - 34.0 %	17 %	16 %	14 %
Debt securities (including cash equivalents)	31.0 - 81.5	60	55	57
Real estate	1.0 - 10.0	8	7	14
Private equities & other investments	6.0 - 30.0	15	22	15

Plan fiduciaries of the GE Pension Plan set investment policies and strategies for the GE Pension Trust and oversee its investment allocation, which includes selecting investment managers and setting long-term strategic targets. The plan fiduciaries' primary strategic investment objectives are balancing investment risk and return and monitoring the plan's liquidity position in order to meet the plan's near-term benefit payment and other cash needs. The plan has incorporated de-risking objectives and liability hedging programs as part of its long-term investment strategy. The plan utilizes a combination of long-dated corporate bonds, treasuries, strips and derivatives to implement its investment strategies as well as for hedging asset and liability risks. Target allocation percentages are established at an asset class level by plan fiduciaries. Target allocation ranges are guidelines, not limitations, and occasionally plan fiduciaries will *approve allocations above or below a target range.*

GE securities represented 0.7% and 0.6% of the GE Pension Trust assets at December 31, 2022 and 2021, respectively. The GE Pension Trust has a broadly diversified portfolio of investments in equities, fixed income, private equities and real estate; these investments are both U.S. and non-U.S. in nature.

ANNUALIZED RETURNS	1 year	5 years	10 years	25 years
GE Pension Plan	(20.5)%	2.7 %	5.4 %	5.8 %

EXPECTED FUTURE BENEFIT PAYMENTS OF OUR BENEFIT PLANS(a)	Principal pension	Other pension	Principal retiree benefit
2023	$ 3,830	$ 850	$ 375
2024	3,865	845	360
2025	3,890	855	345
2026	3,910	870	330
2027	3,920	885	325
2028-2032	19,510	4,585	1,375

(a) As of the measurement date of December 31, 2022

DEFINED CONTRIBUTION PLAN. We have a defined contribution plan for eligible U.S. employees that provides employer contributions which were $444 million, $418 million and $318 million for the years ended December 31, 2022, 2021, and 2020, respectively.

COST OF POSTRETIREMENT BENEFIT PLANS AND CHANGES IN OTHER COMPREHENSIVE INCOME

For the years ended December 31	2022			2021			2020		
(Pre-tax)	Principal pension	Other pension	Principal retiree benefit	Principal pension	Other pension	Principal retiree benefit	Principal pension	Other pension	Principal retiree benefit
Cost (income) of postretirement benefit plans	$ 575	$ (396)	$ (203)	$ 2,650	$ (102)	$ (168)	$ 3,559	$ 30	$ (118)
Changes in other comprehensive loss (income)									
Prior service cost (credit) - current year	—	—	—	—	(1)	—	—	27	(7)
Net loss (gain) - current year	(1,533)	(128)	(778)	(4,959)	(2,104)	(488)	1,124	529	119
Reclassifications out of AOCI									
Curtailment/settlement gain (loss)	—	6	—	—	(68)	—	—	(3)	—
Dispositions	—	—	—	—	(68)	—	—	(166)	—
Amortization of net gain (loss)	(1,422)	(101)	115	(3,483)	(403)	79	(3,399)	(434)	82
Amortization of prior service credit (cost)	(5)	8	235	(28)	3	236	(146)	(1)	234
Total changes in other comprehensive loss (income)	(2,960)	(215)	(428)	(8,470)	(2,641)	(173)	(2,421)	(48)	428
Cost (income) of postretirement benefit plans and changes in other comprehensive loss (income)	$ (2,385)	$ (611)	$ (631)	$ (5,820)	$(2,743)	$ (341)	$ 1,138	$ (18)	$ 310

NOTE 14. ALL OTHER LIABILITIES

December 31	2022	2021
Sales discounts and allowances(a)	$ 4,042	$ 4,020
Equipment projects and other commercial liabilities	1,652	1,618
Product warranties (Note 24)	1,268	1,091
Employee compensation and benefit liabilities	4,662	4,677
Interest payable	400	276
Taxes payable	743	500
Environmental, health and safety liabilities (Note 24)	282	386
Derivative instruments (Note 22)	589	212
Other	847	1,196
All other current liabilities	$ 14,485	$ 13,977
Equipment projects and other commercial liabilities	$ 2,229	$ 2,451
Product warranties (Note 24)	885	800
Operating lease liabilities (Note 6)	2,393	2,848
Uncertain and other income taxes and related liabilities	2,581	3,041
Alstom legacy legal matters (Note 24)	455	567
Environmental, health and safety liabilities (Note 24)	2,404	2,274
Redeemable noncontrolling interests (Note 16)	132	148
Interest payable	—	179
Other	1,076	934
All other non-current liabilities	$ 12,154	$ 13,240
Total All other liabilities	$ 26,639	$ 27,217

(a) Primarily comprise amounts payable to airlines based on future aircraft deliveries by airframers and discounts on spare parts and repair sales at our Aerospace segment.

NOTE 15. INCOME TAXES. GE files a consolidated U.S. federal income tax return which enables GE's businesses to use tax deductions and credits of one member of the group to reduce the tax that otherwise would have been payable by another member of the group. The effective tax rate reflects the benefit of these tax reductions in the consolidated return. Cash payments are made to GE's businesses for tax reductions and from GE's businesses for tax increases.

Our businesses are subject to regulation under a wide variety of U.S. federal, state and foreign tax laws, regulations and policies. Changes to these laws or regulations may affect our tax liability, return on investments and business operations. On August 16, 2022, the U.S. enacted the Inflation Reduction Act that includes a new alternative minimum tax based upon financial statement income (book minimum tax), an excise tax on stock buybacks and tax incentives for energy and climate initiatives, among other provisions. The new book minimum tax is expected to slow but not eliminate the favorable tax impact of our deferred tax assets, resulting in higher cash tax in some years that would generate future tax credits. The impact of the book minimum tax will depend on our facts in each year and anticipated guidance from the U.S. Department of the Treasury. Separately, we continue to assess tax incentives in the legislation which could change our pre-tax or tax amounts and impact our tax rate.

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EARNINGS (LOSS) FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	2022	2021	2020
U.S. earnings (loss)	$ (238)	$ (2,959)	$ (4,823)
Non-U.S. earnings (loss)	1,650	(724)	10,793
Total	$ 1,412	$ (3,683)	$ 5,970

PROVISION (BENEFIT) FOR INCOME TAXES	2022	2021	2020
Current			
U.S. Federal	$ 62	$ (1,347)	$ 865
Non-U.S.	1,040	1,154	1,276
U.S. State	4	(85)	152
Deferred			
U.S. Federal	(956)	(567)	(1,898)
Non-U.S.	466	608	(810)
U.S. State	(141)	(50)	(72)
Total	$ 476	$ (286)	$ (487)

Income taxes paid were $1,128 million, $1,330 million and $1,291 million for the years ended December 31, 2022, 2021 and 2020, respectively, including payments reported in discontinued operations.

RECONCILIATION OF U.S. FEDERAL STATUTORY INCOME TAX RATE TO ACTUAL INCOME TAX RATE	2022		2021		2020	
	Amount	Rate	Amount	Rate	Amount	Rate
U.S. federal statutory income tax rate	$ 297	21.0 %	$ (773)	21.0 %	$ 1,254	21.0 %
Tax on global activities including exports	342	24.2	155	(4.2)	(47)	(0.8)
U.S. business credits(a)	(246)	(17.4)	(189)	5.1	(169)	(2.8)
Debt tender and related valuation allowances	30	2.1	940	(25.5)	—	—
Deductible stock and restructuring losses	—	—	(583)	15.8	(203)	(3.4)
Sale of Biopharma business	(13)	(0.9)	(5)	0.1	(1,447)	(24.2)
Goodwill impairments	—	—	—	—	184	3.1
All other – net(b)(c)(d)	66	4.7	169	(4.5)	(59)	(1.1)
	179	12.7	487	(13.2)	(1,741)	(29.2)
Actual income tax rate	$ 476	33.7 %	$ (286)	7.8 %	$ (487)	(8.2)%

(a) U.S. general business credits, primarily the credit for energy produced from renewable sources and the credit for research performed in the U.S.

(b) For the year ended December 31, 2022, included $134 million for separation income tax costs of which $66 million was due to the repatriation of previously reinvested earnings.

(c) For the year ended December 31, 2020, included $(140) million for the resolution of the IRS audit of our consolidated U.S. income tax returns for 2014-2015.

(d) Included for each period, the expense or benefit for U.S. state taxes reported above in the consolidated (benefit) provision for income taxes, net of 21.0% federal effect.

UNRECOGNIZED TAX POSITIONS. Annually, we file over 2,600 income tax returns in over 270 global taxing jurisdictions. We are under examination or engaged in tax litigation in many of these jurisdictions. The IRS is currently auditing our consolidated U.S. income tax returns for 2016-2018. In December 2020, the IRS completed the audit of our consolidated U.S. income tax returns for 2014-2015. The Company recognized a continuing operations benefit of $140 million plus an additional net interest benefit of $96 million. In addition, the Company recorded a benefit in discontinued operations of $130 million of tax benefits and $25 million of net interest benefits. See Note 2 for further information.

In September 2021, GE resolved its dispute with the United Kingdom tax authority, HM Revenue & Customs (HMRC) in connection with interest deductions claimed by GE Capital for the years 2004-2015. As previously disclosed, HMRC had proposed to disallow interest deductions with a potential impact of approximately $1,100 million, which included a possible assessment of tax and reduction of deferred tax assets, not including interest and penalties. As part of the settlement, GE and HMRC agreed that a portion of the interest deductions claimed were disallowed, with no fault or blame attributed to either party. The resolution concluded the dispute in its entirety without interest or penalties. The adjustments result in no current tax payment to HMRC, but a deferred tax charge of $112 million as part of discontinued operations as a result of a reduction of available tax attributes, which had previously been recorded as deferred tax assets.

The balance of unrecognized tax benefits, the amount of related interest and penalties we have provided and what we believe to be the range of reasonably possible changes in the next 12 months (excluding the expected decrease to the GE balance of $552 million due to the spin-off of GE HealthCare) were:

UNRECOGNIZED TAX BENEFITS December 31	2022	2021	2020
Unrecognized tax benefits	$ 3,951	$ 4,224	$ 4,191
Portion that, if recognized, would reduce tax expense and effective tax rate(a)	3,072	3,351	2,986
Accrued interest on unrecognized tax benefits	614	597	628
Accrued penalties on unrecognized tax benefits	111	146	179
Reasonably possible reduction to the balance of unrecognized tax benefits in succeeding 12 months	0-650	0-250	0-350
Portion that, if recognized, would reduce tax expense and effective tax rate(a)	0-600	0-200	0-250

(a) Some portion of such reduction may be reported as discontinued operations.

UNRECOGNIZED TAX BENEFITS RECONCILIATION	2022	2021	2020
Balance at January 1	$ 4,224	$ 4,191	$ 4,169
Additions for tax positions of the current year	62	396	836
Additions for tax positions of prior years	120	327	326
Reductions for tax positions of prior years	(393)	(585)	(863)
Settlements with tax authorities	(8)	(33)	(127)
Expiration of the statute of limitations	(54)	(71)	(151)
Balance at December 31	$ 3,951	$ 4,224	$ 4,191

We classify interest on tax deficiencies as interest expense; we classify income tax penalties as provision for income taxes. For the years ended December 31, 2022, 2021 and 2020, $36 million, $17 million and $(30) million of interest expense (income), respectively, and $(26) million, $(29) million and $(13) million of tax expense (income) related to penalties, respectively, were recognized in our Statement of Earnings (Loss).

DEFERRED INCOME TAXES. As part of the Tax Cuts and Jobs Act of 2017 (U.S. tax reform), the U.S. has enacted a minimum tax on foreign earnings (global intangible low tax income). We have not made an accrual for the deferred tax aspects of this provision. We also have not provided deferred taxes on cumulative net earnings of non-U.S. affiliates and associated companies of approximately $14 billion that have been reinvested indefinitely. Given U.S. tax reform, substantially all of our prior unrepatriated net earnings were subject to U.S. tax and accordingly we expect to have the ability to repatriate available non-U.S. cash without additional federal tax cost, and any foreign withholding tax on a repatriation to the U.S. would potentially be partially offset by a U.S. foreign tax credit. Most of these earnings have been reinvested in active non-U.S. business operations and it is not practicable to determine the income tax liability that would be payable if such earnings were not reinvested indefinitely. We reassess reinvestment of earnings on an ongoing basis. In 2022, in connection with the execution of the Company's plans to prepare for the spin-off of GE HealthCare, we incurred $66 million of tax due to repatriation of previously reinvested earnings.

The total deferred tax asset as of December 31, 2022 includes $714 million related to the required capitalization of research costs for U.S. tax purposes effective January 1, 2022. The Company has pending accounting method changes which, if approved, are expected to offset the impact of this required capitalization. This deferred tax asset includes $279 million related to GE HealthCare, which became a deferred asset of the separate company upon spin-off in the first quarter of 2023. In the event capitalization of research costs is adjusted through retroactive legislation effective for 2022, GE will record a tax provision benefit related to GE HealthCare research costs as a result of the benefit in the consolidated GE 2022 tax return without payment under the Tax Matters Agreement.

The following table presents our net deferred tax assets and net deferred tax liabilities attributable to different tax jurisdictions or different tax paying components.

DEFERRED INCOME TAXES December 31	2022	2021
Total assets	$ 12,325	$ 11,587
Total liabilities	(620)	(732)
Net deferred income tax asset (liability)	$ 11,705	$ 10,855

COMPONENTS OF THE NET DEFERRED INCOME TAX ASSET (LIABILITY) December 31		2022		2021
Deferred tax assets				
Accrued expenses and reserves	$	2,538	$	2,635
Progress collections, contract assets and deferred items		2,520		2,093
Deferred expenses		1,925		1,597
Principal pension plans		1,806		2,375
Insurance company loss reserves		1,782		1,700
Non-U.S. loss carryforwards(a)		1,240		1,354
Other compensation and benefits		975		1,397
Investment securities		516		(1,278)
Principal retiree benefit plans		692		896
Other(b)		703		1,329
Total deferred tax assets	$	14,697	$	14,098
Deferred tax liabilities				
Investment in global operations	$	(1,011)	$	(1,775)
Other		(1,981)		(1,468)
Total deferred tax liabilities		(2,992)		(3,243)
Net deferred income tax asset (liability)	$	11,705	$	10,855

(a) Net of valuation allowances of $7,171 million and $7,081 million as of December 31, 2022 and 2021, respectively. Of the net deferred tax asset as of December 31, 2022 of $1,240 million, $8 million relates to net operating loss carryforwards that expire in various years ending from December 31, 2023 through December 31, 2025; $427 million relates to net operating losses that expire in various years ending from December 31, 2026 through December 31, 2042; and $805 million relates to net operating loss carryforwards that may be carried forward indefinitely.

(b) Included valuation allowances related to assets other than non-U.S. loss carryforwards of $3,325 million and $1,653 million as of December 31, 2022 and 2021, respectively. These primarily relate to excess capital loss carryforwards.

NOTE 16. SHAREHOLDERS' EQUITY

ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)		2022		2021		2020
Beginning balance	$	(4,562)	$	(4,386)	$	(4,818)
AOCI before reclasses – net of taxes of $127, $(91) and $(25)		(1,355)		(104)		(255)
Reclasses from AOCI – net of taxes of $—, $87 and $—(a)		—		(71)		691
AOCI		(1,355)		(174)		435
Less AOCI attributable to noncontrolling interests		(2)		2		2
Currency translation adjustments AOCI	$	(5,915)	$	(4,562)	$	(4,386)
Beginning balance	$	3,646	$	(5,395)	$	(7,024)
AOCI before reclasses – net of taxes of $597, $1,643 and $(283)		2,117		6,225		(1,256)
Reclasses from AOCI – net of taxes of $216, $793 and $805(a)		772		2,819		2,888
AOCI		2,889		9,044		1,632
Less AOCI attributable to noncontrolling interests		3		3		4
Benefit plans AOCI	$	6,531	$	3,646	$	(5,395)
Beginning balance	$	2,498	$	32	$	109
AOCI before reclasses – net of taxes of $(1,141), $615 and $21(b)		(4,461)		2,422		(39)
Reclasses from AOCI – net of taxes of $(20), $23 and $(25)(a)		36		44		(39)
AOCI		(4,425)		2,466		(78)
Investment securities and cash flow hedges AOCI	$	(1,927)	$	2,498	$	32
AOCI at December 31	$	(1,311)	$	1,582	$	(9,749)
Dividends declared per common share	$	0.32	$	0.32	$	0.32

(a) The total reclassification from AOCI included $836 million, including currency translation of $688 million, net of taxes, in 2020, related to the sale of our BioPharma business within our HealthCare segment.

(b) Included adjustments of $2,674 million, $3,535 million and $(1,979) million for the years ended December 31, 2022, 2021 and 2020, respectively, related to insurance liabilities and annuity benefits in our run-off insurance operations to reflect the effects that would have been recognized had the related unrealized investment security gains been realized. See Note 12 for further information.

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Preferred stock. GE has 50 million authorized shares of preferred stock ($1.00 par value), of which 5,795,444 shares are outstanding as of December 31, 2022 and 5,939,875 shares are outstanding as of both December 31, 2021 and 2020. Preferred stock outstanding comprises $5,550 million of GE Series D preferred stock, in addition to $245 million of existing GE Series A, B and C preferred stock. The total carrying value of GE preferred stock at December 31, 2022 was $5,795 million. Dividends on GE preferred stock are payable semi-annually in June and December and accretion is recorded on a quarterly basis. Dividends on GE preferred stock totaled $289 million, including cash dividends of $284 million, $237 million, including cash dividends of $220 million, and $474 million, including cash dividends of $295 million, for the years ended December 31, 2022, 2021 and 2020, respectively. On January 21, 2021, the GE Series D preferred stock became callable and its dividends converted from 5% fixed rate to 3-month LIBOR plus 3.33%. As of the filing date of this Form 10-K for the year ended December 31, 2022, the GE Series D preferred stock has not been called. From time to time we repurchase outstanding shares of preferred stock, and we repurchased $144 million of GE Series D preferred stock in the year ended December 31, 2022.

Common stock. GE's authorized common stock consists of 1,650 million shares having a par value of $0.01 each, with 1,462 million shares issued. Common stock shares outstanding were 1,089,107,878 and 1,099,027,213 at December 31, 2022 and 2021, respectively. We repurchased 13.6 million and 0.5 million shares, for a total of $1,000 million and $36 million for the years ended December 31, 2022 and 2021, respectively.

Redeemable noncontrolling interests. Our redeemable noncontrolling interests, presented within All other liabilities in our Statement of Financial Position, include common shares issued by our affiliates that are redeemable at the option of the holder of those interests and amounted to $132 million and $148 million, primarily related to our HealthCare segment, as of December 31, 2022 and 2021, respectively.

NOTE 17. SHARE-BASED COMPENSATION. We grant stock options, restricted stock units and performance share units to employees under the 2007 and 2022 Long-Term Incentive Plans. Grants made under all plans must be approved by the Management Development and Compensation Committee of GE's Board of Directors, which is composed entirely of independent directors. We record compensation expense for awards expected to vest over the vesting period. We estimate forfeitures based on experience and adjust expense to reflect actual forfeitures. When options are exercised, restricted stock units vest, and performance share awards are earned, we issue shares from treasury stock.

Stock options provide employees the opportunity to purchase GE shares in the future at the market price of our stock on the date the award is granted (the strike price). The options become exercisable over the vesting period, typically three years, and expire 10 years from the grant date if not exercised. Restricted stock units (RSU) provide an employee with the right to receive one share of GE stock when the restrictions lapse over the vesting period. Upon vesting, each RSU is converted into one share of GE common stock for each unit. Performance share units (PSU) and performance shares provide an employee with the right to receive shares of GE stock based upon achievement of certain performance or market metrics. Upon vesting, each PSU earned is converted into shares of GE common stock. We value stock options using a Black-Scholes option pricing model, RSUs using market price on grant date, and PSUs and performance shares using market price on grant date and a Monte Carlo simulation as needed based on performance metrics.

WEIGHTED AVERAGE GRANT DATE FAIR VALUE	2022	2021	2020
Stock options	$ 34.03	$ 40.64	$ 28.64
RSUs	87.68	104.98	63.28
PSUs/Performance shares	95.40	108.51	63.28

Key assumptions used in the Black-Scholes valuation for stock options include: risk free rates of 1.6%, 1.1%, and 1.0%, dividend yields of 0.4%, 0.3%, and 0.4%, expected volatility of 37%, 40%, and 36%, expected lives of 6.8 years, 6.2 years, and 6.1 years, and strike prices of $92.33, $105.12, and $84.48 for 2022, 2021, and 2020, respectively.

	Stock options				RSUs			
STOCK-BASED COMPENSATION ACTIVITY	Shares (in thousands)	Weighted average exercise price	Weighted average contractual term (in years)	Intrinsic value (in millions)	Shares (in thousands)	Weighted average grant date fair value	Weighted average contractual term (in years)	Intrinsic value (in millions)
Outstanding at January 1, 2022	38,414	$ 144.97			8,057	$ 77.90		
Granted	435	92.33			4,110	87.68		
Exercised	(951)	64.45			(1,630)	89.08		
Forfeited	(266)	95.12			(850)	81.92		
Expired	(6,609)	165.67			N/A	N/A		
Outstanding at December 31, 2022	31,023	$ 142.68	3.8	$ 88	9,687	$ 79.82	1.2	$ 812
Exercisable at December 31, 2022	28,723	$ 146.94	3.4	$ 83	N/A	N/A	N/A	N/A
Expected to vest	2,151	$ 90.14	7.7	$ 5	8,476	$ 80.03	1.2	$ 710

Total outstanding target PSUs and performance shares at December 31, 2022 were 3,667 thousand shares with a weighted average fair value of $78.31. The intrinsic value and weighted average contractual term of target PSUs and performance shares outstanding were $307 million and 1.7 years, respectively.

	2022	2021	2020
Compensation expense (after-tax)(a)(b)	$ 305	$ 361	$ 353
Cash received from stock options exercised	62	93	6
Intrinsic value of stock options exercised and RSU/PSUs vested	170	217	81

(a) Unrecognized compensation cost related to unvested equity awards as of December 31, 2022 was $420 million, which will be amortized over a weighted average period of 1.0 year.

(b) Income tax benefit recognized in earnings was $17 million, $9 million and $10 million in 2022, 2021, and 2020, respectively.

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NOTE 18. EARNINGS PER SHARE INFORMATION

(Earnings for per-share calculation, shares in millions, per-share amounts in dollars)	2022 Diluted	2022 Basic	2021 Diluted	2021 Basic	2020 Diluted	2020 Basic
Earnings (loss) from continuing operations	$ 869	$ 869	$ (3,326)	$ (3,326)	$ 6,601	$ 6,601
Preferred stock dividends	(289)	(289)	(237)	(237)	(474)	(474)
Accretion of redeemable noncontrolling interests, net of tax	—	—	(9)	(9)	(151)	(151)
Accretion of preferred share repurchase	4	4	—	—	—	—
Earnings (loss) from continuing operations attributable to common shareholders	584	584	(3,571)	(3,571)	5,975	5,975
Earnings (loss) from discontinued operations	(644)	(644)	(3,195)	(3,195)	(909)	(909)
Net earnings (loss) attributable to GE common shareholders	(60)	(60)	(6,766)	(6,766)	5,066	5,066
Shares of GE common stock outstanding	1,096	1,096	1,098	1,098	1,094	1,094
Employee compensation-related shares (including stock options)	6	—	—	—	1	—
Total average equivalent shares	1,101	1,096	1,098	1,098	1,095	1,094
Earnings (loss) from continuing operations	$ 0.53	$ 0.53	$ (3.25)	$ (3.25)	$ 5.46	$ 5.46
Earnings (loss) from discontinued operations	(0.58)	(0.59)	(2.91)	(2.91)	(0.83)	(0.83)
Net earnings (loss) per share	(0.05)	(0.06)	(6.16)	(6.16)	4.63	4.63
Potentially dilutive securities(a)	44		41		56	

(a) Outstanding stock awards not included in the computation of diluted earnings (loss) per share because their effect was antidilutive.

Our unvested restricted stock unit awards that contain non-forfeitable rights to dividends or dividend equivalents are considered participating securities and, therefore, are included in the computation of earnings per share pursuant to the two-class method. For the year ended December 31, 2022, application of this treatment had an insignificant effect. For the year ended December 31, 2021, as a result of the loss from continuing operations, losses were not allocated to the participating securities. For the year ended December 31, 2020, application of this treatment had an insignificant effect.

NOTE 19. OTHER INCOME (LOSS)

	2022	2021	2020
Purchases and sales of business interests(a)	$ 66	$ (40)	$ 12,468
Licensing and royalty income	203	192	161
Equity method income	233	(96)	7
Investment in Baker Hughes realized and unrealized gain (loss)	912	938	(2,037)
Investment in and note with AerCap unrealized gain (loss)	(865)	711	—
Other net interest and investment income (loss)(b)	456	621	590
Other items	226	497	207
Total other income (loss)	$ 1,231	$ 2,823	$ 11,396

(a) Included a pre-tax loss of $170 million related to the sale of our boiler manufacturing business in China in our Power segment in 2021. Included a pre-tax gain of $12,362 million on the sale of our BioPharma business in 2020. See Note 2 for further information.

(b) Included interest income associated with customer advances of $162 million, $167 million and $146 million in 2022, 2021 and 2020, respectively. See Note 8 for further information.

NOTE 20. RESTRUCTURING CHARGES AND SEPARATION COSTS

RESTRUCTURING AND OTHER CHARGES. This table is inclusive of all restructuring charges in our segments and at Corporate, and the charges are shown below for the business where they originated. Separately, in our reported segment results, significant, higher-cost restructuring programs are excluded from measurement of segment operating performance for internal and external purposes; those excluded amounts are reported in Restructuring and other charges for Corporate.

RESTRUCTURING AND OTHER CHARGES		2022		2021		2020
Workforce reductions	$	348	$	695	$	856
Plant closures & associated costs and other asset write-downs		615		145		332
Acquisition/disposition net charges and other		30		(21)		66
Total restructuring and other charges	$	993	$	819	$	1,254
Cost of equipment/services	$	250	$	394	$	570
Selling, general and administrative expenses		774		499		697
Other (income) loss		(31)		(75)		(13)
Total restructuring and other charges	$	993	$	819	$	1,254
Aerospace	$	20	$	70	$	397
Renewable Energy		177		204		213
Power		155		369		236
HealthCare		148		155		137
Corporate		494		20		270
Total restructuring and other charges	$	993	$	819	$	1,254
Restructuring and other charges cash expenditures	$	492	$	781	$	1,175

An analysis of changes in the liability for restructuring follows.

		2022		2021		2020
Balance at January 1	$	1,026	$	1,337	$	1,746
Additions		578		655		860
Payments		(385)		(670)		(997)
Remeasurement		(4)		(245)		(212)
Effect of foreign currency and other		(31)		(52)		(60)
Balance at December 31 (a)	$	1,183	$	1,026	$	1,337

(a) Includes actuarial determined post-employment severance benefits reserve of $475 million, $464 million and $722 million as of December 31, 2022, 2021 and 2020, respectively.

For the year ended December 31, 2022, restructuring and other initiatives primarily included exit activities related to the restructuring program announced in the fourth quarter reflecting lower Corporate shared-service and footprint needs as GE HealthCare prepared to become independent. It also includes exit activities associated with the plan announced in October 2022 to undertake a restructuring program across our businesses planned to be part of GE Vernova, primarily reflecting the selectivity strategy to operate in fewer markets and to simplify and standardize product variants at Renewable Energy. We recorded total charges of $993 million, consisting of $416 million primarily in non-cash impairment, accelerated depreciation and other charges, not reflected in the table above, and $578 million primarily in employee workforce reduction and contract related charges, which are reflected in the table above. We incurred $492 million in cash outflows related to restructuring actions, primarily for employee severance payments.

For the year ended December 31, 2021, restructuring and other initiatives primarily included exit activities at our Power business related to our new coal build wind-down actions, which included the exit of certain product lines, closing certain manufacturing and office facilities and other workforce reduction programs. We recorded total charges of $819 million, consisting of $164 million primarily in non-cash impairment, accelerated depreciation and other charges, not reflected in the table above, and $655 million primarily in employee workforce reduction charges, which are reflected in the table above. We incurred $781 million in cash outflows related to restructuring actions, primarily for employee severance payments.

For the year ended December 31, 2020, restructuring and other initiatives primarily included actions related to the impacts of the COVID-19 pandemic on our Aerospace business and Corporate cost reduction programs, which included closing certain manufacturing and office facilities and other workforce reduction programs. We recorded total charges of $1,254 million, consisting of $394 million in non-cash asset impairments and other charges, not reflected in the table above, and $860 million primarily in workforce reduction charges, which are reflected in the table above. We incurred $1,175 million in cash outflows related to restructuring actions, primarily for employee severance payments.

SEPARATION COSTS. In November 2021, the company announced its plan to form three industry-leading, global public companies focused on the growth sectors of aviation, healthcare, and energy. As a result of this plan, we expect to incur separation, transition, and operational costs, which will depend on specifics of the transactions.

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We incurred pre-tax separation costs of $973 million, primarily related to employee costs, costs to establish certain stand-alone functions and information technology systems, professional fees, and other transformation and transaction costs to transition to three stand-alone public companies, for the year ended December 31, 2022. These costs are presented as separation costs in our consolidated Statement of Earnings (Loss). In addition, we incurred $71 million of net tax benefit, including taxes associated with planned legal entity restructuring and changes to indefinite reinvestment of foreign earnings, for the year ended December 31, 2022. We spent $261 million in cash for the year ended December 31, 2022.

NOTE 21. FAIR VALUE MEASUREMENTS Our assets and liabilities measured at fair value on a recurring basis include debt securities mainly supporting obligations to annuitants and policyholders in our run-off insurance operations, our equity interests in AerCap and Baker Hughes, and derivatives.

ASSETS AND LIABILITIES MEASURED AT FAIR VALUE ON A RECURRING BASIS

	Level 1		Level 2		Level 3(a)		Netting adjustment(d)		Net balance(b)	
December 31	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Investment securities	$ 6,754	$ 11,434	$ 30,483	$ 35,849	$ 6,421	$ 7,222	$ —	$ —	$ 43,657	$ 54,506
Derivatives	—	—	1,340	1,357	1	17	(859)	(691)	482	684
Total assets	$ 6,754	$ 11,434	$ 31,823	$ 37,207	$ 6,421	$ 7,239	$ (859)	$ (691)	$ 44,139	$ 55,189
Derivatives	$ —	$ —	$ 1,444	$ 891	$ 7	$ 1	$ (862)	$ (681)	$ 589	$ 212
Other(c)	—	—	627	863	—	—	—	—	627	863
Total liabilities	$ —	$ —	$ 2,071	$ 1,754	$ 7	$ 1	$ (862)	$ (681)	$ 1,216	$ 1,075

(a) Included $3,548 million of U.S. corporate debt securities, $1,386 million of Mortgage and asset-backed debt securities, and the $900 million AerCap note at December 31, 2022. Included $4,228 million of U.S. corporate debt securities, $1,427 million of Mortgage and asset-backed debt securities, and the $993 million AerCap note at December 31, 2021.

(b) See Notes 3 and 22 for further information on the composition of our investment securities and derivative portfolios.

(c) Primarily represents the liabilities associated with certain of our deferred incentive compensation plans.

(d) The netting of derivative receivables and payables is permitted when a legally enforceable master netting agreement exists. Amounts include fair value adjustments related to our own and counterparty non-performance risk.

LEVEL 3 INSTRUMENTS. The majority of our Level 3 balances comprised debt securities classified as available-for-sale with changes in fair value recorded in Other comprehensive income.

	Balance at January 1	Net realized/ unrealized gains(losses)(a)	Purchases(b)	Sales & Settlements	Transfers into Level 3	Transfers out of Level 3	Balance at December 31
2022							
Investment securities	$ 7,222	$ (1,002)	$ 973	$ (628)	$ 57	$ (201)	$ 6,421
2021							
Investment securities	$ 5,866	$ (261)	$ 2,589	$ (943)	$ 6	$ (35)	$ 7,222

(a) Primarily included net unrealized gains (losses) of $(994) million and $(288) million in Other comprehensive income for the years ended December 31, 2022 and 2021, respectively.

(b) Included $508 million of U.S. corporate debt securities and $302 million of Mortgage and asset-backed debt securities for the year ended December 31, 2022. Included $1,084 million of Mortgage and asset-backed debt securities and $1,000 million AerCap senior note received as partial consideration on the completion of the GECAS transaction for the year ended December 31, 2021.

The majority of these Level 3 securities are fair valued using non-binding broker quotes or other third-party sources that utilize a *number of different unobservable inputs not subject to meaningful aggregation.*

NOTE 22. FINANCIAL INSTRUMENTS. The following table provides information about assets and liabilities not carried at fair value and excludes finance leases, equity securities without readily determinable fair value and non-financial assets and liabilities. Substantially all of these assets are considered to be Level 3 and the vast majority of our liabilities' fair value are considered Level 2.

		December 31, 2022		December 31, 2021	
		Carrying amount (net)	Estimated fair value	Carrying amount (net)	Estimated fair value
Assets	Loans and other receivables	$ 2,695	$ 2,560	$ 2,706	$ 2,853
Liabilities	Borrowings (Note 10)	$ 32,350	$ 31,410	$ 35,186	$ 41,207
	Investment contracts (Note 12)	1,771	1,822	1,909	2,282

Assets and liabilities that are reflected in the accompanying financial statements at fair value are not included in the above disclosures; such items include cash and equivalents, investment securities and derivative financial instruments.

DERIVATIVES AND HEDGING. Our policy requires that derivatives are used solely for managing risks and not for speculative purposes. We use derivatives to manage currency risks related to foreign exchange, and interest rate and currency risk between financial assets and liabilities, and certain equity investments and commodity prices.

We use cash flow hedges primarily to reduce or eliminate the effects of foreign exchange rate changes, net investment hedges to hedge investments in foreign operations as well as fair value hedges to hedge the effects of interest rate and currency changes on debt it has issued. We also use derivatives not designated as hedges from an accounting standpoint (and therefore we do not apply hedge accounting to the relationship) but otherwise serve the same economic purpose as other hedging arrangements. We use economic hedges when we have exposures to currency exchange risk for which we are unable to meet the requirements for hedge accounting or when changes in the carrying amount of the hedged item are already recorded in earnings in the same period as the derivative making hedge accounting unnecessary. Even though the derivative is an effective economic hedge, there may be a net effect on earnings in each period due to differences in the timing of earnings recognition between the derivative and the hedged item.

FAIR VALUE OF DERIVATIVES

	December 31, 2022			December 31, 2021		
	Gross Notional	All other assets	All other liabilities	Gross Notional	All other assets	All other liabilities
Currency exchange contracts	$ 8,484	$ 164	$ 312	$ 7,214	$ 114	$ 122
Interest rate contracts				2,071	75	4
Derivatives accounted for as hedges	$ 8,484	$ 164	$ 312	$ 9,285	$ 188	$ 126
Currency exchange contracts	$ 56,950	$ 977	$ 1,118	$ 64,097	$ 794	$ 756
Interest rate contracts	43	—	1	1,369	5	1
Other contracts	914	200	20	1,674	387	10
Derivatives not accounted for as hedges	$ 57,907	$ 1,178	$ 1,139	$ 67,140	$ 1,186	$ 767
Gross derivatives	$ 66,392	$ 1,341	$ 1,451	$ 76,425	$ 1,374	$ 893
Netting and credit adjustments		$ (859)	$ (862)		$ (637)	$ (639)
Cash collateral adjustments		—	—		(54)	(42)
Net derivatives recognized in statement of financial position		$ 482	$ 589		$ 684	$ 212
Net accrued interest		$ —	$ (4)		$ 10	$ 5
Securities held as collateral		—	—		(2)	—
Net amount		$ 482	$ 585		$ 691	$ 217

FAIR VALUE HEDGES. As of December 31, 2022, all fair value hedges were terminated due to exposure management actions, including debt maturities. Gains (losses) associated with the terminated hedging relationships will continue to amortize into interest expense until the bonds mature. The cumulative amount of hedging adjustments of $1,240 million (all on discontinued hedging relationships) was included in the carrying amount of the previously hedged liability of $9,933 million. At December 31, 2021, the cumulative amount of hedging adjustments of $2,072 million (including $2,073 million on discontinued hedging relationships) was included in the carrying amount of the previously hedged liability of $16,819 million. The cumulative amount of hedging adjustments was primarily recorded in long-term borrowings.

CASH FLOW HEDGES AND NET INVESTMENT HEDGES

	Gain (loss) recognized in AOCI for the year ended December 31		
	2022	2021	2020
Cash flow hedges(a)	$ (206)	$ (86)	$ (61)
Net investment hedges(b)	230	487	(675)

(a) Primarily related to currency exchange contracts.

(b) The carrying value of foreign currency debt designated as net investment hedges was $3,329 million and $4,061 million at December 31, 2022 and 2021, respectively. The total reclassified from AOCI into earnings was zero, $(87) million and zero for the years ended December 31, 2022, 2021 and 2020, respectively.

Changes in the fair value of cash flow hedges are recorded in AOCI and recorded in earnings in the period in which the hedged transaction occurs. The total amount in AOCI related to cash flow hedges of forecasted transactions was a $111 million loss at December 31, 2022. We expect to reclassify $106 million of loss to earnings in the next 12 months contemporaneously with the earnings effects of the related forecasted transactions. At December 31, 2022, the maximum term of derivative instruments that hedge forecasted transactions was approximately 12 years.

The table below presents the gains (losses) of our derivative financial instruments in the Statement of Earnings (Loss):

	2022					2021				
	Revenues	Debt Extinguishment Costs	Interest Expense	SG&A	Other(a)	Revenues	Debt Extinguishment Costs	Interest Expense	SG&A	Other(a)
	$ 76,555	$ 465	$ 1,607	$12,781	$56,766	$ 74,196	$ 6,524	$ 1,876	$11,716	$56,719
Effect of cash flow hedges	$ (23)	$ —	$ (20)	$ (2)	$ (34)	$ 27	$ —	$ (40)	$ 1	$ (67)
Hedged items			127				70	1,413		
Derivatives designated as hedging instruments			(143)				(66)	(1,549)		
Effect of fair value hedges			$ (16)				$ 3	$ (135)		
Currency exchange contracts	$ 5	$ —	$ —	$ (133)	$ (737)	$ (6)	$ (16)	$ (18)	$ (127)	$ 44
Interest rate, commodity and equity contracts(b)	1	159	(4)	(135)	161	1	52	(3)	183	191
Effect of derivatives not designated as hedges	$ 7	$ 159	$ (4)	$ (269)	$ (575)	$ (5)	$ 35	$ (22)	$ 56	$ 235

(a) Amounts are inclusive of cost of sales and other income (loss).

(b) SG&A was primarily driven by hedges of deferred incentive compensation, Other Income (loss) by hedges of Baker Hughes equity sale, and Debt Extinguishment Costs by hedges of debt tenders. These hedging programs were to offset the earnings impact of the underlying.

COUNTERPARTY CREDIT RISK. Our exposures to counterparties (including accrued interest), net of collateral we held, was $308 million and $564 million at December 31, 2022 and December 31, 2021, respectively. Counterparties' exposures to our derivative liability (including accrued interest), net of collateral posted by us, was $505 million and $159 million at December 31, 2022 and December 31, 2021, respectively.

NOTE 23. VARIABLE INTEREST ENTITIES. In our Statement of Financial Position, we have assets of $401 million and $491 million and liabilities of $206 million and $206 million at December 31, 2022 and December 31, 2021, respectively, in consolidated Variable Interest Entities (VIEs). These entities were created to help our customers facilitate or finance the purchase of GE equipment and services and have no features that could expose us to losses that would significantly exceed the difference between the consolidated assets and liabilities.

Our investments in unconsolidated VIEs were $5,917 million and $5,034 million at December 31, 2022 and December 31, 2021, respectively. Of these investments, $1,481 million and $1,481 million were owned by EFS, comprising equity method investments, primarily renewable energy tax equity investments, at December 31, 2022 and December 31, 2021, respectively. In addition, $4,219 million and $3,333 million were owned by our run-off insurance operations, primarily comprising of equity method investments at December 31, 2022 and December 31, 2021, respectively. The increase in investments in unconsolidated VIEs in our run-off insurance operations reflects strategic initiatives to invest in higher-yielding asset classes. Our maximum exposure to loss in respect of unconsolidated VIEs is increased by our commitments to make additional investments in these entities described in Note 24.

NOTE 24. COMMITMENTS, GUARANTEES, PRODUCT WARRANTIES AND OTHER LOSS CONTINGENCIES

COMMITMENTS. We had total investment commitments of $3,877 million at December 31, 2022. The commitments primarily comprise investments by our run-off insurance operations in investment securities and other assets of $3,778 million and included within these commitments are obligations to make investments in unconsolidated VIEs of $3,773 million. See Note 23 for further information.

As of December 31, 2022, in our Aerospace segment, we have committed to provide financing assistance of $2,390 million of future customer acquisitions of aircraft equipped with our engines.

GUARANTEES. At December 31, 2022, we were committed under the following guarantee arrangements:

Credit support. We have provided $1,143 million of credit support on behalf of certain customers or associated companies, predominantly joint ventures and partnerships, using arrangements such as standby letters of credit and performance guarantees. The liability for such credit support was $32 million.

Indemnification agreements - Continuing Operations. We have $534 million of indemnification commitments, including representations and warranties in sales of business assets, for which we recorded a liability of $80 million.

Indemnification agreements - Discontinued Operations. We have provided specific indemnities to buyers of assets of our business that, in the aggregate, represent a maximum potential claim of $717 million with related reserves of $77 million.

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PRODUCT WARRANTIES. We provide for estimated product warranty expenses when we sell the related products. Because warranty estimates are forecasts that are based on the best available information, mostly historical claims experience, claims costs may differ from amounts provided. An analysis of changes in the liability for product warranties follows.

	2022	2021	2020
Balance at January 1	$ 1,891	$ 2,054	$ 2,165
Current-year provisions(a)	1,319	862	788
Expenditures	(967)	(945)	(913)
Other changes	(90)	(81)	14
Balance at December 31	$ 2,153	$ 1,891	$ 2,054

(a) The increase in current-year provisions is primarily related to Renewable Energy, which was substantially all due to changes in estimates on pre-existing warranties and related to the deployment of repairs and other corrective measures.

LEGAL MATTERS. In the normal course of our business, we are involved from time to time in various arbitrations, class actions, commercial litigation, investigations and other legal, regulatory or governmental actions, including the significant matters described below that could have a material impact on our results of operations. In many proceedings, including the specific matters described below, it is inherently difficult to determine whether any loss is probable or even reasonably possible or to estimate the size or range of the possible loss, and accruals for legal matters are not recorded until a loss for a particular matter is considered probable and reasonably estimable. Given the nature of legal matters and the complexities involved, it is often difficult to predict and determine a meaningful estimate of loss or range of loss until we know, among other factors, the particular claims involved, the likelihood of success of our defenses to those claims, the damages or other relief sought, how discovery or other procedural considerations will affect the outcome, the settlement posture of other parties and other factors that may have a material effect on the outcome. For these matters, unless otherwise specified, we do not believe it is possible to provide a meaningful estimate of loss at this time. Moreover, it is not uncommon for legal matters to be resolved over many years, during which time relevant developments and new information must be continuously evaluated.

Alstom legacy legal matters. In 2015, we acquired the Steam Power, Renewables and Grid businesses from Alstom, which prior to our acquisition were the subject of significant cases involving anti-competitive activities and improper payments. We had reserves of $455 million and $567 million at December 31, 2022 and 2021, respectively, for legal and compliance matters related to the legacy business practices that were the subject of cases in various jurisdictions. Allegations in these cases relate to claimed anti-competitive conduct or improper payments in the pre-acquisition period as the source of legal violations or damages. Given the significant litigation and compliance activity related to these matters and our ongoing efforts to resolve them, it is difficult to assess whether the disbursements will ultimately be consistent with the reserve established. The estimation of this reserve may not reflect the full range of uncertainties and unpredictable outcomes inherent in litigation and investigations of this nature, and at this time we are unable to develop a meaningful estimate of the range of reasonably possible additional losses beyond the amount of this reserve. Factors that can affect the ultimate amount of losses associated with these and related matters include the way cooperation is assessed and valued, prosecutorial discretion in the determination of damages, formulas for determining disgorgement, fines or penalties, the duration and amount of legal and investigative resources applied, political and social influences within each jurisdiction, and tax consequences of any settlements or previous deductions, among other considerations. Actual losses arising from claims in these and related matters could exceed the amount provided.

Shareholder and related lawsuits. Since November 2017, several putative shareholder class actions under the federal securities laws have been filed against GE and certain affiliated individuals and consolidated into a single action currently pending in the U.S. District Court for the Southern District of New York (the Hachem case). In October 2019, the lead plaintiff filed a fifth amended consolidated class action complaint naming as defendants GE and current and former GE executive officers. It alleges violations of Sections 10(b) and 20(a) and Rule 10b-5 of the Securities Exchange Act of 1934 related to insurance reserves and accounting for long-term service agreements and seeks damages on behalf of shareholders who acquired GE stock between February 27, 2013 and January 23, 2018. GE filed a motion to dismiss in December 2019. In January 2021, the court granted defendants' motion to dismiss as to the majority of the claims. Specifically, the court dismissed all claims related to insurance reserves, as well as all claims related to accounting for long-term service agreements, with the exception of certain claims about historic disclosures related to factoring in the Power business that survive as to GE and its former CFO Jeffrey S. Bornstein. All other individual defendants have been dismissed from the case. In April 2022, the court granted the plaintiffs' motion for class certification for shareholders who acquired stock between February 26, 2016 and January 23, 2018, and granted the plaintiffs' request to amend their complaint. In September 2022, GE filed a motion for summary judgment on the plaintiffs' remaining claims.

Since February 2018, multiple shareholder derivative lawsuits have been filed against current and former GE executive officers and members of GE's Board of Directors and GE (as nominal defendant). These lawsuits have alleged violations of securities laws, breaches of fiduciary duties, unjust enrichment, waste of corporate assets, abuse of control and gross mismanagement, although the specific matters underlying the allegations in the lawsuits have varied. Two shareholder derivative lawsuits are currently pending: the Lindsey and Priest/Tola cases, which were filed in New York state court. The allegations in these two cases relate to substantially the same facts as those underlying the Hachem case. The plaintiffs seek unspecified damages and improvements in GE's corporate governance and internal procedures. The Lindsey case has been stayed by agreement of the parties, and GE filed a motion to dismiss the Priest/Tola complaint in March 2021.

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In July 2018, a putative class action (the Mahar case) was filed in New York state court naming as defendants GE, former GE executive officers, a former member of GE's Board of Directors and KPMG. It alleged violations of Sections 11, 12 and 15 of the Securities Act of 1933 based on alleged misstatements related to insurance reserves and performance of GE's business segments in GE Stock Direct Plan registration statements and documents incorporated therein by reference and seeks damages on behalf of shareholders who acquired GE stock between July 20, 2015 and July 19, 2018 through the GE Stock Direct Plan. In February 2019, this case was dismissed. In March 2019, plaintiffs filed an amended derivative complaint naming the same defendants. In April 2019, GE filed a motion to dismiss the amended complaint. In October 2019, the court denied GE's motion to dismiss and stayed the case pending the outcome of the Hachem case. In November 2019, the plaintiffs moved to re-argue to challenge the stay, and GE cross-moved to re-argue the denial of the motion to dismiss and filed a notice of appeal. The court denied both motions for re-argument, and in November 2020, the Appellate Division First Department affirmed the court's denial of GE's motion to dismiss. In January 2021, GE filed a motion for leave to appeal to the New York Court of Appeals, and that motion was denied in March 2021.

In February 2019, a securities action (the Touchstone case) was filed in the U.S. District Court for the Southern District of New York naming as defendants GE and current and former GE executive officers. It alleges violations of Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 and Section 1707.43 of the Ohio Securities Act and common law fraud based on alleged misstatements regarding insurance reserves, GE Power's revenue recognition practices related to long term service agreements, GE's acquisition of Alstom, and the goodwill recognized in connection with that transaction. The lawsuit seeks damages on behalf of six institutional investors who purchased GE common stock between August 1, 2014 and October 30, 2018 and rescission of those purchases. In May 2021, the plaintiffs filed an amended complaint, and GE in June 2021 filed a motion to dismiss that complaint. In September 2022, the court granted GE's motion to the dismiss the plaintiffs' case with no opportunity to replead their case. In January 2023, the plaintiffs filed an appeal of the court's dismissal of their case with the U.S. Court of Appeals for the Second Circuit.

As previously reported by Baker Hughes, in March 2019, two derivative lawsuits were filed in the Delaware Court of Chancery naming as defendants GE, directors of Baker Hughes (including former members of GE's Board of Directors and current and former GE executive officers) and Baker Hughes (as nominal defendant), and the court issued an order consolidating these two actions (the Schippnick case). The complaint as amended in May 2019 alleges, among other things, that GE and the Baker Hughes directors breached their fiduciary duties, and that GE was unjustly enriched by entering into transactions and agreements related to GE's sales of approximately 12% of its ownership interest in Baker Hughes in November 2018. The complaint seeks declaratory relief, disgorgement of profits, an award of damages, pre- and post-judgment interest and attorneys' fees and costs. In May 2019, the plaintiffs voluntarily dismissed their claims against the directors who were members of the Baker Hughes Conflicts Committee and a former Baker Hughes director. In October 2019, the Court denied the remaining defendants' motions to dismiss, except with respect to the unjust enrichment claim against GE, which has been dismissed. In November 2019, the defendants filed their answer to the complaint, and a special litigation committee of the Baker Hughes Board of Directors moved for an order staying all proceedings in this action pending completion of the committee's investigation of the allegations and claims asserted in the complaint. In October 2020, the special litigation committee filed a report with the Court recommending that the derivative action be terminated. In January 2021, the special committee filed a motion to terminate the action.

GE Retirement Savings Plan class actions. Four putative class action lawsuits have been filed regarding the oversight of the GE RSP, and those class actions have been consolidated into a single action in the U.S. District Court for the District of Massachusetts. The consolidated complaint names as defendants GE, GE Asset Management, current and former GE and GE Asset Management executive officers and employees who served on fiduciary bodies responsible for aspects of the GE RSP during the class period. Like similar lawsuits that have been brought against other companies in recent years, this action alleges that the defendants breached their fiduciary duties under the Employee Retirement Income Security Act (ERISA) in their oversight of the GE RSP, principally by retaining five proprietary funds that plaintiffs allege were underperforming as investment options for plan participants and by charging higher management fees than some alternative funds. The plaintiffs seek unspecified damages on behalf of a class of GE RSP participants and beneficiaries from September 26, 2011 through the date of any judgment. In August and December 2018, the court issued orders dismissing one count of the complaint and denying GE's motion to dismiss the remaining counts. In September 2022, both GE and the plaintiffs filed motions for summary judgment on the remaining claims.

Bank BPH. As previously reported, Bank BPH, along with other Polish banks, has been subject to ongoing litigation in Poland related to its portfolio of floating rate residential mortgage loans, with cases brought by individual borrowers seeking relief related to their foreign currency indexed or denominated mortgage loans in various courts throughout Poland. At December 31, 2022, approximately 85% of the Bank BPH portfolio is indexed to or denominated in foreign currencies (primarily Swiss francs), and the total portfolio had a carrying value, net of reserves, of $1,199 million. We continue to observe an increase in the number of lawsuits being brought against Bank BPH and other banks in Poland, and we expect this to continue in future reporting periods.

We estimate potential losses for Bank BPH in connection with borrower litigation cases that are pending by recording legal reserves, as well as in connection with potential future cases or other adverse developments as part of our ongoing valuation of the Bank BPH portfolio, which we record at the lower of cost or fair value, less cost to sell. The total amount of estimated losses was $1,359 million and $755 million at December 31, 2022 and 2021, respectively. We update our assumptions underlying the amount of estimated losses based primarily on the number of lawsuits filed and estimated to be filed in the future, whether liability will be established in lawsuits and the nature of the remedy ordered by courts if liability is established. The increase in the amount of estimated losses during 2022 was driven primarily by increases in the number of lawsuits filed and estimated to be filed in the future and increased findings of liability. We expect the trends we have previously reported of an increasing number of lawsuits being filed, more findings of liability and more severe remedies being ordered against Polish banks (including Bank BPH) to continue in future reporting periods, although Bank BPH is unable at this time to develop a meaningful estimate of reasonably possible losses associated with active and inactive Bank BPH mortgage loans beyond the amounts currently recorded. Additional factors may also affect our estimated losses over time, including: potentially significant judicial decisions or binding resolutions by the European Court of Justice (ECJ) or the Polish Supreme Court; the impact of any of these or other future or recent decisions or resolutions (including an expected ECJ ruling that could adversely impact the remedy cost to Polish banks upon a finding of liability, and the Polish Supreme Court binding resolution delivered verbally in May 2021 with written reasoning issued in July 2021) on how Polish courts will interpret and apply the law in particular cases and how borrower behavior may change in response, neither of which are known immediately upon the issuance of a decision or resolution; financial, economic and other conditions in Poland that may adversely affect borrowers; uncertainty related to a proposal by the Chairman of the Polish Financial Supervisory Authority in December 2020 that banks voluntarily offer borrowers an opportunity to convert their foreign currency indexed or denominated mortgage loans to Polish zlotys using an exchange rate applicable at the date of loan origination, and about the various settlement strategies or other approaches that Polish banks have increasingly adopted or will adopt, or that Bank BPH may adopt in the future, in response to this proposal or other factors, the approaches that regulators and other government authorities will adopt in response, the receptivity of borrowers to settlement offers; and the financial and capital impact on banks that adopt settlement programs; and any potential legislation that may be passed in Poland relating to foreign exchange indexed or denominated mortgage loans. In addition, there is continued uncertainty arising from investigations of the Polish Office of Competition and Consumer Protection (UOKiK), including existing or anticipated UOKiK and court decisions resulting from those investigations, particularly UOKiK's investigation into the adequacy of disclosure of foreign exchange risk by banks (including BPH) and the legality under Polish law of unlimited foreign exchange risk on customers. Future adverse developments related to any of the foregoing, or other adverse developments such as actions by regulators, legislators or other governmental authorities (including UOKiK), likely would have a material adverse effect on Bank BPH and the carrying value of its mortgage loan portfolio as well as result in additional required capital contributions to Bank BPH or significant losses beyond the amounts that we currently estimate.

ENVIRONMENTAL, HEALTH AND SAFETY MATTERS. Our operations, like operations of other companies engaged in similar businesses, involve the use, disposal and cleanup of substances regulated under environmental protection laws and nuclear decommissioning regulations. We have obligations for ongoing and future environmental remediation activities, such as the Housatonic River cleanup described below, and may incur additional liabilities in connection with previously remediated sites, such as natural resource damages for the Hudson River where GE completed dredging in 2019. Additionally, like many other industrial companies, we and our subsidiaries are defendants in various lawsuits related to alleged worker exposure to asbestos or other hazardous materials. Liabilities for environmental remediation, nuclear decommissioning and worker exposure claims exclude possible insurance recoveries. It is reasonably possible that our exposure will exceed amounts accrued. However, due to uncertainties about the status of laws, regulations, technology and information related to individual sites and lawsuits, such amounts are not reasonably estimable. Total reserves related to environmental remediation, nuclear decommissioning and worker exposure claims were $2,686 million and $2,660 million at December 31, 2022 and 2021, respectively.

As previously reported, in 2000, GE and the Environmental Protection Agency (EPA) entered into a consent decree relating to PCB cleanup of the Housatonic River in Massachusetts. In October 2016, EPA issued its final decision pursuant to the consent decree. In January 2018, the EPA's Environmental Appeals Board (EAB) remanded the decision back to the EPA with instruction to reissue a revised final remedy. After successful mediation with key stakeholders (including EPA, GE, certain towns, and environmental groups), public comment and further review by the EAB, the final revised permit (issued in January 2021) became effective in March 2022. In May 2022, two environmental advocacy groups petitioned the U.S. Court of Appeals for the First Circuit to review the EPA's final permit. As of December 31, 2022 and based on its assessment of current facts and circumstances and its defenses, GE believes that it has recorded adequate reserves to cover future obligations associated with the proposed final remedy.

Expenditures for site remediation, nuclear decommissioning and worker exposure claims amounted to approximately $231 million, $193 million and $180 million for the years ended December 31, 2022, 2021 and 2020, respectively. We presently expect that such expenditures will be approximately $250 million and $300 million in 2023 and 2024, respectively.

NOTE 25. OPERATING SEGMENTS

BASIS FOR PRESENTATION. Our operating businesses are organized based on the nature of markets and customers. Segment accounting policies are the same as described and referenced in Note 1. A description of our operating segments as of December 31, 2022 can be found in the Segment Operations section within MD&A.

REVENUES	Total revenues			Intersegment revenues			External revenues		
Years ended December 31	2022	2021	2020	2022	2021	2020	2022	2021	2020
Aerospace	$ 26,050	$ 21,310	$ 22,042	$ 660	$ 1,036	$ 1,445	$ 25,390	$ 20,274	$ 20,597
Renewable Energy	12,977	15,697	15,666	80	138	142	12,896	15,559	15,523
Power	16,262	16,903	17,589	267	345	352	15,995	16,558	17,237
HealthCare	18,461	17,725	18,009	—	1	1	18,461	17,724	18,008
Corporate	2,806	2,561	2,528	(1,008)	(1,520)	(1,941)	3,814	4,081	4,468
Total	$ 76,555	$ 74,196	$ 75,833	$ —	$ —	$ —	$ 76,555	$ 74,196	$ 75,833

	Years ended December 31								
	2022			2021			2020		
	Equipment	Services	Total	Equipment	Services	Total	Equipment	Services	Total
Aerospace	$ 7,842	$ 18,207	$ 26,050	$ 7,531	$ 13,780	$ 21,310	$ 8,582	$ 13,460	$ 22,042
Renewable Energy	10,191	2,785	12,977	13,224	2,473	15,697	12,859	2,807	15,666
Power	4,737	11,526	16,262	5,035	11,868	16,903	6,707	10,883	17,589
HealthCare	9,643	8,818	18,461	9,104	8,620	17,725	9,992	8,017	18,009
Total segment revenues	$ 32,413	$ 41,336	$ 73,749	$ 34,894	$ 36,741	$ 71,635	$ 38,140	$ 35,166	$ 73,306

SEGMENT REVENUES	Years ended December 31		
	2022	2021	2020
Commercial Engines & Services	$ 18,665	$ 14,360	$ 14,479
Military	4,410	4,136	4,572
Systems & Other	2,975	2,814	2,991
Aerospace	$ 26,050	$ 21,310	$ 22,042
Onshore Wind	$ 8,373	$ 11,026	$ 10,881
Grid Solutions equipment and services	3,086	3,207	3,585
Hydro, Offshore Wind and Hybrid Solutions	1,518	1,464	1,200
Renewable Energy	$ 12,977	$ 15,697	$ 15,666
Gas Power	$ 12,072	$ 12,080	$ 12,655
Steam Power	2,643	3,241	3,557
Power Conversion, Nuclear and other	1,547	1,582	1,378
Power	$ 16,262	$ 16,903	$ 17,589
Healthcare Systems	$ 16,489	$ 15,694	$ 15,387
Pharmaceutical Diagnostics	1,972	2,031	1,792
BioPharma	—	—	830
HealthCare	$ 18,461	$ 17,725	$ 18,009
Total segment revenues	$ 73,749	$ 71,635	$ 73,306
Corporate	$ 2,806	$ 2,561	$ 2,528
Total revenues	$ 76,555	$ 74,196	$ 75,833

Revenues are classified according to the region to which equipment and services are sold. For purposes of this analysis, the U.S. is presented separately from the remainder of the Americas.

Year ended December 31, 2022	Aerospace	Renewable Energy	Power	HealthCare	Corporate	Total
U.S.	$ 10,722	$ 6,265	$ 5,121	$ 8,078	$ 2,850	$ 33,036
Non-U.S.						
Europe	6,013	3,023	3,484	3,697	68	16,284
China region	2,154	216	1,173	2,525	(5)	6,062
Asia (excluding China region)	2,731	1,396	2,101	2,225	(129)	8,324
Americas	1,713	1,120	1,931	1,038	(14)	5,788
Middle East and Africa	2,719	956	2,453	897	36	7,060
Total Non-U.S.	$ 15,328	$ 6,711	$ 11,142	$ 10,383	$ (44)	$ 43,519
Total geographic revenues	$ 26,050	$ 12,977	$ 16,262	$ 18,461	$ 2,806	$ 76,555
Non-U.S. revenues as a % of total revenues	59 %	52 %	69 %	56 %		57 %

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Year ended December 31, 2021	Aerospace	Renewable Energy	Power	HealthCare	Corporate	Total
U.S.	$ 9,675	$ 7,275	$ 6,186	$ 7,229	$ 2,473	$ 32,838
Non-U.S.						
Europe	3,920	3,651	3,621	3,702	52	14,946
China region	2,419	464	1,145	2,700	16	6,744
Asia (excluding China region)	1,758	1,959	2,090	2,345	(45)	8,107
Americas	1,310	1,009	1,239	923	(4)	4,476
Middle East and Africa	2,228	1,340	2,622	826	69	7,085
Total Non-U.S.	$ 11,635	$ 8,422	$ 10,717	$ 10,496	$ 88	$ 41,358
Total geographic revenues	$ 21,310	$ 15,697	$ 16,903	$ 17,725	$ 2,561	$ 74,196
Non-U.S. revenues as a % of total revenues	55 %	54 %	63 %	59 %		56 %

Year ended December 31, 2020	Aerospace	Renewable Energy	Power	HealthCare	Corporate	Total
U.S.	$ 11,239	$ 7,846	$ 6,186	$ 7,611	$ 2,336	$ 35,217
Non-U.S.						
Europe	4,288	3,047	2,895	3,952	159	14,342
China region	2,078	1,156	1,253	2,455	35	6,978
Asia (excluding China region)	1,842	1,484	2,707	2,264	(55)	8,241
Americas	882	819	1,483	879	1	4,064
Middle East and Africa	1,713	1,314	3,064	848	52	6,991
Total Non-U.S.	$ 10,803	$ 7,820	$ 11,403	$ 10,398	$ 192	$ 40,616
Total geographic revenues	$ 22,042	$ 15,666	$ 17,589	$ 18,009	$ 2,528	$ 75,833
Non-U.S. revenues as a % of total revenues	49 %	50 %	65 %	58 %		54 %

REMAINING PERFORMANCE OBLIGATION. As of December 31, 2022, the aggregate amount of the contracted revenues allocated to our unsatisfied (or partially unsatisfied) performance obligations was $250,997 million. We expect to recognize revenue as we satisfy our remaining performance obligations as follows: 1) equipment-related remaining performance obligation of $48,936 million of which 59%, 81% and 98% is expected to be recognized within 1, 2 and 5 years, respectively, and the remaining thereafter; and 2) services-related remaining performance obligations of $202,061 million of which 13%, 46%, 70% and 84% is expected to be recognized within 1, 5, 10 and 15 years, respectively, and the remaining thereafter. Contract modifications could affect both the timing to complete as well as the amount to be received as we fulfill the related remaining performance obligations.

Total sales of equipment and services to agencies of the U.S. Government were 6%, 6% and 7% of total revenues for the years ended December 31, 2022, 2021 and 2020, respectively. Within our Aerospace segment, defense-related sales were 5%, 5% and 6% of total revenues for the years ended December 31, 2022, 2021 and 2020, respectively.

PROFIT AND EARNINGS For the years ended December 31	2022	2021	2020
Aerospace	$ 4,775	$ 2,882	$ 1,229
Renewable Energy	(2,240)	(795)	(715)
Power	1,217	726	274
HealthCare	2,705	2,966	3,060
Total segment profit (loss)	6,456	5,778	3,848
Corporate(a)	(3,413)	892	8,061
Interest and other financial charges	(1,552)	(1,813)	(2,018)
Debt extinguishment costs	(465)	(6,524)	(301)
Non-operating benefit income (cost)	532	(1,782)	(2,430)
Goodwill impairments	—	—	(877)
Benefit (provision) for income taxes	(689)	124	333
Preferred stock dividends	(289)	(237)	(474)
Earnings (loss) from continuing operations attributable to GE common shareholders	581	(3,562)	6,141
Earnings (loss) from discontinued operations attributable to GE common shareholders	(644)	(3,195)	(911)
Net earnings (loss) attributable to GE common shareholders	$ (64)	$ (6,757)	$ 5,230

(a) Includes interest and other financial charges of $54 million, $63 million and $50 million and benefit for income taxes of $213 million, $162 million and $154 million related to EFS within Corporate for the years ended December 31, 2022, 2021, and 2020, respectively.

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	Assets			Property, plant and equipment additions(a)			Depreciation and amortization		
	At December 31			For the years ended December 31			For the years ended December 31		
	2022	2021	2020	2022	2021	2020	2022	2021	2020
Aerospace	$ 39,243	$ 38,298	$ 38,634	$ 543	$ 445	$ 737	$ 1,037	$ 1,074	$ 1,142
Renewable Energy	15,719	14,804	15,927	275	349	302	412	432	413
Power	22,173	23,569	24,453	210	189	245	506	692	749
HealthCare	26,070	24,770	22,229	310	278	256	640	641	628
Corporate(b)(c)	81,692	94,256	114,220	34	25	40	948	168	531
Total continuing	$ 184,896	$ 195,697	$ 215,463	$ 1,371	$ 1,286	$ 1,579	$ 3,543	$ 3,009	$ 3,464

(a) Additions to property, plant and equipment include amounts relating to principal businesses purchased.
(b) Depreciation and amortization included the Steam asset sale impairment in the first quarter of 2022.
(c) Included deferred income taxes that are presented as assets for purposes of our Statement of Financial Position presentation.

We classify certain assets that cannot meaningfully be associated with specific geographic areas as "Other Global" for this purpose.

December 31	2022	2021
U.S.	$ 126,005	$ 130,956
Non-U.S.		
Europe	36,603	42,213
Asia	11,317	11,534
Americas	6,405	6,406
Other Global	4,566	4,588
Total Non-U.S.	$ 58,892	$ 64,741
Total assets (Continuing operations)	$ 184,896	$ 195,697

The decrease in continuing assets in 2022 was primarily driven by decreases in estimated fair value of our debt securities, depreciation and amortization on property, plant and equipment and intangible assets, including the Steam asset sale impairment, and the effects of a stronger U.S. dollar. Property, plant and equipment – net associated with operations based in the United States were $7,508 million and $8,411 million at December 31, 2022 and 2021, respectively. Property, plant and equipment – net associated with operations based outside the United States were $6,970 million and $7,198 million at December 31, 2022 and 2021, respectively.

NOTE 26. SUMMARIZED FINANCIAL INFORMATION. We account for our remaining interest in Baker Hughes (comprising 7 million shares with approximately 1% ownership interest as of December 31, 2022) at fair value. As of November 3, 2021, our investment in BKR ownership reduced below 20%, and as a result, we no longer have significant influence in BKR. The fair value of our interest in Baker Hughes at December 31, 2022 and 2021 was $207 million and $4,010 million, respectively. We recognized a realized and unrealized pre-tax gain of $912 million ($702 million after-tax) based on a share price of $29.53, a realized and unrealized pre-tax gain of $938 million ($696 million after-tax) based on a share price of $24.06, and a realized and unrealized pre-tax loss of $2,037 million ($1,562 million after-tax) based on a share price of $20.85 for the years ended December 31, 2022, 2021 and 2020, respectively. The 2022 gain, 2021 gain and 2020 loss included a $109 million pre-tax derivative gain, a $129 million pre-tax derivative gain and a $54 million pre-tax derivative loss, respectively, associated with the forward sale of Baker Hughes shares pursuant to our previously announced program to monetize our Baker Hughes position. During the years ended December 31, 2022, 2021 and 2020, we completed forward sales of 160 million, 183 million and 28 million shares and received proceeds of $4,717 million, $4,145 million and $417 million, respectively. In January 2023, we sold our remaining 7 million shares and received net proceeds of $216 million. See Notes 2, 3 and 19 for further information. Summarized financial information of Baker Hughes is as follows.

For the years ended December 31	2022(a)	2021(b)	2020
Revenues	$ —	$ 16,997	$ 20,705
Gross Profit	—	3,276	3,199
Net income (loss)	—	(546)	(15,761)
Net income (loss) attributable to the entity	—	(407)	(9,940)

(a) As of November 3, 2021, our investment in BKR reduced below 20%, and as a result, we no longer have significant influence.
(b) Financial information is from January 1, 2021 to November 3, 2021 (date investment in BKR reduced below 20%).

On November 1, 2021, we received 111.5 million ordinary shares of AerCap (approximately 46% ownership interest) and an AerCap senior note as partial consideration in conjunction with the GECAS transaction, for which we have adopted the fair value option. The fair value of our interest in AerCap, including the note, at December 31, 2022 and 2021 was $7,403 million and $8,287 million, respectively. We recognized an unrealized pre-tax loss of $865 million ($1,052 million after-tax) based on a share price of $58.32 and an unrealized pre-tax and after-tax gain of $711 million based on a share price of $65.42 related to our interest in AerCap for the years ended December 31, 2022 and 2021, respectively. See Notes 2, 3 and 19 for further information. Given AerCap summarized financial information is not available as of the date of this filing, this information is reported on a one quarter lag. Summarized financial information of AerCap is as follows.

For the year ended December 31		2022(a)
Revenues	$	6,627
Net income (loss)		(1,128)
Net income (loss) attributable to the entity		(1,132)

(a) As we are unable to obtain monthly financial data for AerCap to match the exact period of ownership, we reported summarized financial information for AerCap starting October 1, 2021 instead of November 1, 2021.

As of December 31		2022(a)
Flight equipment held for operating leases, net	$	54,611
Other		15,200
Total assets	$	69,811
Debt	$	47,350
Other		6,817
Total liabilities	$	54,167
Noncontrolling interests	$	77

(a) Financial information is from September 30, 2022.

Baker Hughes and AerCap are SEC registrants with separate filing requirements, and their respective financial information can be obtained from www.sec.gov.

GE, within its Aerospace segment, has interests in certain joint ventures formed to manufacture and service commercial jet engines and engine parts, collectively referred to herein as the Commercial Aerospace Joint Ventures. These interests include: CFM International Inc., CFM International SA and CFM Materials, LP, joint operations of the CFM56 and LEAP engine programs with Safran Aircraft Engines, a subsidiary of Safran Group of France; Engine Alliance, LLC, a joint operation of the GP7200 engine program with Raytheon Technologies Corporation via their Pratt & Whitney segment; GE Honda Aero Engines, LLC, a joint operation of the HF120 engine program with Honda Aero, Inc; and Advanced Atomization Technologies, LLC, a joint operation for engine fuel nozzles with Parker-Hannifin Corporation. GE recognizes revenue on sales to these Commercial Aerospace Joint Ventures upon the transfer of its products and services, of which the timing and the amount of revenue recognized could be different than that of the joint ventures. Summarized financial information of these Commercial Aerospace Joint Ventures is as follows.

For the years ended December 31		2022		2021		2020
Revenues	$	23,317	$	17,118	$	15,931
Gross Profit		312		284		359
Net income (loss)		249		(123)		327
Net income (loss) attributable to the entity		237		(140)		312

As of December 31		2022		2021
Current assets	$	13,328	$	8,845
Total assets	$	14,327	$	9,941
Current liabilities	$	12,828	$	8,435
Total liabilities	$	12,887	$	8,470
Noncontrolling interests	$	153	$	147

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NOTE 27. QUARTERLY INFORMATION (UNAUDITED)

	First quarter		Second quarter		Third quarter		Fourth quarter	
(Per-share amounts in dollars)	2022	2021	2022	2021	2022	2021	2022	2021
Total revenues	$ 17,040	$ 17,071	$ 18,646	$ 18,253	$ 19,084	$ 18,569	$ 21,786	$ 20,303
Sales of equipment and services	16,272	16,316	17,880	17,470	18,438	17,813	21,011	19,492
Cost of equipment and services sold	12,453	12,538	13,244	13,618	14,371	13,401	15,467	14,338
Earnings (loss) from continuing operations	(729)	97	(561)	(571)	(76)	582	2,302	(3,504)
Earnings (loss) from discontinued operations	(286)	(2,894)	(210)	(564)	(85)	602	(64)	(339)
Net earnings (loss)	(1,014)	(2,798)	(771)	(1,135)	(160)	1,184	2,238	(3,843)
Less net earnings (loss) attributable to noncontrolling interests	28	5	19	(3)	4	(73)	16	1
Net earnings (loss) attributable to the Company	$ (1,042)	$ (2,802)	$ (790)	$ (1,131)	$ (165)	$ 1,257	$ 2,222	$ (3,843)
Per-share amounts – earnings (loss) from continuing operations								
Diluted earnings (loss) per share	$ (0.74)	$ 0.02	$ (0.59)	$ (0.57)	$ (0.14)	$ 0.54	$ 1.99	$ (3.24)
Basic earnings (loss) per share	(0.74)	0.02	(0.59)	(0.57)	(0.14)	0.54	2.01	(3.24)
Per-share amounts – earnings (loss) from discontinued operations								
Diluted earnings (loss) per share	(0.26)	(2.63)	(0.19)	(0.51)	(0.08)	0.54	(0.06)	(0.31)
Basic earnings (loss) per share	(0.26)	(2.64)	(0.19)	(0.51)	(0.08)	0.55	(0.06)	(0.31)
Per-share amounts – net earnings (loss)								
Diluted earnings (loss) per share	(0.99)	(2.61)	(0.78)	(1.08)	(0.21)	1.08	1.93	(3.55)
Basic earnings (loss) per share	(0.99)	(2.62)	(0.78)	(1.08)	(0.21)	1.09	1.95	(3.55)
Dividends declared	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08

Earnings-per-share amounts are computed independently each quarter for earnings (loss) from continuing operations, earnings (loss) from discontinued operations and net earnings (loss). As a result, the sum of each quarter's per-share amount may not equal the total per-share amount for the respective year; and the sum of per-share amounts from continuing operations and discontinued operations may not equal the total per-share amounts for net earnings (loss) for the respective quarters.

NOTE 28. SUBSEQUENT EVENT. On January 3, 2023 (the Distribution Date), GE completed the previously announced separation of its HealthCare business, into a separate, independent publicly traded company, GE HealthCare Technologies, Inc. (GE HealthCare). The Separation was structured as a tax-free spin-off, and was achieved through GE's pro-rata distribution of approximately 80.1% of the outstanding shares of GE HealthCare to holders of GE common stock. On the Distribution Date, each holder of record of GE common stock received one share of GE HealthCare common stock for every three shares of GE common stock held. As a result of the Separation, GE HealthCare became an independent public company that trades under the symbol "GEHC" on The Nasdaq Stock Market LLC and we will no longer consolidate GE HealthCare into our financial results.

In connection with the Separation, the historical results of GE HealthCare and certain assets and liabilities included in the Separation will be reported in GE's consolidated financial statements as discontinued operations beginning in the first quarter of 2023. GE will prospectively measure its retained ownership interest of approximately 19.9% in GE HealthCare common stock at fair value. This equity ownership interest and the related earnings impact from subsequent changes in its fair value will be recognized in continuing operations. In addition, we expect to fully monetize our stake in GE HealthCare over time.

Also in connection with the Separation, the Company entered into various agreements to effect the Separation and provide a framework for the relationship between GE and GE HealthCare, including a Separation and Distribution Agreement (SDA), a Tax Matters Agreement and a Transition Services Agreement (TSA).

In connection with the Separation and as a result of the legal split of certain plans as set forth in Note 13, net liabilities of approximately $4.0 billion associated with GE's postretirement benefit plans, including a portion of the principal pension plans, the principal retiree benefit plans and other pension plans were transferred to GE HealthCare. Deferred compensation arrangements and other compensation and benefits obligations of approximately $0.7 billion were also transferred to GE HealthCare. The legal split and transfer of the plans and the related liabilities and obligations to GE HealthCare will impact our assumptions and projections used to determine the funding and costs of GE's remaining plans.

In connection with the Separation, GE received $1.5 billion of cash funded by GE HealthCare's additional $2.0 billion of indebtedness incurred on January 3, 2023.

Following the Separation, GE has remaining performance and bank guarantees on behalf of its former HealthCare business. Under the SDA, GE HealthCare is obligated to use reasonable best efforts to replace GE as the guarantor on or terminate all such credit support instruments. Until such termination or replacement, in the event of non-fulfillment of contractual obligations by the relevant obligor(s), GE could be obligated to make payments under the applicable instruments. Under the SDA, GE HealthCare is obligated to reimburse and indemnify GE for any such payments. As of January 3, 2023, GE's maximum aggregate exposure under such credit support instruments is approximately $0.5 billion. Most of these guarantees are not expected to remain in effect as of December 2023. In addition, GE also has an obligation under the TSA to indemnify GE HealthCare for certain of its technology costs of approximately $0.1 billion, which are expected to be incurred by GE HealthCare within the first year following the Separation.

DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Information about our Executive Officers (As of February 1, 2023)

Name	Position	Age	Date assumed Executive Officer Position
H. Lawrence Culp, Jr.	Chairman of the Board & Chief Executive Officer, GE; CEO, GE Aerospace	59	October 2018
Carolina Dybeck Happe	Senior Vice President & Chief Financial Officer, GE	50	March 2020
L. Kevin Cox	Senior Vice President, Chief Human Resources Officer, GE	59	February 2019
Michael J. Holston	Senior Vice President, General Counsel & Secretary, GE	60	April 2018
John Slattery	Senior Vice President, GE; Executive Vice President & Chief Commercial Officer, GE Aerospace	54	September 2020
Russell Stokes	Senior Vice President, GE; President & CEO, Commercial Engines and Services, GE Aerospace	51	September 2018
Scott L. Strazik	Senior Vice President, GE; President & CEO, GE Power and GE Renewable Energy;	44	January 2019
Thomas S. Timko	Vice President, Controller & Chief Accounting Officer, GE	54	September 2018

All Executive Officers are elected by the Board of Directors for an initial term that continues until the Board meeting immediately preceding the next annual statutory meeting of shareholders, and thereafter are elected for one-year terms or until their successors have been elected. Other than Messrs. Culp, Cox, Holston, Slattery and Timko and Ms. Dybeck Happe, the Executive Officers have been executives of General Electric Company for at least five years.

Prior to joining GE in April 2018 as an independent director and being elected to the position of Chairman and CEO in October 2018, Mr. Culp served as CEO at Danaher Corp. (2001-2014); as a senior advisor at Danaher Corp. (2014-2016); as a senior lecturer at Harvard Business School (2015-2018); and as a senior adviser at Bain Capital Private Equity, LP (2017-2018).

Prior to joining GE in March 2020, Ms. Dybeck Happe had been Chief Financial Officer of A.P. Moller - Maersk A/S since 2019 after serving as Chief Financial Officer of Assa Abloy AB since 2012 until 2018.

Prior to joining GE in February 2019, Mr. Cox had been Chief Human Resources Officer at American Express since 2005.

Prior to joining GE in April 2018, Mr. Holston had been general counsel at Merck since 2015, after joining the drugmaker as chief ethics and compliance officer in 2012.

Prior to joining GE in July 2020, Mr. Slattery had been President and Chief Executive Officer of Commercial Aviation for Embraer, S.A. since 2016 after serving as the Chief Commercial Officer for Embraer Commercial Aviation since 2012.

Prior to joining GE in September 2018, Mr. Timko was Vice President, Controller and Chief Accounting Officer at General Motors since 2013.

The remaining information called for by this item is incorporated by reference to "Election of Directors," "Other Governance Policies & Practices", "Board Committees", and "Board Operations" in our definitive proxy statement for our 2023 Annual Meeting of Shareholders to be held May 3, 2023, which will be filed within 120 days of the end of our fiscal year ended December 31, 2022 (the 2023 Proxy Statement).

EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a)1. Financial Statements

Included in the "Financial Statements and Supplementary Data" section of this report:

Management's Annual Report on Internal Control Over Financial Reporting
Reports of Independent Registered Public Accounting Firms
Statement of Earnings (Loss) for the years ended December 31, 2022, 2021 and 2020
Statement of Financial Position at December 31, 2022 and 2021
Statement of Cash Flows for the years ended December 31, 2022, 2021 and 2020
Statement of Comprehensive Income (Loss) for the years ended December 31, 2022, 2021 and 2020
Statement of Changes in Shareholders' Equity for the years ended December 31, 2022, 2021 and 2020
Notes to consolidated financial statements
Management's Discussion and Analysis of Financial Condition and Results of Operations - Summary of Operating Segments

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(a)2. Financial Statement Schedules

The schedules listed in Reg. 210.5-04 have been omitted because they are not applicable or the required information is shown in the consolidated financial statements or notes thereto.

(a)3. Exhibit Index

Exhibit

2(a) Separation and Distribution Agreement, dated November 7, 2022 by and between General Electric Company and GE HealthCare Technologies Inc. (f/k/a GE Healthcare Holding LLC), as amended. (Incorporated by reference to Exhibit 2.1 to GE's Current Report on Form 8-K, January 4, 2023 (Commission file no, 001-00035)).

2(b) Transaction Agreement, dated as of March 9, 2021 by and among GE Ireland USD Holdings ULC, GE Financial Holdings ULC, GE Capital US Holdings, Inc., General Electric Company, AerCap Holdings N.V., AerCap US Aviation LLC, and AerCap Aviation Leasing Limited (Incorporated by reference to Exhibit 2.1 to GE's Current Report on Form 8-K, dated March 12, 2021 (Commission file no. 001-00035)).

3(i) The Restated Certificate of Incorporation of General Electric Company (Incorporated by reference to Exhibit 3(i) to GE's Annual Report on Form 10-K for the fiscal year ended December 31, 2013), as amended by the Certificate of Amendment, dated December 2, 2015 (Incorporated by reference to Exhibit 3.1 to GE's Current Report on Form 8-K, dated December 3, 2015), as further amended by the Certificate of Amendment, dated January 19, 2016 (Incorporated by reference to Exhibit 3.1 to GE's Current Report on Form 8-K, dated January 20, 2016), as further amended by the Certificate of Change of General Electric Company (Incorporated by reference to Exhibit 3(1) to GE's Current Report on Form 8-K, dated September 1, 2016), as further amended by the Certificate of Amendment, dated May 13, 2019 (Incorporated by reference to Exhibit 3.1 to GE's Current Report on Form 8-K, dated May 13, 2019), as further amended by the Certificate of Change of General Electric Company (Incorporated by reference to Exhibit 3.1 to GE's Current Report on Form 8-K, dated December 9, 2019), as further amended by the Certificate of Amendment, dated July 30, 2021 (Incorporated by reference to Exhibit 3.1 to GE's Current Report on Form 8-K, dated July 30, 2021) (in each case, under Commission file number 001-00035).

3(ii) The By-Laws of General Electric Company, as amended on May 13, 2019 (Incorporated by reference to Exhibit 3.2 to GE's Current Report on Form 8-K dated May 13, 2019) (Commission file number 001-00035)).

4(a) Amended and Restated General Electric Capital Corporation Standard Global Multiple Series Indenture Provisions dated as of February 27, 1997 (Incorporated by reference to Exhibit 4(a) to General Electric Capital Corporation's Registration Statement on Form S-3, File No. 333-59707 (Commission file number 001-06461)).

4(b) Third Amended and Restated Indenture dated as of February 27, 1997, between General Electric Capital Corporation and The Bank of New York Mellon, as successor trustee (Incorporated by reference to Exhibit 4(c) to General Electric Capital Corporation's Registration Statement on Form S-3, File No. 333-59707 (Commission file number 001-06461)).

4(c) First Supplemental Indenture dated as of May 3, 1999, supplemental to Third Amended and Restated Indenture dated as of February 27, 1997 (Incorporated by reference to Exhibit 4(dd) to General Electric Capital Corporation's Post-Effective Amendment No. 1 to Registration Statement on Form S-3, File No. 333-76479 (Commission file number 001-06461)).

4(d) Second Supplemental Indenture dated as of July 2, 2001, supplemental to Third Amended and Restated Indenture dated as of February 27, 1997 (Incorporated by reference to Exhibit 4(f) to General Electric Capital Corporation's Post-Effective Amendment No.1 to Registration Statement on Form S-3, File No. 333-40880 (Commission file number 001-06461)).

4(e) Third Supplemental Indenture dated as of November 22, 2002, supplemental to Third Amended and Restated Indenture dated as of February 27, 1997 (Incorporated by reference to Exhibit 4(cc) to General Electric Capital Corporation's Post-Effective Amendment No. 1 to the Registration Statement on Form S-3, File No. 333-100527 (Commission file number 001-06461)).

4(f) Fourth Supplemental Indenture dated as of August 24, 2007, supplemental to Third Amended and Restated Indenture dated as of February 27, 1997 (Incorporated by reference to Exhibit 4(g) to General Electric Capital Corporation's Registration Statement on Form S-3, File number 333-156929 (Commission file number 001-06461)).

4(g) Senior Note Indenture, dated October 9, 2012, by and between the Company and The Bank of New York Mellon, as trustee (Incorporated by reference to Exhibit 4.1 of GE's Current Report on Form 8-K dated October 9, 2012 (Commission file number 001-00035)).

4(h) Indenture dated as of October 26, 2015, among GE Capital International Funding Company, as issuer, General Electric Company and General Electric Capital Corporation, as guarantors and The Bank of New York Mellon, as trustee (Incorporated by reference to Exhibit 99 to General Electric's Current Report on Form 8-K filed on October 26, 2015 (Commission file number 001-00035)).

4(i) Global Supplemental Indenture dated as of April 10, 2015, among General Electric Capital Corporation, General Electric Company and The Bank of New York Mellon, as trustee. (Incorporated by reference to Exhibit 4(i) to GE's Annual Report on Form 10-K for the fiscal year ended December 31, 2015 (Commission file number 001-00035)).

4(j) Second Global Supplemental Indenture dated as of December 2, 2015, among General Electric Capital Corporation, General Electric Company and The Bank of New York Mellon, as successor trustee (Incorporated by reference to Exhibit 4.2 to General Electric's Current Report on Form 8-K filed on December 3, 2015 (Commission file number 001-00035)).

4(k) Agreement to furnish to the Securities and Exchange Commission upon request a copy of instruments defining the rights of holders of certain long-term debt of the registrant and consolidated subsidiaries.*

4(l) Description of the Registrant's Securities Registered Pursuant to Section 12 of the Securities Exchange Act of 1934.*

(10) Except for 10(rr), (ss) and (tt) below, all of the following exhibits consist of Executive Compensation Plans or Arrangements:

(a) GE Executive Life Insurance Plan, as amended and restated January 1, 2020, and all amendments to date, including its most recent amendment effective January 1, 2023.*

(b) GE Leadership Life Insurance Plan, effective January 1, 2020 and all amendments to date, including its most recent amendment January 3, 2023.*

(c) General Electric Directors' Charitable Gift Plan, as amended through December 2002 (Incorporated by reference to Exhibit 10(i) to GE's Annual Report on Form 10-K for the fiscal year ended December 31, 2002 (Commission file number 001-00035)).

(d) GE Aerospace Supplementary Pension Plan, as amended effective January 1, 2023.*

(e) GE Energy Supplementary Pension Plan, as amended effective January 1, 2023.*

(f) General Electric Restoration Plan, as amended, effective January 1, 2023.*

(g) General Electric 2003 Non-Employee Director Compensation Plan, Amended and Restated as of December 7, 2018 (Incorporated by reference to Exhibit 10(g) to GE's Annual Report on Form 10-K for the fiscal year ended December 31, 2018(Commission file number 001-00035)).

(h) Form of Director Indemnification Agreement (Incorporated by reference to Exhibit 10(cc) to GE's Annual Report on Form 10-K for the fiscal year ended December 31, 2018 (Commission file number 001-00035)).

(i) Amendment to Nonqualified Deferred Compensation Plans, dated as of December 14, 2004 (Incorporated by reference to Exhibit 10(w) to the GE's Annual Report on Form 10-K for the fiscal year ended December 31, 2004 (Commission file number 001-00035)).

(j) GE Aerospace Retirement for the Good of the Company Program, as amended effective January 1, 2023.*

(k) GE Energy Retirement for the Good of the Company Program, effective January 1, 2023.*

(l) GE US Executive Severance Plan, effective January 1, 2022 (Incorporated by reference to Exhibit 10(j) to GE's Annual Report on Form 10-K for the fiscal year ended December 31, 2021 (Commission file number 001-00035)).

(m) GE Aerospace Excess Benefits Plan, as amended, effective January 1, 2023.*

(n) GE Energy Excess Benefits Plan, effective January 1, 2023.*

(o) GE Aerospace 2006 Executive Deferred Salary Plan, as amended, effective January 1, 2023.*

(p) GE Energy 2006 Executive Deferred Salary Plan, effective January 1, 2023.*

(q) GE 2007 Long-Term Incentive Plan as amended and restated April 26, 2017, as further amended and restated February 15, 2019, and as further amended and restated July 30, 2021 (Incorporated by reference to Exhibit 10(a) to GE's Quarterly Report on Form 10-Q for the quarter ended September 30, 2021 (Commission file number 001-00035)).

(r) Amendment, dated August 18, 2020, to the GE 2007 Long-Term Incentive Plan (as amended and restated April 26, 2017, and as further amended and restated February 15, 2019) (Incorporated by reference to Exhibit 10(c) to GE's Quarterly Report on Form 10-Q for the quarter ended September 30, 2020 (Commission file number 001-00035)).

(s) Form of Agreement for Stock Option Grants to Executive Officers under the General Electric Company 2007 Long-Term Incentive Plan, as of March 2022 (Incorporated by reference to Exhibit 10(a) to GE's Quarterly Report on Form 10-Q for the quarter ended March 31, 2022 (Commission file number 001-00035)).

(t) Form of Agreement for Stock Option Grants to Executive Officers under the General Electric Company 2007 Long-Term Incentive Plan, as of March 2021 (Incorporated by reference to Exhibit 10(a) to GE's Quarterly Report on Form 10-Q for the quarter ended March 30, 2021 (Commission file number 001-00035)).

(u) Form of Agreement for Stock Option Grants to Executive Officers under the General Electric Company 2007 Long-Term Incentive Plan, as of March 2020 (Incorporated by reference to Exhibit 10(r) to GE's Annual Report on Form 10-K for the fiscal year ended December 31, 2020 (Commission file number 001-00035)).

(v) Form of Agreement for Restricted Stock Unit Grants to Executive Officers under the General Electric Company 2007 Long-Term Incentive Plan, as of March 2022 (Incorporated by reference to Exhibit 10(b) to GE's Quarterly Report on Form 10-Q for the quarter ended March 31, 2022 (Commission file number 001-00035)).

(w) Form of Agreement for Restricted Stock Unit Grants to Executive Officers under the General Electric Company 2007 Long-Term Incentive Plan, as of March 2021(Incorporated by reference to Exhibit 10(b) to GE's Quarterly Report on Form 10-Q for the quarter ended March 30, 2021 (Commission file number 001-00035)).

(x) Form of Agreement for Restricted Stock Unit Grants to Executive Officers under the General Electric Company 2007 Long-Term Incentive Plan, as of March 2020 (Incorporated by reference to Exhibit 10(s) to GE's Annual Report on Form 10-K for the fiscal year ended December 31, 2020 (Commission file number 001-00035)).

(y) Form of Agreement for Leadership Restricted Stock Unit Grants to Executive Officers under the General Electric Company 2007 Long-Term Incentive Plan, as of September 2020 (Incorporated by reference to Exhibit 10(t) to GE's Annual Report on Form 10-K for the fiscal year ended December 31, 2020 (Commission file number 001-00035)).

(z) Form of Agreement for Performance Stock Unit Grants to Executive Officers under the General Electric Company 2007 Long-Term Incentive Plan, as of March 2022 (Incorporated by reference to Exhibit 10(c) to GE's Quarterly Report on Form 10-Q for the quarter ended March 31, 2022 (Commission file number 001-00035)).

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(aa) Form of Agreement for Performance Stock Unit Grants to Executive Officers in 2021 under the General Electric Company 2007 Long-Term Incentive Plan, as amended July 30, 2021 (Incorporates by reference to Exhibit 10(b) to GE's Quarterly Report on Form 10-Q for the quarter ended September 30, 2021 (Commission file number 001-00035)).

(bb) Form of Agreement for Performance Stock Unit Grants to Executive Officers in 2020 under the General Electric Company 2007 Long-Term Incentive Plan (Incorporated by reference to Exhibit 10(v) to GE's Annual Report on Form 10-K for the fiscal year ended December 31, 2020 (Commission file number 001-00035)).

(cc) GE 2022 Long-Term Incentive Plan, effective May 4, 2022 (Incorporated by reference to Exhibit 99.1 to GE's Registration Statement of Form S-8, File No, 333-264715).

(dd) General Electric International Employee Stock Purchase Plan, as amended and restated on April 25, 2018 (Incorporated by reference to Exhibit 99.1 to GE's Registration Statement on Form S-8, dated May 1, 2018, File No. 333-224587 (Commission file number 001-00035)).

(ee) General Electric Company Annual Executive Incentive Plan, as amended, effective January 1, 2023.*

(ff) GE Energy Annual Executive Incentive Compensation Plan, effective January 1, 2023.*

(gg) Employment Agreement between H. Lawrence Culp, Jr. and General Electric Company, effective October 1, 2018 (Incorporated by reference to Exhibit 10(z) to GE's Annual Report on Form 10-K for the fiscal year ended December 31, 2018 (Commission file number 001-00035)).

(hh) Amendment No.1, effective August 18, 2020, to the Employment Agreement between H. Lawrence Culp, Jr. and General Electric Company, effective October 1, 2018 (Incorporated by reference to Exhibit 10.1 to General Electric Company's Current Report on Form 8-K, dated August 20, 2020 (Commission file number 001-00035)).

(ii) Amendment No.2, dated as of March 15, 2022, to the Employment Agreement between H. Lawrence Culp, Jr. and General Electric Company, dated as of October 1, 2018 (Incorporated by reference to Exhibit 10.1 to GE's Current on Form 8-K dated March 17, 2022 (Commission file number 001-00035)).

(jj) Performance Share Grant Agreement for H. Lawrence Culp, Jr., dated August 18, 2020 (Incorporated by reference to Exhibit 10.2 to General Electric Company's Current Report on Form 8-K, dated August 20, 2020 (Commission file number 001-00035)).

(kk) Notice of Adjustment to the Performance Share Grant Agreement for H. Lawrence Culp, Jr., effective July 30, 2021 (Incorporated by reference to Exhibit 10(c) to GE's Quarterly Report on Form 10-Q for the quarter ended September 30, 2021 (Commission file number 001-00035)).

(ll) Employment Agreement between Carolina Dybeck Happe and General Electric Company, effective November 24, 2019 (Incorporated by reference to Exhibit 10(z) to GE's Annual Report on Form 10-K for the fiscal year ended December 31, 2019 (Commission file number 001-00035)).

(mm) Memorandum of Understanding between General Electric Company and Carolina Dybeck Happe, effective March 1, 2020 (Incorporated by reference to Exhibit 10(c) to GE's Quarterly Report on Form 10-Q for the quarter ended March 31, 2020 (Commission file number 001-00035)).

(nn) Amendment No. 1, effective September 2, 2020, to the Employment Agreement between Carolina Dybeck Happe and General Electric Company, effective November 24, 2019 (Incorporated by reference to Exhibit 10(d) to GE's Quarterly Report on Form 10-Q for the quarter ended September 30, 2020 (Commission file number 001-00035)).

(oo) Performance Stock Unit Grant Agreement for Carolina Dybeck Happe, dated September 3, 2020 (Incorporated by reference to Exhibit 10(e) to GE's Quarterly Report on Form 10-Q for the quarter ended September 30, 2020 (Commission file number 001-00035)).

(pp) Notice of Adjustment to the Performance Stock Unit Grant Agreement for Carolina Dybeck Happe, effective July 30, 2021 (Incorporated by reference to Exhibit 10(d) to GE's Quarterly Report on Form 10-Q for the quarter ended September 30, 2021 (Commission file number 001-00035)).

(qq) Offer Letter Agreement for John Slattery, dated June 12, 2020 (Incorporated by reference to Exhibit 10(d) to GE's Quarterly Report on Form 10-Q for the quarter ended March 31, 2021 (Commission file number 001-00035)).

(rr) Amended and Restated Agreement, dated April 10, 2015, between General Electric Company and General Electric Capital Corporation (Incorporated by reference to Exhibit 10 to GE's Current Report on Form 8-K, dated April 10, 2015 (Commission file number 001-00035)).

(ss) Amended and Restated Credit Agreement, dated as of May 27, 2021, among General Electric Company, as the borrower, JPMorgan Chase Bank, N.A., as Administrative Agent, and the lenders party thereto (Incorporated by reference to Exhibit 10 to GE's Current Report on Form 8-K, dated May 27, 2021 (Commission file number 001-00035)).

(tt) Tax Matters Agreement, dated as of January 2, 2023, by and between GE and GE HealthCare Technologies Inc. (Incorporated by reference to Exhibit 10.1 to GE's Current Report on Form 8-K, dated January 4, 2023 (Commission file no, 001-00035)).

(11) Statement re Computation of Per Share Earnings.**

(21) Subsidiaries of Registrant.*

(22) List of Subsidiary Guarantors and Issuers of Guaranteed Securities.*

23(a) Consent of Independent Registered Public Accounting Firm (Deloitte).*

23(b) Consent of Independent Registered Public Accounting Firm (KPMG).*

(24) Power of Attorney.*

31(a) Certification Pursuant to Rules 13a-14(a) or 15d-14(a) under the Securities Exchange Act of 1934, as amended.*

31(b) Certification Pursuant to Rules 13a-14(a) or 15d-14(a) under the Securities Exchange Act of 1934, as amended.*

(32) Certification Pursuant to 18 U.S.C. Section 1350.*

99(a) Supplement to Present Required Information in Searchable Format.*

(101) The following materials from General Electric Company's Annual Report on Form 10-K for the year ended December 31, 2022, formatted as Inline XBRL (eXtensible Business Reporting Language); (i) Statement of Earnings (Loss) for the years ended December 31, 2022, 2021 and 2020, (ii) Statement of Financial Position at December 31, 2022 and 2021, (iii) Statement of Cash Flows for the years ended December 31, 2022, 2021 and 2020, (iv) Statement of Comprehensive Income (Loss) for the years ended December 31, 2022, 2021 and , (v) Statement of Changes in Shareholders' Equity for the years ended December 31, 2022, 2021 and , and (vi) the Notes to Consolidated Financial Statements.*

(104) Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).

* Filed electronically herewith

** Information required to be presented in Exhibit 11 is provided in Note 18 to the consolidated financial statements in this Form 10-K Report in accordance with the provisions of Financial Accounting Standards Board Accounting Standards Codification 260, *Earnings Per Share*.

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(a) Incorporated by reference to "Governance" in the 2023 Proxy Statement.
(b) Incorporated by reference to "Compensation Discussion & Analysis", "Other Executive Compensation Policies & Practices" and "Management Development & Compensation Committee Report" in the 2023 Proxy Statement.
(c) Incorporated by reference to "Stock Ownership Information" and "Equity Compensation Plan Information" in the 2023 Proxy Statement.
(d) Incorporated by reference to "Related Person Transactions" and "How We Assess Director Independence" in the 2023 Proxy Statement.
(e) Incorporated by reference to "Independent Auditor" in the 2023 Proxy Statement for Deloitte and Touche LLP (PCAOB ID No. 34) and KPMG LLP (PCAOB ID No. 185).

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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this annual report on Form 10-K for the fiscal year ended December 31, 2022, to be signed on its behalf by the undersigned, and in the capacities indicated, thereunto duly authorized in the City of Boston and Commonwealth of Massachusetts on the 10th day of February 2023.

General Electric Company
(Registrant)

By /s/ Carolina Dybeck Happe
Carolina Dybeck Happe
Senior Vice President and
Chief Financial Officer
(Principal Financial Officer)

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signer	Title	Date
/s/ Carolina Dybeck Happe Carolina Dybeck Happe Senior Vice President and Chief Financial Officer	Principal Financial Officer	February 10, 2023
/s/ Thomas S. Timko Thomas S. Timko Vice President, Chief Accounting Officer and Controller	Principal Accounting Officer	February 10, 2023
/s/ H. Lawrence Culp, Jr. H. Lawrence Culp, Jr.* Chairman of the Board of Directors	Principal Executive Officer	February 10, 2023
Stephen Angel*	Director	
Sébastien M. Bazin*	Director	
Francisco D'Souza*	Director	
Edward P. Garden*	Director	
Isabella Goren*	Director	
Thomas W. Horton*	Director	
Catherine A. Lesjak*	Director	
Paula Rosput Reynolds*	Director	
Leslie F. Seidman*	Director	

A majority of the Board of Directors

*By /s/ Brandon Smith
Brandon Smith
Attorney-in-fact
February 10, 2023

EXECUTIVE OFFICES

General Electric Company
5 Necco Street, Boston, MA 02210
+1 (617) 443-3000

REGISTERED OFFICE

General Electric Company
1 River Road, Schenectady, NY 12345

ANNUAL MEETING

GE's 2023 Annual Meeting of Shareholders will be held on May 3, 2023.

SHAREHOLDER INFORMATION

For shareholder inquiries, write to GE Share Owner Services, P.O. Box 64874, St. Paul, MN 55164-0874; or call (800) 786-2543 (800-STOCK-GE) or +1 (651) 450-4064.

For internet access to general shareholder information and certain forms, including transfer instructions, visit the website at www.shareowneronline.com. You may also submit shareholder inquiries using the email link in the "Contact Us" section of the website.

STOCK EXCHANGE INFORMATION

In the United States, GE common stock is listed on the New York Stock Exchange (NYSE), its principal market. It also is listed on certain non-U.S. exchanges, including the London Stock Exchange, Euronext Paris, and SIX Swiss Exchange.

CORPORATE OMBUDSPERSON

To report concerns related to compliance with the law, GE policies, or government contracting requirements, write to GE Corporate Ombudsperson, P.O. Box 52560, Boston, MA 02205; or call +1 (617) 443-3077; or send an email to ombudsperson@corporate.ge.com.

FORM 10-K AND OTHER REPORTS; CERTIFICATIONS

This 2022 GE Annual Report includes the GE Annual Report on Form 10-K. The Form 10-K Report filed with the U.S. Securities and Exchange Commission (SEC) in February 2023 also contains additional information including exhibits. GE's Chief Executive Officer will also submit to the NYSE a certification certifying that he is not aware of any violations by GE of the NYSE corporate governance listing standards. The GE Form 10-K can be viewed at https://www.ge.com/investor-relations/annual-report and is also available, without charge, from GE Corporate Investor Communications, 5 Necco Street, Boston, MA 02210.

CONTACT THE GE BOARD OF DIRECTORS

The Audit Committee and the non-management directors have established procedures to enable anyone who has a concern about GE's conduct, or any employee who has a concern about the Company's accounting, internal accounting controls, or auditing matters, to communicate that concern directly to the lead director or to the Audit Committee. Such communications may be confidential or anonymous and may be submitted in writing to: GE Board of Directors, General Electric Company, 5 Necco Street, Boston, MA 02210; or call (800) 417-0575 or +1 (617) 443-3078; or send an email to directors@corporate.ge.com.

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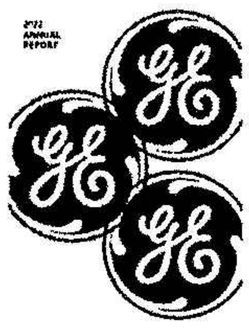
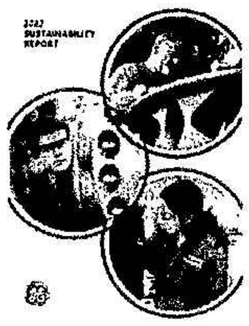
WHERE YOU CAN FIND MORE INFORMATION



2022 Annual Report
https://www.ge.com/investor-relations/annual-report



2022 Sustainability Report
To be published later this year
https://www.ge.com/sustainability

2023 Proxy Statement
To be published later this year
https://www.ge.com/proxy

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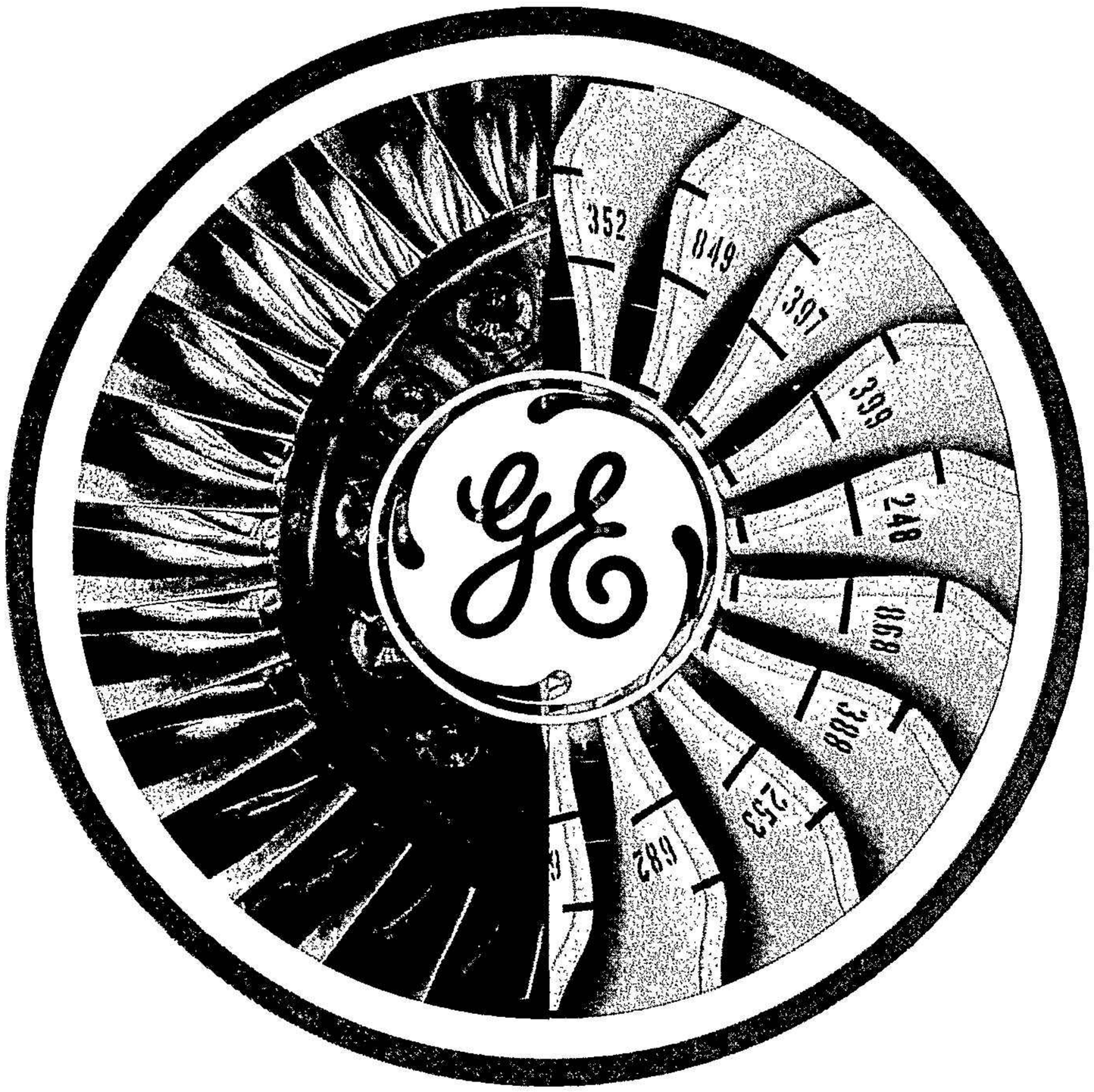

General Electric Company
5 Necco Street
Boston, MA 02210
www.ge.com

GE Healthcare divisionen
inom General Electric Company
koncernen avknoppades från
GE company 3 januari 2023
bibehåller även koncernredovisning
framöver för GE Healthcare Technologies
Inc. Frågor även i årsredovisningen

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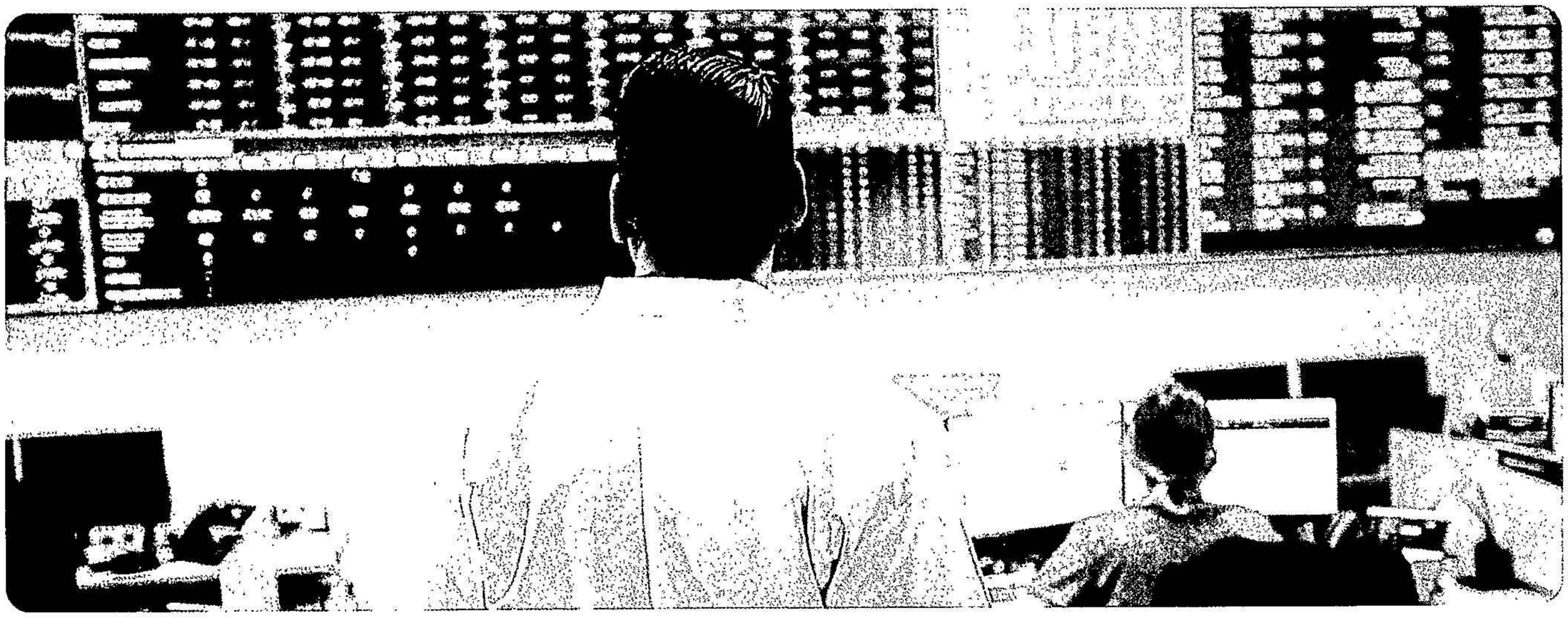
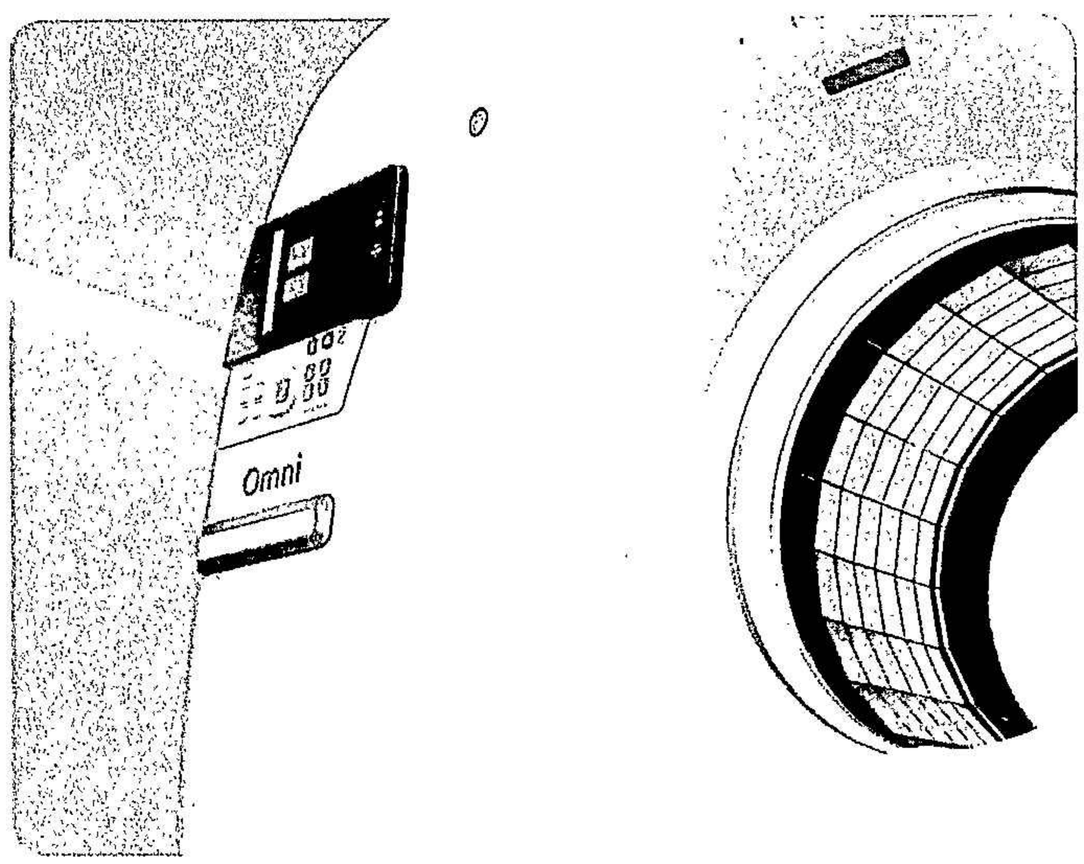
GE HealthCare

2022 Annual Report





gehealthcare.com

Board of Directors

H. Lawrence Culp, Jr.
Chairman and CEO, GE;
CEO, GE Aerospace

Peter J. Arduini
President and CEO,
GE HealthCare

Rodney F. Hochman
President and CEO,
Providence

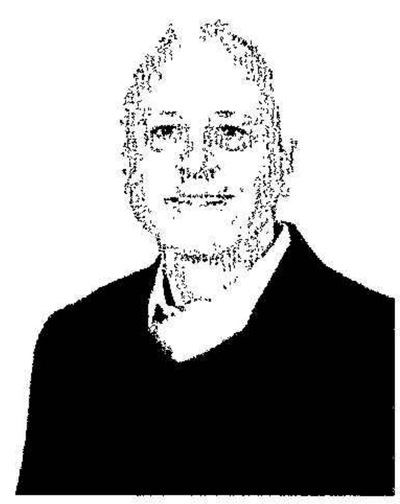
Lloyd W. Howell, Jr.
Former EVP, CFO, and
Treasurer, Booz Allen
Hamilton Holding
Company

Risa Lavizzo-Mourey
Professor Emerita,
University of Pennsylvania;
Former President and CEO,
Robert Wood
Johnson Foundation

Catherine Lesjak
Former EVP and
CFO, HP, and
its predecessor,
Hewlett-Packard

Anne T. Madden
SVP and General
Counsel, Honeywell
International Inc.

Tomislav Mihaljevic
CEO and President,
Morton L. Mandel
CEO Chair,
Cleveland Clinic



William J. Stromberg
Former CEO,
T. Rowe Price Group

Phoebe L. Yang
Former GM,
Amazon Web Services,
Healthcare

About GE HealthCare Technologies Inc.

GE HealthCare is a leading global medical technology, pharmaceutical diagnostics, and digital solutions innovator, dedicated to providing integrated solutions, services, and data analytics to make hospitals more efficient, clinicians more effective, therapies more precise, and patients healthier and happier. Serving patients and providers for more than 100 years, GE HealthCare is advancing personalized, connected, and compassionate care, while simplifying the patient's journey across the care pathway. Together our Imaging, Ultrasound, Patient Care Solutions, and Pharmaceutical Diagnostics businesses help improve patient care from diagnosis, to therapy, to monitoring. We are an $18.3 billion business with 50,000 employees working to create a world where healthcare has no limits.

Follow us on Facebook, LinkedIn, Twitter, Instagram, and Insights for the latest news, or visit our website gehealthcare.com for more information.

Letter from the CEO

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Dear GE HealthCare Stockholders:

This year marks a historic milestone for GE HealthCare as we became an independent, public company after more than 100 years in operation. We made tremendous progress in 2022 as we prepared for our spin-off, and there is a new energy across our organization as we focus on executing on our strategic plans. We continue to be recognized globally as a trusted partner, thanks to our dedicated team of approximately 50,000 colleagues who contribute to our goal of developing solutions and services that help improve patient outcomes and customer productivity.

Our precision care strategy equips us to deliver the future of personalized healthcare through diagnostics, treatment, and monitoring. This approach is built on our strengths in devices, aligned to disease states, and enabled by our digital and service capabilities. In 2022, we continued to leverage our global installed base of devices, strong brand name, deep customer relationships, commitment to quality, and domain expertise to drive innovation.

As global trends continue to shape our industry—including increasing healthcare digitization, expanding access to care, a growing middle class, and an aging population--we are well-positioned to grow by addressing the greatest challenges facing clinicians today.

Laying the Foundation for Growth

Our work in 2022 culminated in revenue growth of 4% year-over-year and Organic revenue growth* of 7%, despite a challenging macroeconomic environment, where we saw continued pressure on our margins from inflation. Nevertheless, we continued to invest in future innovation and to deliver for customers around the world for both their product and service needs. We were able to offset some of these economic headwinds with meaningful pricing, re-engineering, and lean initiatives. We operate a strong cash-generating business, with Cash from operating activities of $2.1 billion and Free cash flow* of $1.8 billion in 2022, allowing us to focus on deleveraging our balance sheet and investing both organically and through M&A.

Since our spin-off from GE on January 3, 2023, we have continued to optimize our operating model and supply chain to be more agile and focused as we deliver for customers while leveraging our scale, with the goal of increasing revenue growth, higher margins, and strong Free cash flow* performance. At the core of this transformation are our lean culture and principles, enabling us to move from a complex, highly matrixed organization to a streamlined structure of four business segments, aligned with the commercial organization, each empowered with end-to-end business responsibilities. These drive us to continually improve our business by taking actions to eliminate waste, increase productivity, and enhance the customer experience through quality and delivery.

We have announced significant collaborations and investments to further our growth goals, including:

- Our acquisition of Caption Health, expanding our ultrasound business to support new users through FDA-cleared, Artificial Intelligence (AI)-powered image guidance.
- Plans to acquire IMACTIS to strengthen capabilities within the growing computed tomography interventional guidance market.
- Strategic collaboration with MediView to bring augmented reality solutions to interventional medical imaging.
- Agreement with ulrich medical to offer a novel, multi-dose contrast media injector within the U.S.
- Investment of $80 million to increase contrast solution capacity by 30% at our Norway manufacturing facility.
- Numerous global collaborations within the radiation oncology space with leading innovators such as Accuray, Elekta, and RaySearch, to name a few – all with the goal of expanding access and advancing precision radiation therapy.

Leading In Innovation with Focused R&D

In 2022, we invested more than $1 billion dollars in R&D projects, and we will continue to invest in R&D to deliver innovative precision care solutions. Through our patient-centric strategy, we are building on our leadership position in AI-enabled devices and digital solutions with a growing proportion of New Product Introductions (NPI) incorporating AI each year. This will allow us not only to enhance the ecosystem we've established, but also to drive continued product upgradability, an important component of how we deliver value and deepen relationships with our customers.

Our customers recognize the value of these innovative new products as shown by our approximate 30% NPI vitality at the end of 2022. With a strong new product pipeline in growing diagnostic, therapeutic, and monitoring markets, we expect to see accretive revenue growth and margin expansion as we look ahead.

Committed to All of Our Stakeholders

As an independent company, we will also advance our environmental, social, and governance (ESG) strategy with a focus on areas where we can have the greatest impact for our stakeholders:

- Access to healthcare
- Climate impact & resilience
- Circular economy & environmental design
- Inclusion & diversity
- Cybersecurity & patient data

I look forward to sharing more details on these initiatives in our inaugural sustainability report later this year.

Looking ahead, we are confident in our ability to build on our momentum and deliver organic growth through product and service leadership. Our Board of Directors and management team are aligned on our purpose, mission, and path forward. These individuals bring a diverse range of perspectives and backgrounds to support our ambitions, including deep industry knowledge in patient care and healthcare systems, capital allocation experience to support organic and inorganic growth, management and financial expertise, and digital innovation leadership.

We are excited about the opportunities ahead for GE HealthCare and our ability to drive better outcomes for patients and customers as a global leader in precision care.

I would like to thank our teams across the globe for their commitment, as well as our stakeholders for their trust as we lead GE HealthCare into this exciting next chapter of our journey as a public company and create a world where healthcare has no limits.

Sincerely,

Peter J. Arduini
President and Chief Executive Officer,
GE HealthCare

* Non-GAAP financial measure. See the "Non-GAAP Financial Measures" section of the 2022 Form 10-K for reconciliations of GAAP to non-GAAP financial measures.

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United States Securities and Exchange Commission

WASHINGTON, D.C. 20549

FORM 10-K

☑ Annual Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
For the fiscal year ended December 31, 2022
Commission file number 001-41528

GE HealthCare

GE HEALTHCARE TECHNOLOGIES INC.

(Exact name of registrant as specified in its charter)

Delaware	**88-2515116**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
500 W. Monroe Street, Chicago IL	**60661**
(Address of principal executive offices)	(Zip Code)

(Registrant's telephone number, including area code) **(617) 443-3400**

Securities Registered Pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common stock, par value $0.01 per share	GEHC	The Nasdaq Stock Market LLC

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☑

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☑

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☐ No ☑

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☑ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☑	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☑

As of December 30, 2022, the last business day of the registrant's most recently completed fiscal quarter, there was no established public market for the registrant's common stock, par value $0.01 per share. The registrant's common stock began "regular way" trading on The Nasdaq Global Market on January 4, 2023. The number of shares of the Registrant's common stock outstanding was 453,926,139 as of January 31, 2023.

DOCUMENTS INCORPORATED BY REFERENCE

The definitive proxy statement relating to the registrant's Annual Meeting of Shareholders, to be held May 23, 2023, is incorporated by reference into Part III of this Annual Report on Form 10-K to the extent described therein.

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FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K contains forward-looking statements. These forward-looking statements might be identified by words, and variations of words, such as "will," "expect," "may," "would," "could," "plan," "believe," "anticipate," "intend," "estimate," "potential," "position," "forecast," "target," "guidance," "outlook," and similar expressions. These forward-looking statements may include, but are not limited to, statements about our business; information related to our business segment portfolios and strategies; financial performance, financial condition and results of operations, including revenue growth, profit, cash flows, and earnings per share; the impacts of macroeconomic and market conditions and volatility on our business operations, financial results, and financial position and on supply chains and the world economy; our strategy, innovation, and investments; our cost structure; our funding and liquidity; the impacts on our business of manufacturing, sourcing and supply chain management, the COVID-19 pandemic, and the Russia and Ukraine conflict; our transition to a stand-alone company; and risks related to foreign currency exchange, interest rates, and commodity price volatility. These forward-looking statements involve risks and uncertainties, many of which are beyond our control. Factors that could cause our actual results to differ materially from those described in our forward-looking statements include, but are not limited to, operating in highly competitive markets; the actions or inactions of third parties with whom we partner and the various collaboration, licensing, and other partnerships and alliances we have with third parties; demand for our products, services, or solutions and factors that affect that demand; management of our supply chain and our ability to cost-effectively secure the materials we need to operate our business; disruptions in our operations; changes in third-party and government reimbursement processes, rates, contractual relationships, and mix of public and private payers; the ability to attract and/or retain key personnel and qualified employees; the global COVID-19 pandemic and its effects on our business; maintenance and protection of our intellectual property rights; the impact of potential information technology, cybersecurity, or data security breaches; compliance with the various legal, regulatory, tax, and other laws to which we are subject and related changes, claims, or actions; ability to control increases in healthcare costs and any subsequent effect on demand for our products, services, or solutions; the impact of potential product liability claims; environmental, social, and governance matters; our ability to successfully complete strategic transactions; our ability to operate effectively as an independent, publicly traded company and achieve the benefits we expect from our spin-off from General Electric Company; and the incurrence of substantial indebtedness in connection with the spin-off and any related effect on our business. Please also see the "Risk Factors" section of this Annual Report on Form 10-K and any updates or amendments we make in future filings. There may be other factors not presently known to us or which we currently consider to be immaterial that could cause our actual results to differ materially from those projected in any forward-looking statements we make. We do not undertake any obligation to update or revise our forward-looking statements except as required by applicable law or regulation.

PART I
ITEM 1. BUSINESS

GE HealthCare Technologies Inc. ("GE HealthCare," the "Company," "our," or "we") is a leading global medical technology, pharmaceutical diagnostics, and digital solutions innovator. We have approximately 50,000 employees dedicated to our mission to create a world where healthcare has no limits. We operate at the center of the healthcare ecosystem, enabling precision care by increasing health system capacity, enhancing productivity, digitizing healthcare delivery, and improving clinical outcomes while serving patients' demand for greater efficiency, access, and personalized medicine. Our products, services, and solutions enable clinicians to make more informed decisions quickly and efficiently, improving patient care from diagnosis to therapy to monitoring. We have more than 125 years of experience and one of the strongest reputations in the global healthcare industry, built from our demonstrated record of delivering industry-defining innovation. This is complemented by our broad service capabilities and dedication to quality and integrity with a strong operational culture, deeply embedded in lean continuous improvement.

We generate revenue from the sale of medical devices, single-use and consumable products, service capabilities, and digital solutions. Precision care is expected to drive continued demand and opportunity for novel technologies and future innovation, as healthcare providers and researchers seek new solutions and tools for managing existing and new care pathways. The pursuit of precision care opportunities significantly expands our served industries to include integrated diagnostics, artificial intelligence ("AI") and machine learning-based clinical decision support, highly personalized therapies enabled by more precise diagnostics, and remote patient monitoring. The scale and breadth of our portfolio, combined with our innovation capabilities, position us to be a leading enabler of precision care.

GE HealthCare has extensive reach throughout the global healthcare system for medical technology, pharmaceutical diagnostics, and digital solutions, underpinned by resilient, sustainable practices and products, and a commitment to growing access to care. We serve customers in more than 160 countries with a global team of 10,000 sales professionals, 8,300 field service engineers, and a network of 43 manufacturing sites across 17 countries.

Our customers are healthcare providers and researchers, including public, private, and academic institutions that comprise an estimated $87 billion global industry growing at a mid-single digit Compound Annual Growth Rate ("CAGR"). We are organized into four business segments that are aligned with the industries we serve: Imaging, Ultrasound, Patient Care Solutions ("PCS"), and Pharmaceutical Diagnostics ("PDx"). Our portfolio of solutions addresses the biggest challenges facing healthcare providers and patients today, including helping to drive better patient outcomes and improved productivity for customers. These qualities foster strong trust, loyalty, and partnership with our global customer base.

GE HealthCare Technologies Inc., a Delaware corporation, completed its spin off (the "Spin-Off" or the "Separation") from General Electric Company ("GE") on January 3, 2023. On January 4, 2023, our common stock began regular-way trading on The Nasdaq Stock Market LLC ("Nasdaq") under the ticker symbol "GEHC." Our corporate headquarters are in Chicago, Illinois.

OUR SEGMENTS

We develop, manufacture, and market a broad portfolio of products, services, and complementary digital solutions used in the diagnosis, treatment, and monitoring of patients. We have a large global installed base of medical imaging, ultrasound, and patient monitoring systems.

Our business is comprised of four segments that are aligned with the industries we serve:

IMAGING BUSINESS.

GE HealthCare is a global leader in medical imaging with a comprehensive portfolio of scanning devices, clinical applications, service capabilities, and digital solutions. Our Imaging portfolio spans the care continuum and provides critical tools for physicians from initial screening and diagnosis, through therapeutic decision-making, to monitoring of patient progression. Our products are essential in the delivery of care for a broad spectrum of clinical specialties, including oncology, cardiology, neurology, nuclear medicine, orthopedics, women's health, pediatrics, and surgery.

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Our Imaging portfolio is comprised of six product lines and associated service capabilities: Molecular Imaging ("MI"), Computed Tomography ("CT"), Magnetic Resonance ("MR"), Image-Guided Therapies, Women's Health ("WH"), and X-ray. We manage our MI and CT product lines together ("MI/CT") and our Women's Health and X-ray product lines together ("WH/XR").

- MI enables the visualization, characterization, and quantification of functional processes taking place at the cellular and subcellular levels within patients. The images produced by MI systems allow clinicians to study the cellular and molecular pathways and mechanisms of disease in patients. We offer a complete MI solution from cyclotrons, chemistry synthesis, positron emission tomography ("PET"), computed tomography ("PET/CT"), PET/MR, and nuclear medicine to advanced digital solutions. Our MI team works closely with the Pharmaceutical Diagnostics ("PDx") segment and their innovations and collaborations with pharmaceutical companies.
- CT scans render 3D anatomical images of structures such as bone, soft tissue, and air cavities using an X-ray tube that rotates around a patient. The images are used in a wide variety of applications, including the detection of tumors or lesions, blocked blood vessels in the brain, abnormal heart conditions, complex bone fractures, and internal injuries from trauma. Our comprehensive CT portfolio includes multi-purpose and specialty scanners.
- MR is a sophisticated, non-invasive imaging technology that produces detailed anatomical images of almost every internal structure in the human body, such as the brain, spinal cord, heart, breast, kidneys, muscles, ligaments, and tendons. MR can also be used for functional imaging, and it is well-suited for disease detection, diagnosis, and treatment monitoring of a variety of conditions, including stroke, cancer, trauma, aneurysm, multiple sclerosis, cardiomyopathy, and congenital disorders. Our MR portfolio includes scanners for a range of clinical capabilities through different bore sizes, magnetic field strengths, and scalable platforms.
- Our Image-Guided Therapies business provides technologies that assist clinicians and surgeons during open surgeries and minimally-invasive endovascular procedures. Intraoperative imaging systems are used to visualize procedures that involve implants and devices, such as stents, balloons, pace makers, and artificial joints. Our Image-Guided Therapies business includes two business lines: interventional systems and surgery systems. Our interventional systems are commercialized under the IGS brand and are comprised of a broad portfolio of products that provide real-time advanced X-ray imaging and integrate with other imaging and diagnostic technologies that support clinicians in planning, guiding, and assessing minimally-invasive procedures. Our surgical systems are commercialized under the OEC brand and are comprised of a broad portfolio of mobile surgical C-arms that meet the varying clinical and environmental needs for surgical imaging around the world.
- Women's Health products use X-ray technology to help clinicians screen for and diagnose breast cancer as well as bone and metabolic diseases in women. The product portfolio includes imaging and biopsy positioning systems designed to image the breast and dual energy X-ray absorptiometry scanners designed to image bones with low mineral density.
- X-ray systems are used by clinicians to perform first-line diagnostic imaging examinations of anatomical structures in the body, such as bones, lungs, and the gastrointestinal tract. GE HealthCare's X-ray product portfolio includes systems for three distinct clinical situations: fixed room radiography products installed in hospitals and imaging centers; mobile radiography products used for bedside or other point-of-care imaging needs; and fluoroscopy products installed in hospitals for dynamic or "moving" X-ray imaging in applications like gastrointestinal examinations.

We also offer a suite of software and applications that help radiology teams improve productivity, address staff shortages, and deliver better patient outcomes. These software solutions and applications are upgradable through the lifecycle of the equipment and are especially beneficial for multi-site, multi-disciplinary networks that have complex operations. We also offer Picture Archiving and Communication System and Radiological Information Systems to manage the storage and reporting of radiology images.

Starting with the development of the X-ray in 1896, we have been at the forefront of industry-defining innovations for over 125 years and have consistently deployed advanced, innovative technologies to develop intelligently efficient solutions to address critical needs of our customers. We supplement our imaging solutions with digital applications and software solutions, leveraging our Artificial Intelligence ("AI") and advanced data science capabilities. We also offer specialized global service capabilities to support devices with repairs, upgrades, and lifecycle management. For each product in our portfolio, we develop and offer upgrades that expand clinical functionality throughout the product's lifecycle and extend the life of imaging devices and software for a strong return on our customers' investment.

In addition to our core products, digital solutions, and service offerings, we provide complementary enterprise solutions, such as education and training, and data integration services. Our broad enterprise solutions across the imaging continuum enable us to drive connectivity across healthcare systems and throughout the product lifecycle. Together, our imaging devices, digital solutions, and specialized services are designed to increase accuracy and precision of diagnostic and therapeutic efforts, improve efficiency of customer operations and workflows, and enable precision therapy delivery.

ULTRASOUND BUSINESS.

GE HealthCare is a global leader in ultrasound medical devices and solutions. Our broad portfolio spans the continuum of care, including screening, diagnosis, treatment, and monitoring of certain diseases. Our Ultrasound business' focus is on designing solutions that are aligned by specialties/care areas for specific clinical workflows to better serve the unique needs of our customers and improve patient outcomes, while lowering the overall cost of care. We continue to innovate and deliver best-in-class ultrasound probes and consoles, and to develop digital solutions that increase diagnostic accuracy and simplify clinical workflows. We enhance our leading technology with leading customer service that includes customer education and technical support with the goal of improving clinical workflows and operational efficiencies.

Our Ultrasound portfolio and associated service capabilities serve customers across five clinical areas: Radiology and Primary Care, Women's Health, Cardiovascular, Point of Care and Handheld, and Surgical Visualization & Guidance:

- Radiology and Primary Care ultrasound systems produce images to support precise diagnoses and treatment across the whole body, including liver, thyroid, renal, breast, vascular, and transcranial. Our systems combine exceptional image quality with comprehensive clinical tools, including measurement quantification, workflow automation, cross-modality networking, portability, and cloud-based technologies.
- Women's Health Ultrasound is comprised of obstetrics, gynecology, assisted reproductive medicine, and supplemental breast cancer screening. These care areas require specially-designed ultrasound products that account for patient comfort and workflow constraints to enable practitioners to provide higher-quality screening, exams, and procedural care. Our portfolio includes a range of products covering various specialties in this market, including obstetrics and gynecology.
- Cardiovascular Ultrasound is used in the diagnosis, treatment, and monitoring of patients with suspected or known heart disease. Diagnostic exams assess the structure and function of the heart. Ultrasound is also used for guidance during interventional, electrophysiology, and surgical procedures. Our portfolio supports both diagnostic exams and interventional procedures.
- Point of Care and Handheld Ultrasound technologies are portable devices that produce high-quality images, whether in a hospital, ambulance, or remote geographic location. Clinicians use our Point of Care and Handheld Ultrasound devices to diagnose, monitor, and treat patients' conditions throughout various care pathways to help improve outcomes while also reducing procedure time and required resources. Our portfolio contains console, laptop, and handheld devices.
- Our suite of Surgical Visualization & Guidance products that we acquired through the BK Medical acquisition (2021) helps surgeons visualize anatomy and lesions, guide interventions, and navigate inside the human body. These systems expand the use of ultrasound beyond diagnostics and support fast-growing precision surgery techniques, such as minimally-invasive and robotic-assisted surgeries, which require visualization for safe and effective navigation. Intraoperative imaging provides real-time information throughout surgical procedures that can be used to confirm or amend surgical plans, monitor progress, and validate the execution of a procedure, all while the patient is in the operating room. With real-time critical information, surgeons can deliver faster, more personalized care and achieve better health outcomes for patients.

Our Ultrasound Digital Solutions portfolio is dedicated to helping solve the efficiency, accuracy, standardization, and accessibility challenges of ultrasound through seamlessly connected devices and workflow solutions.

Our Ultrasound business segment has a large installed base that requires ongoing service, upgrades, and updates. Seamless connection of devices, software, and services increases satisfaction and engagement of customers as they seek offerings that are optimally maintained and allow upgrades. Our service offerings are highly regionalized with local requirements, varying customer needs, and cross-modality service strategies. We offer full-service contracts providing a range of coverage, as well as parts, probe repair, and remote diagnostics.

PATIENT CARE SOLUTIONS BUSINESS.

GE HealthCare's PCS business is a leading global provider of medical devices, consumable products, services, and digital solutions that complement a care team's clinical expertise by acquiring and transforming clinical data into real-time visualization and clinical decision support. This allows care teams to more proactively adapt to changing patient needs and improve patient care and outcomes. Our PCS portfolio also helps solve current challenges our customers face, such as increased patient demand, clinician labor shortages, and the rising cost of care, by simplifying clinical and operational workflows to create efficiencies and capacity. PCS' products, along with our digital solutions and service capabilities, form a broad and integrated portfolio of solutions that supports care teams within and beyond most acute healthcare settings, including emergency departments, surgical/operating rooms, intensive care units ("ICUs"), neonatal intensive care units ("NICU"), labor and delivery units, telemetry units, medical-surgical units/general wards, cardiology departments, and clinics.

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Our PCS portfolio is comprised of five product lines: Patient Monitoring, Anesthesia Delivery and Respiratory Care, Diagnostic Cardiology, Maternal Infant Care, and Consumables and Services.

- Patient Monitoring enables clinicians to care for patients across all acute care settings. Our portfolio ranges from spot-check to continuous patient monitoring across acute care settings, including comprehensive multi-parameter monitors; central stations; continuous, wearable and mobile monitors; transport monitors; cardiac telemetry solutions; spot-check monitors; and visualization, alarm distribution, and care team collaboration solutions. Our Patient Monitoring business includes proprietary parameters and complementary consumables, as well as OEM parameters that are integrated into our monitoring fleet, of which a significant portion represents recurring revenue streams.
- Anesthesia and Respiratory Care products offer life support solutions via ventilation technology. Products in our Anesthesia portfolio are used by anesthesiologists to ventilate and deliver general anesthetic drugs to patients during surgeries. Our products are installed in many operating rooms across the world. Our Respiratory devices are designed to ventilate critically ill patients, generally in ICUs.
- In Diagnostic Cardiology, electrocardiogram ("ECG" or "EKG") is usually the first diagnostic tool to detect cardiovascular disease, a leading cause of death across the world. Our Diagnostic Cardiology products focus on harnessing the power of the ECG to save lives from that disease. We provide resting ECG devices, stress ECG devices, and ECG management digital solutions, including interpretation algorithms. Our ECG ecosystem obtains, interprets, and stores ECGs captured from devices in both hospital and home settings and provides a full care continuum for cardiology.
- Our Maternal Infant Care products are used in the labor and delivery department to monitor important maternal and fetal parameters, and in neonatal intensive care to assist in critical care for newborns. Our product portfolio includes neonatal incubators, infant warmers, resuscitation devices, phototherapy equipment, maternal and fetal monitors, and digital offerings, such as maternal and fetal heart rate surveillance software. Our products have added innovation in design including integrated scales, hands-free alarm silencing, angled radiant heating, and thermoregulation.
- Our Consumables and Services portfolio consists of 1,100 products that are used primarily with our monitoring solutions patient parameters, such as blood pressure, ECG, pulse, temperature, respiratory rate, blood oxygen level, and brain activity, and are used throughout the hospital. Our service offerings are flexible and can range from preventative maintenance to comprehensive, onsite biomedical service engineering contract. Both our consumables and services offer our customers ongoing clinical impact, protect their capital investment, and provide us consistent recurring revenue streams.

In addition to the solutions above, the PCS portfolio includes digital solutions that provide timely and accurate clinical decision support in acute and other care settings, simplifying clinical and operational workflows to drive efficiencies, and improving delivery of precision medicine and patient outcomes. These solutions aggregate and integrate clinical data from various devices across care settings in real time. Our digital solutions simplify visualization to guide clinical and operational decisions, enabling efficient care team collaboration virtually. These solutions are interoperable and vendor-agnostic to integrate with customer environments in a multi-vendor setting and provide a recurring revenue stream.

PCS' broad product and digital solution portfolio is complemented by a comprehensive suite of service offerings, including parts, labor, and training, as well as emerging data, analytics, and networking solutions to aid our customers in improving uptime and efficiency of their medical technology fleets.

PHARMACEUTICAL DIAGNOSTICS BUSINESS.

GE HealthCare's PDx business is a leading supplier of diagnostic agents to the global radiology and nuclear medicine industry. These diagnostic agents help clinicians assess patients to enable more precise diagnoses and better therapy selection. We distribute products globally, providing on-time delivery of quality products that help meet patient and procedural needs across a multitude of modalities. PDx's diagnostic agents are complementary to the imaging and ultrasound devices we offer, including CT, angiography and X-ray, MR, single-photon emission computed tomography ("SPECT"), PET, and ultrasound, and are also compatible with systems from other equipment vendors. We believe our established positions in imaging scanners, contrast media, contrast injectors, chemistry systems, radiopharmaceuticals, and cyclotrons give us unique insights into end-user needs that allow us to continuously innovate our product portfolio to offer differentiated solutions.

PDx operates within a strictly regulated industry with unique operational needs. Diagnostic agents require a sophisticated supply chain for manufacturing, supported by a global infrastructure of commercial, marketing, medical affairs, market access, application, regulatory, and pharmacovigilance teams that help monitor products. Customers require timely and reliable supply of diagnostic agents, as shortages or delays can be highly disruptive to workflows and cause exam cancellations.

Our PDx business is comprised of two business lines: Contrast Media and Molecular Imaging.

- Contrast media are pharmaceuticals that are administered to a patient prior to certain diagnostic scans in order to increase the visibility of tissues or structures during imaging exams. Contrast media increase the diagnostic value of imaging and can be critical to visualize small or nuanced areas of diagnostic interest, such as cancer lesions or vascular structures, and to plan medical interventions, such as angioplasties, biopsies, or radiation therapy. We offer contrast media to three imaging modality groups: (i) CT, angiography, and X-ray, (ii) MR, and (iii) Ultrasound. Our Contrast Media business also includes contrast injection devices through collaborations with original equipment manufacturers. Contrast injectors are automated devices that monitor and control the injection of contrast into patients and are a key productivity lever in the imaging suite.
- Molecular imaging agents, or radiopharmaceuticals, are molecular tracers labeled with radioisotopes that are injected into a patient prior to a diagnostic imaging scan. These agents work by accumulating in an area of diagnostic interest, such as a tumor, and emitting energy that is detected by a SPECT or PET scanner. Because they have specific molecular targets, they allow visualization and assessment of cell function, providing a more detailed dimension of biological activity. Our radiopharmaceuticals support diagnosis and therapy selection in various care areas, such as neurology, cardiology, and oncology, and are also used by pharmaceutical companies and researchers in selecting target populations for clinical trials.

OUR INDUSTRIES

The breadth of our product portfolio and global presence supports an estimated $87 billion total addressable opportunity across the industries our four business segments serve. Our industries are experiencing macro trends that we expect to continue to drive sustainable long-term growth in the demand for medical technology, pharmaceutical diagnostics, and digital solutions. We expect to benefit from many of these trends as our portfolio of solutions directly addresses many of the challenges and opportunities facing our customers today. As a stand-alone company, we will accelerate investments in Research and Development ("R&D") and innovation in areas where we see the most compelling growth opportunities, enhancing our competitive advantages.

MACRO HEALTHCARE TRENDS.

- ***Growing adoption of precision care.*** Patients and providers are increasingly recognizing the power of precision care to improve individual outcomes while enhancing the patient experience, containing costs, customizing care, and improving provider efficiency by lowering the amount of time required to treat patients.
- ***Digitization of healthcare.*** Valuable healthcare data is increasingly being used to improve care across disease states, enhance the ability of clinicians to diagnose and treat patients, and improve clinical workflow efficiencies, often assisted by software applications that utilize AI and machine learning technologies.
- ***Increasing demand for healthcare driven by demographic trends.*** The increasing global demand for healthcare is driven by population growth, an increasing proportion of the population over the age of 65, and the increasing prevalence and treatment of chronic diseases.
- ***Improving access to healthcare in emerging markets.*** The growing middle class in many of these markets is helping to drive both government and private sector investment in healthcare systems and medical technology.
- ***Expansion of alternative sites of care.*** The delivery of care in lower acuity settings is one of the fastest growing trends in the healthcare industry, driven by lower operating costs and expanding access to more of the population.
- ***Adoption of the Quadruple Aim of healthcare.*** The Quadruple Aim of Healthcare are guiding principles for delivering better patient care. Key tenets of the Quadruple Aim include: improving population health, reducing cost of care, enhancing the patient experience, and improving provider satisfaction.

OVERVIEW OF OUR INDUSTRIES AND KEY TRENDS.

The global industries served by our business segments represent large and growing opportunities that in addition to macro trends listed above, are driven by the following segment-specific trends:

- Our Imaging business segment is growing at a mid-single digit CAGR, driven by demand for increasingly high image quality, additional capabilities from leveraging AI, and advanced interventional surgical systems.
- Our Ultrasound business segment is growing at a mid-single digit CAGR, driven by expanded use of ultrasound in diagnostics, therapy, and monitoring across multiple care settings.
- Our Patient Care Solutions business segment is growing at a mid-single digit CAGR, driven by demand for integrated solutions to enable better decision-making and improve workflow efficiencies.
- Our Pharmaceutical Diagnostics business segment is growing at a mid-single digit CAGR, driven by demand for better visualization to enable more precise diagnoses and therapy selection for patients.

COMPETITORS

We are a global company and face competition from not only similar global participants, but also regional participants, that can vary by segment and product line. In the industries we serve, our primary global competitors include Siemens Healthineers, Philips Healthcare, Canon, and United Imaging, among others. In our Pharmaceutical Diagnostics business segment, we primarily compete with Bayer, Bracco, Guerbet, Lantheus, and Curium.

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BUSINESS STRATEGIES

We aim to grow our business by pursuing the following strategies:

- ***Deliver Industry-Leading Innovations.*** We aim to maintain and strengthen our leading global position by continuing to deliver innovative solutions that best address our customers' needs. From 2019 to 2022, we invested a cumulative $3.5 billion in R&D to drive our organic innovation efforts. We drive efficient use of our R&D budget by locating some of our R&D employees in lower-cost regions. We plan to further enhance our innovation efforts with inorganic investments across our business segments. We intend to increase our investment in innovation, both to enhance our core portfolio and extend our capabilities in attractive, high-growth adjacencies, including clinical decision support and workflow tools, advanced analytics and AI, 3D visualization, lower acuity patient monitoring, clinical collaboration tools, and integrated insights across multiple diagnostic modalities.

- ***Build Integrated Solutions Along Care Pathways.*** We build integrated equipment and software solutions designed to address the needs of clinicians and patients along care pathways. Our goal is to break down data silos across devices, bespoke systems (both third-party and our own), and sites of care that often delay or even prevent patients from getting the most appropriate diagnosis and treatment. Central to this approach is our focus on developing and delivering digital solutions that seamlessly integrate across workflows and departments and increasingly reside on our Edison platform for ease of deployment and enterprise-wide integration. Our care pathway approach is well supported by the breadth and depth of our portfolio, which gives us unique visibility into customer needs in clinical care areas such as oncology, cardiology, and neurology. We believe this strategy improves the value proposition of our current offerings, expands use cases for our Edison digital platform, and creates new software-as-a-service ("SaaS") revenue sources.

- ***Enable Digitization at a Device, Department, and Enterprise Level.*** Digital innovations are changing how care is delivered and consumed around the world by improving access, quality, safety, productivity, patient experience, and customer staff satisfaction. Dictated by customer needs, we have developed distinct strategies for our digital offerings that span device (e.g. MR DL Recon), department (e.g. AW Server), and enterprise solutions (e.g. Command Center). We plan to continue leveraging Edison Platform to help deploy and scale these software solutions, while accelerating customer adoption. Edison enables customers to: (i) efficiently upgrade existing devices with advanced intelligent functions, using edge or cloud technology; (ii) integrate clinical data across multiple diagnostic and therapeutic modalities, such as pathology, radiomics, and genomics; and (iii) develop or deploy new applications with industry-standard capabilities built-in, including data privacy and cybersecurity.

- ***Expand Our Business by Providing Transformational Customer Solutions.*** We plan to expand our leading global presence by continuing to deliver transformational solutions designed around specific customer needs. The growing demand for precision care is driving a greater focus among customers for solutions that provide actionable insights for clinicians and are easily deployable for the healthcare system. We believe there is significant opportunity to utilize our core competencies of innovation, service capabilities, and digital solutions to expand our portfolio further into integrated diagnostics, AI and machine learning-based clinical decision support, highly personalized therapies enabled by more precise diagnostics, and remote patient monitoring. As the delivery of care continues to extend outside the hospital, we plan to continue growing our presence to alternative sites of care with our clinical capabilities, enabling minimally-invasive procedures and expanding into remote monitoring and home care.

- ***Grow in Emerging Markets with a Local Strategy Tailored to Customer Needs.*** We plan to continue to invest in developing tailored clinical applications, service repair operations, training, financing, and project management to better serve customer needs in emerging markets. As localization initiatives increase in important markets, such as China, India, and Brazil, the strength of our portfolio and enterprise approach is enhanced by regionally-defined commercial strategies. To address localization trends, we developed a comprehensive product development, production, and commercialization strategy reflecting local needs. We take a strategic approach to each emerging market, helping us match our strategies to the market opportunity and local needs.

- ***Drive Growth and Continuous Improvement Through Lean.*** Our focus on lean will enable us to deliver better customer outcomes while improving our operating model as a stand-alone company. We use lean to improve the customer experience and achieve reductions in product and service costs by focusing on having a diverse and qualified supplier base, enhancing logistics productivity, employing design-for-value principles, and driving digitization of our services delivery to deliver more value for customers while improving operating margins across the portfolio. We deploy lean methods for driving growth, innovation, and operating efficiencies across our company.

- ***Focus on Disciplined, Strategic M&A Transactions.*** We will continue to focus on paying down debt and delivering disciplined and targeted inorganic growth through strategic transactions, including acquisitions, mergers, investments, joint ventures, and other expansions of our operations that leverage our existing platform. Our M&A focus remains on transactions that will accelerate our strategies, expand capabilities, and drive attractive returns.

SERVICE CAPABILITIES

Our capabilities extend beyond on-site repair to include remote monitoring, repair, and corrective maintenance capabilities. We utilize our local presence to provide customers with tailored commercial solutions, such as holistic infrastructure solutions, local training, equipment repair, financing programs, and other services. The majority of our imaging systems are connected for remote monitoring, enabling diagnostic consultations with skilled, off-site engineers, predictive maintenance, and asset management analytics. We also help customers extend the utility and value of their equipment through asset management services, clinical utilization analytics, and technology upgrades that bridge our customers to next-generation platforms. We believe our comprehensive and high-quality service offerings drive higher sales of replacement equipment to our customers.

RESEARCH AND DEVELOPMENT ACTIVITIES

Our R&D efforts focus on creating new products and solutions, developing new applications for products, and enhancing our existing products to help improve outcomes for customers and their patients. We conduct global R&D efforts in 18 countries that include both developed and emerging markets. As of 2022, we employ 9,600 engineers and scientists, including hardware and systems engineers, software engineers, personnel focused on clinical research, and others. We engage in and sponsor clinical research and product development through collaborations with universities, medical centers, and other organizations.

INTELLECTUAL PROPERTY

We have a substantial portfolio of intellectual property ("IP"). To protect our IP, we rely on a combination of patent, design, utility model, trademark, copyright, and trade secret protections as well as regulatory exclusivity periods and confidentiality agreements. Our IP team collaborates with our R&D and product teams to develop product-line-focused IP strategies and secure IP rights as appropriate. We generally file patent applications in the United States and foreign countries that have strong technology patent protections. We also license from third parties a variety of IP that complements our internal R&D efforts and our product offerings. While, in aggregate, our patents and other IP are vital to our operations, we do not consider any single IP asset or group of assets to be of material importance to any segment or to the business as a whole; rather, we believe understanding our customers' needs, technology expertise, and manufacturing know-how are critical for our business.

We rely on confidentiality agreements with employees, contractors, consultants, and third parties to help protect our trade secrets, proprietary technology, and other confidential information. We also monitor development and commercialization activities of third parties so our IP rights are not infringed upon. In addition, we make infrastructure investments to secure our IP assets and conduct audits to assess the effectiveness of our IP protection efforts.

We own or have secured licenses to all IP that is important to our business. As part of the recently completed spin-off from GE, we have secured IP specific to our business and GE has granted or will grant to us a license to use other IP that is used in our business but which GE will retain ownership of, including a trademark license to the GE Monogram Logo and the "GE HealthCare" word mark.

HUMAN CAPITAL

We are a purpose-driven global workforce of approximately 50,000 employees with a long average tenure reflecting a strong, engaged culture and who are passionate about serving our customers and enabling them to provide the highest quality care to their patients. Our values emphasize focus, trust, and humility with unyielding integrity, while fostering an inclusive culture and diverse team. We monitor our human capital priorities, including as a part of our monthly business operating reviews, throughout the year. Our senior leadership is a diverse team of global industry veterans with the skills and expertise required to lead a stand-alone publicly-listed medical technology, pharmaceutical diagnostics, and digital solutions company. We embrace a diverse workplace where "every voice makes a difference, and every difference builds a healthier world," and we are committed to supporting diversity across our global teams. Our values emphasize patient and customer focus, trust, and humility with unyielding integrity, while fostering an inclusive culture.

Below are our human capital priorities:

- ***Protect the health and safety of our workforce***: Safety is our first priority and is integrated into everything we do, from manufacturing to installation, operation, and service. We are committed to prioritizing safety over quality, delivery, and cost. We have established and maintain effective health and safety standard protocols across our businesses that are aligned with regulatory requirements, industry practices, and Company values. Our efforts extend to promoting the mental and emotional health and wellness of our workforce.

- ***Transform our culture***: Our senior management team is leading our company through a transformational time having recently completed the Spin-Off from GE and executing on our next phase of growth. We will do so by promoting a culture of integrity by improving alignment and accountability across all levels of the organization, accelerating decision-making, and removing complexities to enhance overall operational efficiency.
- ***Attract, develop, and cultivate our talent***: GE HealthCare's approach to talent management is to cultivate strong individual and company performance. A key pillar of our talent strategy is senior management-led annual organization and talent reviews focused on critical roles, succession plans, and talent development aimed at helping our employees grow and develop.
- ***Promote inclusion and diversity across the enterprise***: We believe in the value of each person's unique identity, background, and experiences and are committed to fostering an inclusive culture in which all employees feel empowered to do their best work because they feel accepted, respected, and that they belong.

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We have approximately 16,300 employees in the United States and approximately 7,200 employees in China, our next largest geography. We have approximately 1,100 union-represented manufacturing employees in the United States, approximately 800 of whom are covered by four-year collective bargaining agreements that were ratified in 2019 and expire in June 2023. GE HealthCare's relationship with employee-representative organizations outside the United States takes many forms, including in Europe where GE HealthCare engages the representative bodies for employees, such as works councils and trade unions, in accordance with local law.

We strive to unlock the ambition of all our people so they can innovate, grow, and reach their full potential. Our well-established employee development strategy allows us to attract and retain innovative leaders, which is instrumental to our long-term success.

ENVIRONMENTAL, SOCIAL, AND GOVERNANCE

GE HealthCare is committed to delivering products and solutions that build a healthier and more sustainable world for this and future generations. We have an Environmental, Social, and Governance ("ESG") program and internal governance structure that we will adapt and expand as determined through our business operating reviews. Our ESG program and governance structure are aligned with our business strategy, the priorities of our stakeholders, our commitments and ambitions, and our need to adapt to changes in societal, environmental, and regulatory expectations. Our Enterprise Stewardship Program Committee, a committee of our management team, works in partnership with all segments, regions, and functions to facilitate alignment with ongoing ESG efforts, which will include gathering input from internal and external stakeholders to help inform our ESG strategy and focus areas.

Our current ESG focus areas include:

- ***Expanding access to healthcare:*** We aim to expand access to healthcare for underserved populations around the world. Our technology enables caregivers to bring advanced diagnostics and treatments to remote parts of the world where access to hospitals and medical equipment is limited.
- ***Promoting inclusion and diversity across the enterprise:*** We are committed to building a more inclusive workplace and diverse workforce. We believe in the value of each person's unique identity, background, and experiences, and we are committed to fostering an inclusive culture in which all employees feel empowered to do their best work because they feel accepted, respected, and that they belong.
- ***Mitigating our climate impact and improving resiliency:*** We are working to reduce our greenhouse gas emissions and have set goals to reduce our absolute Scope 1 and Scope 2 emissions by 50% by 2030 and achieve net zero by 2050. In alignment with this goal, we have signed up to the Science Based Targets initiative and are part of the UN-backed "Race to Zero," which commits us to reducing emissions in line with the Paris Agreement, which was adopted under the UN Framework Convention on Climate Change.
- ***Advancing the circular economy and environmental design:*** We seek to support the transition to a more circular economy. For more than 20 years, GE HealthCare's GoldSeal program has reduced medical imaging equipment waste by promoting and enabling the reuse of equipment and parts from de-installed imaging and ultrasound systems. Machines are refurbished or dismantled, harvested, and recycled, reducing waste and contributing to a circular economy. Of the equipment recovered, approximately 95% of the materials are reused or recycled.
- ***Protecting patient data and cybersecurity:*** We provide cybersecurity products, solutions, and services. Cybersecurity is embedded within the GE HealthCare culture, and we are committed to protecting our business and customers by: safeguarding a secure enterprise and continuously advancing our internal cybersecurity capabilities; offering secure products and solutions through design, development, and the product lifecycle; providing secure service delivery with industry-leading technology, processes, and risk mitigation approaches; and providing a portfolio of cyber-managed services to assist health delivery organizations with securing their operations.

Our focus on these five areas builds upon our long-standing commitments to innovation, product quality, and integrity. As an independent company, we are integrating ESG more deeply into the core of our business strategy and culture.

SALES AND DISTRIBUTION MODEL

GE HealthCare deploys a global multi-channel commercial model consisting of 10,000 sales professionals and a network of approximately 5,200 indirect third-party partners. Our reach into top hospitals and health systems is evidenced by our long-standing collaborations with leading institutions around the world. Our commercial model is organized according to the needs of our customers and includes global and regional marketing, regional inside sales teams, field-based sales teams, and sales agents and distributors. Our equipment sales representatives partner closely with their service sales counterparts to position both equipment contracts and long-term maintenance agreements along with system upgrades and SaaS agreements. We complement our direct and indirect sales channels with end-to-end virtual sales teams. Our direct and indirect channel mix helps us expand our market coverage, increase customer satisfaction, and win more business in broad geographies and emerging markets. In developed markets, we supplement our commercial model with strategic account executive and collaboration teams who bring the depth and breadth of our overall portfolio to the senior leadership of our top customers to deliver long-term commercial collaborations, which can be tied to specific outcomes.

GLOBAL INTEGRATED SUPPLY CHAIN, SOURCING, AND LOGISTICS

Our sourcing, production, and distribution network is managed globally while our products are manufactured at and distributed by facilities serving specific regions. We believe our global scale, complemented by local focus, allows us to provide our customers with improved supply chain security, reduced costs, and compliance with regional or national trade and marketing requirements. We have manufacturing, assembly, and pharmaceutical production in 43 facilities across 17 countries. We use globally managed and coordinated quality assurance programs across our manufacturing and ISO-certified distribution facilities, and we regularly inspect and audit our sites. We hold our suppliers to the same rigorous operating standards.

REGULATION

The development, manufacturing, marketing, sale, promotion, and distribution of medical devices and pharmaceutical products are subject to stringent government regulation globally. We commit extensive resources to maintain compliance with these regulations.

The United States, European Union ("EU"), and China are our most significant regions based on revenue and the regulatory landscape within these regions. Sales of medical devices and pharmaceuticals outside of these regions are subject to requirements that vary from country to country. Our ability to market and sell our products globally depends upon our compliance with the laws and regulations in each jurisdiction. This requires, among other things, receiving specific marketing authorization from the appropriate regulatory authorities, and maintaining our Quality Management System, which is compliant with the applicable local regulatory requirements, and ISO 13485 certification that is recognized by many regulators. Complying with requirements imposed on our products and business is an ongoing process as we introduce additional products and/or product modifications and seek to comply with changing legal and regulatory requirements. The time required to obtain authorization to market and sell products varies by country. The ability to comply with global post-market requirements requires extensive and ongoing resources.

The International Medical Device Regulators Forum, which includes a number of country regulators, has implemented a global approach to auditing medical device manufacturers. The Medical Device Single Audit Program ("MDSAP") provides for a single annual audit of a medical device manufacturer by a MDSAP-recognized auditing organization to satisfy the requirements of ISO 13485 and the regulatory requirements of the authorities that participate in MDSAP (currently the United States ("U.S.")), Canada, Australia, Brazil, and Japan). While the U.S. Food and Drug Administration ("FDA") accepts MDSAP audit reports as a substitute for routine agency inspections, it considers the following types of inspections to fall outside the scope of MDSAP: for-cause or compliance follow-up inspections; pre-approval or post-approval inspections; and inspections to assess compliance with Electronic Product and Radiation Control regulations, which apply to Molecular Imaging, X-ray, Women's Health, Interventional, and Surgery products.

UNITED STATES OF AMERICA.

Food and Drug Law
Under the Food, Drug, and Cosmetic Act ("FDCA"), we must comply with regulations governing the design, development, testing, manufacturing, packaging, labeling, distribution, import/export, sale, servicing, and marketing of medical products, including medical devices and pharmaceuticals. U.S. FDA product approvals and clearances may be withdrawn or suspended if compliance with regulations is not maintained or if product issues are discovered. Some of our products are also subject to the Radiation Control for Health and Safety Act and the Electronic Product and Radiation Control Regulations, administered by the FDA, which imposes performance standards, record keeping, reporting, product testing, and product labeling requirements on radiation-emitting electronic products, such as X-ray devices. We must also comply with the Mammography Quality Standards Act for our mammography products. Further, clinical studies of medical devices and pharmaceuticals are subject to regulation and inspection. In addition, we are subject to applicable laws and regulations of state and local authorities.

Devices
The FDCA classifies medical devices into three classes based on risk, including Class I (lowest risk), Class II (moderate risk), and Class III (highest risk), with more stringent regulatory requirements applicable to higher-risk devices. Commercial sales of our Class II (except for Class II exempt devices) and Class III medical devices in the U.S. must be preceded by either a pre-market notification filing pursuant to Section 510(k) of the FDCA for Class II or the granting of a premarket approval for Class III. The development of a medical device typically requires extensive non-clinical testing and, for some of our devices, clinical testing involving human subjects.

For all our medical devices, we must comply with FDA's requirements governing, among other things, device site registration and listing, labeling, post-market record keeping and reporting, and the Quality System Regulation. These requirements are detailed, comprehensive, and require extensive investment and resources to comply with the legal and regulatory requirements.

Pharmaceutical Products
Our pharmaceutical products are subject to FDA's pre-market approval process. The pharmaceutical product development and approval process typically begins with extensive pre-clinical R&D, followed by approval of an Investigational New Drug ("IND"), and then, upon successful completion of several phases of clinical trials, the filing and request for FDA approval of a New Drug Application ("NDA"). We also are subject to FDA's requirements, including drug establishment registration and listing, labeling and advertising, and current Good Manufacturing Practice ("cGMP") regulations, which set forth minimum requirements for the methods, facilities, and controls used in manufacturing, processing, and packing pharmaceutical products. Post-approval, we must maintain and submit to the FDA reports of product quality defects and adverse events. FDA's generic drug program requires filing of an Abbreviated New Drug Application ("ANDA") for a generic drug application that does not include preclinical or clinical data to establish safety and effectiveness, but must demonstrate equivalency to the innovator drug.

EUROPEAN UNION.

Devices
There is no pre-market approval of medical devices in the EU. All new medical devices placed on the market or put into service in the EU must be compliant with and meet the requirements of the Medical Device Regulation, which was implemented on May 26, 2021. Devices that conform to these requirements can be affixed with a CE marking and commercialized throughout the European Economic Area ("EEA") and in Switzerland. Prior to affixing a CE marking, manufacturers must demonstrate that their products comply with minimum standards of performance, safety, and quality, through a conformity assessment procedure that depends on the product's classification. The classification of a medical device is determined by its intended purpose. Devices are classified from lowest to highest, as either Class I, IIa, IIb, or III. Classification is dependent on a variety of factors, including duration of use, whether the device is invasive or non-invasive, and whether the device is considered "active." The competent authorities of the EU countries are responsible for regulating clinical investigations of medical devices and post-market surveillance of devices once they are placed on the market.

Pharmaceutical Products
Our pharmaceutical products are regulated by the European Medicines Agency ("EMA"), or the national competent authorities of the EU/EEA countries where our products are marketed. The EMA, acting through the Committee for Medicinal Products for Human Use ("CHMP"), is responsible for the scientific evaluation of pharmaceutical products developed by pharmaceutical companies for use in the EU and submitted for assessment through the EU centralized procedure. If the CHMP concludes that all requirements for quality, safety, and efficacy are met, it issues a positive opinion that the EMA forwards to the European Commission, which takes the final decision on the granting of a marketing authorization.

CHINA.

We must comply with medical device and pharmaceutical product laws and regulations and standards governing the design, development, testing, manufacturing, packaging, labeling, distribution, import/export, sale, servicing, and advertising and promotion of our products in China. The chief pharmaceutical product and medical device regulator is the National Medical Products Administration ("NMPA"), which enforces these laws and has the power to issue fines, seize products, withdraw or suspend an approval or a registration for serious non-compliances, and refer cases for criminal prosecution. These national laws and regulations are also supplemented by provincial and other local-level rules and enforcement policies.

Devices
Medical devices are strictly regulated by the NMPA and various provincial, city, and county regulators and are classified into three risk-based classes from lowest to highest, Class I, II, and III. Approved products are subject to post-market requirements for reporting adverse events and recalls, as well as regular risk assessments of devices and potentially re-evaluation reports of the safety and effectiveness of the device based on more significant safety signals.

In addition to product licenses, manufacturing and distribution facilities that handle Class II and III devices require licenses or notifications and must comply with cGMP requirements and good supply practices. The NMPA regularly conducts inspections of manufacturing facilities in China (as part of a pre-market submission review, routine or for-cause inspections, or unannounced inspections) as well as periodic inspections of overseas manufacturers for compliance with China medical device cGMP requirements. The NMPA inspects distributors and user facilities and conducts annual national and provincial sampling inspections and testing to ensure compliance with labeling, licensing, mandatory standards, and other related requirements. In addition, the NMPA conducts regular and for-cause good clinical practice audits of clinical sites that provide data and clinical trial reports for product registration.

Pharmaceutical Products

Our pharmaceutical products are strictly regulated by the NMPA and various provincial, city, and county regulators. Significant changes were recently made to the China Drug Administration Law with more to follow regarding new regulatory requirements and technical guidelines. All our pharmaceutical products require pre-market approval from the NMPA before they can be marketed in China, and those marketing applications must be supported by clinical data, which typically comes from a multi-phase study in China or by relying on clinical data generated abroad that meets the NMPA's requirements.

DATA PRIVACY LAWS.

Due to our extensive global footprint and handling of personal data as both a data controller (on our own behalf) and data processor (on behalf of third parties, primarily customers), we are also subject to an extensive collection of global laws and regulations protecting the privacy, security and integrity of the personal data, sensitive personal data, and patient health information that we create, receive, use, and maintain as a business.

Among the most relevant and material to our business, based on the volume and sensitivity of the data at issue, are: the U.S. Health Insurance Portability and Accountability Act of 1996, as amended by the Health Information and Technology for Economic and Clinical Health Act (collectively "HIPAA"); the EU General Data Protection Regulation (Regulation (EU) 2016/679) ("GDPR"), similar U.K. legislation resulting from the European Union (Withdrawal) Act of 2018 ("U.K. GDPR"), and other EU country-level laws; the Lei Geral de Proteção de Dados Pessoias ("Brazil LGPD"); and the various laws and accompanying regulations in China governing data privacy and cybersecurity (e.g., the Cybersecurity Law of the People's Republic of China, Personal Information Protection Law ("China PIPL")). In addition, there are also various US state-level laws (e.g., the California Consumer Privacy Act), country regional laws, and proposed legislation that we monitor for applicability and impact to our business. These laws present a continuing challenge to businesses to structure their data collection, storage, use, and cross-border transmission in a compliant manner.

Many of these laws impose a significant compliance burden on organizations within their scope and failure to comply can result in a variety of sanctions, including administrative fines for the most serious compliance failures up to 4-5% of a company's total annual revenue of the preceding fiscal year (e.g., GDPR, U.K. GDPR, China PIPL). While there have been some recent enforcement actions by EU country-level data protection authorities resulting in substantial fines pursuant to GDPR, there remains uncertainty as to how data protection authorities throughout the rest of the globe will choose to interpret and enforce violations of applicable privacy and cybersecurity laws and regulations (e.g., Brazil LGPD, China PIPL). Furthermore, these laws and regulations are continuously evolving, and further clarification in the form of implementing rules, guidelines and related guidance from the data protection authorities is necessary to paint a full picture of the compliance obligations imposed on businesses within their scope. To that end, while we are continuously monitoring the legal and regulatory environment, we cannot fully predict what effect, if any, clarification or changes to these laws and regulations may have on our business in the future.

REGULATION ON ADVERTISING, MARKETING, AND PROMOTION.

The advertising, marketing, and promotion of our products must be truthful and non-misleading, consistent with our regulatory clearances and approvals, and supported by adequate and reasonable scientific data. We may not promote or advertise our products for uses not within the scope of our intended use statement in our regulatory clearances or approvals or make unsupported safety and effectiveness claims. With limited exceptions, we may not market, promote, or sell regulated products prior to health authority clearance or approval. For our pharmaceutical products, health authorities regulate labeling and advertising. For our device products, health authorities regulate the labeling and, for certain devices, advertising in coordination with other enforcement agencies. A failure to comply with these regulations could expose the Company to legal liability, such as enforcement actions, investigations by a governmental authority, civil fines or criminal actions, lawsuits brought by competitors or company whistleblowers, or other actions. We must also comply with advertising, marketing, and promotion rules in all countries in which we market our products.

GLOBAL HEALTHCARE COMPLIANCE.

The marketing, promotion, and sale of medical devices, drugs, and services are regulated by the U.S. Department of Health and Human Services and comparable U.S. state and non-U.S. agencies responsible for reimbursement and regulation of the delivery of healthcare items and services, representing government's interest in regulating the quality and cost of healthcare. Similar regulations are imposed in many global markets in which we do business. Industry trade associations (such as AdvaMed and MedTech) increasingly provide guidance on, and compliance with, applicable laws and regulations.

U.S. federal healthcare laws apply when we or our customers submit claims for items or services that are reimbursed under Medicare, Medicaid, or other federally funded healthcare programs, including laws related to kickbacks, false claims, self-referrals, and healthcare fraud and abuse. Similar state false claims, anti-kickback, anti-self-referral, and insurance laws also apply to state-funded Medicaid and other healthcare programs and private third-party payers. Any failure to comply with these laws and regulations could subject us or our officers and employees to criminal and civil financial penalties and expose us to civil liability and risk of further enforcement action under the U.S. Anti-Kickback Statute ("AKS"), the False Claims Act ("FCA"), or other healthcare fraud and abuse laws. In addition, as a manufacturer of U.S. FDA-cleared and -approved devices and drugs reimbursable by federal healthcare programs, we are subject to the U.S. federal Physician Payments Sunshine Act (the "Sunshine Act"), which requires us to annually track and report to the federal government certain payments and other transfers of value we make to U.S.-licensed physicians and other healthcare professionals or U.S. teaching hospitals.

The U.S. Foreign Corrupt Practices Act (the "FCPA"), the U.K. Bribery Act of 2010, and similar anti-corruption and anti-bribery laws in other jurisdictions generally prohibit companies from making corrupt payments to or otherwise engaging in bribery of governmental officials. These laws apply to many of our customer interactions, as healthcare professionals in other countries are often considered government officials, and in some cases lay out requirements of how to operationalize compliance with the legal requirements. Failure to comply with these laws may expose us to criminal and civil enforcement actions, monetary fines and penalties, and reputational harm.

Implementation of further legislative or administrative reforms to reimbursement systems, or adverse decisions relating to coverage or reimbursement amounts for our products by administrators of these systems, could have an impact on the acceptance of and demand for our products and the prices that our customers are willing to pay for them. Further, as a result of the Patient Protection and Affordable Care Act, the United States is implementing value-based payment methodologies and seeking to create alternative payment models, such as bundled payments, to continue to drive improved value.

INFORMATION ABOUT OUR EXECUTIVE OFFICERS

The following table presents the names, ages, and positions of our executive officers as of the date of this Annual Report.

Name	Age	Position
Peter J. Arduini	58	President, Chief Executive Officer, and Director
Helmut Zodl	50	Chief Financial Officer
Frank R. Jimenez	58	General Counsel and Corporate Secretary
Taha Kass-Hout	51	Chief Technology Officer
Betty D. Larson	47	Chief People Officer
Jan Makela	54	CEO, Imaging
Kevin M. O'Neill	54	CEO, Pharmaceutical Diagnostics
Roland Rott	51	CEO, Ultrasound
Kenneth Stacherski	52	Chief Global Supply Chain and Service Officer
Thomas J. Westrick	54	CEO, Patient Care Solutions

The following are brief biographies describing the backgrounds of our executive officers.

Peter J. Arduini. Mr. Arduini was appointed as our President and Chief Executive Officer in connection with our Spin-Off from GE. He served as the President and Chief Executive Officer of GE's healthcare business from January 2022 until January 2023. Previously, Mr. Arduini was the President and Chief Executive Officer of Integra LifeSciences from 2012 to 2021. During his tenure as CEO, the Integra portfolio evolved significantly to a faster growing and more profitable company through multiple acquisitions and a sustainable research and development pipeline. Prior to Integra, Mr. Arduini worked at Baxter Healthcare as President of its Medication Delivery division. Before Baxter Healthcare, he spent 15 years at GE's Healthcare business in a variety of leadership roles in the United States and globally, including leading the Computed Tomography and Molecular Imaging business, Healthcare Services and U.S. sales. Mr. Arduini serves on several boards, including the Bristol-Myers Squibb Company (NYSE: BMY), where he serves on the compensation and management development committee and the science and technology committee, the Advanced Medical Technology Association (AdvaMed), and the National Italian American Foundation. Mr. Arduini has a bachelor's degree in marketing from Susquehanna University and a master's degree in management from Northwestern University's Kellogg School of Management.

Helmut Zodl. Mr. Zodl has served as our Chief Financial Officer since the Spin-Off, and prior to that acted as the Chief Financial Officer of GE's Healthcare business since February 2021. From October 2019 to January 2021, Mr. Zodl served as Group CFO at Midea, a global technology company specializing in air treatment, consumer appliances, and industrial automation. Prior to that, he was Senior Vice President Finance of Advance Auto Parts since 2017. Mr. Zodl previously held a variety of senior finance and operational leadership roles in technology companies Lenovo (acquired IBM's Personal Computer business in 2005) and IBM for more than 17 years combined. He started his professional career with PricewaterhouseCoopers. Mr. Zodl has a degree in economics and information technology from the Technical University of Vienna.

Frank R. Jimenez. Mr. Jimenez was appointed as our General Counsel and Corporate Secretary upon our Spin-Off from GE, and prior to that had been the General Counsel of GE's Healthcare business since February 2022. Previously, Mr. Jimenez served as General Counsel of Raytheon Company (and, following Raytheon's merger with United Technologies Corporation, of Raytheon Technologies Corporation) from January 2015 to December 2021. In prior corporate positions, Mr. Jimenez served as General Counsel of Bunge Limited, ITT Corporation, and ITT spin-off Xylem Inc. In prior public service positions, Mr. Jimenez served as General Counsel of the Navy, Deputy General Counsel of the U.S. Department of Defense, Principal Deputy General Counsel of the Navy, Chief of Staff at the U.S. Department of Housing and Urban Development, and Deputy Chief of Staff and Acting General Counsel for former Florida Governor Jeb Bush. He was previously a litigation partner at Squire Patton Boggs (f/k/a Steel Hector & Davis). Mr. Jimenez serves on the boards of Huntington Ingalls Industries (NYSE: HII), where he serves on the compensation committee and the governance and policy committee, Equal Justice Works and the Yale Law School Fund, and the advisory boards of the Columbia University Mailman School of Public Health, the Yale Law School Center for the Study of Corporate Law, the University of Miami Herbert Business School, and the National Security Institute of the Antonin Scalia Law School at George Mason University. He has a bachelor's degree from the University of Miami, a J.D. from Yale Law School, an M.B.A. from the University of Pennsylvania's Wharton School, and a master's degree from the U.S. Naval War College.

Taha Kass-Hout. Dr. Kass-Hout, MD, MS has served as GE HealthCare's Chief Technology Officer since January 2023 where he leads the Company's Science and Technology organization, as well as efforts to drive growth through clinical research and the advancement of digital and machine learning capabilities. Previously, Dr. Kass-Hout was Vice President of Machine Learning, Distinguished Engineer, and Chief Medical Officer at Amazon from May 2017 to January 2023, where he led the company's cloud Health AI strategy, products, and services, and was a key contributor to Amazon health initiatives, including pharmacy and diagnostics. In 2020, he led teams at Amazon responsible for developing the science, technology and scale for Amazon's COVID-19 lab, including Amazon's first FDA authorization for testing its associates globally – later offered to the public for at-home testing. Dr. Kass-Hout also served as the FDA's first Chief Health Informatics Officer from 2013 to 2016, leading the President's precision medicine initiative, precisionFDA. Dr. Kass-Hout holds Doctor of Medicine and Master of Science in Biostatistics degrees from the University of Texas Health Science Center at Houston and completed clinical training in Interventional Cardiology at Harvard Medical School's Beth Israel Deaconess Medical Center.

Betty D. Larson. Ms. Larson has served as the Chief People Officer of GE HealthCare since the Spin-Off, and acted as the Chief People Officer of GE's Healthcare business from February 2022 until the Spin-Off. Previously, she was EVP & Chief Human Resources Officer at Becton, Dickinson and Company ("BD") responsible for HR, Communications and Social Investing since June 2018. Prior to that role, Ms. Larson served since September 2014 as Chief Human Resources Officer for C.R. Bard, Inc., a leading medical technology company in the fields of vascular, urology and surgical specialty products, which was acquired by BD in 2017. She started her career at Baxter International, where she held a variety of leadership roles during her 16-year tenure. Ms. Larson currently serves on the Board of Directors for Baxter Credit Union. She previously served on the Board of Directors of the Overlook Hospital Foundation, Summit Speech School, and the United Way of Lake County. Ms. Larson has a bachelor's degree in psychology and a master's degree in human resources from the University of Illinois, and an M.B.A. from Northwestern University.

Jan Makela. Mr. Makela was appointed as our Chief Executive Officer, Imaging in connection with the Spin-Off and from 2020 until the Spin-Off, he had served as Chief Executive Officer, Imaging of GE's Healthcare business. Mr. Makela previously served as President and CEO, Global Services of GE's Healthcare business from December 2017 to early 2020, where he oversaw the global development and execution of service solutions and operations. From 2010 to 2013, he served as Chief Operations Officer for the European region. From 2013 to 2017, Mr. Makela worked in the Life Sciences division of GE's Healthcare business as the General Manager of its BioProcess business, and from 2013 to 2015 as General Manager of the Core Imaging business, now called PDx. Mr. Makela joined GE Capital in 2000 and moved to GE's Healthcare business in 2007 to lead the Diagnostic Imaging Services division across Northern Europe. Mr. Makela began his career in engineering and production management with M&M/Mars Inc., followed by leadership roles at A.T. Kearney management consultants before joining GE. He has a bachelor's degree in engineering and a master's degree in manufacturing engineering, both from the University of Cambridge.

Kevin M. O'Neill. Mr. O'Neill was appointed as our Chief Executive Officer, Pharmaceutical Diagnostics in connection with the Spin-Off, and from 2017 until the Spin-Off, had served as Chief Executive Officer, Pharmaceutical Diagnostics of GE's Healthcare business. Mr. O'Neill has also served as President and CEO, GE Ireland and U.K. since 2018. Prior to that, he was the Chief Financial Officer of the Life Sciences division of GE's Healthcare business since August 2013. Mr. O'Neill has over 20 years of experience with GE, beginning in the Energy services business in the U.K. and U.S. This was followed by a series of CFO roles in GE's Healthcare business, including in the Life Sciences, Supply Chain, Western Europe and the PDx business. Prior to joining GE, Mr. O'Neill was Financial Controller for Eurostar, the European high-speed train operator. He has an M.B.A. from City University, London and is a Fellow of the Chartered Institute of Management Accountants.

Roland Rott. Mr. Rott was appointed as our Chief Executive Officer, Ultrasound in connection with the Spin-Off and, prior to the Spin-Off, had served as Chief Executive Officer, Ultrasound of GE's Healthcare business since 2021. Mr. Rott joined GE's Healthcare business in 2011 and has held several leadership roles including the global Women´s Health Ultrasound and Ultrasound IT segments as well as Maternal Infant Care. Before joining GE, Mr. Rott was Managing Director, Europe, the Middle East, and Africa ("EMEA") & Asia Pacific, and Executive Board Member of the then Euronext listed ERP Software group Exact Holding, Netherlands. In his early career he had an entrepreneurial start, founding and successfully exiting two software companies in Austria. Mr. Rott holds a HTL-engineering degree and diploma in Information Technology & Organization from the Higher Federal Technical Institute Leonding, Austria, which he passed with distinction. He also completed several senior executive programs in strategy, innovation and artificial intelligence at London Business School, Stanford University, and UC Berkeley.

Kenneth Stacherski. Mr. Stacherski has served as the Chief Global Supply Chain and Service Officer of GE HealthCare since October 2022. Prior to his role with GE HealthCare, he served as the Chief Operations Officer of Array Technologies, where he led the company's global integrated supply chain strategy including procurement, manufacturing, operations, logistics, planning, quality and business systems, from July 2021 to October 2022. Before joining Array Technologies, Mr. Stacherski served for over ten years in various leadership roles with Honeywell, including: Vice President of Integrated Supply Chain from October 2019 to June 2021; Vice President of Enterprise Digital Transformation from November 2018 to October 2019; Vice President of Portfolio Transformation from October 2017 to October 2018; Vice President and General Manager of Honeywell UOP from April 2016 to October 2017; Vice President of Procurement, Logistics, and Trade Compliance from May 2013 to April 2016; and Global Director of Integrated Supply Chain from June 2011 to May 2013. Prior to Honeywell, he acted as President and Chief Operating Officer of Composite Technologies Corporation and spent 13 years at Ford Motor Company. He holds a bachelor's degree in Mechanical Engineering from Kettering University and a master's degree in engineering management from Wayne State University.

Thomas J. Westrick. Mr. Westrick was appointed as our Chief Executive Officer, Patient Care Solutions in connection with the Spin-Off and, prior to the Spin-Off, had served as Chief Executive Officer, Patient Care Solutions of GE's Healthcare business since 2020. Previously he led the Global Quality, Medical, Regulatory Affairs and Global Research organization for GE's Healthcare business from January 2016 to September 2020. Mr. Westrick joined GE's Healthcare business in 2003 as Global Controller and Chief Accounting Officer. He was also named Chief Risk Officer in 2010 and was responsible for leading a comprehensive enterprise risk management program. Prior to joining GE's Healthcare business, Mr. Westrick spent 13 years in public accounting with Arthur Andersen LLP and Deloitte & Touche LLP in the audit and consulting practice serving a variety of complex global companies. He currently serves on the Dean's Advisory Board for the Wisconsin School of Business. Mr. Westrick has a bachelor's degree in accounting, risk management, and insurance from the University of Wisconsin-Madison.

ETHICS AND GOVERNANCE

We have adopted The Spirit & The Letter (GE HealthCare's code of conduct), which qualifies as a code of ethics under Item 406 of Regulation S-K. The code applies to all of our directors, officers, and employees, including our principal executive officer, principal financial officer, principal accounting officer or controller, and persons performing similar functions.

Our code of ethics is available free of charge on our website, www.gehealthcare.com, and will be provided free of charge to any shareholder submitting a written request to: Corporate Secretary, GE HealthCare Technologies Inc., 500 W. Monroe Street, Chicago, IL 60661. We will disclose any waiver we grant to an executive officer or director under our code of ethics, or certain amendments to the code of ethics, on our website.

In addition, we have adopted Governance Principles and charters for each of the three standing committees of our Board of Directors (the "Board"). All of these materials are available on our web site, www.gehealthcare.com, and will be provided free of charge to any shareholder requesting a copy by writing to: Corporate Secretary, GE HealthCare Technologies Inc., 500 W. Monroe Street, Chicago, IL 60661.

ADDITIONAL INFORMATION ABOUT GE HEALTHCARE

GE HealthCare's Internet address is gehealthcare.com, and our Investor Relations website is investor.gehealthcare.com. Our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), are available, without charge, on our website, as soon as reasonably practicable after they are filed electronically with the U.S. Securities and Exchange Commission (the "SEC"). Reports filed with the SEC may be viewed at sec.gov. The information on our website is not, and shall not be deemed to be, a part of this Annual Report on Form 10-K or incorporated into any other filings we make with the SEC.

ITEM 1A. RISK FACTORS

SUMMARY OF RISK FACTORS.

An investment in our company is subject to a number of risks. These risks relate to our business, the healthcare industry, data privacy, laws and regulations, financing and capital markets activities, our recent Spin-Off from GE, our common stock, and the securities market. Any of these risks and other risks could materially and adversely affect our business, results of operations, cash flows, and financial condition and the actual outcome of matters as to which forward-looking statements are made in this Annual Report on Form 10-K. Some of the more significant challenges and risks we face include the following:

- We operate in highly competitive markets, competition may increase in the future, and our industry may be disrupted, requiring us to lower prices or resulting in a loss of market share.
- Our business dealings involve third-party partners in various markets and the actions or inactions of these third parties could adversely affect our business.
- Our inability to complete strategic transactions or to successfully integrate acquisitions could adversely affect our business.
- Our inability to manage our supply chain or obtain supplies of components or raw materials has restricted and may continue to restrict the manufacturing of products, cause delays in delivery, or significantly increase our costs.
- Any interruption in the operations of our manufacturing facilities may impair our ability to deliver products or provide services.
- We have significant net liabilities with respect to our postretirement benefit plans, including increases in pension, healthcare, and life insurance benefits obligations, and the actual costs and related cash flows of these obligations could exceed current estimates.
- If we are unable to attract or retain key personnel and qualified employees, or maintain relations with our employees, unions, and other employee representatives, it could adversely affect our business.
- We are exposed to risks relating to the global COVID-19 pandemic.
- We may be unable to obtain, maintain, protect, or effectively enforce our intellectual property rights.
- Increased cybersecurity requirements, vulnerabilities, threats, and more sophisticated and targeted computer crimes pose a risk to our systems, networks, products, solutions, services, and data, as well as our reputation, which could adversely affect our business.
- We are subject to stringent privacy laws and information security policies and regulations.
- Our increasing focus on and investment in cloud, edge, artificial intelligence, and software offerings presents risks to our business.
- Failure to comply with the U.S. FCPA and similar anti-corruption and anti-bribery laws has resulted and could continue to result in civil or criminal sanctions and adversely affect our business.
- We are subject to anti-kickback and false claims laws and failure to comply with these laws could adversely affect our business.
- If we do not successfully manage our collaboration arrangements, licensing arrangements, joint ventures, or strategic alliances with third parties, we may not realize the expected benefits from such arrangements, which could adversely affect our business.
- Efforts by public and private payers to control increases in healthcare costs may lead to lower reimbursements or increased utilization controls related to the use of our products by healthcare providers, which may affect the price of and demand for our products, services, or solutions.
- We are exposed to risks associated with product liability claims that have been and may be brought against us or as a result of the actions or inactions of our customers or third parties that are outside of our control.
- Our business operations are subject to extensive laws and regulations, and any changes thereto or violations thereof could have a material adverse effect on our business.
- Increasing attention to ESG matters, including environmental, health, and safety ("EH&S") matters, may impose additional costs on our business and expose us to new risks.
- We incurred new indebtedness concurrently with our recent Spin-Off from GE, and the degree to which we are leveraged could adversely affect our business, results of operations, cash flows, and financial condition.
- Substantial sales of our common stock may occur in the future, including the disposition by GE of our shares of common stock that it retained after our recent Spin-Off from GE, either of which could cause our stock price to decline or be volatile.

You should carefully consider the following risks and other information in this Annual Report on Form 10-K in evaluating GE HealthCare and GE HealthCare's common stock. Any of the following risks could materially and adversely affect GE HealthCare's business, financial condition, or results of operations.

RISKS RELATED TO OUR BUSINESS AND OUR INDUSTRY.

Risks Relating to Our Operations

We operate in highly competitive markets, competition may increase in the future, and our industry may be disrupted, requiring us to lower prices or resulting in a loss of market share.

Healthcare markets are characterized by rapidly evolving technology, frequent introduction of new products, intense competition, and pricing pressure. We face substantial competition from international and domestic companies of all sizes; these competitors often differ across our businesses. Competition is primarily focused on cost effectiveness, price, service, product performance, and technological innovation. Our ability to compete successfully may be adversely affected by factors such as:

- the introduction of new or more affordable products or product enhancements by competitors, including products that could substitute for our products;
- the development of new technology, the application of known or unknown technology, advances in medicine, or new developments in the treatment or diagnosis of disease that transform our industry or render a product line obsolete;
- competitors responding more quickly or effectively to new technology or changes in customer requirements and industry trends;
- a failure to satisfy local market conditions, such as mandatory intellectual property transfers, protectionist measures, and other government policies supporting increased local competition;
- the application of new or innovative business models to our industry;
- the emergence of new market entrants, including those with innovative technology or substantial financial resources, such as startups or established technology companies;
- a failure to maintain or expand relationships with existing customers or attract new customers;
- cost of production or delivery, whether due to geographic location, currency fluctuations, taxes, duties, or otherwise, which may enable our competitors to offer greater discounts or lower prices;
- the perception of our brand and image in the market;
- the strengthening of independent service organizations ("ISOs") and companies specializing in one or more of our operating segments or offerings;
- a failure to successfully enter new geographic or adjacent product markets;
- a failure to acquire or effectively integrate businesses and technologies that complement or expand our existing businesses;
- changing regulatory standards, legal requirements or enforcement rigor; or
- consolidation among customers, suppliers, channel partners, or competitors.

The implementation of localization requirements and other government policies, driven by support of local industry, security of supply, and incentives for technological breakthroughs, could negatively affect our market share, business results, cash flows, and financial condition. In particular, we expect our Chinese competitors to continue to gain market share supported by Chinese government policies favorable to locally-based manufacturers.

Our industry-leading service organization allows us to deliver service offerings through an extensive network of field service engineers, global repair, and customer service centers. Increased competition from ISOs, "third-party" entities that specialize in the repair and maintenance of medical devices produced by original equipment manufacturers ("OEMs"), including us, and evolving regulatory and legislative policies could adversely impact our business and results of operations by driving down quality and price levels for services and repairs. In the United States and Europe, ISOs have been increasing pressure for greater access to OEM service tools, parts, documents, software updates, and training.

Our inability to obtain and maintain regulatory authorizations for and supply commercial quantities of our offerings as quickly and effectively as our competitors could limit market acceptance. Furthermore, our markets are continually evolving and thus revenues and income are difficult to forecast. Any of these competitive factors could adversely affect our pricing, margins, and market share and have a material adverse effect on our business, cash flows, financial condition, results of operations, or prospects.

Our business dealings involve third-party partners in various markets, and the actions or inactions of these third parties could adversely affect our business.

Our business dealings involve third-party partners such as distributors, dealers, wholesalers, packagers, resellers, agents, collaboration partners, and others. In turn, these parties may use sub-parties. Such dealings expose us to known and unknown risks, including risks related to economic, political, and regulatory environments; performance and quality control; business continuity in the event of termination; conflicts of interest; and legal and regulatory violations committed by these third parties or their sub-parties, which may not be subject to our control. These third parties may suffer or cause us to suffer commercial, financial, or reputational harm, or violate local laws or regulations, each of which may be outside of our control and could jeopardize our ability to continue doing business in these markets or cause our relationships to deteriorate. Any of the foregoing could have a material adverse effect on our business results, cash flows, financial condition, or prospects.

Our inability to complete strategic transactions or to successfully integrate acquisitions could adversely affect our business.

Our business strategy includes the acquisition of technologies and businesses that expand or complement our existing business. Successful growth through acquisitions depends upon our ability to identify suitable acquisition targets or assets, conduct due diligence, negotiate transactions on favorable terms, and ultimately complete such transactions and integrate the acquired target or asset successfully, and will be subject, in certain circumstances, to the consent of GE under the Tax Matters Agreement, as discussed in "Risks Relating to Our Recent Spin-Off from GE."

Acquisitions may expose us to significant risks and uncertainties, including:

- competition for acquisition targets and assets, which may lead to substantial increases in purchase price or terms that are less attractive to us, including the use of our shares for payment of the purchase price;
- dependence on external sources of capital, in particular to finance the purchase price of acquisitions;
- rulings by certain antitrust or other regulatory bodies;
- acquired companies' previous failure to comply with applicable regulatory requirements;
- failure to timely integrate acquired companies' strategies, functions, and products into our own;
- inability to produce products at increased scale or loss of previously available distribution channels;
- heightened external scrutiny on acquired intellectual property rights, regulatory exclusivity periods, and confidentiality agreements, or lack of intellectual property rights for the acquired portfolio;
- diversion of our management's attention from existing operations to the acquisition and integration process;
- a failure to accurately predict or to realize expected growth opportunities, cost savings, synergies, and market acceptance of acquired companies' products;
- a failure to identify significant non-compliant behaviors or practices by, or liabilities relating to, the acquisition target (or its agents) prior to acquisition;
- successor liability imposed by regulators for actions by the target (or its agents) prior to acquisition;
- expenses, delays, and difficulties in integrating acquired businesses into our existing businesses; and
- difficulties in retaining key customers and personnel.

Various other assessments and assumptions regarding acquisition targets may prove to be incorrect, and actual developments may differ significantly from our expectations.

In addition, we also regularly evaluate a variety of potential strategic transactions, including equity method investments and other strategic alliances that could further our strategic business objectives. We may not successfully identify, complete, or manage the risks presented by these strategic transactions, including those outlined above. Equity investments, such as our investment in AliveCor, and other strategic alliances pose additional risks, as we could share ownership in both public and private companies and in some cases management responsibilities with one or more other parties whose objectives for the alliance may diverge from ours over time, who may not have the same priorities, strategies, or resources as we do, or whose interpretation of applicable policies may differ from our own.

The occurrence of any of the above in connection with any acquisition or strategic transaction could have a material adverse effect on our business results, cash flows, financial condition, or prospects.

Our inability to manage our supply chain or obtain supplies of components or raw materials has restricted, and could continue to restrict the manufacturing of products, cause delays in delivery, or significantly increase our costs.

We rely on the timely supply of components, products, services, and solutions. If suppliers fail to meet their delivery obligations, raise prices, or cease to supply to us, it may cause delays in deliveries to our customers or significantly increase our costs. If we lose suppliers, if their operations are substantially interrupted, if their prices increase significantly due to inflationary pressures, or if any of them fail to meet performance or quality specifications, we may be required to identify and qualify one or more replacement suppliers. This also may require us to redesign or modify our products to incorporate new components and obtain regulatory authorization, qualification, or certification of these redesigned or modified products. The COVID-19 pandemic has resulted, and may continue to result, in the inability of many of our suppliers to deliver components or raw materials on a timely basis. We anticipate these and other supply chain pressures across our business will continue to adversely affect our operations and financial performance for some period of time. Further, while we make efforts to diversify our suppliers, in many instances there may be a single source or sole supplier with no alternatives yet identified. Our dependence on such single or sole-source suppliers subjects us to possible risks of shortages, interruptions, and price fluctuations.

Disruptions or loss of any of our single or sole-source suppliers or capacity limitations of the suppliers for components could increase our costs, curtail growth opportunities, cause material delays, and adversely impact our business, financial results, and customer relationships. Supply chain interruptions or price increases in certain key countries, including China, could have a similar adverse effect on our business.

We rely upon supplies of certain raw materials, including helium, iodine, and rare earth minerals. Worldwide demand, availability and pricing of these raw materials have been volatile, and we expect that to continue in the future. If supply of these materials is restricted or if prices increase, this could constrain our manufacturing of affected products, reduce our profit margins, or otherwise adversely affect our business results, cash flows, and financial condition.

The risks of disruption described above, including war, natural disasters, climate change-related physical and transitional risks, actual or threatened public health emergencies, or other business continuity events, could adversely affect our operations and limit our ability to meet our commitments to customers or significantly impact our financial results and condition.

We have replaced certain internal capabilities with outsourced products, services, or solutions. These processes may result in increased dependency on external suppliers. Failure of third-party suppliers to establish and comply with required quality management systems may also lead to withdrawals of our certifications or authorizations required for market access in certain jurisdictions. Such supplier failures may prevent us from meeting customer requirements in a timely manner, which could result in damages or other claims, order cancellations, loss of market share, and damage to our reputation. Shortages or delays could adversely affect our business. A general shortage of materials or components also poses the risk of unforeseeable fluctuations in prices and demand. Any of the above factors could have a material adverse effect on our business results, cash flows, financial condition, or prospects.

Any interruption in the operations of our manufacturing facilities may impair our ability to deliver products or provide services.

We are dependent on our global production and operating network to develop, manufacture, assemble, supply, and service our offerings. A work stoppage, labor shortage, or other production limitation, including import or export restrictions and transportation issues, among others, could occur at our manufacturing facilities and negatively impact our reputation and market position for several reasons, including as a result of regulatory enforcement actions, tight credit markets, or other financial distress, production constraints or difficulties, unscheduled downtimes, war, severe weather and natural disasters, fires and explosions, accidents, mechanical failures, unscheduled downtimes, pandemics, civil unrest, strikes, unpermitted releases of toxic or hazardous substances, other EH&S risks, sabotage, cybersecurity attacks, riots, or terrorist attacks.

Any significant event affecting one of our production or operating facilities may result in a disruption to our ability to supply customers, and standby capacity necessary for the reliable operation of the facility may not be sufficiently available. The impact of these risks is heightened if our production capacity is at or near full utilization (or if we lack alternative manufacturing sites) and could result in our inability to accept orders or deliver products in a timely manner. Additionally, significant capital investment to increase manufacturing capacity may be required to expand our business or meet increased demand for our products in the future. Any of these risks could have a material adverse effect on our business results, cash flows, financial condition, or prospects.

We rely on third parties to perform logistics, transportation, and warehousing functions on our behalf, and disruptions at these logistics providers could adversely affect our business.

Third-party providers perform our warehousing, logistics, shipping, and transportation functions. If any of these logistics providers fails to honor a contractual relationship with us, suffers a business interruption, or experiences delays, disruptions, or quality control problems in its operations, including due to pandemics, regional conflicts, sanctions, geopolitical events, natural disasters, or extreme weather events, or if we have to change and qualify alternative providers for these services, shipments to our customers may be delayed. Increased costs and delays, including as a result of labor shortages, disruptions in transportation lines, international air freight capacity limitations, driver and truck capacity limitations in certain markets, airport and port congestion, and delays in customs processes, could have a material adverse effect on our business results, cash flows, financial condition, or prospects.

We have significant net liabilities with respect to our postretirement benefit plans, including increases in pension, healthcare, and life insurance benefits obligations, and the actual costs and related cash flows of these obligations could exceed current estimates.

Our total postretirement benefit plans' net liabilities for our employees, our former employees, and certain legacy former employees unrelated to our core business and allocated to us by GE as part of the Separation of approximately $4,045 million. These net liabilities arise under multiple benefit plans and statutory obligations in various countries. Increases in pension, healthcare, and life insurance benefits obligations and costs can adversely affect our earnings, cash flows, and financial condition. In addition, there may be upward pressure on the cost of providing healthcare benefits to current and future retirees and there can be no assurance that the measures we have taken to control increases in these costs will succeed, which could have a material adverse effect on our business results, cash flows, and financial condition. Most of the liabilities arise under pension plans, including defined benefit pension plans, either funded (or partly funded) with plan assets or unfunded.

Our results of operations may be positively or negatively affected by the amount of income or expense we record for our defined benefit pension plans. U.S. Generally Accepted Accounting Principles ("U.S. GAAP") requires that we calculate income or expense for the plans using actuarial valuations, which reflect assumptions about financial markets, interest rates, discount rate, and the expected long-term rate of return on plan assets. We are also required to make an annual measurement of plan assets and liabilities, which may result in a significant reduction or increase in equity. The factors that impact our pension calculations are subject to changes in key economic indicators, and future decreases in the discount rate or low returns on plan assets can increase our funding obligations and adversely impact our financial results and financial conditions. In addition, although U.S. GAAP expense and pension funding contributions are not directly related, key economic factors that affect U.S. GAAP expense would also likely affect the amount of cash we would be required to contribute to pension plans under the Employee Retirement Income Security Act of 1974 ("ERISA"). Failure to achieve expected returns on plan assets driven by various factors, including sustained market volatility, could also result in an increase in the amount of cash we would be required to contribute to pension plans.

The defined benefit obligation is determined by actuarial assumptions such as the rate of compensation increase or pension progression rate and biometric factors (such as participant mortality), as well as the discount rate applied. The basis for determining the discount rate is in principle the yield on high-quality corporate bonds. A change of the discount rate and changes of the assessments of market yields used, respectively, may result in significant changes to the defined benefit obligation. Differences between actual experience and the predicted actuarial assumptions, discount rates, and investment performance on plan assets can affect defined benefit plan liabilities.

Certain liabilities are unrelated to our core business. For example, our liabilities include pension, healthcare, and life insurance benefits previously granted to GE employees, including our employees, our former employees, and certain other legacy former employees unrelated to our core business and allocated to us by GE based on its estimates and assumptions with respect to the scope, probability, and magnitude of these liabilities. Such estimates and assumptions involve complex judgments which are difficult to make. Actual developments may differ from estimates and assumptions, thereby resulting in an increase or decrease in our actual obligations for these liabilities. Changes in economic conditions, financial markets, investment performance, or legal conditions governing these liabilities can result in significant increases or decreases in the size of our actual obligations over time. Any of these factors and developments could have a material adverse effect on our business results, cash flows, financial condition, or prospects. Furthermore, accounting standards and legal conditions governing our pension obligations are subject to changes in applicable legislation, regulations, or case law. We cannot provide any assurance that we will not incur new or more extensive pension obligations in the future due to such changes.

Any of these factors and developments could have a material adverse effect on our business results, cash flows, financial condition, or prospects. For a discussion regarding how our financial statements have been and can be affected by our pension and healthcare benefit obligations, see the financial statements and related notes included elsewhere in this Annual Report on Form 10-K.

If we are unable to attract or retain key personnel and qualified employees, or maintain relations with our employees, unions, and other employee representatives, it could adversely affect our business.

There is substantial competition for key personnel, senior management, and qualified employees in the healthcare industry, and we may face increased competition for such a highly qualified scientific, technical, clinical, and management workforce in a highly competitive environment. There can be no assurance that we will be successful in retaining existing personnel or recruiting new personnel.

Certain of our employees in the United States and elsewhere are covered by collective bargaining agreements. These agreements typically contain provisions regarding the general working conditions of our employees, including provisions that could affect our ability to restructure our operations, close facilities, or reduce our number of employees. We may not be able to extend existing collective bargaining agreements or, upon the expiration of such agreements, negotiate such agreements in a favorable and timely manner or without work stoppages, strikes, or similar actions.

The loss of one or more key employees, our inability to attract or develop additional qualified employees, any delay in hiring key personnel, any deterioration of the relationships with our employees, unions, and other employee representatives, or any material work stoppage, strike, or similar action could have a material adverse effect on our business results, cash flows, financial condition, or prospects.

The global COVID-19 pandemic has had and may continue to have a material adverse impact on our business, as well as on the operations and financial performance of some of the customers and suppliers in industries that we serve.

Some of our operations and financial performance since early 2020 have been negatively impacted by the COVID-19 pandemic that has caused, and may continue to cause, a slowdown of economic activity (including volatility in demand for our products, services, and solutions), disruptions in global supply chains, and significant volatility in financial markets. As the COVID-19 pandemic continues to affect economic activity globally or in various regions, the extent to which this will adversely impact our future operations and financial performance is uncertain. Across all of our businesses, we have experienced and expect to continue to experience operational challenges from the need to protect employee health and safety; site shutdowns; workplace disruptions; restrictions on the movement of people, raw materials, and goods (both at our own facilities and at those of our customers and suppliers); global supply chain disruptions; and price inflation. We also have experienced, and may continue to experience, unpredictable demand for our products, services, and solutions; customer requests for potential payment deferrals or other contract modifications; supply chain under-liquidation; delays of deliveries and the achievement of other billing milestones; delays or cancellations of new projects and related down payments; and other factors related, directly and indirectly, to the COVID-19 pandemic's effects on our customers that adversely impact our businesses.

The ultimate impact of the COVID-19 pandemic on our operations and financial performance depends on many factors that are not within our control, including, but not limited to: the severity and duration of the pandemic; the impact of coronavirus variants and resurgences; governmental, business, and individuals' actions in response to the pandemic; the impact of the pandemic on global and regional economies, travel, and economic activity; the development, availability, and public acceptance of effective treatments or vaccines; our employees' compliance with vaccine mandates that may apply in various jurisdictions; the availability of federal, state, local, or non-U.S. funding programs; global economic conditions and levels of economic growth; and the pace and extent of the ultimate recovery from the COVID-19 pandemic. A number of accounting estimates that we make have been and will continue to be affected by the COVID-19 pandemic and uncertainties related to these and other factors, and our accounting estimates and assumptions may change over time in response to COVID-19 (see the financial statements and the related notes included elsewhere in this Annual Report on Form 10-K). As the COVID-19 pandemic continues to adversely affect our operating and financial results, it may also have the effect of heightening many of the other risk factors described below.

Risks Relating to Technology and Intellectual Property

Our research and development efforts may not succeed in developing commercially successful products and technologies, which could adversely affect our business.

To remain competitive, we must continue to launch new products, services, and solutions, requiring substantial investment in R&D. If we cannot successfully introduce new offerings that address the needs of our customers, our offerings may become obsolete, and business results, cash flows, and financial condition could suffer.

Many of our offerings have lengthy development and commercialization cycles. Promising new products, services, and solutions may fail to reach the market or may only have limited commercial success because of safety or efficacy concerns, failure to achieve positive outcomes, inability to obtain necessary regulatory authorizations, or third-party reimbursement decisions. Additionally, new offerings may be quickly rendered obsolete by changing customer preferences, changing industry standards, or competitors' innovations or reverse engineering efforts. It is uncertain when or whether our products, services, or solutions currently under development will be launched or will be commercially successful. Any of these developments may have a material adverse effect on our business results, cash flows, financial condition, and prospects.

We may be unable to obtain, maintain, protect, or effectively enforce our intellectual property rights.

We place considerable emphasis on obtaining, maintaining, and using our intellectual property to support our business strategy. We pursue intellectual property protection in key jurisdictions to protect our R&D investment and limit the risk of infringing third-party intellectual property rights. However, we cannot assure that our means of obtaining, maintaining, and enforcing our intellectual property rights will be adequate to maintain a competitive advantage.

The laws of many jurisdictions may not protect our intellectual property rights or provide an adequate forum to effectively address situations where our intellectual property rights have been compromised. Furthermore, protecting against the unauthorized use of proprietary technology is difficult and expensive and we may need to litigate with third parties to enforce or defend patents issued to us or to determine the enforceability and validity of our proprietary rights or those of others. Determining whether an offering infringes, misappropriates, or otherwise violates a third party's intellectual property rights involves complex legal and factual issues, and the outcome of this type of litigation is often uncertain and inconsistent. An adverse determination in any such litigation could materially impair our intellectual property rights and may harm our business.

From time to time, we receive notices from third parties asserting infringement, misappropriation, or violation of their intellectual property rights. We are also subject to lawsuits alleging infringement, misappropriation, or other violation of third-party intellectual property rights. When such claims are asserted against us (or to avoid such claims), we may seek to license the third party's intellectual property rights, which may be costly. We may be unable to obtain necessary licenses on satisfactory terms, if at all. If we are unable to obtain an adequate license, we may be subject to lawsuits seeking damages or an injunction against the manufacture, import, marketing, sale, or operation of our offerings or against the operation of our business as presently conducted. We do not maintain insurance for claims or litigation involving the infringement, misappropriation, or other violation of intellectual property rights. Regardless of the merits or outcome, the resolution of any intellectual property dispute could require significant financial and management resources.

Adverse judicial rulings or our entry into any license or settlement agreement in connection with third-party claims could affect our ability to compete and have a material adverse effect on our business results, cash flows, financial condition, or prospects. Our agreements with our customers and other third parties typically include indemnification or other provisions under which we agree to indemnify or otherwise be liable to them for losses suffered or incurred as a result of intellectual property claims. We may not always be successful in limiting our liability with respect to such obligations and could become subject to large indemnity payments or damages claims from contractual breach, which could harm our business results, cash flows, financial condition, or prospects.

Furthermore, protecting confidential information and trade secrets can be difficult and, even if a successful enforcement action is brought, such action may not be effective in protecting our intellectual property rights. Additionally, the increased sharing of our data with third parties as a result of right-to-repair legislation could increase the risk of loss or damage to our intellectual property. If we cannot adequately obtain, maintain, protect, or enforce our intellectual property rights, our competitors may be able to compete more successfully against us, which could have a material adverse effect on our business results, cash flows, financial condition, or prospects.

We may not receive protection for pending or future applications relating to intellectual property rights owned by or licensed to us and the claims allowed under any issued intellectual property rights may not be sufficiently broad to protect our products, services, solutions, and any associated trademarks. Products sold by our competitors may infringe, misappropriate, or otherwise violate intellectual property rights owned or licensed by us. Any issued intellectual property rights owned by or licensed to us may be challenged, invalidated, held unenforceable, or circumvented in litigation or other proceedings, and these limited intellectual property rights may not provide us with effective competitive advantages. Intellectual property rights may also be unavailable, limited, unenforceable, or practically unenforceable in some countries, and some governments may require us to transfer our intellectual property rights to local entities to do business in the jurisdiction, either of which could make it easier for competitors to capture increased market position and compete with us. We may also incur substantial costs to protect ourselves in litigation or other proceedings involving the validity and enforceability of our intellectual property rights. If claims against us are successful, we could lose valuable intellectual property rights. An unfavorable outcome in any such litigation could have a material adverse effect on our business results, cash flows, financial condition, or prospects.

We do not own the GE trademark or logo, and we entered into a Trademark License Agreement with GE in connection with the Spin-Off, pursuant to which GE will grant us a license to use specified trademarks, which will include the GE Monogram and the "GE HealthCare" word mark for use in connection with certain of our products, services, and solutions, as well as the right to use the GE brand in connection with certain legal entity names within our corporate structure. GE owns and controls the GE brand, and the integrity and strength of the GE brand will depend in large part on the efforts and businesses of GE and other licensees of the GE brand and how the brand is used, promoted, and protected by them, which will be outside of our control. Furthermore, there are certain circumstances under which the Trademark License Agreement may be terminated. Termination of the Trademark License Agreement would eliminate our rights to use the specified trademarks granted to us under this agreement and may result in our having to negotiate a new or reinstated agreement with less favorable terms or cause us to lose our rights under the Trademark License Agreement, which would require us to change our corporate name and undergo significant rebranding efforts. These rebranding efforts may require significant resources and expenses and may affect our ability to attract and retain customers, all of which could have an adverse effect on our business results, cash flows, financial condition, or prospects.

Increased cybersecurity requirements, vulnerabilities, threats, and more sophisticated and targeted computer crimes pose a risk to our systems, networks, products, solutions, services, and data, as well as our reputation, which could adversely affect our business.

We manufacture and sell products that rely upon software and computer systems to operate properly and process and store confidential information. Our products often are connected to, and reside within, our customers' information technology ("IT") infrastructures. In some jurisdictions, we are expected to design our products to include appropriate cybersecurity protections, and regulatory authorities review such protections when granting marketing authorizations. While we seek to protect our products and IT systems from unauthorized access, these measures may not be effective, particularly because techniques used to obtain unauthorized access or to sabotage systems change frequently, increase in sophistication, and often are not recognized until launched against a target. These risks apply to our installed base of products, products we currently sell, new products we will introduce in the future, and older technology that we no longer sell or service but remains in use by customers. Additionally, we offer software, cloud, and edge products that are developed by, reside with, or are hosted by third-party providers. A cybersecurity breach of our systems or products, of

our customers' or service providers' network security and systems, or of other third-party services could disrupt treatment being delivered to patients or interfere with our customers' operations, and could lead to the loss of, damage to, or public disclosure of our employees' and customers' stored information, including personal data. Such an event could have serious negative consequences, including alleged customer or patient harm, obligations to notify enforcement authorities or users of our products, voluntary or forced recalls of or modifications to our products, regulatory actions, fines, penalties and damages, reduced demand for or use of our offerings by customers, harm to our reputation, and time-consuming and expensive litigation, any of which could have a material adverse effect on our business results, cash flows, financial condition, or prospects.

IT helps us operate efficiently, support our customers, maintain financial accuracy, and produce our financial statements. There are increasingly large volumes of information, including patient data, being generated that need to be securely processed and stored by healthcare organizations. However, like most, if not all, multinational corporations, our IT systems have been subject to computer viruses, malicious code, unauthorized access, and other cyber-attacks. There has been an increase in the frequency and sophistication of the data security threats we and our service providers face. We may also be exposed to a more significant risk if such actions are taken by state or state-affiliated actors. The objectives of these cyber-attacks vary widely and may include, among other things, unauthorized access to personal, customer, or third-party information, disruptions of operations and the provision of services to customers, or theft of intellectual property or other sensitive assets or information belonging to us, our business partners, or customers. As such attacks become more effective, the risks in this area continue to grow. Although we have back-up systems in place, they may not be adequate in the event of a failure or interruption. We could suffer significant business disruption, including transaction errors, supply chain or manufacturing interruptions, processing inefficiencies, data loss, loss of customers, reputational damage, the loss of or damage to intellectual property or other proprietary information, litigation, investigation, and possible liability to employees, customers, suppliers, patients, and regulatory authorities as a result of a successful cyber-attack. Further, our ability to effectively plan, forecast, and execute our business plan and comply with applicable laws and regulations may be impaired by such cyber-attacks. Any of the above could have a material adverse effect on our business results, cash flows, financial condition, or prospects, and on the timeliness of reporting our operating results.

We rely on software, hardware, and other material components from a number of third parties to manufacture our products. If a material cyber incident impacting a supplier were to result in its prolonged inability to manufacture and/or ship such components, this could impact our ability to manufacture our products. In addition, third-party sourced software components, malicious code, or a critical vulnerability emerging within such software could expose our customers to increased cyber risk. From a cybersecurity perspective, for the former, we address these risks through our robust supplier cybersecurity assessment process though which suppliers are classified by risk, assessed and approved prior to onboarding (per standards including ISO 27001 and NIST 800-53) and, for critical suppliers, continuously monitored through the use of third-party services to identify fluctuations in security posture. For the latter, we address potential software vulnerability risks through robust pre-market verification, validation, and security testing (including both internal and industry-leading third-party security testing) and our post-market vulnerability management program with response service level agreements and safety risk integration, continuous vulnerability intake, assessment from relevant sources, coordinated vulnerability disclosure program, and customer security portal for vulnerability communication and related information. While we have undertaken these efforts to mitigate cybersecurity risks, these efforts may not prevent all incidents.

If we were to experience a significant cybersecurity breach of our information systems or data, the costs associated with the investigation, remediation, and potential notification of the breach to customers, regulators, and counterparties could be material. In addition, our remediation efforts may not be successful. We currently maintain data privacy and IT security insurance; however, such coverage may be inadequate. In addition, the market for such insurance continues to evolve and, in the future, our data privacy and IT security insurance coverage may be prohibitively expensive or not available on acceptable terms or in sufficient amounts, or at all.

We are subject to stringent privacy laws and information security policies and regulations.

Our products and systems receive, generate, and store significant volumes of sensitive information, such as employee, customer, patient, and other personal data. Moreover, our digital ecosystem, which is intended to provide our customers with greater access to a broad array of personal and sensitive information to improve delivery of care to their patients, heightens our risks associated with the protection of such information. We have legal and contractual obligations regarding the protection of confidential and personal information and the appropriate collection, use, retention, protection, disclosure, transfer, and other processing of such data. We are subject to various privacy law regimes in the different jurisdictions in which we operate, including comprehensive regulatory systems in Europe, Latin America, and Asia Pacific and sector-specific requirements in the United States. Certain international jurisdictions have enacted or are enacting data localization laws mandating that certain types of data collected in a particular jurisdiction be physically stored within that jurisdiction.

There are numerous U.S. federal and state laws and regulations related to the privacy and security of personal information. In particular, regulations promulgated pursuant to HIPAA, establish privacy and security standards that limit the use and disclosure of individually identifiable health information ("protected health information" or "PHI"), require the implementation of safeguards to protect the privacy and security of PHI and ensure the confidentiality, integrity, and availability of electronic PHI, and require the provision of notice in the event of a breach of PHI. If we are unable to properly protect the privacy and security of PHI, we could face liability for breach of our contracts with our customers. Further, if we fail to comply with applicable HIPAA privacy and security standards, we could face civil and criminal penalties. In addition, there are also various state-level laws (e.g., the California Consumer Privacy Act), both enacted and proposed, that we must monitor for applicability and impact to our business and for which we must implement necessary controls and other requirements (if applicable).

In addition, we are subject to the laws and regulations of foreign jurisdictions including, without limitation, the GDPR in the EU and the United Kingdom ("U.K.") data protection legislation (including the GDPR, as it forms part of the law of the U.K. by virtue of the U.K. GDPR and the U.K. Data Protection Act 2018 (the "U.K. Data Protection Act")). The GDPR contains robust, direct obligations on data processors in addition to data controllers, heavier documentation requirements for company data protection compliance programs, and a prohibition on the transfer of personal data from the EU to other countries whose laws do not protect personal data to an adequate level of privacy or security (unless an approved cross-border transfer mechanism, such as binding corporate rules for personal data transfers, is maintained). Data protection authorities have the power to impose substantial administrative fines for violations of the GDPR and the U.K. GDPR. Such penalties are in addition to any civil litigation or damages from claims by data controllers, customers, and data subjects. If we fail to comply with the GDPR, the U.K. GDPR, and the U.K. Data Protection Act, we could face fines and penalties.

In China, we are subject to laws and regulations governing both the use and disclosure of confidential patient medical information that may become more restrictive in the future, including restrictions on transfer of healthcare data (e.g., China PIPL). In China, we are also subject to the Cyber Security Law of China and accompanying regulations, which designate healthcare as a priority area that is part of critical information infrastructure and has recently increased privacy protections. Some of our products may be required to comply with detailed standards or guidance documents on cybersecurity and privacy issued by various regulatory authorities. Should the privacy or cybersecurity regime in China become more stringent, we could be required to implement additional safeguards and systems, which could be costly and cause disruption to our business in China.

In addition, privacy laws and regulations in other regions of the world, such as Asia and Latin America, are becoming stricter and may potentially impose additional requirements on our business (e.g., Brazil's General Data Protection Law (Lei Geral de Proteção de Dados Pessoias)), and certain jurisdictions have implemented data localization laws which can be costly and operationally difficult to satisfy. We cannot be sure how these laws and regulations will be interpreted, enforced, or applied to our operations. In addition to the risks associated with enforcement activities and potential contractual liabilities, our ongoing efforts to comply with evolving laws and regulations may be costly and require ongoing modifications to our policies, procedures, and systems. If we, or third parties, fail to adequately safeguard confidential personal data, or if such information or data are wrongfully used by us or by third parties, or disclosed to unauthorized persons or entities, such an event could have a material adverse effect on our business results, cash flows, financial condition, or prospects.

Our increasing focus on and investment in cloud, edge, AI, and software offerings presents risks to our business. We may not be successful in driving the successful global deployment and customer adoption of digital offerings characterized by digital applications and solutions.

A growing part of our business involves cloud, edge, and software solutions, and we are devoting significant resources to develop and deploy such strategies. Our success with these solutions will depend on the level of adoption of our offerings. We incur costs to develop cloud, edge, and software solutions and to build and maintain infrastructure to support cloud and edge computing offerings. Success with these solutions depends on execution in many areas, including:

- establishing and maintaining the utility, compatibility, and performance of our cloud, edge, and software solutions (including the reliability of our third-party software vendors, network, and cloud providers) on a growing array of medical devices, software, and equipment;
- continuing to enhance the attractiveness of our solutions to our customers in the face of increasing competition from a significant number of existing and new entrants in the market, while ensuring these solutions meet their reliability and security expectations; and
- ensuring these solutions meet regulatory requirements in a fast-moving space disrupted by changing regulations around data and the need for innovation, including obtaining marketing authorizations when required.

It is uncertain whether our strategies will attract customers or generate revenue required to succeed in this highly competitive and rapidly changing, global market. We commit substantial efforts, funds, and other resources to R&D and IT infrastructure for our digital offerings, and the risk of failure is inherent. Even where our digital offerings satisfy applicable regulations and reimbursement policies, customers may not adopt them due to concerns about the security of personal data or the absence of digital infrastructure to support and effectively use the offerings, a hesitancy to embrace new technology, or for other reasons. We also may not effectively execute organizational and technical changes to accelerate innovation and execution. In a number of countries, certain cloud, edge, and software solutions are restricted areas of foreign investment. Collaborating with a domestic, qualified third party will increase the costs and may create uncertainties in such jurisdictions. The legality or validity of any collaboration may be challenged or subjected to scrutiny in such jurisdictions and the relevant governmental authorities have broad discretion in addressing such arrangements. Any of these risks could have a material adverse effect on our business results, cash flows, financial condition, or prospects.

Cloud, edge, and software solutions in healthcare must comply with stringent regulations, including certification requirements, in many of the countries in which our customers are located, particularly in relation to obtaining, using, storing, and transferring personal data. Our software solutions must be compliant with applicable regulations in the country in question before we can launch our offerings. In some jurisdictions, we must obtain marketing authorizations before commercializing software solutions. Ensuring such regulatory compliance may take longer or cost more than expected or require that design changes be incorporated into our offerings. In addition, changes to reimbursement policies for digital healthcare offerings could potentially lead to delays and additional expense. The inability of customers to obtain adequate reimbursement from private and governmental third-party payers could adversely affect purchasing decisions and prices and cause our revenue and profitability to suffer.

We are building AI into many of our digital offerings, which presents risks and challenges that could affect its acceptance, including flawed AI algorithms, insufficient or biased datasets, unauthorized access to personal data, lack of acceptance from our customers, or failure to deliver positive outcomes. These deficiencies could undermine the decisions, predictions, or analysis AI applications produce, as well as their adoption, subjecting us to competitive harm, legal liability, regulatory actions, and reputational harm. In addition, some AI scenarios present ethical, privacy, or other social issues, risking reputational harm. We have safeguards designed to promote the ethical implementation of AI but these safeguards may not be sufficient to protect us against negative outcomes. Furthermore, we contract with numerous third parties to offer our digital content to customers as well as to assist with the development of their own software applications and services, and our reliance on access to these third parties' healthcare digital applications, which may not continue to be available to us on commercially reasonable terms, or at all, could impact our ability to offer a wide variety of our own digital offerings at reasonable prices with acceptable usage tools, or continue to expand our geographic reach. The occurrence of any of the above could have a material adverse effect on our business results, cash flows, financial condition, or prospects.

LEGAL RISKS.

The failure to comply with the FCPA and similar anti-corruption and anti-bribery laws globally has resulted and could continue to result in civil or criminal sanctions and adversely affect our business.

The FCPA, the U.K. Bribery Act of 2010 ("UKBA"), and similar anti-corruption and anti-bribery laws in other jurisdictions generally prohibit companies from offering and making corrupt payments to or otherwise engaging in bribery of government officials. We operate in many parts of the world that have experienced elevated levels of public sector corruption. Because of the predominance of government-sponsored healthcare systems around the world, many of our customer relationships outside of the United States are with governmental entities, the employees of which may be considered government officials under such laws. Many anti-corruption laws, such as the UKBA, also prohibit bribery of private sector individuals, and thus extend far beyond interactions with government officials. We also are subject to the FCPA's accounting provisions, which require us to keep accurate books and records and to maintain an adequate system of internal accounting controls sufficient to provide reasonable assurances of management's control, authority, and responsibility over our assets. Non-U.S. companies, including some of our competitors, may not be subject to the provisions of the FCPA. If these competitors engage in corrupt practices, they may gain a business advantage.

Global enforcement of anti-corruption laws has increased substantially in recent years, with more frequent voluntary self-disclosure by companies, aggressive investigations (including coordinated investigations across countries and governmental authorities) and enforcement proceedings by U.S. and non-U.S. governmental agencies, and assessment of significant civil and criminal fines, penalties, and other sanctions against companies and individuals. Companies in the healthcare sector have been a particular focus of government enforcement in recent years. We also face the risk of unauthorized payments, offers of payments, or requests for payments being made by our employees, intermediaries, channel partners and their sub-parties, customers or customer representatives, consultants, or other representatives. We may face liability under anti-corruption laws based upon the actions or inactions of these parties even when they are not subject to our control and/or are not contractually bound to us. We may also face liability from employee misconduct, such as fraud, which cannot always be deterred or prevented. Enforcement of anti-corruption laws in the healthcare industry in recent years has focused on international operations, particularly in countries such as China, Brazil, Mexico, and Russia. China's anti-corruption agency, the National Supervisory Commission, has the power to investigate government officials and individuals employed by state-owned entities and public institutions and to collect evidence (including from private companies and individuals), seize assets, and recommend cases for prosecution. In recent years, the Chinese judicial branch has publicly disclosed an increasing number of judgments against government officials and others found to have engaged in corruption and other misconduct across many industries; certain of these judgments contain references that identify some of our products, employees, and channel partners. We review these judgments and other concerns we identify and conduct internal inquiries where appropriate. Additionally, 2018 amendments to China's Anti-Unfair Competition Law revised the definition of commercial bribery to include conduct "seeking transaction opportunities or competitive advantage." Consequences for violations include civil, administrative, and criminal penalties for businesses that commit acts of unfair competition (including commercial bribery).

It is our policy to develop and implement safeguards and to educate our employees and certain third parties concerning these legal requirements and to prohibit improper practices. However, our existing safeguards and any future improvements may not always be effective, and employees or certain third parties may engage in conduct for which we may be held responsible or suffer reputational harm.

Any alleged or actual violations of these laws or regulations may subject us to government scrutiny, criminal, civil, or administrative sanctions, stockholder lawsuits, reputational damage, and other liabilities. In some instances, we make self-disclosures to relevant authorities who may pursue or decline to pursue enforcement proceedings against us. A violation of certain anti-corruption laws could result in exclusion from government healthcare programs. In addition, governmental entities may seek to hold us liable for violations committed by any companies in which we invest or that we may acquire. The costs associated with the investigation, remediation, and potential notification of any violation to customers, regulators, and counterparties could be material. Any of the foregoing could have a material adverse effect on our business results, cash flows, financial condition, or prospects.

We are subject to anti-kickback and false claims laws and failure to comply with these laws could adversely affect our business.

The commercial practices of companies selling medical devices, pharmaceutical products and related services, and other arrangements with customers are generally subject to various U.S. federal, U.S. state, and foreign healthcare laws intended to prevent fraud and abuse in the healthcare industry and protect the integrity of government healthcare programs. These laws include anti-kickback laws and false claims laws. Anti-kickback laws, such as the AKS, generally prohibit anyone from soliciting, offering, receiving, or paying any remuneration to generate or reward business, including the purchase of a particular product or service for which payment may be made under a federal healthcare program. The U.S. Department of Justice has interpreted the AKS to cover any arrangement where one purpose of the remuneration is to induce or reward referrals of products or services reimbursable under U.S. federal healthcare programs. False claims laws generally prohibit anyone from knowingly presenting, or causing to be presented, any claims for payment for goods or services to third-party payers that are false or fraudulent. Claims generated as a result of kickbacks may be treated as false or fraudulent. In the U.S., the FCA imposes civil liability on any person or entity that submits, or causes the submission of, a false or fraudulent claim to the U.S. government. The FCA also allows a private individual or entity with knowledge of past or present fraud against the federal government to sue on behalf of the government to recover civil penalties and treble damages. In certain cases, manufacturers have entered criminal and civil settlements with the federal government under which they entered into plea agreements, paid substantial monetary amounts, and entered into corporate integrity agreements that require, among other things, substantial ongoing reporting, monitoring, and other remedial actions.

We often enter complex contractual research agreements, collaborations, and similar arrangements with our customers and other healthcare professionals. These arrangements may result in transfers of value from us to our customers and other healthcare professionals (and vice versa), which require appropriate implementation to ensure compliance with anti-kickback and false claims laws and regulations. While we have policies and procedures in place to comply with these laws and regulations, a failure by any of our employees or agents to abide by such policies and procedures could result in potential criminal or civil penalties and damages against us, which may include treble damages, fines, or penalties under the FCA. Addressing such claims could generate significant expenses and take up significant management time, even if such claims are without merit.

If we are not successful in defending ourselves, violations of fraud and abuse laws could have a significant impact on our business, including the potential imposition of civil, criminal, and administrative penalties, damages, disgorgement, monetary fines, individual imprisonment, possible exclusion from participation in certain government healthcare programs, contractual damages, reputational harm, diminished profits and future earnings, and curtailment or restructuring of our operations. The U.S. federal government, various states, and certain foreign governments have also enacted other laws to regulate the sales and marketing practices of companies selling medical devices, pharmaceutical products, and related services. These laws and regulations generally define permissible and impermissible financial interactions between manufacturers or service providers and healthcare providers, require disclosure to the government and public of such interactions, and require the adoption of compliance standards or programs. Individual U.S. states have become active in seeking to regulate the marketing of medical devices, pharmaceutical products, and related services under state consumer protection and false advertising laws. Other laws require disclosure of certain interactions with, or payments to, healthcare providers (e.g., the Sunshine Act). Given the evolving nature of these laws, their implementation, and increasing enforcement activity, compliance efforts can be resource-intensive and costly, and we could be subject to penalties and damages if the government finds deficiencies. The costs associated with the investigation, remediation, and potential notification of any violation to customers, regulators, and counterparties could be material. Any of these risks could have a material adverse effect on our business results, cash flows, financial condition, or prospects.

We are subject to antitrust and competition laws that can result in sanctions and conditions on the way we conduct our business.

We are subject to antitrust and competition laws, which generally prohibit certain types of conduct deemed to be anti-competitive, including price fixing, bid rigging, cartel activities, price discrimination, market monopolization, tying arrangements, acquisitions of competitors, and other practices that have, or may have, an adverse effect on competition. Regulatory authorities may have authority to impose fines and sanctions or to require changes or impose conditions on the way we conduct business in connection with alleged non-compliance with applicable law. Under certain circumstances, violations of antitrust laws could result in suspension or debarment of our ability to contract with certain parties or complete certain transactions. In addition, an increasing number of jurisdictions also provide private rights of action for competitors or consumers to seek damages asserting claims of anti-competitive conduct. Increased government scrutiny of our actions or enforcement of private rights of action could adversely affect our business or damage our reputation. Conducting internal investigations or responding to audits or investigations by government agencies could be costly and time-consuming. An adverse outcome under any such investigation or audit could subject us to fines or criminal or other penalties, which could have a material adverse effect on our business results, cash flows, financial condition, or prospects.

If we do not successfully manage our collaboration arrangements, licensing arrangements, joint ventures, or strategic alliances with third parties, we may not realize the expected benefits from such arrangements, which could adversely affect our business.

From time to time, we enter into collaborations, licensing arrangements, joint ventures, or strategic alliances with third parties to complement or augment our capabilities, including in R&D, product development, manufacturing, and marketing. Evaluating, appropriately structuring, negotiating, and implementing such arrangements may be a lengthy and complex process and must meet with applicable business, legal, and compliance requirements. Other companies may compete with us for these opportunities. As a result, we may not identify, secure, or complete such arrangements in a timely manner, on a cost-effective basis, or on otherwise favorable terms, if at all.

We may not realize the expected benefits from these arrangements. We may not be able to exercise sole decision-making authority regarding any such collaboration, licensing arrangement, joint venture, or strategic alliance. This could create the risk of impasses on decisions, given that our partners in these arrangements may have economic or business interests that diverge from our interests. Conflicts may arise in these arrangements concerning the achievement of performance milestones or the interpretation of significant terms under any agreement (including financial obligations), termination rights, or the ownership or control of intellectual property developed during the arrangement. Our partners may suffer adverse commercial, financial, or legal circumstances that are outside of our control and may jeopardize their success, our partners may terminate their relationships with us, or breakdowns in these relationships may give rise to disputes. Given the potentially different interests of the parties involved, we could suffer delays in product development or other operational difficulties.

These arrangements may require us to incur non-recurring and other charges, increase expenditures, or disrupt our ordinary business activities. These arrangements may expose us to known and unknown risks, including unique risks with respect to the economic, political, and regulatory environment of any foreign entities with which we partner, quality control, and legal and regulatory violations committed by partners whose actions are outside of our control. See "Risks Relating to Quality, Regulation, and Compliance." Any of the foregoing could have a material adverse effect on our business results, cash flows, financial condition, or prospects.

We are subject to laws and regulations governing government contracts, public procurement, and government reimbursements in many jurisdictions, as to which the failure to comply could adversely affect our business.

We have agreements relating to the sale of our offerings to government entities around the world. Additionally, we are directly or indirectly subject to government policies governing reimbursement for healthcare procedures and services. As a result, we are subject to various statutes and regulations in a variety of jurisdictions that apply to companies doing business with the government. The laws governing government contracts can differ from the laws governing private contracts and government contracts may contain terms and conditions that are not applicable to private contracts or that expose us to higher levels of risk and potential liability than non-government contracts. Similarly, most jurisdictions have public procurement laws and reimbursement policies that set out rules and regulations for purchases and reimbursements by governmental entities. These jurisdictions may modify their laws, policies, rules, or regulations, or impose new requirements that could adversely affect our business. We are subject to investigation for non-compliance with the regulations governing government contracts, public procurement, and government reimbursements. A failure to comply with these regulations could result in suspension of these contracts, delayed or reduced payment, criminal, civil, or administrative penalties, contract termination, reputational harm that diminishes our ability to successfully compete for new government work, or debarment.

For contracts with the U.S. federal government, with certain exceptions, we must comply with the Federal Acquisition Regulation and applicable agency rules, the Procurement Integrity Act, the Buy American Act, and/or the Trade Agreements Act. Because the use of our products, services, and solutions is often reimbursed by the U.S. federal government through Medicare and Medicaid, we must comply with the AKS, the Sunshine Act, and the FCA. See "We are subject to anti-kickback and false claims laws and failure to comply with these laws could adversely affect our business." We must also comply with various other domestic and foreign government regulations and requirements as well as various statutes related to employment and labor practices, supply chain requirements, reporting and disclosure obligations, EH&S matters, recordkeeping, and accounting. Certain countries impose additional requirements on government suppliers as a prerequisite to doing business in the country. These can include, among other things, local headcount requirements, local manufacturing and supplier requirements, and technology or intellectual property transfers.

China has a government-run procurement system for public hospitals to obtain medical devices (mainly high value medical consumables) and drugs. The system for reimbursing the costs of these medical devices and drugs for patients is also set by the central and local governments. Medical device and drug distribution chains may be restricted in certain provinces by a policy that requires that at most two tax invoices may be issued throughout the distribution chain, which effectively prohibits sale of products through multi-layer distributors (even between wholly owned subsidiaries). The continued existence, and any expansion and tightening, of this policy, could present significant challenges for our relevant products to reach a larger geographic area in China. Failure to comply with this policy may preclude us from participating in the government-run procurement processes with public hospitals or result in our disqualification from engaging in respective medical device or product sales to public hospitals in a certain locality. These regulations and requirements affect how we transact business with our clients and, in some instances, impose additional costs and risks on our business operations for the relevant products.

Additionally, some governmental entities, including the U.S. federal government, can terminate contracts for their convenience or for our default. These governmental entities may also be subject to continued legislative funding approval. Early termination for convenience of one or more of our contracts, or a change in a government customer's funding levels, could impact our expected revenues. See "Demand for some of our products depends on capital spending policies of our customers and on government funding policies." A termination for default of one or more of our contracts could subject us to penalties and damages resulting from the default, including costs for the governmental entity to reprocure the items under contract, in addition to other penalties previously listed.

The U.S. federal government could also invoke the Defense Production Act ("DPA"), requiring that we accept and prioritize contracts for materials deemed necessary for national defense, regardless of loss in revenue incurred on such contracts. In such circumstances, we may be required to reallocate time and resources away from our customers to fulfill U.S. federal government requests under the DPA. This could cause us to be unable to fulfill contractual obligations to non-U.S. federal government customers and harm long-term business relationships with our customers, suppliers, and channel partners, which could adversely affect our business.

We are also subject to government audits, investigations, and oversight proceedings. Efforts to ensure our business arrangements comply with applicable laws involve substantial costs. It is possible that governmental and enforcement authorities will conclude that our business practices do not comply with current or future laws and regulations. If any such actions are instituted against us, defense can be costly, time-consuming and may require significant financial and personnel resources. If we are not successful in defending ourselves or asserting our rights, those actions could have a significant impact on our business, including the imposition of civil, criminal, and administrative penalties, damages, disgorgement, monetary fines, individual imprisonment, possible exclusion from participation in certain government healthcare programs (including Medicare and Medicaid in the United States), contractual damages, reputational harm, diminished profits and future earnings, and curtailment or restructuring of our operations. In addition, any of our government contracts could be terminated or we could be suspended or debarred from all government contract work. We also possess dependencies on governments relative to workforce protocols and customs decisions due to events that are difficult to predict, such as pandemics and regional conflicts. Any of these risks could have a material adverse effect on our business, cash flows, financial condition, results of operations, or prospects.

Efforts by public and private payers to control the growth of healthcare costs may lead to lower reimbursements or increased utilization controls related to the use of our products by healthcare providers, which may affect the price of and demand for our products, services, or solutions.

Sales of many of our offerings directly or indirectly depend on the availability of reimbursement and the amount of reimbursement that our customers may seek from various third-party payers, including government programs, authorities, or agencies (e.g., Medicare and Medicaid in the United States), and private health plans. In general, employers, and third-party payers, particularly in the United States, have become increasingly cost-conscious, with higher deductibles imposed in many medical plans. The imposition of higher deductibles tends to inhibit individuals from seeking the same level of medical treatments as they might seek if the costs were lower, particularly in the medical diagnostic portion of our business. Third-party payers have also increased utilization controls related to the use of our offerings by healthcare providers.

Without adequate support from third-party payers, the market for our offerings may be limited and adversely impacted. Governments and other payers may institute changes in healthcare delivery systems that reduce funding for services or encourage greater scrutiny of healthcare costs. The ability of customers to obtain appropriate reimbursement for our offerings from third-party payers is critical to the success of medical technology companies because it affects which offerings customers purchase and the prices they are willing to pay. Some countries impose drug price controls or reimbursement limitations for pharmaceutical products. Even if we develop promising new offerings, we may find limited demand for the offerings unless reimbursement approval is obtained from third-party payers. Further legislative or administrative reforms that impact reimbursements or pricing could have a material adverse effect on our business results, cash flows, financial condition, or prospects.

In the United States, private third-party payers, although independent from Medicare, sometimes use portions of Medicare reimbursement policies and payment amounts in making their own reimbursement decisions. As a result, decisions by the Centers for Medicare and Medicaid Services ("CMS") to reimburse for a diagnosis or treatment, or changes to Medicare's reimbursement policies or reductions in payment amounts with respect to a diagnosis or treatment, sometimes extend to U.S. third-party payers' reimbursement policies and amounts for that diagnosis or treatment. Decision-making by our U.S. customers is complicated by the uncertainty surrounding Medicare reimbursement rates for certain procedures. From time to time, CMS and third-party payers may review and modify the factors upon which they rely to determine appropriate levels of reimbursement for certain diagnoses or treatments. In China, government authorities control the inclusion or removal of drugs from the Essential Drug List and the National Reimbursement Drug List, which govern reimbursement under state-sponsored health plans. The removal or reclassification of our products on Chinese national or provincial lists can affect the reimbursement or reimbursement rate of our products in China. Any significant cuts in reimbursement rates or changes in reimbursement methodology or administration for procedures that use our offerings, or concerns or proposals regarding further cuts or changes in methodology or administration, could further increase uncertainty, adversely affect our customers' decisions, reduce demand for our offerings, cause customers to cancel orders, and could have a material adverse effect on our business results, cash flows, financial condition, or prospects.

We are exposed to risks associated with product liability claims that have been and may be brought against us or as a result of the actions or inactions of our customers or third parties that are outside of our control.

We design, manufacture, sell, install, and service a wide range of products, including products and related services that are at the cutting edge of existing technologies and medical advances. Our products are used by healthcare providers to diagnose, monitor, and treat a wide range of medical conditions. We are required to comply with the highest quality standards in product manufacturing and quality management plays an essential role in determining and meeting customer requirements, preventing defects, improving our offerings, and assuring the safety and efficacy of our products. As a result, our business exposes us to potential product liability claims. Customers or their patients may bring product liability claims if our products fail, or allegedly fail, to perform as expected or show a failure rate that is higher than expected, or the use of our products results, or is alleged to result, in bodily injury, death, or property damage. Claims may allege that our products cause or result in alleged new disease states. Even if these or similar claims are without merit, they can result in costly and time-consuming litigation. We may also be exposed to claims or regulatory action if our products do not conform or are alleged not to conform to applicable product or design specifications, labeling, or manufacturing requirements. Quality issues could result in warranty, guarantee, or other claims, including with respect to performance guarantees under service contracts. Even if such non-conformance has no actual impact on the quality of our products, we may be exposed to claims, regulatory actions, or negative press reports, or may be required to modify our products or their labeling, conduct a recall or take other actions, any of which could adversely affect our reputation or our relationships with customers and users of our products.

Because some of our products are involved in the intentional delivery of radiation to the human body and other situations where people may be exposed to radiation, including X-rays, the possibility for significant bodily injury or death exists for the intended or unintended recipient of the delivery. Our products are used to diagnose and treat acutely ill patients and at critical moments in the patient care continuum, and the failure (or alleged failure) of our products to perform as expected in such moments could compromise patient treatment, which, depending on the circumstances, could be life-threatening to patients.

Product and other liability actions, claims, or injunctions are subject to significant uncertainty and may be expensive, time-consuming, and disruptive to our operations. For these and other reasons, we may choose to settle product liability claims and other liability actions against us, regardless of their actual merit. If such action or injunction were finally determined adversely to us, it could result in significant damages and reputational harm, including the possibility of punitive damages, and our financial position could be adversely affected. Adverse publicity regarding patient outcomes, accidents, failure rates, misdiagnoses, and resulting mistreatments, even ones that do not involve our products, could result in additional regulation of our products or the healthcare industry in general, cause reputational harm and adversely affect our ability to promote, manufacture, and sell our products, even if the claims against us are later shown to be unfounded or unsubstantiated.

Moreover, if our products gain a reputation for being unreliable, unsafe, or ineffective, our relationships with governmental authorities may be adversely affected, which could result in increased scrutiny by regulatory authorities. In addition, if one of our products is determined to be defective (whether due to design, labeling, or manufacturing defects or other reasons) or found to be so by a regulatory authority, we may be liable for damages or fines or be required to correct, remove, or recall the product or notify competent regulatory authorities. See "Risks Relating to Quality, Regulation, and Compliance." The adverse publicity resulting from a recall could damage our reputation and cause customers to review and possibly terminate their relationships with us, potentially beyond the product that was the subject of the action. A correction, removal, or recall could consume management and employee time, and adverse publicity, harm to our reputation, or increased regulatory scrutiny could have a material adverse effect on our business results, cash flows, financial condition, or prospects.

We maintain product liability insurance coverage, among other liability insurance coverage, which includes deductible amounts and self-insured retentions. Our insurance coverage may prove to be inadequate and future policies may not be available on acceptable terms or in sufficient amounts, if at all. If a material claim is successfully brought against us relating to a self-insured liability or a liability that is in excess of our insurance coverage, or for which insurance coverage is denied or limited, we could be required to pay substantial damages, which could have a material adverse effect on our business results, financial position, or prospects. Any litigation, investigation, or complaint and any adverse publicity surrounding such allegations or actions could have a material adverse effect on our business results, cash flows, financial condition, or prospects.

Moreover, we may face substantial liability to patients, customers, and others for damages resulting from the faulty, or allegedly faulty, design, manufacture, installation, servicing, support, testing, or interoperability of our products with other products, or their misuse or failure. Our products generally operate within our customers' facilities and network systems. Human and other errors or accidents may occur during the operation of our products in complex environments, particularly where our products are used in conjunction with products from other vendors, where interoperability or data sharing protocols may result in unsatisfactory performance even though the equipment operates according to specifications. In addition, independent service organizations could fail to adequately perform their obligations or to properly service our products, which could subject us to further liability. We may also be subject to claims for property damage, economic loss, or bodily injury, or death related to or resulting from the installation, servicing, and support of our products. Any accident, mistreatment, or related injury or death could cause us to incur legal costs, subject us to litigation, recall, or regulatory enforcement actions, or generate negative publicity and cause damage to our reputation, whether or not we or our products were at fault and could have a material adverse effect on our business results, cash flows, financial condition, or prospects.

We may become involved in litigation, arbitration, and governmental proceedings, including those stemming from third-party conduct beyond our control.

We are involved in, or threatened with, legal, arbitration, and governmental proceedings or investigations from time to time in the ordinary course of our business as well as heightened scrutiny in the healthcare industry, including disputes with employees, competitors, customers, suppliers, competition authorities, regulators and other authorities, purported whistle-blowers, or regulatory agencies concerning allegations of, among other things, breaches of contract, product liability, product defects, intellectual property infringement, logistics or manufacturing related topics, quality regulations, EH&S or employment issues, termination of business relationship, or alleged or suspected violations of applicable laws in various jurisdictions. The outcome of pending or potential future legal, arbitration, and governmental proceedings is difficult to predict, and excessive verdicts do occur. If such proceedings are determined adversely to us, we may be required to change our business practices or we may incur fines, penalties, or monetary losses, some of which may be significant or could disrupt the operation of our business. Exposure to litigation or other government action, whether directed at us, our customers, suppliers, or channel partners, or our or their respective business partners, could also result in the distraction of management resources and adversely affect our reputation, which could have a material adverse effect on our business results, cash flows, financial condition, or prospects. Like other companies in our industry, we are subject to investigations and extensive regulation by government agencies around the world. As a result, we have interactions with government agencies on an ongoing basis. Criminal charges and substantial fines or civil penalties, as well as limitations on our ability to conduct business in applicable jurisdictions, could result from government investigations.

GENERAL RISKS.

Global geopolitical and economic instability as well as continuing uncertainties and challenging conditions in regional economies could adversely affect our business.

We generate the majority of our revenue outside the United States and our business is sensitive to global economic conditions. Slower global economic growth, actual or anticipated default on sovereign debt, volatility in the currency and credit markets, high levels of unemployment or underemployment, reduced levels of capital expenditures, changes or anticipation of potential changes in government fiscal, tax, import and export, and monetary policies, changes in capital requirements for financial institutions, government deficit reduction and budget negotiation dynamics, sequestration, austerity measures, and other challenges that affect the global economy could adversely affect us and our customers, suppliers, and channel partners. Economic instability could also cause renewed uncertainty in global markets and the investment climate to deteriorate.

Our business is affected by global geopolitical conditions. Future geopolitical factors that have the effect of reducing capital expenditures generally, and for healthcare products, services, or solutions, specifically, may negatively impact sales of our offerings and, as a result, make it more difficult for us to attract new customers, retain existing customers, or maintain sales at existing levels. In particular, the imposition of import and export restrictions and trade tariff developments have contributed to increased global economic uncertainty. In addition, the rise of economic nationalism could make it more difficult for us to attract new customers, retain existing customers, or maintain sales at existing levels in countries other than the U.S. Geopolitical and economic risks have increased over the past few years as a result of increasing trade tensions between the United States and China. Our operations expose us to the risk that increased trade protectionism from China or other nations may adversely affect our business. Any of these risks or the further deterioration of trade relations between countries could make our offerings more expensive or non-competitive in the affected countries. Growing tensions may also lead to a deglobalization of the world economy, a general reduction of international trade in goods and services, and a reduction in the integration of financial markets, any of which could materially and adversely affect our business results, cash flows, financial condition or prospects.

Further risks stem from geopolitical tensions (such as in Cuba, Iran, Syria, Russia, and North Korea), the conflicts that may potentially arise, and economic sanctions imposed relating to such regions and persons included on sanctioned party lists. In particular, the conflict between Ukraine and Russia may negatively impact our revenue to the extent the conflict and the sanctions significantly impact our ability to sell products or services to customers in the affected regions or collect receivables from such customers. Given the nature of our products, we do not believe that the current sanctions and other measures imposed by the United States and other countries preclude us from conducting business in the region. However, these sanctions have made and will continue to make it more burdensome and costly to serve customers in these regions, and if the sanctions and other retaliatory measures imposed by the global community change, we may be required to cease or suspend our operations in the region or we may voluntarily elect to do so. We are continuously monitoring economic, political, and geopolitical developments to assess any potential future impact that may arise.

The impact of geopolitical and economic developments globally will depend on a number of factors, including the effectiveness of measures by central banks and financial authorities. Such developments may also result in or coincide with reduced budgets for capital equipment and services, particularly if it becomes more difficult for our customers to accurately forecast and plan future business activities. This, in turn, may cause our customers to reduce, delay, or abandon purchases of our offerings. An uncertain economic environment may also adversely affect our customers' budgets and may result in pricing pressure, requests for extended warranty provisions, cancellation of service contracts, and could make it more difficult for us to collect outstanding receivables, especially in emerging markets. Any of these risks could have a material adverse effect on our business results, cash flows, financial condition, or prospects.

Increasing attention to ESG matters, including EH&S matters, may impose additional costs on our business and expose us to new risks.

Companies across all industries are facing increasing scrutiny from investors, regulators, and other stakeholders related to their ESG commitments, performance, and disclosures, including related to climate change, diversity and inclusion, and governance standards. Investor advocacy groups, certain institutional investors, lenders, investment funds, and other influential investors are increasingly focused on companies' ESG commitments, performance, and disclosures, and in recent years have placed increasing importance on social costs and related implications of their investments. Furthermore, organizations that provide information to investors on corporate governance and related matters have developed ratings processes for evaluating companies on their respective approaches to ESG matters. Unfavorable ESG ratings may be used by investors, lenders, and customers to inform their investment, financing, or purchasing decisions, which could have a negative impact on our business.

There is also increased legal and regulatory focus on ESG commitments, performance, and disclosures both in the United States and around the world. Continuing political and social attention to these issues, particularly climate change, has resulted in both existing and pending international agreements and national, regional, or local legislation and regulatory requirements specific to ESG matters. We expect regulatory requirements related to ESG matters to continue to expand globally, particularly in the United States and the European Union. A failure to adequately meet regulatory or stakeholder expectations may result in non-compliance, the loss of business, reputational impacts, diluted market valuation, an inability to attract customers, and an inability to attract and retain top talent. In addition, meeting future regulatory requirements or our adoption of certain voluntary or other ESG-related standards could necessitate additional investments that could impact our profitability.

We are also subject to international, national, state, and local laws, regulations, and industry and customer standards, including licensing and authorization requirements, related to EH&S matters. These EH&S laws, regulations, and standards apply to a broad range of activities across our whole product lifecycle and our entire global organization, including those related to (i) protection of the environment, protected species, and use of natural resources; (ii) occupational health, safety, and well-being; (iii) the use, handling, management, release, storage, transportation, remediation, and disposal of, and exposure to, hazardous waste (including biohazardous waste), radiochemical materials, and other hazardous or toxic materials; (iv) our products, including the use of certain chemicals in our products and production processes; (v) emissions to air and water; and (vi) climate change and greenhouse gas emissions. EH&S laws, regulations, and standards vary by jurisdiction and have become increasingly stringent over time. These requirements impose certain responsibilities on our business, including the obligation to install pollution control technologies and obtain and maintain various environmental permits, the cost of which may be substantial. They can also impose cleanup liabilities, including with respect to discontinued or predecessor operations or third-party waste disposal sites. In some jurisdictions we may increasingly be subject to climate change mitigation and adaptation regulation, tax, disclosure, and reporting requirements. If we fail to comply with these requirements, or fail to obtain or maintain a required permit, we could be subject to administrative, civil, or criminal fines and penalties, remediation costs, enforcement actions, the suspension or termination of our permits, licenses, and authorizations or operations, third-party claims, or other sanctions. In addition, private parties, including current or former employees, could bring personal injury or other claims against us due to the presence of, or exposure to, hazardous substances used, stored, or disposed of by us or contained in our products. Strict, as well as joint and several, liability may be imposed on us under EH&S laws, which could render us liable for the conduct of others or for consequences of our own actions that were compliant with all applicable laws at the time those actions were taken. Insurance coverage from which we benefit as a named insured only covers a limited scope of potential liability under EH&S laws and regulations in the United States and Canada. In connection with certain acquisitions, we could acquire, or be required to provide indemnification against, EH&S liabilities that could expose us to material losses. The occurrence of any of the foregoing could have a material adverse effect on our business results, cash flows, financial condition, or prospects.

Our products and operations utilizing radioactive materials are subject to varying international, federal, state, and local regulation and must be conducted in accordance with a number of licenses and certifications. The handling and disposal of radioactive materials and wastes may impose significant requirements and costs, including with respect to the decommissioning of facilities handling radioactive materials. Disposal sites for the lawful disposal of materials or wastes associated with our products may be limited or non-existent, may no longer accept these materials in the future, or may accept them on unfavorable terms, which could adversely impact our operations.

The implementation of new or existing EH&S laws, regulations, and industry and customer standards, and any changes to them, which we cannot predict and which have historically become more stringent over time, could increase our costs. Administrative decisions, legal developments, or other governmental or judicial actions may influence the interpretation or enforcement of EH&S laws, regulations, and industry standards, and may thereby increase compliance or other costs. In addition, EH&S laws, regulations, and standards may also have an adverse impact on our ability to develop our products and to maintain our access to certain markets. EH&S laws and regulations enacted world-wide may require us to re-design products or production processes, or to cease using certain substances, leading to detrimental operational impacts and an increase in operating costs. Any of these risks or costs, and any future violations or liabilities under existing or future EH&S laws or regulations, could have a material adverse effect on our business results, cash flows, financial condition, or prospects.

Future material impairments in the value of our long-lived assets, including goodwill, could adversely affect our business.

We review our long-lived assets, including identifiable intangible assets, goodwill, and property, plant, and equipment ("PP&E"), for impairment at least annually. All long-lived assets are reviewed when there is an indication that impairment may have occurred. Changes in market conditions or other changes in the outlook of value may lead to impairment charges in the future. In addition, we may sell assets that we determine are not critical to our strategy. Future events or decisions may lead to asset impairments or related charges. Certain non-cash impairments may result from a change in our strategic goals, business direction, or other factors relating to the overall business environment. Material impairment charges could negatively affect our results of operations.

Changes in foreign currency exchange rates and interest rates could adversely affect our business.

We generate the majority of our revenue outside of the United States. Fluctuations in the value of foreign currencies relative to the U.S. dollar could adversely affect our financial results. As of the year ended December 31, 2022, our largest currency exposures are the European euro, Chinese renminbi, and Japanese yen. Sales and expenses of our non-U.S. businesses are translated into U.S. dollars for reporting purposes and fluctuations of foreign currency against the U.S. dollar impact U.S. dollar denominated earnings. In addition, our assets and liabilities denominated in foreign currencies can also be impacted by foreign currency exchange rates against the U.S. dollar, which could result in exchange gain or loss from revaluation. We also face exchange rate risk from our investments in subsidiaries owned and operated in foreign countries. The effectiveness of cash flow and balance sheet hedging programs intended to mitigate currency exposures related to earnings cannot be reliably predicted given the uncertainty of changes in foreign exchange risks. Therefore, our financial results may adversely be affected by fluctuations in foreign currency exchange risks. Furthermore, foreign exchange hedging activities bear a financial cost, do not offer permanent or comprehensive protection, and may not always be available or we might not be successful in completely mitigating such exposures.

We are also exposed to changes in interest rates, which primarily impact our borrowings and our cash investments. We manage interest expense using a mixture of fixed-rate and variable-rate debt. As part of our 2022 funding actions, we incurred $8,250 million of fixed-rate debt as of December 31, 2022. A change in interest rates could impact the fair value of this debt and may indirectly impact our earnings or our cash flow. On January 3, 2023, we completed a $2,000 million drawdown on the Term Loan facility, which carries a variable interest rate. As a result, the primary direct interest rate exposure on our earnings and cash flow arises from the Term Loan facility, which currently comprises approximately 20% of our total debt obligations. We began operations as an independent company with approximately $1,800 million of cash, cash equivalents, and restricted cash, which are invested in short-term investments that generate income based on a variable interest rate. Changes in interest rates also impact our earnings and cash flow generated from these investments, which could ultimately have a negative impact on our financial results and prospects.

Changes in accounting standards and subjective assumptions, estimates, and judgments by management related to complex accounting matters could significantly affect our financial results or financial condition.

U.S. GAAP and related accounting pronouncements, implementation guidelines, and interpretations regarding a wide range of matters relevant to our business, including revenue recognition, business combination-related measurements, pensions, and taxes, are highly complex and involve many subjective assumptions, estimates, and judgments. Changes in these rules or their interpretation or changes in underlying assumptions, estimates, or judgments could significantly change our reported or expected financial performance or financial condition.

RISKS RELATING TO TAXATION.

Changes in applicable tax laws and regulations could adversely affect our business.

We are subject to income and other non-income taxes (including sales, excise, and value-added) in the United States and foreign jurisdictions. Thus, the tax treatment of transactions executed by our company is subject to changes in tax laws or regulations, tax treaties, or positions by the relevant authority regarding the application, administration, or interpretation of these tax laws and regulations. These factors, together with the ambiguity of tax laws and regulations, the subjectivity of factual interpretations, and uncertainties regarding the geographic mix of earnings in any period, can affect our estimates of our effective tax rate and income tax assets and liabilities, result in changes in our estimates and accruals, and have a material adverse effect on our business results, cash flows, or financial condition. We are unable to predict what tax reforms may be proposed or enacted in the future or what effect such changes would have on our business; however, such changes could potentially result in higher tax expense and payments, along with increasing the complexity, burden, and cost of compliance.

Our tax burden could increase as a result of ongoing or future tax audits.

We are subject to periodic tax audits by tax authorities. Tax authorities may not agree with our interpretation of applicable tax laws and regulations. As a result, such tax authorities may assess additional tax, interest, and penalties. We regularly assess the likely outcomes of these audits and other tax disputes to determine the appropriateness of our tax provision and establish reserves for material, known tax exposures. However, the calculation of such tax exposures involves the application of complex tax laws and regulations in many jurisdictions. Therefore, there can be no assurance that we will accurately predict the outcomes of any tax audit or other tax dispute or that issues raised by tax authorities will be resolved at a financial cost that does not exceed our related reserves. As such, the actual outcomes of these disputes and other tax audits could have a material impact on our business results or financial position.

Our ability to use deferred tax assets may be subject to limitation.

We have deferred tax assets in certain countries and our ability to use such assets will depend on taxable income generation in the relevant countries. Further, while the majority of these assets either do not currently have an expiration date or have an expiration date that is later than when we expect to use such assets, subsequent changes to applicable tax laws in these jurisdictions could impact our ability to fully benefit from the deferred tax assets.

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RISKS RELATING TO QUALITY, REGULATION, AND COMPLIANCE.

Our business operations are subject to extensive laws and regulations, and any changes thereto or violations thereof could have a material adverse effect on our business.

Our business operations are subject to various national, regional, and local laws and regulations relating to healthcare, medical devices, pharmaceutical products, consumer protection, privacy and security, employment, accounting, EH&S, import and export, product promotion, tax, antitrust, anti-corruption, anti-bribery, financing, and competition matters.

In particular, the sale, manufacturing, distribution, servicing and marketing of many of our offerings are highly regulated and we are subject to heightened scrutiny by regulators and other authorities, including with respect to our collaborations with third parties. Regulatory scrutiny may increase in the future and could require us to change the way we operate, including the way in which we offer certain services. These laws and regulations are complex, change frequently, are subject to changes in interpretation and enforcement, and have tended to become more stringent over time. Moreover, certain fields, such as cloud, clinical decision support software, cybersecurity, and AI, are rapidly evolving within the industry and particularly subject to changing law and regulation.

Furthermore, regulatory and legislative changes, such as the adoption of right-to-repair laws in the United States, could further strengthen the ability of ISOs to obtain valuable service contracts and directly compete with us in the services area. Right-to-repair legislation may require us to provide ISOs with increased access to our service tools, parts, documents, software updates, and training. ISOs have also brought lawsuits against original equipment manufacturers in the United States requesting such access. In Europe, ISOs have supported investigations by competition authorities into alleged anti-competitive conduct by OEMs. If ISOs succeed in implementing legislative and/or regulatory reforms such as right-to-repair laws, prevail in lawsuits against OEMs, or if competition authorities confirm ISO claims, our service business could be adversely affected. The activities of ISOs could expose us to a number of risks, including (i) loss or damage to our intellectual property; (ii) fines, penalties, and injunctive relief; (iii) costly, time-consuming litigation or other enforcement actions; (iv) reputational harm from adverse publicity concerning product safety or reliability issues; and (v) heightened risk of a cyber-attack from increased access to our products, service tools, and software updates. The strengthening of ISOs and enactment of right to repair legislation could increase compliance costs, require changes to our business practices, or otherwise impact our ability-to-compete in the services and repairs area. Our ability to effectively compete with an increased number of ISOs and the continued momentum surrounding right-to-repair legislation (and similar campaigns) could adversely affect our business results, cash flows, financial condition, or prospects.

The need to comply with regulations is a substantial controlling, operational, and reputational risk. A failure to comply with applicable laws and regulations could result in governmental investigations, fines, and other sanctions, the temporary or permanent shutdown of production facilities, recalls of products, product withdrawals, revocation of marketing authorizations, disqualification from participation in healthcare activities, third-party and purported whistleblower claims, import detentions, and negative publicity, which could have adverse consequences on our business results, cash flows, financial condition, or prospects. Any new legislation or regulation or any changes in the interpretation or enforcement of existing legislation or regulation may impose significant and costly new obligations on us, which may interrupt our supply of products, delay launch of new offerings, or negatively affect our cost of doing business. Given all of the foregoing, future costs and liabilities relating to compliance with applicable laws and regulations could have a material adverse effect on our business results, cash flows, financial condition, or prospects.

We operate in a strictly regulated industry, and changes in regulations or the implementation or enforcement of existing regulations could adversely affect our business.

We are subject to rigorous regulation governing the protection of the health and safety of patients and users of our products, as well as, regulation governing development, product testing (including clinical evaluations or clinical investigations), manufacturing, labeling, safety, storage, marketing clearance or approval, advertising and promotion, import and export, sales and distribution, and performance and effectiveness. Certain laws and regulations may also affect the purchasing decisions of our customers. For example, policies in countries such as China and Russia that require purchase of locally manufactured products may affect customer purchasing decisions or our ability or voluntary decision to comply with such policies.

Additionally, our HealthCare Financial Services business is subject to various laws, rules, and regulations administered by authorities in jurisdictions where it does business, including the United States, Canada, China, France, Germany, the United Kingdom, and certain countries in Latin America. Our business may also be affected by new laws and regulations, in particular laws and regulations that may govern innovative offerings and business activities, including digital offerings, such as cloud and edge computing, software, mobile medical applications, and AI.

The U.S. FDA, the various competent authorities of the European Union member states or other European countries that enforce the EU's Medical Device Regulation, and the NMPA in China are the regulatory authorities affecting us most prominently with respect to the commercialization of our medical device products, services, and solutions. There are numerous other regulatory schemes at the international, national, and sub-national levels. Regulations pertaining to our offerings are increasing in previously unregulated countries and are becoming more stringent in already regulated countries. Regulatory premarket clearance, approval, or conformity assessment requirements may affect or delay our ability to market new offerings.

The same oversight is reflected for our pharmaceutical products with stringent regulatory requirements to demonstrate safety, efficacy, and quality. For these products, we must conduct clinical trials on humans before we commercialize certain products. Delays and complications in planned clinical trials can result in increased development costs and delays in regulatory authorizations and products reaching the market. These regulations can be burdensome and subject to change, exposing us to the risk of increased costs and business disruption.

Both before and after an offering is commercially distributed, we have ongoing responsibilities under various laws and regulations, including the monitoring of product safety throughout the lifecycle, taking corrective and preventive actions to assure product quality, and reporting certain events and actions to regulatory authorities. For both medical devices and pharmaceutical products, if a regulatory authority concludes that we are not in compliance with applicable laws or regulations, or that any of our offerings are defective, ineffective, or pose an unreasonable risk for patients, users, or others, the authority may ban such offerings, detain or seize adulterated or misbranded products, order a recall, repair, replacement, or refund of such products, or require us to notify healthcare professionals and others that the offerings present unreasonable risks of substantial harm to public health. A regulatory authority may impose operating restrictions or enjoin certain violations of applicable law pertaining to medical devices or pharmaceutical products and assess civil or criminal penalties against us. The regulatory authority may also recommend prosecution by law enforcement agencies. Any governmental law or regulation, whether now existing or imposed in the future, or enforcement action taken could have a material adverse effect on our business results, cash flows, financial condition, or prospects.

The U.S. FDA and other regulatory agencies actively enforce the laws and regulations governing the development, approval, or clearance and commercialization of medical devices and pharmaceutical products.

Our activities related to the development, manufacture, marketing, servicing, and sale of medical devices and pharmaceuticals are subject to extensive federal and state government laws and regulations in the U.S. Compliance with these laws and regulations is expensive and time consuming. Failure to comply could adversely affect our business results, cash flows, financial condition, or prospects.

Before we can market a new medical device or make substantial changes to a previously cleared or approved device, we must receive either FDA clearance under Section 510(k) of the FDCA or FDA approval of a Premarket Approval Application ("PMA"), unless an exemption applies. To obtain 510(k) clearance, the FDA must conclude that the device is "substantially equivalent" to a legally marketed predicate device, which generally refers to a device that itself has already received 510(k) clearance. To obtain PMA approval, we must provide FDA with valid scientific evidence demonstrating that there is a reasonable assurance of the safety and effectiveness of the device for its intended uses. Clinical development of a new investigational device or an existing device for a new intended use may require FDA approval of an Investigational Device Exemption ("IDE"), if the device at issue meets the criteria for a "significant risk" device. Even if FDA approval of an IDE is not required, clinical studies of non-significant risk devices are still subject to significant regulation and oversight, including requirements for monitoring, recordkeeping, reporting, obtaining informed consent, and institutional review board approval. A similar set of requirements governs FDA approval of pharmaceuticals. Development of new pharmaceuticals, such as imaging agents, typically begins with extensive pre-clinical R&D, followed by approval of an IND, and then, upon successful completion of several phases of rigorous clinical trials, the filing and request for FDA approval of a NDA. The FDA premarket review process is rigorous and not always predictable. FDA can delay, limit or deny clearance or approval of a product, which could have a material adverse effect on our business results, cash flows, financial condition, or prospects.

Once a medical device or pharmaceutical is cleared or approved, a manufacturer must notify FDA of certain changes to the product. In the case of 510(k) medical devices, FDA requires a device manufacturer to document its determination of whether or not a modification requires a new clearance. FDA can review a manufacturer's decision not to file and may disagree and require a 510(k) submission or take other regulatory actions or enforcement. Modifications to a PMA-approved device may require either submission of a PMA supplement for review and approval by FDA prior to implementing the modification or a notification in an annual report. For pharmaceuticals, FDA approval is required before making changes to the product's formulation, dosage, or strength, and we must submit an IND if we intend to market an approved pharmaceutical product for a new use or in a new form. We may not be able to obtain additional FDA clearance or approval for new products or for modifications to, or additional indications for, already approved or cleared products in a timely fashion, or at all. Delays in obtaining required future clearances or approvals could harm our financial performance and future growth. If we make additional modifications in the future that we believe do not or will not require additional clearances or approvals and FDA disagrees and requires a submission, we may be required to recall or to stop selling our products as modified, which could impact our reputation, harm our operating results, or require us to redesign our products. In these circumstances, we may also be subject to legal or regulatory actions.

The FDA and the Federal Trade Commission ("FTC") also regulate the advertising and promotion of our offerings to ensure that our claims are consistent with our regulatory clearances and approvals, that there is data to substantiate the claims, and that our materials are not false or misleading. If we or any of our suppliers, channel partners, or agents fail to comply with FDA, FTC, and other applicable U.S. regulatory requirements or any such promotional labeling and advertising is perceived to potentially be false, misleading, or otherwise not permissible, we may face legal or regulatory actions.

As a device manufacturer, we are required to report to the FDA within specific timelines when any of our devices may have caused or contributed to death or serious injury, or when any of our devices has malfunctioned and it would be likely to cause or contribute to a death or serious injury if the malfunction were to recur. We are also required to report adverse drug events associated with use of our pharmaceutical products. If these reports are not filed in a timely manner, regulators may impose sanctions impacting product sales, and we may be subject to product liability or regulatory enforcement actions, all of which would harm our business.

We also cannot predict the likelihood, nature or extent of government regulation that may arise from future legislation or administrative or executive action, either in the United States or abroad, particularly with respect to emerging technologies. Failure to comply with new requirements or otherwise maintain regulatory compliance could limit or delay regulatory authorization of our products and adversely affect our business results, cash flows, financial condition, or prospects.

In the United States, the FDA actively enforces laws and regulations governing the manufacture of medical devices and pharmaceutical products, and failure to comply with applicable laws and regulations could adversely affect our business.

Following FDA clearance or approval of a medical device or pharmaceutical product, our activities are subject to ongoing FDA regulation and monitoring. We are subject to FDA's requirements for registration and listing, as well as cGMPs, which are intended to ensure that our products are safe and consistently meet applicable requirements and specifications. FDA's cGMPs (referred to in the medical device context as the medical device Quality System Regulation ("QSR")) set forth minimum requirements for the methods, facilities, and controls used in the design, testing, production, control, quality assurance, inspection, complaint handling, recordkeeping, management review, adverse event reporting, labeling, packaging, sterilization, storage, and shipping of our medical devices and pharmaceutical products. We are also required to comply with other federal and state regulations for medical devices, radiation-emitting products and pharmaceutical products. In addition, we must engage in extensive recordkeeping and reporting and must make available our manufacturing facilities and records for periodic announced or unannounced inspections by the FDA to determine compliance with QSR, cGMPs and similar regulatory requirements. In connection with these inspections, if the FDA believes a manufacturer has failed to comply with applicable regulations or procedures, it may issue observations through a "Form 483." If these observations are not addressed sufficiently or in a timely manner and to the FDA's satisfaction, the FDA may issue a Warning Letter or proceed directly to other forms of enforcement. If a Warning Letter is issued, prompt corrective action is required to come into compliance. Failure to respond timely to Form 483 observations, a Warning Letter or other notice of non-compliance and to promptly come into compliance could result in the FDA bringing enforcement action against us, which could include the partial or total shutdown of our affected production facilities, denial of importation into the United States for products manufactured in affected non-U.S. locations, adverse publicity, and criminal and civil fines. The FDA also may request that we enter into a consent decree imposing substantial fines or permanent injunction under which our activities are substantially curtailed or subject to rigorous ongoing regulatory scrutiny. A failure to enter into or comply with a consent decree with the FDA or similar agreements with governmental entities could result in enforcement actions by the FDA or other governmental entities, liquidated damages, fines, penalties, civil or criminal liability, and other interruptions to, or expenses for, our business.

We also participate in the MDSAP, which is recognized by regulators in Australia, Brazil, Canada, Japan, and the United States. Audits are conducted by a third-party audit organization that has been approved by the MDSAP consortium and include audits against ISO 13485, a standard issued by the International Organization for Standardization and the specific regulatory requirements of the five participating countries. We are participating in MDSAP across all of our relevant medical device manufacturing sites. A satisfactory audit with no significant findings will result in acceptance of the audit results by all five regulators and will be in lieu of a routine audit by each of these regulators. However, an audit that results in significant non-conformances will highlight the relevant issues to all five regulators and will likely result in follow-up inspections by one or more of these regulators. In addition, participating regulators reserve the right to conduct directed inspections if any other items rise to their attention, such as product recalls or other post-market issues. We are MDSAP-certified at all of our relevant sites; further, MDSAP certification is mandatory in Canada as of January 1, 2019 in order to maintain regulatory licenses and to sell products in Canada. Any of these risks could have a material adverse effect on our business results, cash flows, financial condition, or prospects.

Compliance with laws and regulations applicable to the manufacture and distribution of our products outside the United States may be costly, and failure to comply may result in significant penalties.

In general, outside the United States, our products are regulated as medical devices or pharmaceuticals by foreign governmental agencies similar to FDA, but regulatory requirements affecting our operations and sales vary from country to country. To market our products internationally in compliance with applicable medical device and pharmaceutical regulations, we must obtain approvals for products and product modifications. These processes can be time-consuming, expensive, and uncertain, which can delay our ability to market products in those countries. Delays or failure to receive regulatory approvals, the inclusion of significant limitations on the indicated uses of a product, the loss of previously obtained approvals, or failure to comply with existing or future regulations could restrict or prevent us from doing business in a country or subject us to enforcement actions and civil or criminal penalties, which would adversely affect our business.

Failure to obtain premarket regulatory approval of medical devices or pharmaceutical products will impact our ability to sell products in those jurisdictions. Regulatory requirements and interpretations change frequently, leading to increased scrutiny and uncertainty. As a result, market access may be delayed and additional investment may be needed. In addition to health authorities, other related healthcare, quality, consumer protection, and advertising regulators have become increasingly active in the enforcement of laws and regulations governing our products. This trend in increased enforcement could result in civil or criminal penalties, which could adversely affect our business.

In the EEA, if we cannot support our performance claims and demonstrate compliance with the applicable regulations, we would lose our right to affix to our devices a European marking of conformity that indicates that the device meets the essential requirements of the Medical Device Regulations (a "CE marking"), which would prevent us from selling our devices in countries that recognize the CE marking. We must also comply with post-market surveillance requirements and requirements applicable to economic operators. Globally, we are required to file various reports with regulatory authorities in many countries, including reports for adverse events associated with our products.

Some of our products are also regulated under other product-specific laws and regulations. Any efforts to send direct marketing to potential consumers of our products would need to comply with EU rules regulating such marketing, including the e-Privacy Directive 2002/58 and member state laws transposing that Directive. There are, additionally, EU laws regulating e-commerce activities more generally. Failure to comply with any such applicable laws, rules, or regulations could have a material adverse effect on our business and results of operations.

In addition to the above, the U.S. Department of the Treasury's Office of Foreign Assets Control administers laws and regulations that restrict U.S. persons and, in some instances, non-U.S. persons, in conducting activities, transacting business with, or making investments in certain countries or with governments, entities, and individuals subject to U.S. economic sanctions. Furthermore, the U.S. Department of Commerce Bureau of Industry and Security administers export controls that apply to products, software, and technology. Due to our international operations, we are subject to such laws and regulations, which are complex, restrict our business dealings with certain countries and individuals, and are constantly changing. There can be no guarantee that policies and procedures we have that are designed to assist us in complying will be effective in preventing us from a violation of these laws and regulations. Such a violation could result in potential civil penalties or criminal fines or imprisonment and have a material adverse effect on our business results, cash flows, financial condition, or prospects.

The misuse or off-label use of our products may harm our reputation or, if we are deemed to have engaged in the promotion of these uses, result in costly investigations, fines, or sanctions by regulatory bodies.

Regulatory authorities, including the FDA, strictly regulate the indications for use and associated promotional safety and effectiveness claims that may be made about medical devices and pharmaceuticals. In general, we are prohibited from promoting our medical devices or pharmaceutical products for uses that are not consistent with each product's labeling, or for anticipated uses prior to regulatory approval. For any products we may develop, we receive marketing approval or clearance for specific uses. Physicians may nevertheless lawfully choose to use such products on their patients in a manner that is inconsistent with the label ("off-label use"), as the FDA, for example, does not restrict or regulate a physician's choice of treatment within the practice of medicine.

However, if regulatory authorities determine that our external-facing materials, oral statements, or physician training constitute promotion of an off-label use, or promotion of a product prior to obtaining necessary regulatory authorization, such authorities could request that we modify our training, promotional, or other external-facing materials or subject us to enforcement action, including the issuance of warning or untitled letters, fines, penalties, or seizures. If we are found to have promoted such uses, we may become subject to significant liability. Regulatory authorities may also request that companies enter into consent decrees or permanent injunctions under which specified promotional or other conduct is changed, curtailed, or prohibited. If we cannot successfully manage our external-facing materials or the advertising and promotion of and training for our products, we could become subject to significant liability and restrictions, which could harm our reputation and adversely affect our business. Additionally, the intentional misuse of our products, whether by customers or third parties, for non-medical purposes could result in allegations of product liability or otherwise harm our reputation. Any of these risks could have a material adverse effect on our business results, cash flows, financial condition, or prospects.

We face similar risks in China. Medical device and pharmaceutical product labels and advertising and promotion materials must be in accordance with the approval from the NMPA. The Advertisement Law of the People's Republic of China, the Anti-Unfair Competition Law, and related medical device and pharmaceutical regulations require government approval of advertising and prohibit the advertisement of medical devices and pharmaceutical products for off-label uses. The failure to follow these rules could lead to government investigations, significant fines, seizures of advertising material, and disqualification from participation in medical device and pharmaceutical product activities, among other penalties. Any of these risks could have a material adverse effect on our business results, cash flows, financial condition, or prospects.

Developments following regulatory authorization, including results in post-approval device or pharmaceutical Phase 4 trials or other studies, could adversely affect sales or decrease demand for our medical devices or pharmaceutical products.

As a condition to granting marketing authorization of a medical device or pharmaceutical product, FDA may require a company to conduct additional clinical trials or surveillance studies. Outcome of these post-market trials could result in the loss of marketing authorization, changes in product labeling, or new or increased concerns about the safety or efficacy of a product. Regulatory agencies in countries outside the United States often have similar authority and may impose comparable requirements. Post-marketing studies, whether conducted by us or by others and whether mandated by regulatory agencies or voluntary, and other emerging data about marketed products, such as adverse event reports, may also adversely affect the availability or commercial potential of our products. Further, the discovery of significant problems with a product similar to one of our products that implicate (or are perceived to implicate) an entire class of products could have an adverse effect on the availability or commercial potential of the affected products. Accordingly, new data about our products, or products similar to our products, could negatively impact demand for our products due to real or perceived safety issues or uncertainty regarding efficacy and, in some cases, could result in updated labeling, restrictions on use, product withdrawal or recall. Any of these risks could have a material adverse effect on our business results, cash flows, financial condition, or prospects.

Demand for some of our products depends on capital spending policies of our customers and on government funding policies.

Our customers include hospitals, universities, healthcare providers, government agencies, and public and private research institutions. Many factors, including public policy spending priorities, available resources, and product and economic cycles, have a significant impact on the capital spending policies of these entities. Impasses in national, regional, or local government budgeting decisions could lead to substantial delays or reductions in governmental spending.

Many of our products have lengthy sales and purchase order cycles or are subject to competitive bidding or public tender processes. As a result, customers may delay or accelerate system purchases in conjunction with timing of their capital budget timelines or be unable to complete such purchases at all. Any of these risks could have a material adverse effect on our business results, cash flows, financial condition, or prospects.

Consolidation in the U.S. healthcare industry and other changes to the U.S. healthcare environment may adversely affect our business.

In recent years, U.S. healthcare industry participants, including distributors, manufacturers, suppliers, healthcare providers, insurers, and pharmacy chains, have consolidated or formed strategic alliances. Consolidations create larger enterprises with greater negotiating power and may result in the loss of a customer where the combined enterprise selects one distributor from two incumbents. If consolidation trends continue, it could adversely affect our business results, cash flows, financial condition, or prospects.

Additionally, the U.S. healthcare industry has undergone significant changes designed to increase access to medical care, improve safety and patient outcomes, contain costs, and increase efficiencies. These changes include a general decline and/or changes in public and private insurer reimbursement levels and payment models and the industry shifting away from traditional healthcare venues like hospitals and into clinics, physician offices, and patients' homes. We expect the U.S. healthcare industry to continue to change in the future, which may adversely affect our business results, cash flows, financial condition, or prospects.

RISKS RELATING TO OUR RECENT SPIN-OFF FROM GE.

Our recent Spin-Off from GE could result in significant tax liability to GE and its stockholders if it is determined to be a taxable transaction.

GE has received a private letter ruling from the IRS to the effect that, among other things, our recent Spin-Off from GE, including the retention of up to 19.9% of the shares of our common stock, will qualify as a transaction that is tax-free for U.S. federal income tax purposes under Sections 355 and 368(a)(1)(D) of the Internal Revenue Code of 1986, as amended (the "Code"). Completion of the Spin-Off was conditioned on GE's receipt of a written opinion from each of Paul, Weiss, Rifkind, Wharton & Garrison LLP and Ernst & Young, LLP to the effect that the Spin-Off will qualify for non-recognition of gain and loss under Section 355 and related provisions of the Code.

The opinion of counsel and the opinion of Ernst & Young, LLP do not address any U.S. state or local or foreign tax consequences of the Spin-Off. Each opinion assumed that the Spin-Off was completed according to the terms of the Separation and Distribution Agreement and relies on the facts as stated in the Separation and Distribution Agreement, the Tax Matters Agreement, the other ancillary agreements, the Company's Form 10 filing, and a number of other documents.

In addition, the opinion of counsel, the opinion of Ernst & Young, LLP, and the private letter ruling rely on certain facts, assumptions, representations, and undertakings from GE and us regarding the past and future conduct of the companies' respective businesses and other matters. If any of these facts, assumptions, representations, or undertakings are incorrect or not otherwise satisfied, GE and its stockholders may not be able to rely on the opinion of counsel, the opinion of Ernst & Young, LLP, or the private letter ruling and could be subject to significant tax liabilities.

The opinion of counsel and the opinion of Ernst & Young, LLP will not be binding on the IRS or the courts, and there can be no assurance that the IRS or a court will not take a contrary position. Notwithstanding the opinion of counsel, the opinion of Ernst & Young, LLP, or the private letter ruling, the IRS could determine on audit that the Spin-Off or any of certain related transactions is taxable if it determines that any of these facts, assumptions, representations, or undertakings are not correct or have been violated or if it disagrees with the conclusions in the opinion that are not covered by the private letter ruling, or for other reasons, including as a result of certain significant changes in the stock ownership of GE or us after the Spin-Off. If the conclusions expressed in the opinion of counsel or the opinion of Ernst & Young, LLP are challenged by the IRS, and if the IRS prevails in such challenge, the tax consequences of the Spin-Off (including the tax consequences to GE and the U.S. Holders (as defined in the Code)) could be materially less favorable.

If our recent Spin-Off were determined not to qualify for non-recognition of gain or loss under Section 355 and related provisions of the Code, each U.S. Holder who received our common stock in the Spin-Off would generally be treated as receiving a distribution in an amount equal to the fair market value of our common stock received, which would generally result in: (i) a taxable dividend to the U.S. Holder to the extent of that U.S. Holder's pro rata share of GE's current or accumulated earnings and profits; (ii) a reduction in the U.S. Holder's basis (but not below zero) in GE common stock to the extent the amount received exceeds the stockholder's share of GE's earnings and profits; and (iii) taxable gain from the exchange of GE common stock to the extent the amount received exceeds the sum of the U.S. Holder's share of GE's earnings and profits and the U.S. Holder's basis in its GE common stock.

If our recent Spin-Off from GE were determined not to qualify as tax-free for U.S. federal income tax purposes, we could have an indemnification obligation to GE, which could adversely affect our business, financial condition, cash flows, and results of operations.

If, as a result of any of our representations being untrue or our covenants being breached, the Spin-Off were determined not to qualify for non-recognition of gain or loss under Section 355 and related provisions of the Code, we could be required by the Tax Matters Agreement to indemnify GE for the resulting taxes and related expenses. Those amounts could be material. Any such indemnification obligation could adversely affect our business, financial condition, cash flows, and results of operations.

For example, if we or our stockholders were to engage in transactions that resulted in a 50% or greater change by vote or value in the ownership of our stock during the four-year period beginning on the date that begins two years before the date of the Spin-Off, the Spin-Off would generally be taxable to GE, but not to GE stockholders, under Section 355(e), unless it were established that such transactions and the Spin-Off were not part of a plan or series of related transactions. If the Spin-Off were taxable to GE due to such a 50% or greater change by vote or value in the ownership of our stock, GE would recognize a gain equal to the excess of the fair market value on January 3, 2023 (the "Distribution Date") of our common stock distributed to GE stockholders over GE's tax basis in our common stock, and we generally would be required to indemnify GE for the tax on such gain and related expenses. Those amounts could be material. Any such indemnification obligation could adversely affect our business, financial condition, cash flows, and results of operations.

We may be unable to achieve some or all of the benefits that we expect to achieve from the Spin-Off.

We may be unable to achieve the full strategic and financial benefits expected to result from our recent separation and distribution, or such benefits may be delayed or not occur at all. We believe that, as an independent, publicly traded company, we are able to, among other things, more effectively focus on our own distinct operating priorities and strategies, enhance our ability to better address specific market dynamics and target innovation, create incentives for our management and employees that align more closely with our business performance and the interests of our stockholders, and allow us to articulate a clear investment proposition and tailored capital allocation policy to attract a long-term investor base best suited to our business needs. We may be unable to achieve some or all of the benefits that we expect to achieve as an independent company in the time we expect, if at all, for a variety of reasons, including: (i) compliance with the requirements of being an independent, publicly traded company has required and will continue to require significant amounts of our management's time and effort, which may divert management's attention from operating and growing our business; (ii) our businesses is now less diversified than GE's businesses prior to the Separation; and (iii) under the terms of the Tax Matters Agreement, we are restricted from taking certain actions that could cause our recent Spin-Off from GE to fail to qualify as a tax-free transaction and these restrictions may limit us for a period of time from pursuing strategic transactions and equity issuances or engaging in other transactions that may increase the value of our business. If we fail to achieve some or all of the benefits that we expect to achieve as an independent company, or do not achieve them in the time we expect, our business, financial condition, cash flows, and results of operations could be adversely affected.

We agreed to numerous restrictions to preserve the non-recognition tax treatment of our recent Spin-Off from GE, which may reduce our strategic and operating flexibility.

To preserve the tax-free nature of the Spin-Off and related transactions, we agreed in the Tax Matters Agreement to covenants and indemnification obligations that address compliance with Section 355 and related provisions of the Code, as well as state, local and foreign tax law. These covenants include certain restrictions on our activity for a period of two years following the Spin-Off.

Specifically, we are subject to certain restrictions on our ability to enter into acquisition, merger, liquidation, sale, and stock redemption transactions with respect to our stock or assets and we are required to indemnify GE against any resulting tax liabilities even if we do not participate in or otherwise facilitate the acquisition. Furthermore, we are subject to specific restrictions on discontinuing the active conduct of our trade or business, the issuance or sale of stock or other securities (including securities convertible into our stock but excluding certain compensatory arrangements), and sales of assets outside the ordinary course of business. These covenants and indemnification obligations may limit our ability to pursue strategic transactions or engage in new businesses or other transactions that may maximize the value of our business, and might discourage or delay a strategic transaction that our stockholders may consider favorable.

As an independent, publicly traded company, we do not enjoy the same benefits that we did as a part of GE.

By separating from GE, we may continue to become more susceptible to market fluctuations and other adverse events than we would have been if we were still a part of the current GE organizational structure. As part of GE, we were able to enjoy certain benefits from GE's operating diversity, size, purchasing power, cost of capital, and opportunities to pursue integrated strategies with GE's other businesses. As an independent, publicly traded company, we do not have the same benefits. Additionally, as part of GE, we were able to leverage GE's historical reputation, performance, and brand identity to recruit and retain key personnel to run and operate our business. As an independent, publicly traded company, we need to continue to develop new strategies, and it may be more difficult for us to recruit or retain such key personnel.

We have no operating history as an independent, publicly traded company, and our historical combined financial information is not necessarily representative of the results we would have achieved as an independent, publicly traded company and may not be a reliable indicator of our future results.

We derived the historical combined financial information included in this Annual Report on Form 10-K from GE's consolidated financial statements, and this information does not necessarily reflect the results of operations, cash flows, and financial position we would have achieved as an independent, publicly traded company during the periods presented, or those that we will achieve in the future. This is primarily because of the following factors:

- Prior to the Spin-Off, we operated as part of GE, and GE performed various corporate functions for us. Our historical combined financial information reflects allocations of corporate expenses from GE for these functions. These allocations may not reflect the costs we will incur for similar services in the future as an independent, publicly traded company.
- We entered into transactions with GE that did not exist prior to the Spin-Off, such as GE's provision of transition and other services, and undertake indemnification obligations, which will cause us to incur new costs.
- Our historical combined financial information does not reflect changes that we expect to experience in the future as a result of our separation from GE, including changes in the financing, cash management, operations, cost structure, and personnel needs of our business. As part of GE, we enjoyed certain benefits from GE's operating diversity, reputation, size, purchasing power, ability to borrow, and available capital for investments, and we do not have these benefits after the Spin-Off. As an independent entity, we may be unable to purchase goods, services, and technologies, obtain insurance and health care benefits, computer software licenses, or other services or licenses, or access capital markets, on terms as favorable to us as those we obtained as part of GE prior to the Spin-Off, and our results of operations may be adversely affected. In addition, our historical combined financial data does not include an allocation of interest expense comparable to the interest expense we incurred as a result of the Spin-Off, including interest expense in connection with our incurrence of indebtedness.

Following the Spin-Off, we will also face additional costs and demands on management's time associated with being an independent, publicly traded company, including costs and demands related to corporate governance, investor and public relations, and public financial reporting. For additional information about our past financial performance and the basis of presentation of our combined financial statements, see "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our historical combined financial statements and the notes thereto included elsewhere in this Annual Report on Form 10-K.

In addition, we are subject to reporting and other obligations under the Exchange Act. The Exchange Act requires that we file annual, quarterly, and current reports with respect to our business and financial condition. Beginning with our second required Annual Report on Form 10-K, we are required to comply with Section 404 of the Sarbanes Oxley Act of 2002, as amended (the "Sarbanes Oxley Act"), which will require annual management assessments of the effectiveness of our internal control over financial reporting and a report by our independent registered public accounting firm on the effectiveness of internal control over financial reporting. Under the Sarbanes Oxley Act, we are also required to maintain effective disclosure controls and procedures. To comply with these requirements, we may need to upgrade our systems, implement additional financial and management controls, reporting systems, and procedures, and hire additional accounting and finance staff. These reporting and other obligations may place significant demands on management, administrative, and operational resources, including accounting systems and resources. If we are unable to upgrade our financial and management controls, reporting systems, information technology systems, and procedures in a timely and effective fashion, our ability to comply with financial reporting requirements and other rules that apply to reporting companies under the Exchange Act could be impaired, and we may be unable to conclude that our internal control over financial reporting is effective. If we are not able to comply with the requirements of Section 404 of the Sarbanes Oxley Act in a timely manner, or if we or our independent registered public

accounting firm identify deficiencies in our internal control over financial reporting that are deemed to be material weaknesses, the market price of shares of our common stock could decline and we could be subject to sanctions or investigations by the SEC or other regulatory authorities, which would require additional financial and management resources.

Moreover, we cannot be certain that these measures would ensure that we implement and maintain adequate controls over our financial processes and reporting in the future. Even if we were to conclude, and our auditors were to concur, that our internal control over financial reporting provided reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with U.S. GAAP, because of its inherent limitations, internal control over financial reporting might not prevent or detect fraud or misstatements. This, in turn, could have an adverse impact on trading prices for shares of our common stock, and could adversely affect our ability to access the capital markets.

We incurred indebtedness in connection with our recent Spin-Off from GE, and the degree to which we are leveraged could adversely affect our business, results of operations, cash flows, and financial condition.

We have historically relied upon GE to fund our working capital requirements and other cash requirements. As a result of the Spin-Off, we are no longer able to rely on the earnings, assets, or cash flow of GE, and GE will not provide funds to finance our working capital or other cash requirements. As a result, we are responsible for servicing our own debt and obtaining and maintaining sufficient working capital and other funds to satisfy our cash requirements. Our access to and cost of debt financing is different from our historical access to and cost of debt financing under GE. Differences in access to and cost of debt financing may result in differences in the interest rate charged to us on financings, as well as the amount of indebtedness, types of financing structures and debt markets that may be available to us. Our ability to make payments on and to refinance our indebtedness, including the debt incurred in connection with the Spin-Off, as well as any future debt that we may incur, will depend on our ability to generate cash in the future from operations, financings, or asset sales. Our ability to generate cash is subject to general economic, financial, competitive, legislative, regulatory, and other factors that are beyond our control.

Certain of our directors and employees may have actual or potential conflicts of interest because of their financial interests in GE or because of their previous or continuing positions with GE.

Because of their current or former positions with GE, certain of our executive officers and directors own equity interests in both us and GE. Continuing ownership of GE shares and equity awards could create, or appear to create, potential conflicts of interest if we and GE face decisions that could have implications for both us and GE. For example, potential conflicts of interest could arise in connection with the resolution of any dispute between us and GE regarding the terms of the agreements governing the Separation and Distribution and our relationship with GE. Potential conflicts of interest may also arise out of any commercial arrangements that we or GE may enter into in the future.

We or GE may fail to perform under various transaction agreements that were executed as part of the Separation.

In connection with the Spin-Off, we and GE entered into various transaction agreements related to the Spin-Off. All of these agreements govern our relationship with GE and we rely on GE to satisfy its performance obligations under these agreements. If we or GE are unable to satisfy our or its respective obligations under these agreements, including indemnification obligations, our business, results of operations, cash flows, and financial condition could be adversely affected. See "Item 13. Certain Relationships and Related Transactions, and Director Independence."

RISKS RELATING TO FINANCING AND CAPITAL MARKETS ACTIVITIES.

We may not be able to access the capital and credit markets on terms that are favorable to us, or at all.

The capital and credit markets may experience extreme volatility or disruptions that may lead to uncertainty and liquidity issues for both borrowers and investors. We expect to access the capital markets to supplement our existing funds and cash generated from operations to satisfy our needs for working capital, to meet capital expenditure and debt service requirements, and for other business initiatives, including acquisitions and licensing activities. In the event of adverse capital and credit market conditions, we may be unable to obtain capital market financing on favorable terms, or at all, and changes in credit ratings issued by nationally recognized credit rating agencies could adversely affect our ability to obtain capital market financing and the cost of such financing. Additionally, a large portion of our total consolidated cash will be held overseas and may not be efficiently accessible to fund our third-party debt and other financial obligations, which are expected to be primarily held in the United States. Any of these risks could have a material adverse effect on our business results, cash flows, financial condition, prospects, and the market price of our securities.

In addition, a prolonged period of extremely volatile and unstable market conditions may increase our funding costs and negatively affect market risk mitigation strategies. We may experience additional volatility because of increasing inflationary pressures and other macroeconomic factors, including in emerging market countries. High inflation rates could have an adverse effect on economic growth and the business climate and could dampen consumer purchasing power.

A lowering or withdrawal of the ratings, outlook, or watch assigned to our new debt by rating agencies may increase our future borrowing costs, reduce our access to capital, and adversely impact our financial performance.

Our indebtedness has investment-grade credit ratings, and any credit rating, outlook, or watch assigned could be lowered or withdrawn entirely by a credit rating agency if, in that credit rating agency's judgment, current or future circumstances relating to the basis of the credit rating, outlook, or watch such as adverse changes to our business so warrant. Any future lowering of our credit ratings, outlook, or watch likely would make it more difficult or more expensive for us to obtain additional debt financing. Moreover, a reduction in our credit rating to below investment-grade could cause certain customers to reduce or cease to do business with us, which would adversely impact our financial performance.

Substantial sales of our common stock may occur in the future, including the disposition by GE of shares of our common stock that it retained after the Spin-Off, which could cause our stock price to decline or be volatile.

In connection with the Spin-Off, GE owns up to 19.9% of the economic interest and voting power of our outstanding common stock. We understand that GE currently intends to dispose of all of our common stock that it retained in connection with the Spin-Off, based on market and general economic conditions and sound business judgment, (A) through one or more subsequent exchanges of our common stock for GE debt held by one or more investment banks, (B) through distributions to GE stockholders either pro rata as dividends or in exchange for outstanding shares of GE common stock, or (C) in one or more public or private sale transactions (including potentially through secondary transactions). Prior to the Spin-Off, we entered into a stockholder and registration rights agreement under which we agreed, upon the request of GE, to use our reasonable best efforts to effect a registration under applicable federal and state securities laws of any shares of our common stock retained by GE to facilitate GE's disposition of our common stock. The sales of significant amounts of our common stock or the perception in the market that such sales might occur may decrease the market price of our common stock.

We evaluate whether to pay cash dividends on shares of our common stock from time to time, and the terms of our indebtedness may limit our ability to pay dividends on shares of our common stock.

We evaluate whether to pay cash dividends to our stockholders from time to time. The timing, declaration, amount, and payment of future dividends to stockholders, if any, will fall within the discretion of our Board. Our Board's decisions regarding the payment of dividends will depend on consideration of many factors, such as our financial condition, earnings, sufficiency of distributable reserves, opportunities to retain future earnings for use in the operation of our business and to fund future growth, capital requirements, debt service obligations, legal requirements, regulatory constraints, and other factors that our Board deems relevant.

There can be no assurance that we will pay a dividend in the future or continue to pay any dividend if we do commence paying dividends.

Holders of our common stock may be diluted due to equity issuances.

In the future, holders of our common stock may be diluted because of equity issuances for acquisitions, capital market transactions, or otherwise, including any equity awards that we will grant to our directors, officers, and employees. Our employees have stock-based awards that correspond to shares of our common stock after the Spin-Off as a result of the conversion of and/or adjustments to their GE stock-based awards. Such awards will have a dilutive effect on our earnings per share, which could adversely affect the market price of our common stock. We also plan to issue additional stock-based awards, including annual awards, new hire awards and periodic retention awards, as applicable, to our directors, officers, and other employees under our employee benefits plans as part of our ongoing equity compensation program.

Certain provisions in our certificate of incorporation, bylaws, and Delaware law may discourage takeovers and limit the power of our stockholders.

Several provisions of our certificate of incorporation, bylaws, and Delaware law may discourage, delay or prevent a merger or acquisition. These include, among others, provisions that (i) establish advance notice requirements for stockholder nominations and proposals; (ii) limit the ability of stockholders to call special meetings or act by written consent; (iii) provide the Board the right to issue shares of preferred stock without stockholder approval; and (iv) provide for the ability of our directors, and not stockholders, to fill vacancies on the Board (including those resulting from an enlargement of the Board). In addition, we are subject to Section 203 of the Delaware General Corporation Law ("DGCL"), which could have the effect of delaying or preventing a change of control that you may favor.

These and other provisions of our certificate of incorporation, bylaws, and Delaware law, as well as the restrictions in our Tax Matters Agreement, may discourage, delay, or prevent certain types of transactions involving an actual or a threatened acquisition or change in control of GE HealthCare, including unsolicited takeover attempts, even though the transaction may offer our stockholders the opportunity to sell their shares of our common stock at a price above the prevailing market price. Our Board believes these provisions will protect our stockholders from coercive or otherwise unfair takeover tactics by requiring potential acquirers to negotiate with the Board and by providing the Board with more time to assess any acquisition proposal. These provisions will apply even if the offer may be considered beneficial by some stockholders and could delay or prevent an acquisition that the Board determines is not in our and our stockholders' best interests.

Our certificate of incorporation provides that certain courts in the State of Delaware or the federal district courts of the United States will be the sole and exclusive forum for substantially all disputes between us and our stockholders, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers, or employees.

Our certificate of incorporation provides that, unless we consent in writing to the selection of an alternative forum, the Court of Chancery located within the State of Delaware will be the sole and exclusive forum for any derivative action or proceeding brought on our behalf, any action asserting a claim of breach of a fiduciary duty owed by any current or former director, officer, employee, agent, or stockholder to us or our stockholders, any action asserting a claim arising pursuant to the DGCL, the certificate of incorporation, or the bylaws, or any action asserting a claim governed by the internal affairs doctrine. However, if the Court of Chancery within the State of Delaware lacks jurisdiction over such action, the action may be brought in another court of the State of Delaware or, if no court of the State of Delaware has jurisdiction, then in the United States District Court for the District of Delaware. Additionally, our certificate of incorporation states that the foregoing provision will not apply to claims arising under the Securities Act. Unless we consent in writing to the selection of an alternative forum, the federal district courts of the United States of America shall be the exclusive forum for the resolution of any complaint asserting a cause of action arising under the Securities Act. The exclusive forum provisions will be applicable to the fullest extent permitted by applicable law, subject to certain exceptions. Section 27 of the Exchange Act creates exclusive federal jurisdiction over all suits brought to enforce any duty or liability created by the Exchange Act or the rules and regulations thereunder. As a result, the exclusive forum provisions will not apply to suits brought to enforce any duty or liability created by the Exchange Act or any other claim for which the federal courts have exclusive jurisdiction. There is, however, uncertainty as to whether a court would enforce the exclusive forum provisions, and investors cannot waive compliance with the federal securities laws and the rules and regulations thereunder. Furthermore, Section 22 of the Securities Act creates concurrent jurisdiction for state and federal courts over all suits brought to enforce any duty or liability created by the Securities Act or the rules and regulations thereunder.

Any person or entity purchasing or otherwise acquiring any interest in shares of our capital stock will be deemed to have notice of and, to the fullest extent permitted by law, to have consented to the provisions of our certificate of incorporation described above. The choice of forum provision may result in increased costs for investors to bring a claim. Further, the choice of forum provision may limit a stockholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with us or our directors, officers, other employees, or stockholders, which may discourage such lawsuits against us and our directors, officers, other employees, or stockholders. However, the enforceability of similar forum provisions in other companies' certificates of incorporation has been challenged in legal proceedings. If a court were to find the exclusive choice of forum provision contained in our certificate of incorporation to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving such action in other jurisdictions.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. PROPERTIES

GE HealthCare is a global organization with major centers in or near Chicago, Milwaukee, Paris, Bangalore, and Shanghai, and is headquartered in Chicago, Illinois. We own or lease a total of 336 facilities around the world excluding third-party logistics sites. We have 43 manufacturing facilities, of which 31 are owned and 12 are leased, inclusive of one facility that is part-owned and part-leased. We have 17 manufacturing facilities located in the United States and 26 located outside of the United States, including in China, India, Israel, Mexico, Brazil, Austria, Denmark, France, Germany, Ireland, the Netherlands, Norway, Sweden, Finland, South Korea, and Japan. Many of these facilities serve more than one business line and may be used for multiple purposes, such as administration, sales, research, manufacturing, warehousing, service, and distribution. We consider our facilities suitable and adequate for the purposes for which they are used and do not anticipate difficulty in renewing existing leases as they expire or in finding alternative facilities.

ITEM 3. LEGAL PROCEEDINGS

Information on material pending legal proceedings is incorporated herein by reference to the information set forth in Note 14, "Commitments, Guarantees, Product Warranties, and Other Loss Contingencies" to the financial statements included elsewhere in this Annual Report on Form 10-K.

We are reporting the following environmental matter in compliance with SEC requirements to disclose environmental proceedings where a governmental authority is a party and that involve potential monetary sanctions of $300,000 or greater.

In July 2022, GE's Healthcare business received a notice of intention to impose an administrative fine of approximately $0.6 million related to a December 2019 liquid hazardous waste event at our Rehovot, Israel site. The event involved clean room waste that spilled onto an unsealed floor, leading to an escape of a small amount of liquid to a third-party facility on a lower floor. The Israeli Ministry of Environmental Protection ("MEP") concluded that the incident breached the site's toxins permit. In accordance with local law, GE HealthCare has responded to MEP's notice of fine challenging both the basis for, and level of, the fine. A decision from MEP is pending.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II
ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

PRINCIPAL MARKET

The principal market for GE HealthCare's common stock is The Nasdaq Stock Market LLC. A "when issued" trading market for GE HealthCare's common stock began on Nasdaq on December 16, 2022, and "regular way" trading of GE HealthCare's common stock began on January 4, 2023. Prior to December 16, 2022 there was no public market for GE HealthCare's common stock.

From January 4, 2023 through January 31, 2023, the highest sales price for GE HealthCare's common stock on Nasdaq was $73.95 per share, and the lowest sales price for GE HealthCare's common stock on Nasdaq was $53.50 per share.

SHAREHOLDERS

There were 207,717 shareholders of record of GE HealthCare common stock as of January 31, 2023.

DIVIDENDS

As an independent, publicly traded company, we will evaluate whether to pay cash dividends to our stockholders from time to time. The timing, declaration, amount, and payment of future dividends to stockholders, if any, will fall within the discretion of our Board. Our Board's decisions regarding the payment of dividends will depend on consideration of many factors, such as our financial condition, earnings, sufficiency of distributable reserves, opportunities to retain future earnings for use in the operation of our business and to fund future growth, capital requirements, debt service obligations, legal requirements, regulatory constraints, and other factors that our Board deems relevant. There can be no assurance that we will pay a dividend in the future or continue to pay any dividend if we do commence paying dividends.

ITEM 6. [RESERVED]

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with the combined financial statements and corresponding notes included elsewhere in this Annual Report on Form 10-K. The following discussion and analysis provides information management believes to be relevant to understanding the financial condition and results of operations of GE HealthCare Technologies Inc. for the years ended December 31, 2022 and 2021. For additional information on the year ended December 31, 2020 and year-over-year comparisons to December 31, 2021, refer to "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our Form 10-12B/A filed with the SEC on December 2, 2022. This discussion contains forward-looking statements that are based upon current expectations and are subject to uncertainty and changes in circumstances. Our actual results could differ materially from the results contemplated by these forward-looking statements due to a number of factors, including those discussed below and elsewhere in this Annual Report on Form 10-K, particularly in "Item 1A. Risk Factors." Actual results may differ materially from these expectations, see "Forward-Looking Statements."

The following tables are presented in millions of U.S. dollars unless otherwise stated, except for per-share amounts which are presented in U.S. dollars.

BUSINESS OVERVIEW

OUR BUSINESS.

GE HealthCare Technologies Inc. is a leading global medical technology, pharmaceutical diagnostics, and digital solutions innovator. We generate revenues from the sale of medical devices, single-use and consumable products, service capabilities, and digital solutions. Our customers are healthcare providers and researchers, including public, private, and academic institutions. Our products, services, and solutions enable clinicians to make more informed decisions quickly and efficiently, improving patient care from diagnosis to therapy to monitoring. We sell our products through a combination of a global sales force and a network of channel partners, including distributors and other third parties. We are organized into four business segments that are aligned with the industries we serve: Imaging, Ultrasound, PCS, and PDx.

TRENDS AND FACTORS IMPACTING OUR PERFORMANCE

We believe that our performance and future success depend on a number of factors that present significant opportunities for us but also pose risks and challenges, including those discussed below and in "Item 1A. Risk Factors."

KEY TRENDS AFFECTING RESULTS OF OPERATIONS.

Manufacturing, Sourcing and Supply Chain Management
Our suppliers must provide us with quality products in substantial quantities, in compliance with regulatory requirements, at acceptable costs and on a timely basis. Competition for resources throughout the supply chain, such as production and transportation capacities, has increased over the course of the last two years. Trends affecting the supply chain include the impact of increasing prices of labor and raw materials as well as limitations on capacity and increased cost of shipping. In addition, the announcement or imposition of any new or increased tariffs, duties, or taxes could adversely affect our supply chain.

COVID-19 Pandemic
Factors related directly and indirectly to the COVID-19 pandemic have been impacting operations and financial performance at varying levels across our business: refer to the respective segment sections below for further details on specific COVID-19 impacts on results.

We continue to actively monitor the pandemic, attempt to take steps to identify and mitigate the adverse impacts and risks to the business, and take appropriate actions to promote the safety of our employees, customers, and other business partners, including, as required, by government authorities.

Russia and Ukraine Conflict
The implications related to Russia's invasion of Ukraine, both short- and long-term, are difficult to predict. While we cannot estimate the broader impact of this conflict on our business due to the high degree of uncertainty related to the dynamic nature of these events and the numerous potentially destabilizing economic, political, and geopolitical developments stemming from this conflict, these two countries represent a small portion of our business. We had $143 million and $194 million of assets in or directly related to these two countries as of December 31, 2022, and December 31, 2021, respectively, none of which are subject to sanctions that impact the carrying value of the assets. We generated revenues of $395 million and $356 million from customers in these two countries for the years ended December 31, 2022, and December 31, 2021, respectively. The potential inability to repatriate earnings from these two countries will not have a material impact on our ability to operate.

We continue to monitor the effects of Russia's invasion of Ukraine, including the consideration of financial impact, cybersecurity risks, the applicability and effect of sanctions, and the employee base in Ukraine and Russia. The Board of Directors of GE oversaw and monitored those risks prior to the Spin-Off. Our Board assumed oversight of these risks upon completion of the Spin-Off and, with management, will continue to assess whether developments related to the conflict have had, or are reasonably likely to have, a material impact on the Company.

Given the nature of our products, we do not believe that the current sanctions and other measures imposed by the U.S., European Union, and other countries preclude us from conducting business in Ukraine and Russia, as these sanctions provide for exemptions for medicines and medical devices. However, these constantly evolving measures and the geopolitical choices of some of our parts and logistics providers have made and will continue to make it more burdensome and costly to serve customers in Ukraine and Russia. We continue to monitor contract manufacturing activities for the local market. We have discontinued sales and services to all military customers in Russia and, based on the ongoing review of our remaining activities in Russia, we continue sales and services to private medical institutions and certain government customers in Russia, such as government-owned hospitals, in accordance with applicable sanctions. With the current uncertainty in Russia and Ukraine and to ensure continuity of supply of our products and services to our customers, we are closely monitoring the performance of our suppliers and sub-tier suppliers. In addition, we are monitoring the impact of the potential Russian oil supply and energy interruptions in Europe on the capacity of our facilities and of our suppliers. To mitigate these risks, we are utilizing strategic inventory of materials and finished goods and additional sources of supply.

Seasonality
Our revenues and operating profits vary from quarter to quarter. Revenues in the fourth quarter have historically been higher than in other quarters due to the spending patterns of our customers. In addition, Cash provided from operating activities is typically higher in the fourth quarter sequentially as inventories are lower as a result of higher revenues.

TRANSITION TO STAND-ALONE COMPANY.

Relationship with GE

GE Healthcare Holding LLC was formed as a Delaware limited liability corporation on May 16, 2022 for the purpose of receiving, pursuant to a reorganization, all of the assets of GE's Healthcare business. On December 29, 2022, GE Healthcare Holding LLC converted into a Delaware corporation pursuant to a statutory conversion and was renamed GE HealthCare Technologies Inc. On January 3, 2023, GE distributed shares representing approximately 80.1% of GE HealthCare Technologies Inc.'s outstanding common stock to holders of record of GE's common stock as of the close of business on December 16, 2022 (the "Distribution"), in a Spin-Off that is tax-free for U.S. federal tax purposes. The Spin-Off was subject to receipt of a private letter ruling, received November 1, 2022, from the tax authorities to the effect that the Distribution and certain related transactions will qualify as tax-free to GE and its stockholders under Sections 355 and 368 of the Code. Following the Distribution, GE HealthCare Technologies Inc. became an independent, publicly traded company. For additional information, see Note 1, "Organization and Basis of Presentation" and Note 19, "Subsequent Events" to our combined financial statements.

GE HealthCare utilized allocations and carve-out methodologies through the date of the Spin-Off to prepare historical combined financial statements. The combined financial statements herein for periods prior to the Spin-Off may not be indicative of our future performance, do not necessarily include the actual expenses that would have been incurred by us, and may not reflect our results of operations, financial position, and cash flows had we been a separate, stand-alone company during the historical periods presented. For additional information, see Note 1, "Organization and Basis of Presentation" to our combined financial statements.

Historically, we have relied on GE to manage certain aspects of our operations and provide us certain services, the costs of which have historically been either allocated or directly billed to us. Historical costs for such services may not necessarily reflect the actual expenses we would have incurred, or will incur, as an independent company. In connection with the Spin-Off, we entered into the Separation and Distribution Agreement with GE as well as other agreements with GE, including a Transition Services Agreement, a Tax Matters Agreement, an Employee Matters Agreement, a Trademark License Agreement and Intellectual Property Cross License Agreements, as described in "Item 13. Certain Relationships and Related Transactions, and Director Independence." We generally expect to be able to utilize GE's services for a transitional period following the Spin-Off before we replace these services over time with services supplied either internally or by third parties. The expenses for the services we will receive from GE initially and then internally or by third parties may vary from the historical costs directly billed and allocated to us for the same services. We will face challenges as we transition to becoming a stand-alone public company, including the establishment of new functions that were previously provided by GE. Addressing the needs that arise from becoming a stand-alone company will require significant resources, including time and attention from our senior management and others throughout the Company. We will continue to monitor potential separation dis-synergies, as we may lose the benefit of the scale and buying power of GE, and we anticipate incurring one-time costs associated with creating our own capabilities.

Stand-Alone Company Expenses

As a result of the Spin-Off, we are subject to the requirements of the federal and state securities laws and stock exchange requirements. We have begun to establish additional procedures and practices as a stand-alone public company. As a result, we have started to and will continue to incur additional costs related to external reporting, internal audit, treasury, investor relations, Board of Directors and officers, and stock administration.

Pension and Other Benefit-Related Liabilities

In connection with the Spin-Off, on January 1, 2023 GE transferred certain plan liabilities and assets to GE HealthCare. The amounts related to the plans assumed by GE HealthCare on January 1, 2023, in addition to the existing GE HealthCare plans, are shown in the table below.

	Projected benefit obligations	Fair value of plan assets	Funded status - surplus (deficit)
GE HealthCare Pension Plan	$ 15,968	$ 14,860	$ (1,108)
GE HealthCare Supplementary Pension Plan	2,032	—	(2,032)
Other Pension Plans	3,743	4,048	305
Retiree Benefit Plans	1,210	—	(1,210)
Total transferred plans	22,953	18,908	(4,045)
Plans sponsored by GE HealthCare[(a)]	703	425	(278)
Total	**$ 23,656**	**$ 19,333**	**$ (4,323)**

(a) Refer to Note 10, "Postretirement Benefit Plans" to our combined financial statements for more details.

We have qualified plans that are subject to regulatory funding and non-qualified plans which are funded by the Company as benefits are due. Based on our current assumptions, we do not anticipate having to make additional required contributions to the GE HealthCare Pension Plan in the near future. We expect to pay approximately $141 million for benefit payments under our GE HealthCare Supplementary Pension Plan and approximately $54 million for benefit payments for other pension plans transferred in connection with the Spin-Off from GE in 2023. We fund retiree health benefits on a pay-as-you-go basis. We expect to pay approximately $146 million in 2023 to fund such benefits. In 2023, we expect to contribute approximately $19 million to our existing plans sponsored by GE HealthCare. For additional detail regarding our pension policy and significant pension plans, please see the "Critical Accounting Estimates" section below and see Note 10, "Postretirement Benefit Plans" to the combined financial statements.

Compensation

We expect to institute competitive compensation policies and programs as an independent public company. The expense for these policies and programs will increase from the compensation expense allocated by GE in our combined financial statements and related notes, driven primarily by higher cash and stock compensation to retain employees and align more closely with industry peers.

SUMMARY OF KEY PERFORMANCE MEASURES

Management reviews and analyzes several key performance measures including Total revenues, Remaining Performance Obligations ("RPO"), Operating income, Net income attributable to GE HealthCare, Earnings per share - continuing operations, and Cash flow from operations. Management also reviews and analyzes Organic revenue*, Adjusted Earnings Before Interest and Taxes (Adjusted EBIT*), Adjusted net income*, Adjusted earnings per share*, and Free cash flow*, which are non-GAAP financial measures. These measures are reviewed and analyzed in order to evaluate our business performance, identify trends affecting our business, allocate capital, and make strategic decisions, including those discussed below. The non-GAAP financial measures should be considered along with the most directly comparable U.S. GAAP financial measures. Definitions of these non-GAAP financial measures, a discussion of why we believe they are useful to management and investors as well as certain of their limitations, and reconciliations to their most directly comparable U.S. GAAP financial measures are provided below under "Non-GAAP Financial Measures."

Total Revenues

	For the years ended December 31			
	2022	2021	% change	% organic* change
Total revenues	$ 18,341	$ 17,585	4 %	7 %

Total revenues were $18,341 million for the year ended December 31, 2022, an increase of $756 million, or 4% as reported and 7% organically* from the year ended December 31, 2021, primarily driven by increases in Imaging and Ultrasound revenues. See "Total revenues" section below for further information.

Remaining Performance Obligations

	As of December 31		
	2022	2021	% change
Products	$ 4,992	$ 4,543	10%
Services	9,351	10,028	(7)%
Total RPO	**$ 14,343**	**$ 14,571**	**(2)%**

RPO represents the estimated revenue expected from customer contracts that are partially or fully unperformed inclusive of amounts deferred in contract liabilities, excluding contracts, or portions thereof, that provide the customer with the ability to cancel or terminate without incurring a substantive penalty. RPO as of December 31, 2022 decreased 2% to $14,343 million from December 31, 2021, primarily due to the timing of multi-year service contract renewals in the U.S., partially offset by an increase in product orders in the U.S., China, and Europe.

Business Performance

	For the years ended December 31		
	2022	2021	% change
Operating income	$ 2,522	$ 2,795	(10)%
Net income attributable to GE HealthCare	1,916	2,247	(15)%
Adjusted EBIT*	2,861	3,172	(10)%
Adjusted net income*	2,103	2,347	(10)%

*Non-GAAP Financial Measure

Operating income was $2,522 million for the year ended December 31, 2022, a decrease of $273 million or 10% from the year ended December 31, 2021. Net income attributable to GE HealthCare was $1,916 million for the year ended December 31, 2022, a decrease of $331 million or 15% from the year ended December 31, 2021. This was mainly attributable to inflationary cost pressures and planned increases in Research and development and commercial investments, partially offset by an increase in Total revenues.

Adjusted EBIT* was $2,861 million for the year ended December 31, 2022, a decrease of $311 million or 10% from the year ended December 31, 2021. Adjusted net income* was $2,103 million for the year ended December 31, 2022, a decrease of $244 million or 10% from the year ended December 31, 2021. This was mainly attributable to a decrease in Operating income. See "Operating income, Net Income Attributable to GE HealthCare, Adjusted EBIT*, and Adjusted Net Income*" below for further information.

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Cash Flow

	For the years ended December 31		
	2022	2021	% change
Cash from (used for) operating activities – continuing operations	$ 2,134	$ 1,607	33%
Free cash flow*	1,828	2,827	(35)%

Cash generated from operating activities – continuing operations was $2,134 million for the year ended December 31, 2022, an increase of $527 million or 33% from the year ended December 31, 2021. Cash generated in the year ended December 31, 2022 was higher as compared to the year ended December 31, 2021, primarily driven by $1,453 million lower impact from the discontinuation of factoring programs in 2021 and an increase in accounts payable partially offset by an increase in receivables excluding the impact of factoring programs, a decrease in Net income from continuing operations, and higher cash taxes paid mainly due to mandatory capitalization of research and development costs under the Tax Cuts and Jobs Act ("TCJA") beginning in 2022.

Free cash flow* was $1,828 million for the year ended December 31, 2022, a decrease of $999 million or 35% from the year ended December 31, 2021, primarily driven by an increase in receivables excluding the impact of factoring programs, a decrease in Net income from continuing operations, and higher cash taxes paid mainly due to mandatory capitalization of research and development costs under the TCJA beginning in 2022.

*Non-GAAP Financial Measure

RESULTS OF OPERATIONS

The following tables set forth our results of operations for each of the periods presented:

Combined Statements of Income

	For the years ended December 31	
	2022	2021
Sales of products	$ 12,044	$ 11,165
Sales of services	6,297	6,420
Total revenues	**18,341**	**17,585**
Cost of products	7,975	7,196
Cost of services	3,187	3,215
Gross profit	**7,179**	**7,174**
Selling, general, and administrative	3,631	3,563
Research and development	1,026	816
Total operating expenses	**4,657**	**4,379**
Operating income	**2,522**	**2,795**
Interest and other financial charges—net	77	40
Non-operating benefit (income) costs	(5)	3
Other (income) expense—net	(62)	(123)
Income from continuing operations before income taxes	**2,512**	**2,875**
Benefit (provision) for income taxes	(563)	(600)
Net income from continuing operations	**1,949**	**2,275**
Income (loss) from discontinued operations, net of taxes	18	18
Net income	**1,967**	**2,293**
Net (income) loss attributable to noncontrolling interests.	(51)	(46)
Net income attributable to GE HealthCare	**$ 1,916**	**$ 2,247**
Per share data:		
Basic and diluted earnings per share – continuing operations[(a)]	$ 4.18	$ 4.91
Basic and diluted earnings per share – discontinued operations[(a)]	$ 0.04	$ 0.04

(a) On January 3, 2023, there were approximately 454 million shares of GE HealthCare common stock outstanding, including the 19.9% interest in our outstanding shares of common stock retained by GE following the Distribution. The computation of basic and diluted earnings per common share for all periods through December 31, 2022 was calculated using this same number of common shares outstanding since no GE HealthCare equity awards were outstanding as of the Distribution Date and is net of Net (income) loss attributable to noncontrolling interest which is fully associated with continuing operations.

TOTAL REVENUES.

Revenues by Segment

	For the years ended December 31			
	2022	2021	% change	% organic* change
Segment revenues				
Imaging	$ 9,985	$ 9,433	6 %	10 %
Ultrasound	3,422	3,172	8	6
PCS	2,916	2,915	0	3
PDx	1,958	2,018	(3)	2
Other[(a)]	60	47		
Total revenues	**$ 18,341**	**$ 17,585**	**4 %**	**7 %**

(a) Financial information not presented within the reportable segments, shown within the Other category, represents the HealthCare Financial Services ("HFS") business which does not meet the definition of an operating segment.

*Non-GAAP Financial Measure

Revenues by Region

	For the years ended December 31		
	2022	2021	% change
USCAN[(a)]	$ 8,130	$ 7,373	10 %
EMEA	4,684	4,535	3
China region[(b)]	2,531	2,690	(6)
Rest of World	2,996	2,987	0
Total revenues	**$ 18,341**	**$ 17,585**	**4 %**

(a) Includes revenue from the United States and Canada.
(b) Includes revenue from China, Taiwan, Mongolia, and Hong Kong.

For the year ended December 31, 2022

Total revenues were $18,341 million for the year ended December 31, 2022, growing 4% or $756 million as reported and 7% organically*. The reported growth was due to Sales of products growing 8% or $879 million, primarily driven by increases in Imaging and Ultrasound revenues. Sales of services decreased 2% or $123 million, primarily driven by unfavorable foreign currency impacts.

The segment revenues performance were as follows:

- Imaging segment revenues were $9,985 million for the year ended December 31, 2022, growing 6% or $552 million as reported due to an increase in Organic revenue*, partially offset by unfavorable foreign currency impacts. Organic revenue* grew 10% primarily due to growth in MR and MI/CT product lines due to new product introductions as well as supply chain fulfillment improvements;
- Ultrasound segment revenues were $3,422 million for the year ended December 31, 2022, growing 8% or $250 million as reported due to the acquisition of BK Medical and an increase in Organic revenue*, partially offset by unfavorable foreign currency impacts. Organic revenue* grew 6% primarily due to growth in Radiology and Primary Care and Women's Health product lines due to new product introductions and increased pricing of our products, in part to offset inflation;
- PCS segment revenues were $2,916 million for the year ended December 31, 2022, flat versus the prior year as reported due to an increase in Organic revenue*, offset by unfavorable foreign currency impacts. Organic revenue* grew 3% primarily due to growth in Anesthesia and Maternal Infant Care product lines, partially offset by a decrease in COVID-19 related ventilator volume; and
- PDx segment revenues were $1,958 million for the year ended December 31, 2022, decreasing 3% or $60 million as reported due to unfavorable foreign currency impacts, partially offset by an increase in Organic revenue*. Organic revenue* grew 2% primarily due to growth in sales volume of our products, partially offset by China related impacts.

The regional revenues performance were as follows:

- USCAN revenues were $8,130 million for the year ended December 31, 2022, growing 10% or $757 million as reported due to growth across all segments as well as the acquisition of BK Medical within Ultrasound;
- EMEA revenues were $4,684 million for the year ended December 31, 2022, growing 3% or $149 million as reported due to growth in Imaging revenues and the acquisition of BK Medical within Ultrasound, partially offset by unfavorable foreign currency impacts;
- China region revenues were $2,531 million for the year ended December 31, 2022, decreasing 6% or $159 million as reported due to a decrease of PDx and Imaging revenues primarily due to the impact of COVID-19 driven disruptions and unfavorable foreign currency impacts; and
- Rest of World revenues were $2,996 million for the year ended December 31, 2022, flat versus the prior year as reported due to growth in Imaging and Ultrasound revenues, partially offset by unfavorable foreign currency impacts and a decrease in PCS revenues primarily due to the impact of COVID-19 driven disruptions.

*Non-GAAP Financial Measure

OPERATING INCOME, NET INCOME ATTRIBUTABLE TO GE HEALTHCARE, ADJUSTED EBIT*, AND ADJUSTED NET INCOME*.

	For the years ended December 31				
	2022	% of Total revenues	2021	% of Total revenues	% change
Operating income	$ 2,522	13.8%	$ 2,795	15.9%	(10)%
Net income attributable to GE HealthCare	1,916	10.4%	2,247	12.8%	(15)%
Adjusted EBIT*	2,861	15.6%	3,172	18.0%	(10)%
Adjusted net income*	2,103	11.5%	2,347	13.3%	(10)%

For the year ended December 31, 2022

Operating income was $2,522 million for the year ended December 31, 2022, a decrease of $273 million or 210 basis points as a percentage of Total revenues due to the $756 million increase in Total revenues being more than offset by the following factors:

- Cost of products sold increased $779 million or 170 basis points as a percent of Sales of products. The increase as a percent of sales was driven by cost inflation in material and logistics, partially offset by an increase in pricing of our products and cost productivity benefits from engineering design improvements. Cost of services sold decreased $28 million but increased 50 basis points as a percent of Sales of services. The increase as a percent of sales was driven by cost inflation in materials and labor, partially offset by cost productivity initiatives and an increase in pricing of our service offerings. Included in our total cost of revenue for the year ended December 31, 2022, as part of our product investment, was $429 million in engineering costs for design follow-through on new product introductions and product lifecycle maintenance subsequent to the initial product launch, compared to $386 million for the year ended December 31, 2021; and
- Total operating expenses increased $278 million due to an increase in planned Research and development ("R&D") investments of $210 million and an increase in Selling, general, and administrative ("SG&A") expense of $68 million due to increased investment in commercial teams and marketing programs partially offset by a benefit from the remeasurement of contingent consideration related to acquisitions. As a result, R&D as a percentage of Total revenues increased by 100 basis points and SG&A as a percentage of Total revenues decreased by 50 basis points.

Net income attributable to GE HealthCare was $1,916 million for the year ended December 31, 2022, a decrease of $331 million primarily due to the following factors:

- Operating income decreased $273 million, as discussed above;
- Other (income) expense – net decreased $61 million in 2022 primarily due to investment revaluations on equity investments;
- Interest and other financial charges – net increased $37 million in 2022 primarily due to interest expense on the debt securities issued by GE HealthCare in November of 2022; and
- The decrease in net income was partially offset by a decrease in Provision for income taxes of $37 million primarily due to lower income before taxes and geographical mix of earnings. For additional detail regarding our income taxes, please see "Critical Accounting Estimates" below and Note 11, "Income Taxes" to the combined financial statements.

Adjusted EBIT* and Adjusted EBIT margin* were $2,861 million and 15.6% for the year ended December 31, 2022, a decrease of $311 million and 240 basis points, respectively, primarily due to a decrease in Operating income and a decrease in Other (income) expense – net as discussed above.

Adjusted net income* was $2,103 million for the year ended December 31, 2022, a decrease of $244 million due to a decrease in Operating income and higher Interest and other financial charges – net, partially offset by lower Provision for income taxes as discussed above.

EARNINGS PER SHARE AND ADJUSTED EARNINGS PER SHARE*.

On January 3, 2023, there were approximately 454 million shares of GE HealthCare common stock outstanding, including the 19.9% interest in our outstanding shares of common stock retained by GE following the Distribution. The computation of basic and diluted earnings per common share for all periods through December 31, 2022 was calculated using this same number of common shares outstanding since no GE HealthCare equity awards were outstanding as of the Distribution Date and is net of Net (income) loss attributable to noncontrolling interest which is fully associated with continuing operations.

*Non-GAAP Financial Measure

Earnings per Share and Adjusted Earnings per Share*

	For the years ended December 31		
	2022	2021	$ change
Per share data:			
Basic and diluted earnings per share – continuing operations	$ 4.18	$ 4.91	$ (0.73)
Adjusted basic and diluted earnings per share*	4.63	5.17	(0.54)

For the year ended December 31, 2022

Basic and diluted earnings per share - continuing operations was $4.18 for the year ended December 31, 2022, a decrease of $0.73 primarily due to a decrease of $331 million in Net income attributable to GE HealthCare as discussed above.

Adjusted basic and diluted earnings per share* was $4.63 for the year ended December 31, 2022, a decrease of $0.54 due to a decrease of $244 million in Adjusted net income* as discussed above.

RESULTS OF OPERATIONS – SEGMENTS

We report our business in four reportable segments (Imaging, Ultrasound, PCS, and PDx) and we evaluate their operating performance using revenue and Segment EBIT. We exclude from Segment EBIT certain corporate-related expenses and certain transactions or adjustments that our Chief Operating Decision Maker (which is our Chief Executive Officer) considers to be non-operational, such as interest expenses, income tax expenses, restructuring costs, acquisition and disposition related charges (benefits), Spin-Off and separation costs, Non-operating benefit (income) costs, gain/loss of business dispositions/divestments, amortization of acquisition-related intangible assets, Net (income) loss attributable to noncontrolling interests, Income (loss) from discontinued operations, net of taxes, and investment revaluation gain/loss. See "Results of Operations" section above for discussion on the performance of segments on revenue.

Segment EBIT

	For the years ended December 31				
	2022	% of segment revenues	2021	% of segment revenues	% change
Segment EBIT					
Imaging	$ 1,100	11.0 %	$ 1,240	13.1 %	(11)%
Ultrasound	908	26.5 %	885	27.9 %	3 %
PCS	341	11.7 %	356	12.2 %	(4)%
PDx	520	26.6 %	693	34.3 %	(25)%
Other[(a)]	(8)		(2)		
	$ 2,861		**$ 3,172**		**(10)%**

(a) Financial information not presented within the reportable segments, shown within the Other category, represents the HFS business and certain other investments which do not meet the definition of an operating segment.

For the year ended December 31, 2022

- Imaging Segment EBIT was $1,100 million for the year ended December 31, 2022, a decrease of $140 million due to cost inflation as well as planned R&D and commercial investments, partially offset by a growth in sales volume and an increase in pricing of our products, in part to offset inflation;
- Ultrasound Segment EBIT was $908 million for the year ended December 31, 2022, an increase of $23 million due to an increase in pricing of our products, in part to offset inflation, and growth in sales volume supported by new product introductions, partially offset by planned R&D and commercial investments and cost inflation;
- PCS Segment EBIT was $341 million for the year ended December 31, 2022, a decrease of $15 million due to cost inflation as well as planned R&D investments, partially offset by an increase in pricing of our products, in part to offset inflation; and
- PDx Segment EBIT was $520 million for the year ended December 31, 2022, a decrease of $173 million due to China-related impacts and cost inflation, partially offset by a growth in sales volume.

*Non-GAAP Financial Measure

NON-GAAP FINANCIAL MEASURES

The non-GAAP financial measures presented in this Annual Report on Form 10-K are supplemental measures of our performance and our liquidity that we believe help investors understand our financial condition, cash flows and operating results, and assess our future prospects. We believe that presenting these non-GAAP financial measures, in addition to the corresponding U.S. GAAP financial measures, are important supplemental measures that exclude non-cash or other items that may not be indicative of or are unrelated to our core operating results and the overall health of our company. We believe that these non-GAAP financial measures provide investors greater transparency to the information used by management for its operational decision-making and allows investors to see our results "through the eyes of management." We further believe that providing this information assists our investors in understanding our operating performance and the methodology used by management to evaluate and measure such performance. When read in conjunction with our U.S. GAAP results, these non-GAAP financial measures provide a baseline for analyzing trends in our underlying businesses and can be used by management as one basis for financial, operational, and planning decisions. Finally, these measures are often used by analysts and other interested parties to evaluate companies in our industry.

The non-GAAP financial measures we report include:

Organic revenue and Organic revenue growth rate
We believe that Organic revenue and Organic revenue growth rate, by excluding the effect of acquisitions, dispositions, and foreign currency rate fluctuations, provide management and investors with additional understanding of our core, top-line operating results and greater visibility into underlying revenue trends of our established, ongoing operations. Organic revenue and Organic revenue growth rate also provide greater insight regarding the overall demand for our products and services.

Adjusted EBIT and Adjusted EBIT margin
We believe Adjusted EBIT and Adjusted EBIT margin provide management and investors with additional understanding of our business by highlighting the results from ongoing operations and the underlying profitability factors. These metrics exclude interest expense, interest income, non-operating benefit (income) costs, and tax expense, as well as unique and/or non-cash items, that can have a material impact on our results. In addition, we may from time to time consider excluding other nonrecurring items to enhance comparability between periods. We believe this provides additional insight into how our businesses are performing, on a normalized basis. However, Adjusted EBIT and Adjusted EBIT margin should not be construed as inferring that our future results will be unaffected by the items for which the measure adjusts.

Adjusted net income
We believe Adjusted net income provides investors with improved comparability of underlying operating results and a further understanding and additional transparency regarding how we evaluate our business. Adjusted net income also provides management and investors with additional perspective regarding the impact of certain significant items on our earnings. Adjusted net income excludes non-operating benefit (income) costs, certain tax expense adjustments, and unique and/or non-cash items, that can have a material impact on our results. In addition, we may from time to time consider excluding other nonrecurring items to enhance comparability between periods. However, Adjusted net income should not be construed as inferring that our future results will be unaffected by the items for which the measure adjusts.

Adjusted earnings per share
We believe Adjusted earnings per share provides investors with improved comparability of underlying operating results and a further understanding and additional transparency regarding how we evaluate our business. Adjusted earnings per share also provides management and investors with additional perspective regarding the impact of certain significant items on our per share earnings. Adjusted earnings per share excludes non-operating benefit (income) costs, certain tax expense adjustments, and unique and/or non-cash items, that can have a material impact on our results. In addition, we may from time to time consider excluding other nonrecurring items to enhance comparability between periods. However, Adjusted earnings per share should not be construed as inferring that our future results will be unaffected by the items for which the measure adjusts.

Free cash flow
We believe that Free cash flow provides management and investors with an important measure of our ability to generate cash on a normalized basis. Free cash flow also provides insight into our flexibility to allocate capital, including reinvesting in the Company for future growth, paying down debt, paying dividends, and pursuing other opportunities that may enhance stockholder value. Free cash flow is Cash from (used for) operating activities - continuing operations including cash flows related to the additions and dispositions of PP&E and internal-use software as well as the impact of discontinued factoring programs. The cash flow from operating activity impacted by factoring programs, discontinued in 2021, represents the cash that we would have otherwise collected in the period had customer receivables not been previously sold to GE in those discontinued programs. We believe investors may find it useful to compare Free cash flow performance without the effects of the factoring program discontinuation. Our historical Free cash flow includes interest expense associated with the internal and external factoring of current receivables and other financial charges. Interest expense associated with external debt that was historically held by GE is not recognized in the combined financial statements and related notes. Additionally, Free cash flow does not represent residual cash flows available for discretionary expenditures, due to the fact the measures do not deduct the payments required for debt repayments.

Non-GAAP Reconciliations

Management recognizes that these non-GAAP financial measures have limitations, including that they may be calculated differently by other companies or may be used under different circumstances or for different purposes, thereby affecting their comparability from company to company. In order to compensate for these and the other limitations discussed below, management does not consider these measures in isolation from or as alternatives to the comparable financial measures determined in accordance with U.S. GAAP. Readers should review the reconciliations below and should not rely on any single financial measure to evaluate our business. The reconciliations of each non-GAAP financial measure to the most directly comparable U.S. GAAP financial measure are provided below.

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Organic Revenue*	For the years ended December 31		
	2022	**2021**	**% change**
Imaging revenues	**$ 9,985**	**$ 9,433**	**6%**
Less: Acquisitions[(a)]	—	—	
Less: Dispositions[(b)]	—	—	
Less: Foreign currency exchange	(413)	—	
Imaging organic revenue*	**$ 10,398**	**$ 9,433**	**10%**
Ultrasound revenues	**$ 3,422**	**$ 3,172**	**8%**
Less: Acquisitions[(a)]	237	—	
Less: Dispositions[(b)]	—	—	
Less: Foreign currency exchange	(182)	—	
Ultrasound organic revenue*	**$ 3,367**	**$ 3,172**	**6%**
PCS revenues	**$ 2,916**	**$ 2,915**	**—%**
Less: Acquisitions[(a)]	—	—	
Less: Dispositions[(b)]	—	—	
Less: Foreign currency exchange	(73)	—	
PCS organic revenue*	**$ 2,989**	**$ 2,915**	**3%**
PDx revenues	**$ 1,958**	**$ 2,018**	**(3)%**
Less: Acquisitions[(a)]	2	—	
Less: Dispositions[(b)]	—	—	
Less: Foreign currency exchange	(100)	—	
PDx organic revenue*	**$ 2,056**	**$ 2,018**	**2%**
Other revenues	**$ 60**	**$ 47**	**28%**
Less: Acquisitions[(a)]	—	—	
Less: Dispositions[(b)]	—	—	
Less: Foreign currency exchange	(3)	—	
Other organic revenue*	**$ 63**	**$ 47**	**34%**
Total revenues	**$ 18,341**	**$ 17,585**	**4%**
Less: Acquisitions[(a)]	239	—	
Less: Dispositions[(b)]	—	—	
Less: Foreign currency exchange	(771)	—	
Organic revenue*	**$ 18,873**	**$ 17,585**	**7%**

(a) Represents revenues attributable to acquisitions from the date we completed the transaction through the end of four quarters following the transaction.

(b) Represents revenues attributable to dispositions for the four quarters preceding the disposition date.

*Non-GAAP Financial Measure

Adjusted EBIT*	For the years ended December 31		
	2022	**2021**	**% change**
Net income attributable to GE HealthCare	**$ 1,916**	**$ 2,247**	**(15)%**
Add: Interest and other financial charges - net	77	40	
Add: Non-operating benefit (income) costs	(5)	3	
Less: Benefit (provision) for income taxes	(563)	(600)	
Less: Income (loss) from discontinued operations, net of taxes	18	18	
Less: Net (income) loss attributable to noncontrolling interests	(51)	(46)	
EBIT*	**$ 2,584**	**$ 2,918**	**(11)%**
Add: Restructuring costs[(a)]	146	155	
Add: Acquisition and disposition related charges (benefits)[(b)]	(34)	14	
Add: Spin-Off and separation costs[(c)]	14	—	
Add: (Gain)/loss of business dispositions/divestments[(d)]	(1)	(2)	
Add: Amortization of acquisition-related intangible assets	121	90	
Add: Investment revaluation (gain)/loss[(e)]	31	(3)	
Adjusted EBIT*	**$ 2,861**	**$ 3,172**	**(10)%**
Net income margin	**10.4%**	**12.8%**	**(240) bps**
Adjusted EBIT margin*	**15.6%**	**18.0%**	**(240) bps**

(a) Consists of severance, facility closures, and other charges associated with historical restructuring programs.
(b) Consists of legal, consulting, and other transaction and integration fees, and adjustments to contingent consideration, as well as other purchase accounting related charges and other costs directly related to the transactions.
(c) Costs incurred in the Spin-Off and separation from GE, including system implementations, audit and advisory fees, legal entity separation, and other one-time costs.
(d) Consists of gains and losses resulting from the sale of assets and investments.
(e) Primarily relates to valuation adjustments for equity investments.

Adjusted Net Income*	For the years ended December 31		
	2022	**2021**	**% change**
Net income attributable to GE HealthCare	**$ 1,916**	**$ 2,247**	**(15)%**
Add: Non-operating benefit (income) costs	(5)	3	
Add: Restructuring costs[(a)]	146	155	
Add: Acquisition and disposition related charges (benefits)[(b)]	(34)	14	
Add: Spin-Off and separation costs[(c)]	14	—	
Add: (Gain)/loss of business dispositions/divestments[(d)]	(1)	(2)	
Add: Amortization of acquisition-related intangible assets	121	90	
Add: Investment revaluation (gain)/loss[(e)]	31	(3)	
Add: Tax effect of reconciling items	(67)	(62)	
Less: Certain tax adjustments[(f)]	—	77	
Less: Income (loss) from discontinued operations, net of taxes	18	18	
Adjusted net income*	**$ 2,103**	**$ 2,347**	**(10)%**

(a) Consists of severance, facility closures, and other charges associated with historical restructuring programs.
(b) Consists of legal, consulting, and other transaction and integration fees, and adjustments to contingent consideration, as well as other purchase accounting related charges and other costs directly related to the transactions.
(c) Costs incurred in the Spin-Off and separation from GE, including system implementations, audit and advisory fees, legal entity separation, and other one-time costs.
(d) Consists of gains and losses resulting from the sale of assets and investments.
(e) Primarily relates to valuation adjustments for equity investments.
(f) Consists of certain income tax adjustments, such as the impact of tax legislation and the establishment or reversal of significant deferred tax asset valuation allowances.

*Non-GAAP Financial Measure

Adjusted Earnings Per Share*	For the years ended December 31		
	2022	2021	$ change
Basic and diluted earnings per share – continuing operations	**$ 4.18**	**$ 4.91**	**$ (0.73)**
Add: Non-operating benefit (income) costs	(0.01)	0.01	
Add: Restructuring costs[(a)]	0.32	0.34	
Add: Acquisition and disposition related charges (benefits)[(b)]	(0.07)	0.03	
Add: Spin-Off and separation costs[(c)]	0.03	—	
Add: *(Gain)/loss of business dispositions/divestments*[(d)]	*(0.00)*	*(0.00)*	
Add: Amortization of acquisition-related intangible assets	0.27	0.20	
Add: Investment revaluation (gain)/loss[(e)]	0.07	(0.01)	
Add: Tax effect of reconciling items	(0.15)	(0.14)	
Less: Certain tax adjustments[(f)]	—	0.17	
Adjusted basic and diluted earnings per share*[(g)]	**$ 4.63**	**$ 5.17**	**$ (0.54)**

(a) Consists of severance, facility closures, and other charges associated with historical restructuring programs.
(b) Consists of legal, consulting, and other transaction and integration fees, and adjustments to contingent consideration, as well as other purchase accounting related charges and other costs directly related to the transactions.
(c) Costs incurred in the Spin-Off and separation from GE, including system implementations, audit and advisory fees, legal entity separation, and other one-time costs.
(d) Consists of gains and losses resulting from the sale of assets and investments.
(e) Primarily relates to valuation adjustments for equity investments.
(f) Consists of certain income tax adjustments, such as the impact of tax legislation and the establishment or reversal of significant deferred tax asset valuation allowances.
(g) Adjusted earnings per share* amounts are computed independently, thus, the sum of per-share amounts may not equal the total.

Free Cash Flow*	For the years ended December 31		
	2022	2021	% change
Cash from (used for) operating activities – continuing operations	**$ 2,134**	**$ 1,607**	**33%**
Add: Additions to PP&E and internal-use software	(310)	(248)	
Add: Dispositions of PP&E	4	15	
Add: Impact of discontinued factoring programs[(a)]	—	1,453	
Free cash flow*	**$ 1,828**	**$ 2,827**	**(35)%**

(a) Adjustment to present net cash flows from operating activities from continuing operations had we not factored receivables with GE's Working Capital Solutions ("WCS"). Factoring of receivables with WCS was discontinued by the end of 2021.

LIQUIDITY AND CAPITAL RESOURCES

Historically, our business has generated positive cash flows from operating activities from continuing operations. A significant majority of such cash flows were transferred to GE. We participated in GE's cash pooling arrangements to manage liquidity and fund operations, the effect of which is presented as net parent investment in our combined financial statements included elsewhere in this Annual Report on Form 10-K.

Upon completion of the Spin-Off, we ceased participation in GE cash pooling arrangements and our Cash, cash equivalents, and restricted cash are held and used solely for our own ongoing operations and commitments. Our capital structure, long-term commitments, and sources of liquidity will change significantly from our historical practices. For additional detail regarding changes to our capital structure, see "Debt and Credit Facilities" section below.

We believe our cash on hand, cash generated from operating activities, and other sources of liquidity discussed in detail below will be sufficient to meet the needs of our current and planned operations for at least the next 12 months.

The following table summarizes our cash flows for the periods presented:

*Non-GAAP Financial Measure

Cash Flow

	For the years ended December 31	
	2022	2021
Cash from (used for) operating activities – continuing operations	$ 2,134	$ 1,607
Cash from (used for) investing activities – continuing operations	(398)	(1,761)
Cash from (used for) financing activities – continuing operations	(822)	(263)
Free cash flow*	1,828	2,827

Operating Activities
Cash generated from operating activities from continuing operations was $2,134 million and $1,607 million in the years ended December 31, 2022 and 2021, respectively.

Cash generated from operating activities in the year ended December 31, 2022, included Net income from continuing operations of $1,949 million, non-cash charges for depreciation and amortization of $633 million, and $448 million outflow from changes in assets and liabilities, primarily driven by an increase in inventory mainly due to inventory build to meet demand for 2023, higher cash taxes paid mainly due to mandatory capitalization of research and development costs under the TCJA beginning in 2022, and an increase in receivables, partially offset by an increase in accounts payable.

Cash generated from operating activities in the year ended December 31, 2021 included Net income from continuing operations of $2,275 million, non-cash charges for depreciation and amortization of $625 million, and $1,293 million outflow from changes in assets and liabilities, primarily driven by a $1,453 million impact from the discontinuation of factoring programs in 2021, and an increase in inventory due to supply chain constraints, partially offset by an increase in accounts payable and a decrease in current receivables excluding the effect of discontinuation of factoring programs.

Investing Activities
Cash used for investing activities from continuing operations was $398 million and $1,761 million in the years ended December 31, 2022 and 2021, respectively.

Cash used for investing activities in the year ended December 31, 2022, included additions to PP&E of $310 million related primarily to new product introductions and manufacturing capacity expansion, and other investments of $92 million partially offset by dispositions of PP&E of $4 million. The cash invested in other investments was primarily related to the following investments:

- On July 20, 2022, we made an investment in AliveCor. AliveCor is a medical device and AI company producing ECG hardware and software for consumer mobile devices. AliveCor's mission is to save lives and transform cardiology by delivering intelligent, highly personalized heart data to clinicians and patients anytime, anywhere.
- On June 21, 2022, we made an investment in Pulsenmore, taking a step forward in further enabling precision care. Pulsenmore's innovative handheld tele-ultrasound device docks with a smartphone, allowing expectant mothers to perform clinician-led ultrasound scans at home and receive remote clinical feedback from healthcare professionals.

Cash used for investing activities in the year ended December 31, 2021, included net cash payments of $1,481 million for purchase of businesses, and additions to PP&E and internal-use software of $248 million related primarily to new product introductions and manufacturing capacity expansion, partially offset by dispositions of PP&E of $15 million. The cash invested in purchase of businesses pertained to the following acquisitions:

- On December 21, 2021, we acquired BK Medical, a leader in advanced surgical visualization. The acquisition of BK Medical supports our Ultrasound segment's expansion from diagnostics into surgical and therapeutic interventions. BK Medical is a highly complementary addition to Ultrasound's business operations representing another example in delivering precision care; and
- On May 5, 2021, we acquired Zionexa, a leading innovator of in vivo oncology and neurology biomarkers that help enable more personalized healthcare. This acquisition demonstrates GE HealthCare's commitment to its precision care vision and builds additional pipelines of oncology and neurology tracers to help physicians personalize treatment.

Financing Activities
Cash used for financing activities from continuing operations was $822 million and $263 million in the years ended December 31, 2022 and 2021, respectively. Cash used for financing activities included $8,934 million and $238 million of transfers to parent in the years ended December 31, 2022 and 2021, respectively partially offset by newly issued debt of $8,198 million and $5 million in the years ended December 31, 2022 and 2021, respectively.

*Non-GAAP Financial Measure

*Free cash flow**
Free cash flow* was $1,828 million and $2,827 million in the years ended December 31, 2022 and 2021, respectively. Free cash flow* decreased $999 million primarily due to an increase in receivables excluding the impact of factoring programs, a decrease in Net income from continuing operations, and higher cash taxes paid mainly due to mandatory capitalization of research and development costs under the TCJA beginning in 2022.

Capital Expenditures
Cash used for capital expenditures was $310 million and $248 million for the years ended December 31, 2022 and 2021, respectively. Capital expenditures were primarily for manufacturing capacity expansion, equipment and tooling for new and existing products, purchased software, and internal-use software development.

Material Cash Requirements
In the normal course of business, we enter into contracts and commitments that oblige us to make payments in the future. Information regarding our obligations under lease, debt, and purchase arrangements are provided in Note 7, "Leases," Note 9, "Borrowings," and Note 14, "Commitments, Guarantees, Product Warranties, and Other Loss Contingencies," respectively, to the combined financial statements contained elsewhere in this Annual Report on Form 10-K. Additionally, we have material cash requirements related to our pension obligations as described in Note 10, "Postretirement Benefit Plans," to the combined financial statements.

Debt and Credit Facilities
As part of our capital structure, we have incurred debt. The servicing of this debt will be supported by cash flows from our operations. As of December 31, 2022, we had $8,249 million of total debt compared to $37 million as of December 31, 2021.

The increase in our total debt as of December 31, 2022 was driven by the issuance of $8,250 million of senior notes, issued on November 22, 2022. The issuance included the following unsecured senior notes: $1,000 million of 5.550% senior notes due 2024, $1,500 million of 5.600% senior notes due 2025, $1,750 million of 5.650% senior notes due 2027, $1,250 million of 5.857% senior notes due 2030, $1,750 million of 5.905% senior notes due 2032 and $1,000 million of 6.377% senior notes due 2052 (collectively, the "Notes"). In addition, the Company entered into certain Euro to U.S. dollar cross currency interest rate swap arrangements with a notional amount of $2,132 million as of December 31, 2022 and maturities ranging from 2024 to 2025.

Of the $8,250 million of senior notes, $4,000 million of the indebtedness was issued directly to GE and net cash proceeds of $4,221 million from the remaining indebtedness issued to third parties was distributed to GE. GE exchanged the $4,000 million of indebtedness with third parties prior to December 31, 2022. As of December 31, 2022, all of the Notes were held by third parties.

On November 4, 2022, GE HealthCare entered into: (i) a five-year senior unsecured revolving credit facility (the "5-Year Revolving Credit Facility") in an aggregate committed amount of $2,500 million; (ii) a 364-day senior unsecured revolving facility (the "364-Day Revolving Credit Facility" and, together with the 5-Year Revolving Credit Facility, the "Revolving Credit Facilities") in an aggregate committed amount of $1,000 million; and (iii) a three-year senior unsecured term loan credit facility (the "Term Loan Facility" and, together with the Revolving Credit Facilities, the "Credit Facilities"), in an aggregate principal amount of $2,000 million, all in connection with the Spin-Off. The Credit Facilities include various customary covenants that limit, among other things, the incurrence of liens and the entry into certain fundamental change transactions by GE HealthCare. The Credit Facilities were not available to the Company or its subsidiaries until consummation of the Spin-Off. As such, there were no outstanding amounts under the Credit Facilities as of December 31, 2022.

On January 3, 2023, GE HealthCare completed a $2,000 million drawdown of the Term Loan Facility in connection with the Spin-Off from GE, bringing total principal balance of borrowings to $10,250 million. We began operations as an independent company, after settlement of all necessary Spin-Off transactions with GE, with approximately $1,800 million of cash, cash equivalents, and restricted cash.

For additional details on debt and credit facilities, see Note 9, "Borrowings" to the combined financial statements.

Access to Capital and Credit Ratings
We have historically relied, via GE, on the debt capital markets to fund a significant portion of our operations. We plan to continue to rely on capital markets, and we expect to have access to credit facilities to fund operations. The cost and availability of debt financing will be influenced by our credit ratings and market conditions. Moody's Investors Service ("Moody's"), Standard and Poor's Global Ratings ("S&P"), and Fitch Ratings ("Fitch") currently issue ratings on our long-term debt. Our credit ratings as of the date of this filing are set forth in the table below.

	Moody's	S&P	Fitch
Long-term rating	Baa2	BBB	BBB
Outlook	Stable	Stable	Stable

*Non-GAAP Financial Measure

We are disclosing our credit ratings to enhance understanding of our sources of liquidity and the effects of our ratings on our costs of funds and access to liquidity. Our ratings may be subject to a revision or withdrawal at any time by the assigning rating organization, and each rating should be evaluated independently of any other rating.

We believe that our financing arrangements, future cash from operations, and access to capital markets will provide adequate resources to fund our future cash flow needs.

RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

For a discussion of recently issued accounting standards, see Note 2, "Summary of Significant Accounting Policies" to the combined financial statements appearing elsewhere in this Annual Report on Form 10-K.

CRITICAL ACCOUNTING ESTIMATES

Our financial results are affected by the selection and application of accounting policies and methods. We have adopted accounting policies to prepare our combined financial statements in conformity with U.S. GAAP.

To prepare our combined financial statements in accordance with U.S. GAAP, management makes estimates and assumptions that may affect the reported amounts of our assets and liabilities, including our contingent liabilities, as of the date of our combined financial statements and the reported amounts of our revenues and expenses during the reporting periods. Our actual results may differ from these estimates. We consider estimates to be critical (i) if we are required to make assumptions about material matters that are uncertain at the time of estimation or (ii) if materially different estimates could have been made or it is reasonably likely that the accounting estimate will change from period to period. The following are areas considered to be critical and require management's judgment: Revenue Recognition, Business Combination Related Measurements, Pensions, and Income Taxes.

See Note 2, "Summary of Significant Accounting Policies" to the combined financial statements included elsewhere in this Annual Report on Form 10-K for further information on our significant accounting policies.

REVENUE RECOGNITION.

Our revenues are recorded based on the consideration specified in customer contracts net of any sales incentives, discounts, returns, chargebacks, group purchasing organization fees, rebates, or credits, which are accounted for as estimated variable consideration. Our estimates for these deductions are based upon historical experience and consider current and forecasted market trends. We record the estimated amounts as a reduction to revenue when we recognize the related product or service sale.

Chargebacks are a form of variable consideration that occur when a contracted customer purchases through an intermediary wholesaler. The contracted customer generally purchases product from the wholesaler at its contracted price plus a mark-up. The wholesaler, in turn, charges us back for the difference between the price initially paid by the wholesaler and the contract price paid to the wholesaler by the contracted customer. A provision for chargebacks is recorded at the time we recognize revenue from the sale to the wholesaler and requires certain estimates such as the wholesaler chargeback rates, the expected sell-through levels by our wholesale customers to contracted customers, as well as estimated wholesaler inventory levels.

The amounts of variable consideration included in the net transaction price for revenue recognition are limited to the amounts that are estimated to be probable of occurrence to avoid a material revenue reversal in a future period. See Note 3, "Revenue Recognition" to the combined financial statements included elsewhere in this Annual Report on Form 10-K for further information on revenue recognition.

BUSINESS COMBINATION RELATED MEASUREMENTS.

Our combined financial statements include the operations of an acquired business starting from the completion of the combination. The assets acquired and liabilities assumed, including any contingent consideration we may be liable to pay in the future, are recorded on the date of the business combination at their respective estimated fair values, with any excess of the purchase price over the estimated fair values of the net assets acquired recorded as goodwill. Our business combinations typically result in the recognition of goodwill, developed technology, and other intangible assets, which affect the amount of future period amortization expense. The fair values of acquired intangible assets and liabilities are determined using information available at the business combination date based on estimates and assumptions that are deemed reasonable. Significant assumptions vary by the class of asset or liability and the valuation technique used and can include the discount rates, timing, and probability of achieving regulatory and commercialization milestones and certain assumptions that form the basis of the forecasted results of the acquired business including revenue, earnings before interest, taxes, depreciation and amortization, growth rates, royalty rates, and technology obsolescence rates. These assumptions are forward-looking and could be affected by future economic and market conditions. We engage third-party valuation specialists who review our critical assumptions and prepare the calculations of the fair value of acquired intangible assets in connection with significant business combinations.

In-process research and development ("IPR&D") acquired as part of a business combination is initially capitalized at fair value when acquired and considered an indefinite-lived intangible asset and is subject to an annual impairment test. Determining whether an impairment loss occurred for indefinite-lived intangible assets involves calculating the fair value of the indefinite-lived intangible assets and comparing the fair value to the carrying value. If the fair value is less than the carrying value, the difference is recorded as an impairment loss. When the IPR&D project is complete, the asset is considered a finite-lived intangible asset and would be subject to a final impairment test at that date. Thereafter, the IPR&D asset is amortized over its estimated useful life and would be subject to impairment assessments in the same manner as all amortizing intangible assets.

See Note 8, "Acquisitions, Goodwill, and Other Intangible Assets" to the combined financial statements included elsewhere in this Annual Report on Form 10-K for further information on our business combinations.

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PENSIONS.

We engage third-party actuaries to assist in the determination of pension obligations and related plan costs. We develop significant long-term assumptions including discount rates and the expected rate of return on assets in connection with our pension accounting. We recognize differences between the expected long-term return on plan assets, the actual return, and net actuarial gains and losses for the pension plan liabilities annually in the fourth quarter of each fiscal year and whenever a plan is determined to qualify for a remeasurement within the combined Statements of Comprehensive Income.

To determine the expected long-term rate of return on pension plan assets, we consider current and target asset allocations, as well as historical and expected returns on various categories of plan assets. In developing future long-term return expectations for our principal benefit plans' assets, we formulate views on the future economic environment, both in the U.S. and abroad. We evaluate general market trends and historical relationships among a number of key variables that impact asset class returns such as expected earnings growth, inflation, valuations, yields, and spreads, using both internal and external sources. We also consider expected volatility by asset class and diversification across classes to determine expected overall portfolio results given current and target allocations.

For pension benefits and retiree health and life benefits transferred from GE on January 1, 2023, third-party actuaries were engaged to assist in the valuation of transferred pension assets and liabilities using assumptions provided by GE which the Company reviewed prior to recording in our combined financial statements. For details on the plans transferred by GE please refer to "Transition to Stand-alone Company" above.

See Note 10, "Postretirement Benefit Plans" to the combined financial statements included elsewhere in this Annual Report on Form 10-K for further information on our postretirement benefit plans.

INCOME TAXES.

GE HealthCare is included in the combined U.S. federal, state, and foreign income tax returns of GE, where eligible. However, we have adopted the separate return approach for purposes of our combined financial statements. The income tax provisions and related deferred tax assets and liabilities reflected in our combined financial statements have been estimated as if we were a separate taxpayer.

Our annual tax expense is based on our income, statutory tax rates, and tax incentives available to us in the various jurisdictions in which we operate. Changes in existing tax laws or rates could significantly impact the estimate of our tax liabilities. Deferred tax assets represent amounts available to reduce income taxes payable on taxable income in future years. Such assets arise because of temporary differences between the financial reporting and tax bases of assets and liabilities, as well as from net operating loss and tax credit carryforwards. We evaluate the recoverability of these future tax deductions and credits by assessing the adequacy of future expected taxable income from all sources, including reversal of taxable temporary differences, forecasted operating earnings, and available tax planning strategies. These sources of income rely heavily on estimates; we use our historical experience as well as our short- and long-range business forecasts to provide insight.

Significant judgment is required in determining our tax expense and in evaluating our tax positions, including evaluating uncertainties. We recognize tax benefits from uncertain tax positions only if we believe that it is more likely than not that the tax position will be sustained on examination by the relevant taxing authorities based on the technical merits of the position. Our policy is to adjust these reserves when facts and circumstances change, such as the settlement or effective settlement of positions with the relevant taxing authorities. We have provided for the amounts we believe will ultimately result from these changes; however, due to the complexity of some of these uncertainties, the ultimate resolution may result in a payment that is materially different from our current estimate of the tax liabilities. Such differences will be reflected as increases or decreases to income tax expense in the period in which they are determined.

See Note 11, "Income Taxes" to the combined financial statements included elsewhere in this Annual Report on Form 10-K for further information on income taxes.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are exposed to market risk primarily from changes in interest rates and foreign currency exchange rates, which may impact future income, cash flows, and fair value of our business. In certain situations, we may seek to reduce cash flow volatility associated with changes in interest rates and foreign currency exchange rates by entering into financial arrangements intended to provide a hedge against a portion of the risks associated with such volatility. We continue to have exposure to such risks to the extent they are not hedged. We enter into derivative financial arrangements to the extent they meet the objective described above, and we do not use derivatives for trading or speculative purpose.

FOREIGN CURRENCY RISK.

As a result of our global operations, we generate and incur a significant portion of our revenues and expenses in currencies other than the U.S. dollar. Such principal currencies include the Euro, the Chinese Yuan, the Japanese Yen, the Norwegian Krone, and the British Pound Sterling, among others. The results of operating entities reported in currencies other than the U.S. dollar are translated to the U.S. dollar at the applicable exchange rate for inclusion in our combined financial statements.

We use a number of techniques to manage the effects of currency exchange, including hedging of significant currency exposures. We use cash flow hedging primarily to reduce or eliminate the effects of foreign currency rate changes on purchase and sale contracts and economic hedges (which are not designated as hedges from an accounting standpoint) when we have exposures to currency exchange risk for which we are unable to meet the requirements for hedge accounting. In economic hedges, the hedging derivative impact is fully recognized in earnings in current periods. In cash flow hedges, the effective portion of the hedging derivative is offset in separate components of equity and ineffectiveness is recognized in earnings. As a result of the above mitigating activities, we have been able to significantly reduce financial impact volatility from currency fluctuations.

The foreign currency effect arising from operating activities outside of the U.S., including the remeasurement of derivatives, can result in significant transactional foreign currency fluctuations at points in time, but generally will be offset as the underlying hedged item is recognized in earnings. The global nature of our customer base and manufacturing footprint allows for the natural offset of certain income and costs denominated in foreign currencies. See Note 2, "Summary of Significant Accounting Policies" for net gains (losses) from foreign currency transactions for the years ended December 31, 2022, 2021, and 2020.

We use cross-currency swap derivative contracts to hedge translation exposure of net investments in foreign operations against adverse movements in exchange rates against the U.S. dollar.

See Note 13, "Financial Instruments and Fair Value Measurements" to the combined financial statements for further information about our risk exposures, our use of derivatives, and the effects of this activity on our combined financial statements.

INTEREST RATE RISK.

We are exposed to changes in interest rates, which primarily impact our borrowings and cash investments. We manage interest expense using a mixture of fixed-rate and variable-rate debt. As part of our 2022 funding actions, we incurred $8,250 million of fixed-rate debt as of December 31, 2022. A change in interest rates would impact the fair value of this debt, but would not directly impact our earnings or cash flows. On January 3, 2023, we completed a $2,000 million drawdown of the Term Loan Facility, which carries a variable interest rate. As a result, the primary direct interest rate exposure on our earnings and cash flows arises from the Term Loan Facility, which currently comprises approximately 20% of our total debt obligations. We began operations as an independent company with approximately $1,800 million of cash, cash equivalents, and restricted cash, which are invested in short-term investments that generate income based on a variable interest rate. A hypothetical change of interest rates by 100 basis points would increase or decrease our annual interest expense by approximately $20 million, partially offset by the change in interest income from our cash investments.

COMMODITY RISK.

We rely upon supplies of certain raw materials including helium, iodine, and rare earth minerals. Worldwide demand, availability, and pricing of these raw materials have been volatile, and we expect that availability and pricing will continue to fluctuate in the future. If supply of these materials is restricted or if prices increase, this could constrain our manufacturing of affected products, reduce our profit margins, or otherwise adversely affect our business, our customers, and patients that may rely on our products.

Similarly, commodities and energy prices are subject to significant volatility. If the cost of certain commodities or of energy, shipping, or transportation increases and we are unable to pass along these costs to our customers, our profit margins would be adversely affected. Furthermore, increasing our prices to our customers could result in long-term sales declines or loss of market share if our customers find alternative suppliers, which could have a material adverse effect on our results of operations.

Disruptions in deliveries, capacity constraints, production disruptions up- or down-stream, price increases, or decreased availability of raw materials or commodities, including as a result of war, natural disasters, climate change-related physical and transitional risks, actual or threatened public health emergencies, or other business continuity events, adversely affect our operations and, depending on the length and severity of the disruption, can limit our ability to meet our commitments to customers or significantly impact our operating profit or cash flows.

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ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Part II. Financial Information
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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the shareholders and the Board of Directors of GE HealthCare Technologies Inc.

Opinion on the Financial Statements

We have audited the accompanying combined statements of financial position of GE HealthCare Technologies Inc. (the "Company") as of December 31, 2022 and 2021, the related combined statements of income, comprehensive income, changes in equity, and cash flows, for each of the two years in the period ended December 31, 2022, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021, and the results of its operations and its cash flows for each of the two years in the period ended December 31, 2022, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audit, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current-period audit of the financial statements that were communicated or required to be communicated to the audit committee and that (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Income Taxes – Valuation Allowance on Deferred Tax Assets — Refer to Notes 2 and 11 to the financial statements

Critical Audit Matter Description

The Company recognizes deferred income taxes for tax attributes and for differences between the financial statement and tax basis of assets and liabilities at enacted statutory tax rates in effect for the years in which the deferred tax liability or asset is expected to be settled or realized. A valuation allowance is provided to offset deferred tax assets if, based upon the available evidence, it is more likely than not that some or all of the deferred tax assets will not be realized. Future realization of deferred tax assets depends on the existence of sufficient taxable income of the appropriate character. Sources of taxable income include future reversals of deferred tax assets and liabilities, expected future taxable income, taxable income in prior carryback years if permitted under the tax law, and tax planning strategies.

The Company's valuation allowance for deferred tax assets was $272 million as of December 31, 2022. The Company's determination of the valuation allowance involves judgments and estimates. Management's primary estimates used to determine whether deferred tax assets are more likely than not to be realized and to measure the related valuation allowances are the projected timing and pattern of future reversals of existing taxable temporary differences and the projection of future sources of taxable income. Auditing management's projected timing and pattern of future reversals of existing taxable temporary differences and the projection of future sources of taxable income, which affect the recorded valuation allowances, required a high degree of auditor judgment and an increased extent of effort, including the need to involve our income tax specialists.

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How the Critical Audit Matter Was Addressed in the Audit

With the assistance of our income tax specialists, our audit procedures related to estimated future sources of taxable income included the following, among others:

- We considered relevant tax laws and regulations in evaluating the appropriateness of management's estimates of future sources of taxable income.
- We evaluated the reasonableness of management's estimates of future sources of taxable income by comparing the estimates to historical sources of taxable income or loss.
- We evaluated management's projected timing and projected pattern of the reversals of existing taxable temporary differences.
- We evaluated whether the estimated future sources of taxable income were of the appropriate character to utilize the deferred tax assets under tax law.
- We evaluated management's assessment that it is more likely than not that sufficient taxable income will be generated in the future to utilize certain net deferred tax assets.
- We evaluated whether the estimates of future taxable income were consistent with evidence obtained in other areas of the audit.

Income Taxes — Application of Separate Return Method — Refer to Notes 2 and 11 to the financial statements

Critical Audit Matter Description

The Company is included in certain U.S. and non – U.S. tax filings of General Electric Company, the Company's parent company as of December 31, 2022. For purposes of these financial statements, the Company's income tax provision is determined on a separate return basis as if the Company was a stand-alone entity, based on management's interpretation of the tax regulations and rulings in numerous taxing jurisdictions. When calculating the income tax provision, management made certain estimates and assumptions when identifying and measuring deferred tax assets and liabilities and uncertain tax positions. The income tax provision for the Company for 2022 was $563 million. The Company's net deferred tax asset was $1,180 million as of December 31, 2022. The Company's liability for unrecognized tax benefits was $465 million as of December 31, 2022.

Given the number of taxing jurisdictions and the complex and subjective nature of the associated tax regulations and rulings, auditing management's application of the separate return method required a high degree of auditor judgment and increased extent of effort, including the need to involve our income tax specialists.

How the Critical Audit Matter Was Addressed in the Audit

With the assistance of our income tax specialists, our audit procedures related to management's application of the separate return method included the following, among others:

- We evaluated the completeness of the Company's identification of deferred tax assets and liabilities by:
  - Comparing the deferred tax assets and liabilities to those historically identified and accounted for by General Electric Company.
  - Analyzing the deferred tax assets and liabilities attributed to allocations of assets and liabilities historically held by General Electric Company.
- We selected a sample of deferred tax assets and liabilities and tested the accuracy, completeness, and classification of each selection.
- We evaluated management's computations supporting the income tax provision.
- We evaluated management's significant judgments regarding the identification and measurement of uncertain tax positions by analyzing uncertain tax positions of General Electric Company and determining which positions were attributable to the separate operations of the Company.

/s/ Deloitte & Touche LLP

Chicago, Illinois
February 15, 2023

We have served as the Company's auditor since 2022.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the shareholders and the Board of Directors
GE HealthCare Technologies Inc.

Opinion on the Combined Financial Statements

We have audited the accompanying combined statements of income, comprehensive income, changes in equity, and cash flows of GE HealthCare Technologies Inc. (a carve-out business of General Electric Company) (the Company) for the year ended December 31, 2020, and the related notes (collectively, the combined financial statements). In our opinion, the combined financial statements present fairly, in all material respects, the results of operations of the Company and its cash flows for the year ended December 31, 2020, in conformity with U.S. generally accepted accounting principles.

Basis for Opinion

These combined financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these combined financial statements based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the combined financial statements are free of material misstatement, whether due to error or fraud. Our audit included performing procedures to assess the risks of material misstatement of the combined financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the combined financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the combined financial statements. We believe that our audit provides a reasonable basis for our opinion.

/s/ KPMG LLP

We served as the Company's auditor from 2022 to 2022.
Chicago, Illinois
July 29, 2022

ITEM 8. COMBINED FINANCIAL STATEMENTS

Combined Statements of Income

(In millions)	For the years ended December 31 2022	2021	2020
Sales of products	$ 12,044	$ 11,165	$ 11,016
Sales of services	6,297	6,420	6,148
Total revenues	**18,341**	**17,585**	**17,164**
Cost of products	7,975	7,196	7,229
Cost of services	3,187	3,215	3,168
Gross profit	**7,179**	**7,174**	**6,767**
Selling, general, and administrative	3,631	3,563	3,237
Research and development	1,026	816	810
Total operating expenses	**4,657**	**4,379**	**4,047**
Operating income	**2,522**	**2,795**	**2,720**
Interest and other financial charges – net	77	40	66
Non-operating benefit (income) costs	(5)	3	5
Other (income) expense – net	(62)	(123)	(61)
Income from continuing operations before income taxes	**2,512**	**2,875**	**2,710**
Benefit (provision) for income taxes	(563)	(600)	(652)
Net income from continuing operations	**1,949**	**2,275**	**2,058**
Income from discontinued operations, net of taxes	18	18	11,839
Net income	**1,967**	**2,293**	**13,897**
Net (income) attributable to noncontrolling interests	(51)	(46)	(51)
Net income attributable to GE HealthCare	**$ 1,916**	**$ 2,247**	**$ 13,846**

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

Combined Statements of Comprehensive Income

(In millions, net of tax)	For the years ended December 31 2022	2021	2020
Net income attributable to GE HealthCare	**$ 1,916**	**$ 2,247**	**$ 13,846**
Net (income) loss attributable to noncontrolling interests	(51)	(46)	(51)
Net income	**1,967**	**2,293**	**13,897**
Other comprehensive income (loss):			
Currency translation adjustments – net of taxes	(878)	(326)	1,062
Benefit plans – net of taxes	58	80	130
Investment securities and cash flow hedges – net of taxes	(23)	48	(9)
Other comprehensive income (loss)	**(843)**	**(198)**	**1,183**
Comprehensive income	**1,124**	**2,095**	**15,080**
Comprehensive (income) attributable to noncontrolling interests	(51)	(46)	(51)
Comprehensive income attributable to GE HealthCare	**$ 1,073**	**$ 2,049**	**$ 15,029**

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

Combined Statements of Financial Position

(In millions, except share and per share amounts)	As of December 31 2022	2021
Cash, cash equivalents, and restricted cash	$ 1,445	$ 556
Receivables – net of allowances of $91 and $107	3,295	3,227
Due from related parties	17	32
Inventories	2,155	1,946
Contract and other deferred assets	989	802
All other current assets	417	437
Current assets	**8,318**	**7,000**
Property, plant, and equipment – net	2,314	2,235
Goodwill	12,813	12,892
Other intangible assets – net	1,520	1,847
Deferred income taxes	1,550	1,287
All other assets	1,024	1,047
Total assets	**$ 27,539**	**$ 26,308**
Short-term borrowings	$ 15	$ 6
Accounts payable	2,944	2,540
Due to related parties	146	189
Contract liabilities	1,896	1,864
All other current liabilities	2,190	2,162
Current liabilities	**7,191**	**6,761**
Long-term borrowings	8,234	31
Compensation and benefits	549	751
Deferred income taxes	370	385
All other liabilities	1,603	1,484
Total liabilities	**17,947**	**9,412**
Commitments and contingencies		
Redeemable noncontrolling interests	**230**	**220**
Common stock, par value $0.01 per share, 100,000 shares authorized, 100 shares issued and outstanding as of 2022; none issued and outstanding as of 2021	—	—
Net parent investment	11,235	17,692
Accumulated other comprehensive income (loss) – net	(1,878)	(1,037)
Total equity attributable to GE HealthCare	**9,357**	**16,655**
Noncontrolling interests	5	21
Total equity	**9,362**	**16,676**
Total liabilities, redeemable noncontrolling interests, and equity	**$ 27,539**	**$ 26,308**

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

Combined Statements of Changes in Equity

(In millions)	Net parent investment	Accumulated other comprehensive income (loss) – net	Equity attributable to noncontrolling interests	Total equity
Balances as of January 1, 2020	**$ 23,400**	**$ (2,022)**	**$ 19**	**$ 21,397**
Cumulative effect of adoption of new accounting principles	(19)	—	—	(19)
Net income	13,846	—	8	13,854
Currency translation adjustments – net of taxes	—	1,062	—	1,062
Benefit plans – net of taxes	—	130	—	130
Investment securities and cash flow hedges – net of taxes	—	(9)	—	(9)
Transfers (to) Parent	(21,661)	—	—	(21,661)
Changes in equity attributable to noncontrolling interests	—	—	(3)	(3)
Balances as of December 31, 2020	**15,566**	**(839)**	**24**	**14,751**
Net income	2,247	—	7	2,254
Currency translation adjustments – net of taxes	—	(326)	—	(326)
Benefit plans – net of taxes	—	80	—	80
Investment securities and cash flow hedges – net of taxes	—	48	—	48
Transfers (to) Parent	(121)	—	—	(121)
Changes in equity attributable to noncontrolling interests	—	—	(10)	(10)
Balances as of December 31, 2021	**17,692**	**(1,037)**	**21**	**16,676**
Net income	1,916	—	4	1,920
Currency translation adjustments – net of taxes	—	(876)	(2)	(878)
Benefit plans – net of taxes	—	58	—	58
Investment securities and cash flow hedges – net of taxes	—	(23)	—	(23)
Transfers (to) Parent	(8,373)	—	—	(8,373)
Changes in equity attributable to noncontrolling interests	—	—	(18)	(18)
Balances as of December 31, 2022	**$ 11,235**	**$ (1,878)**	**$ 5**	**$ 9,362**

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

Combined Statements of Cash Flows

(In millions)	For the years ended December 31 2022	2021	2020
Net income	$ 1,967	$ 2,293	$ 13,897
Income from discontinued operations, net of taxes	18	18	11,839
Net income from continuing operations	**$ 1,949**	**$ 2,275**	**$ 2,058**
Adjustments to reconcile Net income from continuing operations to Cash from (used for) operating activities			
Depreciation and amortization of property, plant, and equipment	228	225	222
Amortization of intangible assets	405	400	408
Gain on fair value remeasurement of contingent consideration	(65)	—	—
Provision for income taxes	563	600	652
Cash paid during the year for income taxes	(851)	(615)	(809)
Changes in operating assets and liabilities, excluding the effects of acquisitions and dispositions:			
Receivables	(231)	(1,336)	(221)
Due from related parties	13	157	21
Inventories	(402)	(435)	100
Contract and other deferred assets	(222)	23	(57)
Accounts payable	481	263	(113)
Due to related parties	(33)	(21)	(94)
Contract liabilities	138	(21)	312
All other operating activities	161	92	139
Cash from (used for) operating activities – continuing operations	**2,134**	**1,607**	**2,618**
Cash flows – investing activities			
Additions to property, plant, and equipment	(310)	(242)	(237)
Dispositions of property, plant, and equipment	4	15	16
Additions to internal-use software	—	(6)	(22)
Purchases of businesses, net of cash acquired	—	(1,481)	(78)
All other investing activities	(92)	(47)	(2)
Cash from (used for) investing activities – continuing operations	**(398)**	**(1,761)**	**(323)**
Cash flows – financing activities			
Net increase (decrease) in borrowings (maturities of 90 days or less)	9	(7)	(10)
Newly issued debt, net of debt issuance costs (maturities longer than 90 days)	8,198	5	4
Repayments and other reductions (maturities longer than 90 days)	(3)	(10)	(10)
Transfers (to) from Parent	(8,934)	(238)	(2,098)
All other financing activities	(92)	(13)	(52)
Cash from (used for) financing activities – continuing operations	**(822)**	**(263)**	**(2,166)**
Cash from (used for) operating activities – discontinued operations	(21)	—	(931)
Cash from (used for) investing activities – discontinued operations	—	—	20,309
Cash from (used for) financing activities – discontinued operations	—	—	(19,378)
Effect of foreign currency rate changes on cash, cash equivalents, and restricted cash	(3)	(34)	14
Increase (decrease) in cash, cash equivalents, and restricted cash	**890**	**(451)**	**143**
Cash, cash equivalents, and restricted cash at beginning of year	561	1,012	869
Less cash, cash equivalents, and restricted cash of discontinued operations at December 31	—	—	—
Cash, cash equivalents, and restricted cash as of December 31	$ 1,451	$ 561	$ 1,012
Supplemental disclosure of cash flows information			
Cash paid during the year for interest	$ —	$ (21)	$ (46)
Non-cash investing and financing activities			
Purchase of property, plant, and equipment included in accounts payable	$ 43	$ 29	$ (26)

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

NOTE 1. ORGANIZATION AND BASIS OF PRESENTATION

ORGANIZATION.

GE HealthCare Technologies Inc. ("GE HealthCare," the "Company," "our," or "we") is a carve-out business of General Electric Company ("GE" or "Parent"). We are organized into four business segments that are aligned with the industries we serve: Imaging, Ultrasound, Patient Care Solutions ("PCS"), and Pharmaceutical Diagnostics ("PDx").

GE HealthCare Holding LLC was formed as a Delaware limited liability corporation on May 16, 2022 for the purpose of receiving, pursuant to a reorganization, all of the assets of GE HealthCare. On December 29, 2022, GE HealthCare Holding LLC converted into a Delaware corporation pursuant to a statutory conversion and was renamed GE HealthCare Technologies Inc. On January 3, 2023 (the "Distribution Date"), GE completed the previously announced spin-off of GE HealthCare Technologies Inc. (the "Spin-Off," or the "Separation"). The Separation was completed through a distribution of approximately 80.1% of the Company's outstanding common stock to holders of record of GE's common stock as of the close of business on December 16, 2022 (the "Distribution"), which resulted in the issuance of approximately 454 million shares of common stock. Prior to the Distribution, the Company issued 100 shares of common stock in exchange for $1.00, all of which were held by GE as of December 31, 2022. As a result of the Distribution, the Company became an independent public company. Our common stock is listed under the symbol "GEHC" on the Nasdaq Stock Market LLC.

Unless the context otherwise requires, references to "GE HealthCare," "we," "us," "our," and the "Company" refer to (i) GE's healthcare business prior to the Separation and (ii) GE HealthCare Technologies Inc. and its subsidiaries following the Separation.

In February 2019, we announced an agreement to sell our BioPharma business to Danaher Corporation. This sale was completed on March 31, 2020. The historical results of the BioPharma business have been reflected as discontinued operations in the combined financial statements through the date of the sale. See Note 18, "Discontinued Operations" for further information.

BASIS OF PRESENTATION.

The combined financial statements have been derived from the consolidated financial statements and accounting records of GE including the historical cost basis of assets and liabilities comprising the Company, as well as the historical revenues, direct costs, and allocations of indirect costs attributable to the operations of the Company, using the historical accounting policies applied by GE. These combined financial statements do not purport to reflect what the results of operations, comprehensive income, financial position, or cash flows would have been had the Company operated as a separate, stand-alone entity during the periods presented.

The combined financial statements have been prepared in accordance with U.S. generally accepted accounting principles ("U.S. GAAP") and present the historical results of operations, comprehensive income, and cash flows for the years ended December 31, 2022, 2021, and 2020 and the financial position as of December 31, 2022 and 2021. The following tables are presented in millions of U.S. dollars unless otherwise stated.

All intercompany balances and transactions within the Company have been eliminated in the combined financial statements. As described in Note 17, "Related Parties," certain transactions between the Company and GE have been included in these combined financial statements.

The Combined Statements of Financial Position reflects all of the assets and liabilities of GE that are specifically identifiable as being directly attributable to the Company, including Net parent investment as a component of equity. Net parent investment represents GE's historical investment in the Company and includes accumulated net income attributable to the Company and the net effect of transactions with GE and its subsidiaries. Certain financing transactions with GE are non-cash in nature and therefore have not been reflected in the Combined Statements of Cash Flows.

GE uses a centralized approach to cash management and financing of its operations. These GE arrangements may not be reflective of the way the Company would have financed its operations had it been a separate, stand-alone entity during the periods presented. The GE centralized cash management arrangements are excluded from the asset and liability balances in the Combined Statements of Financial Position. These amounts have instead been included in Net parent investment as a component of equity. In connection with the Separation, in November 2022, the Company issued $8,250 million of senior unsecured notes and transferred approximately $4,221 million of cash to GE on November 22, 2022. Other than the notes issued by the Company, GE's third-party debt and related interest expense have not been attributed to the Company because the Company is not the legal obligor of the debt and the borrowings are not specifically identifiable to the Company. See Note 9, "Borrowings" for further information.

The Combined Statements of Income include expense allocations for certain corporate, infrastructure, and shared services expenses provided by GE on a centralized basis ("GE Corporate Costs"), including, but not limited to, finance, supply chain, human resources, information technology, insurance, employee benefits, and other expenses that are either specifically identifiable or clearly applicable to the Company. These expenses have been allocated to the Company on the basis of direct usage when identifiable, with the remainder allocated on a pro rata basis using an applicable measure of headcount, revenue, or other allocation methodologies that are considered to be a reasonable reflection of the utilization of services provided or the benefit received by GE HealthCare during the periods presented. However, the GE Corporate Costs allocations may not be indicative of the actual expense that would have been incurred had the Company operated as an independent, stand-alone public entity, nor are they indicative of the Company's future expenses. See Note 17, "Related Parties" for further information.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

ESTIMATES AND ASSUMPTIONS.

The preparation of the combined financial statements in conformity with U.S. GAAP requires management to make estimates based on assumptions about current, and for some estimates, future, economic and market conditions, which affect the reported amounts and related disclosures in the combined financial statements. We base our estimates and judgments on historical experience and on various other assumptions and information that we believe to be reasonable under the circumstances. Although our estimates contemplate current and expected future conditions, as applicable, it is reasonably possible that actual conditions could differ from our expectations, which could materially affect our results of operations, financial position, and cash flows.

Estimates are used for, but are not limited to, determining the following: revenue from contracts with customers, recoverability of long-lived assets and inventory, valuation of goodwill and intangible assets, useful lives used in depreciation and amortization, asset retirement obligations, income taxes and related valuation allowances, accruals for contingencies including legal and product warranties, actuarial assumptions used to determine costs of pension and other postretirement benefits, valuation and recoverability of receivables, valuation of derivatives, and valuation of assets acquired, liabilities assumed, and contingent consideration as a result of acquisitions.

While there has not been a material impact to our accounting estimates as of December 31, 2022 and December 31, 2021 and the results for the years ended December 31, 2022, 2021, and 2020, a number of estimates could be affected by the ongoing Coronavirus Disease 2019 ("COVID-19") pandemic. The severity, magnitude, and duration, as well as the economic consequences of the COVID-19 pandemic, are uncertain and difficult to predict. As a result, our accounting estimates and assumptions may change over time in response to COVID-19. Such changes could result in future impairments of goodwill, intangible assets, long-lived assets, and investment securities, incremental credit losses on receivables, a decrease in the realizability of our tax assets, or an increase in our related obligations as of the time of a relevant measurement event.

REVENUE RECOGNITION.

Our revenues primarily consist of sales of products and services to customers. Products include equipment, imaging agents, software-related offerings, and upgrades. Services include contractual and stand-by preventative maintenance and corrective services, as well as related parts and labor, extended warranties, training, and other service-type offerings. The Company recognizes revenue from contracts with customers when the customer obtains control of the underlying products or services.

The Company recognizes a contract with a customer when there is a legally enforceable agreement between the Company and its customer, the rights of the parties are identified, the contract has commercial substance, and collectability of the contract consideration is probable. The Company's revenues are measured based on the consideration specified in the contract with each customer net of any sales incentives, discounts, returns, chargebacks, group purchasing organization fees, rebates, or credits, as well as taxes collected from customers that are remitted to government authorities. Our estimates for these deductions, which are accounted for as variable consideration, are based on historical experience and consider current and forecasted market trends. We record these estimated amounts as a reduction to revenue when we recognize the related product or service sales. Payment terms are generally within 12 months. Payment terms within 12 months are not treated as significant financing components.

Contracts for the sale of products and services often include multiple distinct performance obligations, usually involving an upfront deliverable of equipment and future performance obligations such as installation, training, or the future delivery of products or services. If a contract contains more than one performance obligation, the transaction price is allocated to each performance obligation based on relative stand-alone selling price. Stand-alone selling price is obtained from sources such as the separate selling price for that or a similar item if reasonably available. If such evidence is not reasonably available, we use our best estimate of selling price, which is established consistent with the pricing strategy of the Company and considers product configuration, geography, customer type, and other market-specific factors.

Revenue is recognized in the period in which the customer obtains control of the underlying products or services, allowing them the ability to direct the use of, and obtain substantially all of, the remaining benefits of such product or service. This may occur at a point in time or over time. Shipping and handling costs to deliver products to customers are expensed as incurred and recognized within Cost of products or Cost of services in our Combined Statements of Income.

For standard, assurance-type warranties that are provided with products, we estimate the cost that may be incurred during the warranty period and record a liability at the time the revenue is recognized. The provision recorded reflects the estimated costs of replacement and free-of-charge services that will be incurred related to the products sold. Service-type warranties or extended warranties sold with products are considered separate performance obligations. As such, a portion of the overall transaction price is allocated to these performance obligations and recognized in revenue over time, as the performance obligations are satisfied.

The Company capitalizes certain direct incremental costs incurred to obtain a contract, primarily commissions. Costs to obtain a contract are classified as current or non-current assets in the Combined Statements of Financial Position and are recognized based on the timing of when the Company expects to earn related revenues. Management assesses these costs for impairment based on periodic assessments of recoverability.

Performance Obligations Satisfied at a Point in Time
We primarily recognize revenue from sales of products at the point in time that the customer obtains control, which is generally no earlier than when the customer has physical possession. Where arrangements include customer acceptance provisions based on seller- or customer-specified criteria, we recognize revenue when we have concluded that the customer has control of the products, which is typically at the point of acceptance. Our billing terms for these point-in-time product contracts generally coincide with delivery to the customer and customer acceptance; however, periodically, we receive customer advances and deposits from customers. These are recognized as contract liabilities in the Combined Statements of Financial Position. Any differences between the timing of our revenue recognition and customer billings (based on contractual terms) result in changes to our contract asset or contract liability positions.

Performance Obligations Satisfied Over Time
We recognize revenue from the sale of certain service contracts, including preventative maintenance, corrective services, and extended warranties over time on a ratable basis consistent with the nature, timing, and extent of our services, which primarily relate to routine maintenance and as-needed product repairs. Our billing terms for these contracts vary and can occur in advance of or following the period of service; however, we generally invoice periodically as services are provided. The differences between the timing of our revenue recognized and customer billings (based on contractual terms) result in changes to our contract asset or contract liability positions.

See Note 3, "Revenue Recognition" for further information.

CASH, CASH EQUIVALENTS, AND RESTRICTED CASH.

The cash presented in the Combined Statements of Financial Position represents cash not subject to the GE centralized cash management process. Cash held in commingled accounts with GE, or its affiliates, is presented within Net parent investment in the Combined Statements of Financial Position. Cash deposits, short-term investments, and high-liquidity mutual funds with original maturities of three months or less are included in Cash, cash equivalents, and restricted cash. Restricted cash primarily relates to funds restricted in connection with escrow accounts and other contractual and legal restrictions.

The following table provides a reconciliation of Cash, cash equivalents, and restricted cash reported within the Combined Statements of Financial Position to the amounts shown in the Combined Statements of Cash Flows.

Cash, Cash Equivalents, and Restricted Cash

	As of	
	December 31, 2022	December 31, 2021
Cash and cash equivalents	$ 1,440	$ 554
Short-term restricted cash	5	2
Total cash, cash equivalents, and restricted cash as presented on the Combined Statements of Financial Position	**1,445**	**556**
Long-term restricted cash[(a)]	6	5
Total cash, cash equivalents, and restricted cash as presented on the Combined Statements of Cash Flows	**$ 1,451**	**$ 561**

(a) Long-term restricted cash is recognized within All other assets in the Combined Statements of Financial Position.

INVESTMENT SECURITIES.

Publicly traded equity securities for which we do not have the ability to exercise significant influence are recorded at fair value with changes in fair value recognized in Other (income) expense – net in the Combined Statements of Income. Privately held equity securities for which we do not have the ability to exercise significant influence are accounted for using the measurement alternative approach and are recorded at cost less impairment, if any, adjusted to fair value for any observable price changes in orderly transactions for the identical or a similar investment of the same issuer, with changes in the measurement recognized through Other (income) expense – net in the Combined Statements of Income.

EQUITY METHOD INVESTMENTS.

Equity method investments are investments in entities in which we do not have a controlling financial interest, but over which we have significant influence. Equity method investments are assessed for other-than-temporary impairment when events occur or circumstances change that indicate it is more likely than not the fair value of the asset is below its carrying value. Equity method investments are recognized within All other assets in the Combined Statements of Financial Position. Our share of the results of equity method investments is recognized within Other (income) expense – net in the Combined Statements of Income.

See Note 16, "Supplemental Financial Information" for further information.

RECEIVABLES.

Amounts due from customers arising from the sales of products and services are recorded at the outstanding amount, less allowances for credit losses, chargebacks, and other credits. We regularly monitor the recoverability of our receivables. See Note 5, "Receivables" for further information.

FINANCING RECEIVABLES.

Our financing receivables portfolio consists of a variety of loans and leases, including both larger-balance, non-homogeneous loans and leases, and smaller-balance homogeneous loans and leases.

Loans
Loans represent term loans that are collateralized by equipment and other assets. Loans are classified as either held for sale or held for investment ("HFI") based on management's intent and ability to hold the loans for the foreseeable future. Loans which the Company does not have the ability and intent to hold for investment purposes and those which the Company intends to hold for sale in the foreseeable future are accounted for as loans held for sale. Loans held for sale are recorded at the lower of historical cost or current fair value with any fair value write-down (or change to the write-down) recorded as a valuation allowance through current period earnings in the period in which the change occurs. Loans classified as HFI are recorded at amortized cost.

Investment in Finance Leases
Finance leases include mostly sales-type leases of equipment and represent net unpaid rentals and estimated unguaranteed residual values of leased equipment, less related deferred income and less the allowance for credit losses. See Note 7, "Leases" for further information.

See "Allowance for credit losses" below for the Company's policy regarding allowances on financing receivables.

Credit Quality Indicators
We manage our financing receivables portfolio using delinquency and nonaccrual data as key performance indicators. We assess the overall quality of the portfolio based on a potential risk of loss measure. The metric incorporates both the borrower's credit quality along with any related collateral protection. Financing receivables are considered past due if default on a contractual principal or interest payment exists for a period of 30 days or more. We stop accruing interest on financing receivables at the earlier of when collection of an account becomes doubtful or the account becomes 90 days past due. Although we stop accruing interest in advance of payments, we recognize income within Other (income) expense – net in the Combined Statements of Income when we determine that the account is returned to accrual status, provided that the amount does not exceed that which would have been earned at the historical effective interest rate.

See Note 6, "Financing Receivables" for further information.

ALLOWANCE FOR CREDIT LOSSES.

When we record customer receivables, contract assets, and financing receivables, we maintain an allowance for credit losses for the current expected credit losses. Each period, the allowance for credit losses is adjusted through earnings to reflect expected credit losses over the remaining lives of the assets. The credit losses are recognized within Selling, general, and administrative in the Combined Statements of Income. For financing receivables, expected credit losses are calculated based on the gross carrying amount of the financial asset, multiplied by a factor reflecting the probability of default and the loss in the event of default. We routinely evaluate our entire portfolio for potential specific credit or collection issues that might indicate an impairment.

We estimate expected credit losses based on relevant information from past events, including historical experience, current conditions, and reasonable and supportable forecasts that affect the collectability of the reported amount. When measuring expected credit losses, we pool assets with similar credit risk characteristics. Changes in the relevant information may significantly affect the estimates of expected credit losses.

INVENTORIES.

All inventories are stated at lower of cost or net realizable values. Cost of inventories is determined on a first-in, first-out ("FIFO") basis.

Consumables and single-use service spare parts are used within our service business during a service call and are generally classified in current inventory as our stock of this inventory turns relatively quickly. However, if the on-hand inventory quantity exceeds annual historical and expected future consumption for a consumable service spare part and the part is still necessary to support systems under service contracts, the part is considered to be non-current and is recognized within All other assets in the Combined Statements of Financial Position.

We also maintain a supply of new and used spare parts for use in future customer field service of the installed base. The portion of this inventory that is not anticipated to be used in the next 12 months has been classified as non-current within All other assets, given these parts can be used in the service business over many years. As these service parts age, they are subject to a tiered obsolescence framework, which takes into consideration part age, consumption and on-hand material levels, and postproduction equipment life cycle stage.

As necessary, we record provisions and write-downs for excess, slow moving, and obsolete inventory. To determine these amounts, we regularly review inventory quantities on hand and compare them to historical utilization and estimates of future product demand, market conditions, and technological developments.

See Note 16, "Supplemental Financial Information" for further information.

PROPERTY, PLANT, AND EQUIPMENT.

The cost of property, plant, and equipment is depreciated on a straight-line basis over its estimated useful life. Equipment leased to others under operating leases is depreciated on a straight-line basis over the term of the lease. Repair and maintenance costs are expensed as incurred.

See Note 16, "Supplemental Financial Information" for further information.

LEASE ACCOUNTING.

Lessee Arrangements
At lease commencement, we record a lease liability and corresponding right-of-use ("ROU") asset. ROU assets are recognized within Property, plant, and equipment – net and lease liabilities are recognized within All other current liabilities and All other liabilities in the Combined Statements of Financial Position. Options to extend a lease are included as part of the ROU lease asset and liability at commencement when it is reasonably certain the Company will exercise the option. We have elected to combine lease and non-lease components in determining our lease liability for all leased assets except our vehicle leases. Non-lease components are generally related to services that the lessor performs for the Company associated with the leased asset. As the Company's leases typically do not provide an implicit rate, the present value of our lease liability is determined using GE's incremental collateralized borrowing rate at lease commencement. For leases with an initial term of 12 months or less, an ROU asset and lease liability are not recognized, and lease expense is recognized on a straight-line basis over the lease term. Certain of our leases include provisions for variable lease payments which are based on, but not limited to, maintenance, insurance, taxes, index escalations, and usage-based amounts. The Company recognizes variable lease payments not included in its lease liabilities in the period in which the obligation for those payments is incurred. We review ROU assets for impairment annually or when events occur or circumstances change that indicate that the asset may be impaired.

Lessor Arrangements
Equipment leased to others under operating leases is recognized within Property, plant, and equipment – net in the Combined Statements of Financial Position. Leases classified as sales-type leases or direct financing leases are recognized within All other current assets and All other assets, respectively, in the Combined Statements of Financial Position. The terms of the related contracts, including the proportion of fixed versus variable payments and any options to shorten or extend the lease term or purchase the underlying asset, vary by customer. Finance lease receivables are tested for impairment as described in the "Financing Receivables" section above.

See Note 6, "Financing Receivables" and Note 7, "Leases" for further information.

GOODWILL AND OTHER INTANGIBLE ASSETS.

Goodwill represents the excess of the purchase price over the fair value of identifiable net assets acquired in a business combination. In accordance with U.S. GAAP, goodwill is not amortized. We test goodwill for impairment at the reporting unit level annually in the fourth quarter of each year using October 1st as the measurement date.

The Company also tests goodwill for impairment when an event occurs or circumstances change that would more likely than not reduce the fair value of a reporting unit below its carrying value. The Company uses quantitative assessments and qualitative factors to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount. If the Company chooses to perform a qualitative assessment and concludes that it is more likely than not that the fair value of a reporting unit is less than its carrying amount, a further quantitative fair value test is performed. We recognize an impairment charge if the carrying amount of a reporting unit exceeds its fair value. The market approach is used for estimating the fair values for our reporting units. Under the market approach, we estimate the fair value based on market multiples of earnings derived from comparable publicly traded companies with operating and investment characteristics similar to the reporting unit. It is reasonably possible that the judgments and estimates used could change in future periods.

In-process research and development ("IPR&D") acquired as part of a business acquisition is capitalized at fair value when acquired and is considered an indefinite-lived intangible asset. We test indefinite-lived intangible assets for impairment annually in the third quarter of each year or when events occur or circumstances change that indicate it is more likely than not the fair value of the asset is below its carrying value. When the IPR&D project is complete, the asset is considered a finite-lived intangible asset and would be subject to an impairment test at that date. Thereafter, the IPR&D asset is amortized over its estimated useful life and is subject to impairment assessment in the same manner as all amortizing intangible assets.

For other intangible assets that are not deemed indefinite-lived, the cost of the intangible asset is amortized on a straight-line basis over the asset's estimated useful life. Amortizable intangible assets are reviewed for impairment when events or changes in circumstances indicate that the related carrying amounts may not be recoverable. In such circumstances, they are tested for impairment based on undiscounted cash flows and, if impaired, written down to estimated fair value based on either discounted cash flows or appraised values.

Internal-Use Software
Internal-use software is software that is developed, purchased, or modified to meet internal needs and for which no substantive plan exists to sell, lease, or otherwise market the software externally. All costs associated with project tasks classified in the preliminary project development or post-implementation/operation stage are expensed as incurred. Capitalization of application development stage costs begin after both of the following occur: (a) the preliminary project development stage is completed and (b) management authorizes and commits to funding the software project and it is probable that the project will be completed and the software will be used for the purpose for which it was intended. Capitalization ceases when the project is substantially complete. Capitalized amounts are recognized within Other intangible assets – net in the Combined Statements of Financial Position and are amortized on a straight-line basis over the asset's estimated useful life.

External Use Software
External use software relates to software that is (a) intended to be sold, licensed, or marketed to our customers or is (b) embedded and integral to our tangible products for which research and development ("R&D") has been completed. Costs that are related to the conceptual formulation and design of software are expensed as incurred. Costs that are incurred after technological feasibility has been established until general release of the product are capitalized as an intangible asset and recognized within Other intangible assets – net in the Combined Statements of Financial Position. Capitalized costs for software to be sold, leased, or otherwise marketed are amortized on an individual product basis using straight-line amortization over the estimated useful life of the product. The Company performs regular reviews to assess whether unamortized capitalized external use software program costs remain recoverable through future revenue.

See Note 8, "Acquisitions, Goodwill, and Other Intangible Assets" for further information.

DERIVATIVES AND HEDGING.

We use derivatives to reduce the earnings, equity, and cash flow volatility associated with risks related to foreign currency and commodity prices. Our policies are to use derivatives solely for managing risks and not for speculative purposes.

We employ the following hedge types: (i) cash flow hedges of foreign currency risk associated with third-party and/or intercompany foreign-denominated revenues and expenses, (ii) net investment hedges of foreign currency risk associated with investments in non-U.S. dollar ("USD") functional subsidiaries, and (iii) economic hedges, that are not designated as qualifying hedging relationships, of foreign currency and commodity price risk associated with monetary assets and liabilities, including intercompany balances.

In order for a hedging relationship to qualify for hedge accounting treatment, U.S. GAAP requires that, at inception and at each reporting period thereafter, the hedging relationship meets U.S. GAAP hedge accounting requirements. U.S. GAAP mandates, among other requirements, that each hedging relationship is documented appropriately at hedge inception and that hedge effectiveness is assessed at hedge inception and as of each reporting period thereafter. For certain cash flow hedges of foreign currency risk, hedge effectiveness is assessed quantitatively, as of hedge inception and on an ongoing basis thereafter, using regression analysis. For other hedges of foreign currency risk, hedge effectiveness is assessed qualitatively, as of hedge inception and on an ongoing basis thereafter. For quantitative assessments of effectiveness, fair values of both the derivative instrument and the hedged item are calculated using valuation models incorporating market-based assumptions.

See Note 13, "Financial Instruments and Fair Value Measurements" for further information.

INCOME TAXES.

The Company's income tax provision was prepared using the separate return method. The calculation of income taxes on a separate return basis requires a considerable amount of judgment and use of both estimates and allocations. As a result, actual transactions included in the consolidated financial statements of GE may not be included in these combined financial statements. Similarly, the tax treatment of certain items reflected in the combined financial statements may not be reflected in the consolidated financial statements and tax returns of GE. Therefore, items such as net operating losses, credit carryforwards, and valuation allowances may exist in the stand-alone combined financial statements that may or may not exist in GE's consolidated financial statements. Beginning in 2023, as a stand-alone entity, GE HealthCare will file tax returns on its own behalf and its deferred taxes and actual income tax rate may differ from those in the historical periods.

All income taxes due to or due from GE that have not been settled or recovered by the end of the period are recognized within Net parent investment in the Combined Statements of Financial Position. Any differences between actual amounts paid or received by the Company and taxes accrued under the separate return method are deemed to be settled and are recognized within Net parent investment in the Combined Statements of Financial Position.

Current obligations for tax in jurisdictions where the Company does not file a consolidated tax return with GE, including certain foreign and certain U.S. state tax jurisdictions, are recorded as accrued liabilities and recognized within All other liabilities in the Combined Statements of Financial Position. The effects of tax adjustments and settlements with taxing authorities are presented in the combined financial statements in the period to which they relate.

Uncertain tax positions that meet the more likely than not recognition threshold are measured to determine the amount of tax benefit to recognize in the combined financial statements. An uncertain tax position is measured at the largest amount of benefit that the Company believes has a greater than 50% likelihood of realization upon settlement. Tax benefits not meeting the measurement or realization criteria represent unrecognized tax benefits. The Company recognizes interest related to income tax matters in Interest and other financial charges – net in the Combined Statements of Income. Penalties related to income tax matters are recognized within Benefit (provision) for income taxes in the Combined Statements of Income. Our policy is to adjust these reserves when facts and circumstances change, such as the actual settlement or effective settlement of positions with the relevant taxing authorities.

Deferred income tax balances reflect the effects of temporary differences between the carrying amounts of assets and liabilities and their respective tax bases, as well as from net operating loss and tax credit carryforwards. The deferred income tax balances are stated at enacted tax rates expected to be in effect when those taxes are paid or recovered. Deferred income tax assets represent amounts available to reduce income taxes payable on taxable income in future years. We evaluate the recoverability of these future tax deductions and credits by evaluating all available positive and negative evidence, specifically assessing the adequacy of future expected taxable income from all sources, including reversal of existing taxable temporary differences, forecasted operating earnings, and available tax planning strategies. To the extent we consider it more likely than not that a deferred tax asset will not be recovered, a valuation allowance is established. Deferred taxes are provided for our investment in affiliates and associated companies based upon our evaluation of the undistributed earnings of such entities.

See Note 11, "Income Taxes" for further information.

POSTRETIREMENT BENEFIT PLANS.

Certain employees, former employees, and retirees of the Company participate in postretirement benefit plans sponsored by either the Company or GE.

Pension Benefits (Sponsored by the Company)
Management accounts for pension plans sponsored by the Company as defined benefit plans and categorizes plan assets for disclosure purposes in accordance with the fair value hierarchy.

Pension benefits are calculated using significant inputs to the actuarial models that measure pension benefit obligations and related effects on operations. Two assumptions, discount rate and expected return on assets, are important elements of plan expense and related asset and liability measurement. The Company evaluates these critical assumptions at least annually on a plan and country-specific basis. The Company periodically evaluates other assumptions involving demographic factors such as retirement age, mortality, and turnover, and updates them to reflect our experience and expectations for the future. Actual results in any given year often will differ from actuarial assumptions because of economic and other factors.

Projected benefit obligations are measured as the present value of expected payments. We discount those cash payments using the weighted average of market-observed yields for high-quality fixed-income securities with maturities that correspond to the expected timing of benefit payment. Generally, lower discount rates increase present values and increase subsequent-year pension expense; higher discount rates decrease present values and decrease subsequent-year pension expense. The components of net periodic benefit costs, other than the service cost component, are recognized within Non-operating benefit costs in the Combined Statements of Income for plans sponsored by the Company.

We amortize gains and losses, as well as the effects of changes in actuarial assumptions and plan provisions, that exceed 10% of the greater of plan assets or benefit obligations. The period over which gains and losses are amortized is generally over the average remaining service of employees.

Pension and Other Postretirement Benefit Plans (Sponsored by GE)
Pension and other postretirement benefit plans sponsored by GE are accounted for as multiemployer plans. Therefore, the related assets and liabilities are not reflected in the Combined Statements of Financial Position. The Combined Statements of Income reflect a proportionate allocation of net periodic benefit costs for the multiemployer plans associated with the Company.

See Note 10, "Postretirement Benefit Plans" for further information.

LOSS CONTINGENCIES.

Loss contingencies are uncertain and unresolved matters that arise in the ordinary course of business and result from events that have the potential to result in a future loss. Such contingencies include, but are not limited to, product warranties, claims, litigation, environmental obligations, regulatory investigations and proceedings, product quality, and losses resulting from other events and developments. When a loss is considered probable and reasonably estimable, we record a liability in the amount of our best estimate for the loss. When there appears to be a range of possible losses with equal likelihood, liabilities are based on the low end of such range. Disclosure is provided for material loss contingencies when a loss is probable but a reasonable estimate cannot be made and when it is reasonably possible that a loss will be incurred or the amount of a loss will exceed the recorded provision. We regularly review contingencies to determine whether the likelihood of loss has changed and to assess whether a reasonable estimate of the loss or range of loss can be made. Legal costs incurred in connection with loss contingencies are expensed as incurred.

See Note 14, "Commitments, Guarantees, Product Warranties, and Other Loss Contingencies" for further information.

SUPPLY CHAIN FINANCE PROGRAMS.

The Company participates in voluntary supply chain finance programs with third parties, which provide participating suppliers the opportunity to sell their GE HealthCare receivables to third parties at the sole discretion of both the suppliers and the third parties. We evaluate supply chain finance programs to ensure the use of a third-party intermediary to settle our trade payables does not change the nature, existence, amount, or timing of our trade payables and does not provide the Company with any direct economic benefit. If any characteristics of the trade payables change or we receive a direct economic benefit, we reclassify the trade payables as borrowings.

TRADE PAYABLES ACCELERATED PAYMENT PROGRAM.

The Company's U.S. and Canada operations, and certain of its suppliers, participated in the Trade Payables Services ("TPS") accounts payable programs with GE's financial services operations ("GE Capital") through its termination on September 30, 2020. The Company settled its obligations by reimbursing TPS on the invoice's contractual due date. As the payables in the TPS program relate to operating activities incurred in the ordinary course of business and retain the principal characteristics of a trade payable, the results of this program are included in Cash from operating activities in our Combined Statements of Cash Flows.

FAIR VALUE MEASUREMENTS.

The following sections describe the valuation methodologies we use to measure financial and non-financial instruments accounted for at fair value. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect our market assumptions. These inputs establish a fair value hierarchy:

- Level 1 — Quoted prices for identical instruments in active markets.
- Level 2 — Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations whose inputs are observable or whose significant value drivers are observable.
- Level 3 — Significant inputs to the valuation model are unobservable.

See Note 13, "Financial Instruments and Fair Value Measurements" for further information.

RECURRING FAIR VALUE MEASUREMENTS.

For financial assets and liabilities measured at fair value on a recurring basis, primarily investment securities, derivatives, and contingent consideration, fair value is the price we would receive to sell an asset or pay to transfer a liability in an orderly transaction with a market participant at the measurement date. In the absence of active markets for the identical assets or liabilities, such measurements involve developing assumptions based on market observable data and, in the absence of such data, internal information that is consistent with what market participants would use in a hypothetical transaction that occurs at the measurement date.

Investment Securities
Publicly traded equity securities are valued using Level 1 quoted price inputs.

Derivatives
The majority of our derivatives are valued using internal models. The models maximize observable inputs including interest rates and both forward and spot prices for currencies and commodities. As of December 31, 2022 and 2021, foreign currency contracts, commodity exchange contracts, and embedded derivatives were valued using Level 2 inputs.

Contingent Consideration
When an acquisition involves a contingent consideration arrangement, we record on the date of acquisition a liability equal to the fair value of the estimated additional consideration we may be obligated to pay in the future. The fair value is based upon estimates of future financial projections under various potential scenarios using a probability-weighted expected payment model discounted to present value. The estimates used to determine the fair value are subject to significant judgement and as such are considered Level 3 inputs. We subsequently remeasure this liability each reporting period and record changes in the fair value within Selling, general, and administrative in the Combined Statements of Income.

There were no transfers between Levels 1, 2, and 3 during the years ended December 31, 2022 and 2021. See Note 13, "Financial Instruments and Fair Value Measurements" for further information.

NON-RECURRING FAIR VALUE MEASUREMENTS.

Certain assets are measured at fair value on a non-recurring basis. These assets may include financing receivables and long-lived assets reduced to fair value upon classification as held for sale and impaired equity method investments and long-lived assets, which, when written down to fair value upon an impairment, are not subsequently adjusted to fair value unless further impairment occurs. The following sections describe the valuation methodologies the Company uses to measure those assets not measured on a recurring fair value basis.

Equity Method Investments
Equity method investments are initially recorded at cost and are adjusted in each period for the Company's share of the investee's income or loss and dividends paid. In instances of impairment, equity method investments are written down to fair value using market observable data such as quoted prices when available. When market observable data is unavailable, investments are valued using either a discounted cash flow model, comparative market multiples, third-party pricing sources, or a combination of these approaches, as appropriate. These investments are generally valued using Level 3 inputs.

Equity Investments Without Readily Determinable Fair Value
Equity investments without readily determinable fair value are accounted for under the measurement alternative and adjusted to fair value for any observable price changes in orderly transactions for the identical or a similar investment of the same issuer. In the instance of impairment, if any, equity investments are adjusted to fair value using market observable data if available. If market observable data is not available, fair values are estimated using discounted cash flow models, comparative market multiples, or a combination of these approaches using Level 3 inputs.

Financing Receivables
We generally use market data, including pricing on recently closed market transactions, to value financing receivables that are held for sale. Such financing receivables are valued using Level 2 inputs. When the data is unobservable, we use valuation methodologies based on current market interest rate data adjusted for inherent credit risk. Such financing receivables are valued using Level 3 inputs.

Long-Lived Assets
Fair values of long-lived assets are primarily developed internally and are corroborated by available external appraisal information, as applicable. These assets are generally valued using Level 3 inputs. See Note 15, "Restructuring and Other Activities" for impairments recognized related to long-lived assets.

FOREIGN CURRENCY.

We have determined that the functional currency for many of our international operations is the local currency, and for other international operations the functional currency is the U.S. dollar. The basis of this determination is the currency in which each of the international operations primarily generates and expends cash. When the functional currency is not the U.S. dollar, asset and liability accounts are translated at period-end exchange rates. The Company translates functional currency income and expense amounts to their U.S. dollar equivalents using average exchange rates for the period. These translation gains and losses are recognized within Accumulated other comprehensive income (loss) – net ("AOCI") in the Combined Statements of Financial Position.

Gains and losses from foreign currency transactions, such as those resulting from the settlement of monetary items in the non-functional currency and those resulting from remeasurements of monetary items, are included in Cost of products, Cost of services, Selling, general, and administrative, and Research and development in the Combined Statements of Income, depending on the underlying nature of the item. Net gains (losses) from foreign currency transactions were $(88) million, $130 million, and $(47) million for the years ended December 31, 2022, 2021, and 2020, respectively.

BUSINESS COMBINATIONS.

Our combined financial statements include the operations of acquired businesses from the date of acquisition. The Company accounts for acquired businesses using the acquisition method of accounting in accordance with U.S. GAAP, which requires that assets acquired and liabilities assumed be recognized at their estimated fair values as of the acquisition date. When we acquire the remaining equity ownership of a company in which we hold an equity interest, we remeasure our equity interest to fair value. Any excess of the purchase price over the assigned values of the net assets acquired is recorded as Goodwill. Transaction costs are expensed as incurred. For those arrangements that involve potential future contingent consideration, on the date of acquisition we record a liability equal to the fair value of the estimated additional consideration we may be obligated to pay in the future.

See Note 13, "Financial Instruments and Fair Value Measurements" for further information.

DISCONTINUED OPERATIONS.

Certain of our operations have been presented as discontinued. We present businesses whose disposal represents a strategic shift that has, or will have, a major effect on our operations and financial results as discontinued operations when the components meet the criteria for held for sale, are sold, or spun-off. Presentation as discontinued operations is consistent for all periods presented.

See Note 18, "Discontinued Operations" for further information.

RESTRUCTURING COSTS.

We record liabilities for costs associated with exit or disposal activities in the period in which the liability is incurred. Employee termination costs are accrued when the restructuring actions are probable and estimable. Costs for one-time termination benefits in which the employee is required to render service until termination in order to receive the benefits are recognized ratably over the future service period.

See Note 15, "Restructuring and Other Activities" for further information.

RESEARCH AND DEVELOPMENT.

The Company conducts R&D activities to create new products, develop new applications for existing products, and enhance existing products. This includes direct R&D expenses as well as expenses incurred for R&D services from GE or other third parties. Clinical study and certain research costs are recognized over the service periods specified in the contracts and adjusted as necessary based upon an ongoing review of the level of effort and costs actually incurred. R&D costs are expensed as incurred.

ACCOUNTING CHANGES.

Recent Accounting Pronouncements Reflected in These Combined Financial Statements
In November 2021, the FASB issued ASU No. 2021-10, *Government Assistance (Topic 832): Disclosures by Business Entities about Government Assistance*. The ASU requires entities to disclose information about certain types of government assistance they receive, including cash grants and tax credits. The new guidance requires expanded disclosure regarding the qualitative and quantitative characteristics of the nature, amount, timing, and significant terms and conditions of transactions with a government arising from a grant or other forms of assistance accounted for under a contribution model. The Company adopted this guidance on January 1, 2022 using a prospective method, and the adoption did not have a material impact on the combined financial statements.

In July 2021, the FASB issued ASU No. 2021-05, *Leases (Topic 842): Lessors—Certain Leases with Variable Lease Payments*. The ASU revises lessor lease classification guidance and requires accounting for certain leases with variable lease payments that do not depend on a reference index or rate as operating leases. Such classification is required if the lease would have been classified as a sales-type or direct financing lease in accordance with guidance in FASB ASC Topic 842 and the lessor would have otherwise recognized a day-one loss. The ASU is effective for fiscal years beginning after December 15, 2021, including interim periods within those fiscal years. The Company adopted this guidance on January 1, 2022 using a prospective method, and the adoption did not have a material impact on our combined financial statements.

On January 1, 2021, we adopted ASU No. 2019-12, *Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes*. The ASU removes certain exceptions from the guidance in ASC 740 related to intra-period tax allocations, interim calculations, and the recognition of deferred tax liabilities for outside basis differences and clarifies and simplifies several other aspects of accounting for income taxes. Different transition methods apply to the various income tax simplifications. For the changes requiring a retrospective or modified retrospective transition, the adoption of the new standard did not have a material impact to our combined financial statements.

On October 1, 2020, we adopted ASU No. 2020-04, *Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting*. The ASU provides optional expedients and exceptions for applying U.S. GAAP to contracts, hedging relationships, and other transactions affected by reference rate reform if certain criteria are met. We applied the accounting relief as relevant contract and hedge accounting relationship modifications were made during the reference rate reform transition period. The adoption did not have a material impact to our combined financial statements.

Other Recent Accounting Pronouncements
In September 2022, the FASB issued ASU No. 2022-04, *Liabilities – Supplier Finance Programs (Subtopic 405-50)*. The ASU requires companies to disclose information about supplier finance programs, including key terms of the program, outstanding confirmed amounts as of the end of the period, a rollforward of such amounts during each annual period, and a description of where the amounts are presented. The new standard does not affect the recognition, measurement, or financial statement presentation of supplier finance obligations. The ASU is effective for fiscal years beginning after December 15, 2022, including interim periods, except for rollforward information, which is effective for fiscal years beginning after December 15, 2023. We are currently evaluating the impact that this guidance will have on our combined financial statements.

In October 2021, the FASB issued ASU No. 2021-08, *Business Combinations (Topic 805): Accounting for Contract Assets and Contract Liabilities from Contracts with Customers*. The ASU requires companies to apply the definition of a performance obligation under ASC 606 to recognize and measure contract assets and contract liabilities relating to contracts with customers acquired in a business combination. Prior to the adoption of this ASU, an acquirer generally recognized assets acquired and liabilities assumed in a business combination, including contract assets and contract liabilities arising from revenue contracts with customers, at fair value on the acquisition date. The ASU results in the acquirer recording acquired contract assets and liabilities on the same basis that would have been recorded by the acquiree before the acquisition under ASC 606. The ASU is effective for fiscal years beginning after December 15, 2022, with early adoption permitted. The adoption of this ASU is not expected to have a material impact on our combined financial statements; however, the impact in future periods will be dependent upon the contract assets acquired and contract liabilities assumed in any future business combinations.

NOTE 3. REVENUE RECOGNITION

Contract and Other Deferred Assets

	As of	
	December 31, 2022	December 31, 2021
Contract assets	$ 584	$ 433
Other deferred assets	405	369
Contract and other deferred assets	**989**	**802**
Non-current contract assets[(a)]	37	19
Non-current other deferred assets[(a)]	82	77
Total contract and other deferred assets	**$ 1,108**	**$ 898**

(a) Non-current contract and other deferred assets are recognized within All other assets in the Combined Statements of Financial Position.

Contract assets primarily reflect revenue recognized on contracts in excess of billings based on contractual terms. Contract assets are classified as current or non-current based on the amount of time expected to lapse until the Company's right to consideration becomes unconditional. Other deferred assets consist of costs to obtain contracts, primarily commissions, other cost deferrals for shipped products, and deferred service, labor, and direct overhead costs.

Capitalized costs to obtain a contract were $204 million and $176 million as of December 31, 2022 and 2021, respectively. Generally, these costs are recognized within two years of being capitalized. When recognized, the costs to obtain a contract are recorded within Selling, general, and administrative in the Combined Statements of Income.

CONTRACT LIABILITIES.

Contract liabilities primarily include customer advances and deposits received when orders are placed and billings in advance of completion of performance obligations. Contract liabilities are classified as current or non-current based on the periods over which remaining performance obligations are expected to be satisfied and fulfilled with our customers.

As of December 31, 2022 and 2021, contract liabilities were approximately $2,526 million and $2,496 million, respectively, of which the non-current portion of $630 million and $632 million, respectively, was recognized in All other liabilities in the Combined Statements of Financial Position. Contract liabilities increased by $30 million in 2022 primarily due to an increase in customer advances and deposits as a result of product orders growth relative to fulfillment. Revenue recognized related to the contract liabilities balance at the beginning of the year was approximately $1,562 million and $1,552 million for the years ended December 31, 2022 and 2021, respectively.

REMAINING PERFORMANCE OBLIGATIONS.

Remaining Performance Obligations represent the estimated revenue expected from customer contracts that are partially or fully unperformed inclusive of amounts deferred in contract liabilities, excluding contracts, or portions thereof, that provide the customer with the ability to cancel or terminate without incurring a substantive penalty. As of December 31, 2022, the aggregate amount of the contracted revenues allocated to our unsatisfied (or partially unsatisfied) performance obligations was $14,343 million. We expect to recognize revenue as we satisfy our remaining performance obligations as follows: a) product-related remaining performance obligations of $4,992 million of which 98% is expected to be recognized within two years, and the remaining thereafter; and b) services-related remaining performance obligations of $9,351 million of which 67% and 96% is expected to be recognized within two and five years, respectively, and the remaining thereafter.

NOTE 4. SEGMENT AND GEOGRAPHICAL INFORMATION

GE HealthCare's operations are organized and managed through four reportable segments: Imaging, Ultrasound, PCS, and PDx. The Company's organizational structure is based upon the availability of separate financial information that is evaluated regularly by the Company's Chief Operating Decision Maker ("CODM") for the purpose of assessing performance and allocating resources. The Company's CODM is its Chief Executive Officer. These segments have been identified based on the nature of the products sold and how the Company manages its operations. We have not aggregated any of our operating segments to form reportable segments.

The performance of these segments is principally measured based on Total revenues and an earnings metric defined as "Segment EBIT." Segment EBIT is calculated as Income from continuing operations less the following: Benefit (provision) for income taxes, Interest and other financial charges – net, Non-operating benefit (income) costs, restructuring costs, acquisition and disposition-related benefits (charges), gains and losses on business dispositions, Spin-Off and separation costs, amortization of acquisition-related intangible assets, and investment revaluation gains and losses. Consistent accounting policies have been applied by all segments for all reporting periods. A description of our reportable segments has been provided in Note 1, "Organization and Basis of Presentation."

Total Revenues by Segment

	For the years ended December 31		
	2022	**2021**	**2020**
Imaging:			
Radiology	$ 8,395	$ 8,019	$ 7,626
Interventional Guidance	1,590	1,414	1,333
Total Imaging	**9,985**	**9,433**	**8,959**
Total Ultrasound	**3,422**	**3,172**	**2,703**
PCS:			
Monitoring Solutions	2,092	2,119	2,243
Life Support Solutions	824	796	1,432
Total PCS	**2,916**	**2,915**	**3,675**
Total PDx	**1,958**	**2,018**	**1,780**
Other[(a)]	**60**	**47**	**47**
Total revenues	**$ 18,341**	**$ 17,585**	**$ 17,164**

(a) Financial information not presented within the reportable segments, shown within the Other category, represents the HealthCare Financial Services ("HFS") business which does not meet the definition of an operating segment.

There was no single customer that accounted for more than 10% of the Company's revenues for the years ended December 31, 2022, 2021, or 2020. Additionally, no customers accounted for more than 10% of accounts receivable as of December 31, 2022 or 2021.

Segment EBIT

	For the years ended December 31		
	2022	**2021**	**2020**
Segment EBIT			
Imaging	$ 1,100	$ 1,240	$ 1,182
Ultrasound	908	885	640
PCS	341	356	698
PDx	520	693	504
Other[(a)]	(8)	(2)	(43)
	2,861	**3,172**	**2,981**
Restructuring costs	(146)	(155)	(134)
Acquisition and disposition-related benefits (charges)	34	(14)	—
Gain (loss) of business dispositions and divestments	1	2	(3)
Spin-Off and separation costs	(14)	—	(2)
Amortization of acquisition-related intangible assets	(121)	(90)	(83)
Investment revaluation gain (loss)	(31)	3	22
Interest and other financial charges – net	(77)	(40)	(66)
Non-operating benefit income (costs)	5	(3)	(5)
Income from continuing operations before income taxes	**$ 2,512**	**$ 2,875**	**$ 2,710**

(a) Financial information not presented within the reportable segments, shown within the Other category, represents the HFS business and certain other investments which do not meet the definition of an operating segment.

The Company does not report total assets by segment for internal or external reporting purposes as the Company's CODM does not assess performance, make strategic decisions, or allocate resources based on assets.

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GEOGRAPHIC INFORMATION.

Revenues are classified according to the region to which products and services are sold.

Total Revenues by Geographic Region

	For the years ended December 31		
	2022	2021	2020
United States	$ 7,819	$ 7,060	$ 7,146
China	2,325	2,510	2,133
Other	8,197	8,015	7,885
Total revenues	**$ 18,341**	**$ 17,585**	**$ 17,164**

Long-Lived Assets - Net by Geographic Region

	As of	
	December 31, 2022	December 31, 2021
United States	$ 860	$ 839
China	393	357
Norway	249	228
Other	812	811
Total long-lived assets - net	**$ 2,314**	**$ 2,235**

NOTE 5. RECEIVABLES

Current Receivables

	As of	
	December 31, 2022	December 31, 2021
Current customer receivables[(a)]	**$ 3,112**	**$ 3,028**
Non-income based tax receivables	174	163
Other sundry receivables	100	143
Sundry receivables	**274**	**306**
Allowance for credit losses	(91)	(107)
Total receivables – net	**$ 3,295**	**$ 3,227**

(a) Chargebacks, which are primarily related to our PDx business, are generally settled through issuance of credits, typically within one month of initial recognition, and are recorded as a reduction to current customer receivables. Balances related to chargebacks were $157 million and $129 million as of December 31, 2022 and 2021, respectively. The increase in chargebacks is primarily due to higher wholesaler product levels.

Activity in the allowance for credit losses related to current receivables for the years ended December 31, 2022, 2021, and 2020 consisted of the following:

Balance at January 1, 2020	**$**	**85**
Additions charged to costs and expenses		18
Write-offs		(14)
Foreign currency exchange and other		4
Balance at December 31, 2020	**$**	**93**
Additions charged to costs and expenses		12
Write-offs		(10)
Foreign currency exchange and other		12
Balance at December 31, 2021	**$**	**107**
Additions charged to costs and expenses		2
Write-offs		(13)
Foreign currency exchange and other		(5)
Balance at December 31, 2022	**$**	**91**

Long-Term Receivables

	As of	
	December 31, 2022	**December 31, 2021**
Long-term customer receivables	$ 80	$ 83
Sundry receivables	57	49
Non-income based tax receivables	28	37
Supplier advances	11	—
Allowance for credit losses[(a)]	(31)	(31)
Total long-term receivables – net[(b)]	**$ 145**	**$ 138**

(a) Write-offs of long-term receivables were not material for the years ended December 31, 2022 and 2021.
(b) Long-term receivables are recognized within All other assets in the Combined Statements of Financial Position.

SALES OF CUSTOMER RECEIVABLES.

Previously, the Company sold customer receivables to GE's Working Capital Solutions ("WCS") business. These programs were discontinued in 2021. Separately, the Company from time to time sells current or long-term receivables to third parties in response to customer-sponsored requests or programs, to facilitate sales, or for risk mitigation purposes.

Activity related to current customer receivables sold by the Company is as follows:

	For the years ended December 31	
	2022	**2021**
Balance at January 1	**$ 15**	**$ 1,628**
GE HealthCare sales to WCS and third parties[(a)]	9	5,456
Collections and other activities	(18)	(7,076)
Reclassification from long-term customer receivables	1	7
Balance as of December 31	**$ 7**	**$ 15**

(a) Sales to WCS are considered related party and were $5,442 million for the year ended December 31, 2021. Sales to WCS were not significant for the year ended December 31, 2022.

Under the programs, the Company incurred interest expense and finance charges of $21 million and $46 million for the years ended December 31, 2021 and 2020, respectively, which are included in Interest and other financial charges – net in the Combined Statements of Income. Such program charges were not material for the year ended December 31, 2022. The proceeds for the programs are included in Cash from (used for) operating activities in the Combined Statements of Cash Flows.

NOTE 6. FINANCING RECEIVABLES

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Financing Receivables

	As of	
	December 31, 2022	December 31, 2021
Loans, net of deferred income	$ 29	$ 25
Investment in financing leases, net of deferred income	72	77
Allowance for credit losses[a]	(4)	(3)
Current financing receivables – net[b]	**$ 97**	**$ 99**
Loans, net of deferred income	44	41
Investment in financing leases, net of deferred income	158	149
Allowance for credit losses[a]	(6)	(4)
Non-current financing receivables – net[b]	**$ 196**	**$ 186**

(a) Allowance for credit losses activity related to current and non-current financing receivables including write-offs, net of recoveries, was not material for the years ended December 31, 2022 and 2021.
(b) Current financing receivables and non-current financing receivables are recognized within All other current assets and All other assets, respectively, in the Combined Statements of Financial Position.

Total financing receivables classified as held for sale were $1 million and $17 million as of December 31, 2022 and 2021, respectively. Total financing receivables sold were $8 million, $104 million, and $52 million for the years ended December 31, 2022, 2021, and 2020, respectively.

As of December 31, 2022, 7%, 6%, and 6% of financing receivables were over 30 days past due, over 90 days past due, and on nonaccrual, respectively, with the majority of nonaccrual financing receivables secured by collateral. As of December 31, 2021, 5%, 4%, and 5% of financing receivables were over 30 days past due, over 90 days past due, and on nonaccrual, respectively.

NOTE 7. LEASES

OPERATING LEASES.

As a lessee, the Company leases certain logistics, office, and manufacturing facilities, as well as vehicles and other equipment. Certain of the Company's leases may include options to extend. Our ROU operating lease assets are recognized within Property, plant, and equipment – net in the Combined Statements of Financial Position. Our operating lease liabilities are recognized within All other current liabilities and All other liabilities in the Combined Statements of Financial Position, as detailed below. During 2022, $25 million and $34 million of operating lease ROU assets and operating lease liabilities, respectively, transferred from GE to GE HealthCare related to the Separation.

Operating Lease Assets and Liabilities

	As of	
	December 31, 2022	December 31, 2021
Operating lease ROU assets	**$ 313**	**$ 358**
Current operating lease liabilities	104	104
Non-current operating lease liabilities	243	262
Total operating lease liabilities	**$ 347**	**$ 366**

Operating Lease Expense

	For the years ended December 31		
	2022	2021	2020
Long-term (fixed)	$ 115	$ 114	$ 135
Long-term (variable)	98	67	64
Short-term	4	4	2
Total operating lease expense	**$ 217**	**$ 185**	**$ 201**

Maturity of Lease Liabilities

	2023	2024	2025	2026	2027	Thereafter	Total
Undiscounted lease payments	$ 116	$ 89	$ 66	$ 50	$ 27	$ 30	$ 378
Less: imputed interest							(31)
Total lease liability as of December 31, 2022							**$ 347**

Supplemental Information Related to Operating Leases

	For the years ended December 31		
	2022	2021	2020
Operating cash flows used for operating leases	$ 113	$ 128	$ 138
Right-of-use assets obtained in exchange for new lease liabilities	98	94	168
Weighted-average remaining lease term (in years)	4.4	4.7	4.9
Weighted-average discount rate	3.8 %	3.3 %	3.8 %

FINANCE LEASES.

The Company leases equipment manufactured or sold by the Company to customers through sales-type leases. Sales-type leases are included in financing receivables and are recognized within All other current assets and All other assets in the Combined Statements of Financial Position.

Finance lease income was $12 million, $16 million, and $13 million for the years ended December 31, 2022, 2021, and 2020, respectively, and is recognized within Other (income) expense – net in the Combined Statements of Income.

Net Investment in Financing Leases

	As of	
	December 31, 2022	December 31, 2021
Total minimum lease payments receivable	$ 248	$ 243
Less: deferred income	(30)	(27)
Discounted lease receivable	218	216
Estimated unguaranteed residual value of leased assets, net of deferred income	12	10
Investment in financing leases, net of deferred income	**$ 230**	**$ 226**

Contractual Maturities

Due In	2023	2024	2025	2026	2027	Thereafter	Total
Net minimum lease payments receivable	$ 83	$ 63	$ 44	$ 29	$ 16	$ 13	$ 248

We expect actual maturities to differ from contractual maturities, primarily as a result of prepayments.

NOTE 8. ACQUISITIONS, GOODWILL, AND OTHER INTANGIBLE ASSETS

ACQUISITIONS.

On December 21, 2021, the Company acquired 100% of the stock of BK Medical, a leader in surgical ultrasound imaging and guidance technology, for $1,466 million. The purchase price allocation resulted in goodwill of $1,020 million, amortizable intangible assets of $393 million, net tangible assets of $114 million, and net deferred tax liabilities of $61 million. The goodwill associated with the acquired business is non-deductible for tax purposes and is reported in the Ultrasound segment.

On May 5, 2021, the Company acquired 100% of the stock of Zionexa, a France-based company that is a leading innovator of in-vivo oncology and neurology biomarkers for $32 million and potential earn-out payments valued at $91 million based primarily on sales targets and regulatory approvals. The purchase price allocation resulted in goodwill of $43 million, primarily amortizable intangible assets of $114 million, deferred tax liabilities of $25 million, and other net liabilities assumed of $9 million. The goodwill associated with the acquired business is primarily deductible for tax purposes and is reported in the PDx segment.

On December 30, 2020, the Company acquired the remaining 69% of the stock of Prismatic Sensors AB, a Sweden-based company developing novel sensor technology for CT machines, for $74 million and potential earn-out payments valued at $20 million. The Company had a previous equity ownership in Prismatic Sensors AB with a fair value of $35 million. The purchase price allocation resulted in goodwill of $89 million, indefinite-lived intangible assets of $48 million, and other net liabilities assumed of $8 million. The goodwill associated with the acquired business is primarily deductible for tax purposes and is reported in the Imaging segment.

See Note 13, "Financial Instruments and Fair Value Measurements" for further information about the fair value measurement of contingent consideration.

Changes in Goodwill Balances

	Imaging	Ultrasound	PCS	PDx	Total
Balance at January 1, 2021	**$ 4,449**	**$ 2,868**	**$ 2,058**	**$ 2,493**	**$ 11,868**
Acquisitions	1	1,020	—	43	1,064
Foreign currency exchange and other[(a)]	(17)	(12)	(9)	(2)	(40)
Balance at December 31, 2021	**4,433**	**3,876**	**2,049**	**2,534**	**12,892**
Acquisitions	—	—	—	—	—
Foreign currency exchange and other[(a)]	(24)	(41)	(13)	(1)	(79)
Balance at December 31, 2022	**$ 4,409**	**$ 3,835**	**$ 2,036**	**$ 2,533**	**$ 12,813**

(a) Other includes purchase accounting adjustments related to the acquisition of BK Medical which closed on December 21, 2021. There were no significant changes for the 12 months ended December 31, 2022 to the preliminary fair values that were recognized as of December 31, 2021.

In performing the annual goodwill impairment tests during 2022, 2021, and 2020, we determined that the fair values of each of our reporting units exceeded their carrying values. Therefore, no impairment was recorded.

Intangible Assets

	As of December 31, 2022			As of December 31, 2021		
	Gross Carrying Amount	Accumulated Amortization	Net	Gross Carrying Amount	Accumulated Amortization	Net
Customer-related	$ 60	$ (10)	$ 50	$ 64	$ (9)	$ 55
Patents and technology	2,544	(1,815)	729	2,556	(1,713)	843
Capitalized software	2,309	(1,638)	671	2,500	(1,610)	890
Trademarks and other	35	(27)	8	43	(32)	11
Indefinite-lived assets[(a)]	62	—	62	48	—	48
Total	**$ 5,010**	**$ (3,490)**	**$ 1,520**	**$ 5,211**	**$ (3,364)**	**$ 1,847**

(a) Indefinite-lived intangible assets primarily relate to acquired IPR&D prior to project completion and are not amortized.

There were no intangible assets acquired during the year ended December 31, 2022. Amortization expense was $405 million, $400 million, and $408 million for the years ended December 31, 2022, 2021, and 2020, respectively. No material impairments of intangible assets were recognized in the years ended December 31, 2022, 2021, or 2020.

Estimated annual pre-tax amortization expense for intangible assets over the next five calendar years is as follows:

Estimated Intangible Pre-tax Amortization

	2023	2024	2025	2026	2027
Estimated annual pre-tax amortization	$ 357	$ 295	$ 248	$ 193	$ 106

NOTE 9. BORROWINGS

BORROWINGS.

Senior Unsecured Notes
On November 22, 2022, and in connection with the Separation, the Company issued $8,250 million aggregate principal amount of senior unsecured notes in six series with maturity dates ranging from 2024 through 2052 (collectively, the "Notes"). Interest payments on the Notes are due semi-annually until maturity, with the first interest payment due in March 2023. In the event of a change in control and a related downgrade of the ratings of the Notes below investment grade, the indenture governing the Notes requires that the Company make an offer to each holder of the Notes to repurchase all or any part of that holder's notes at a repurchase price equal to 101% of the aggregate principal amount of the Notes repurchased, plus any accrued and unpaid interest. The indenture also includes a limitation on liens incurred by the Company and its wholly owned U.S. subsidiaries. The indenture does not restrict the Company or its subsidiaries from incurring indebtedness, nor does it require any financial covenants. All the covenants are subject to a number of exceptions, limitations, and qualifications.

Upon issuance, the Notes became guaranteed on a senior unsecured basis by GE. Following the completion of the Separation on January 3, 2023, GE was automatically and unconditionally released and discharged from all obligations under its guarantees. Of the $8,250 million of the Notes, $4,000 million of the indebtedness was issued directly to GE and net cash proceeds of $4,221 million from the remaining indebtedness issued to third parties was distributed to GE. GE exchanged the $4,000 million of indebtedness with third parties prior to December 31, 2022. As of December 31, 2022, all of the Notes were held by third parties.

We recorded $37 million of debt issuance costs related to the Notes. Debt issuance costs are presented as a reduction of debt in the Combined Statements of Financial Position and are amortized as a component of interest expense over the term of the related debt using the effective interest method.

We had no debt payments on the Notes during the year ended December 31, 2022. The average maturity of the Company's long-term debt as of December 31, 2022 is approximately 9 years and the average interest expense rate on our total borrowings for the year ended December 31, 2022 is approximately 5.97%. Interest expense associated with long-term debt was $54 million for the year ended December 31, 2022, and is included in Interest and other financial charges – net in the Combined Statements of Income. Interest expense for borrowings was not significant for the years ended December 31, 2021 and 2020. Included in interest expense on the Combined Statements of Income is accrued interest of $52 million and amortization of debt issuance costs of $1 million for the year ended December 31, 2022.

Credit Facilities
On November 4, 2022, the Company entered into credit agreements providing for:

- a five-year senior unsecured revolving credit facility in an aggregate committed amount of $2,500 million (the "5-Year Revolving Credit Facility");
- a 364-day senior unsecured revolving credit facility in an aggregate committed amount of $1,000 million (the "364-Day Revolving Credit Facility"); and
- a three-year senior unsecured term loan credit facility in an aggregate principal amount of $2,000 million (the "Term Loan Facility" and, together with the 5-Year Revolving Credit Facility and the 364-Day Revolving Credit Facility, the "Credit Facilities").

The Credit Facilities were not available to the Company or its subsidiaries until consummation of the Separation. As such, there were no outstanding amounts under the Credit Facilities as of December 31, 2022. On January 3, 2023, GE HealthCare completed a $2,000 million drawdown of the Term Loan Facility in connection with the Spin-Off from GE, bringing total principal balance of borrowings to $10,250 million. After settlement of all Spin-Off transactions with GE, we began operations as an independent company with approximately $1,800 million of cash, cash equivalents, and restricted cash.

The Company pays a facility fee to each lender, which accrues at a rate equal to an applicable margin specified in the revolving credit facility agreements on the daily commitments of the lenders. The Borrowings under the Credit Facilities will bear interest at variable interest rates equal to: (i) the alternate base rate or (ii) the Secured Overnight Funding Rate, in each case plus an applicable margin specified in the credit agreement. The Credit Facilities contain affirmative and negative covenants customary to financings of this type that, among other things, limit the Company and its subsidiaries' ability to incur additional liens and to make certain fundamental changes. In addition, the Credit Facilities contain a financial covenant that requires the Company to not exceed a maximum consolidated net leverage ratio that will be tested beginning with the fiscal quarter ending on June 30, 2023. The Credit Facilities will be used for general corporate purposes.

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Long-Term Borrowings Composition

	As of	
	December 31, 2022	December 31, 2021
5.550% senior notes due November 15, 2024	$ 1,000	$ —
5.600% senior notes due November 15, 2025	1,500	—
5.650% senior notes due November 15, 2027	1,750	—
5.857% senior notes due March 15, 2030	1,250	—
5.905% senior notes due November 22, 2032	1,750	—
6.377% senior notes due November 22, 2052	1,000	—
Other	38	37
Total principal debt issued	**8,288**	**37**
Less: Unamortized debt issuance costs and discounts	47	—
Less: Current portion of long-term borrowings	7	6
Long-term borrowings, net of current portion	**$ 8,234**	**$ 31**

Scheduled maturities of long-term debt, excluding amortization of discounts and debt issuance costs, are as follows:

2023	$ 7
2024	1,025
2025	1,504
2026	2
2027	1,750
Thereafter	4,000
Total	**$ 8,288**

See Note 13, "Financial Instruments and Fair Value Measurements" for further information about borrowings and associated interest rate and cross-currency swaps.

LETTERS OF CREDIT, GUARANTEES, AND OTHER COMMITMENTS.

In addition to the Notes, which were guaranteed on a senior unsecured basis by GE through the completion of the Separation, at which time GE has been automatically and unconditionally released and discharged from all obligations under its guarantees, as of December 31, 2022 and 2021, the Company had unused letters of credit, bank guarantees, bid bonds, and surety bonds of approximately $657 million and $808 million, respectively, related to certain commercial contracts. Additionally, we have approximately $43 million and $63 million of guarantees as of December 31, 2022 and 2021, respectively, primarily related to residual value guarantees on equipment sold to third-party finance companies. Our Combined Statements of Financial Position reflects a liability of $4 million and $5 million as of December 31, 2022 and 2021, respectively, related to these guarantees. For credit-related guarantees, we estimate our expected credit losses related to off-balance sheet credit exposure consistent with the method used to estimate the allowance for credit losses on financial assets held at amortized cost.

NOTE 10. POSTRETIREMENT BENEFIT PLANS

PENSION BENEFITS AND RETIREE HEALTH AND LIFE BENEFITS SPONSORED BY GE.

Certain GE HealthCare employees are covered under various pension and retiree health and life plans sponsored by GE, including principal pension plans, other pension plans, and principal retiree benefit plans. These plans are accounted for as multiemployer plans. Certain of these pension plans have been closed to new participants. Relevant participation costs for certain GE-sponsored employee benefit plans have been allocated to the Company and are recognized within the Combined Statements of Income. These include service costs for active employees in the U.S. GE Pension Plan, certain international pension plans, the U.S. GE Supplementary Pension Plan, and the U.S. retiree benefit plan. We have not recorded any liabilities associated with our participation in these plans in our Combined Statements of Financial Position as of December 31, 2022 and 2021. Expenses associated with our employees' participation in the U.S. GE principal pension and principal retiree benefit plans, which represent the majority of related expense, were $73 million, $96 million, and $194 million for the years ended December 31, 2022, 2021, and 2020, respectively. Expenses associated with our employees' participation in GE's non-U.S. based pension plans were $11 million, $22 million, and $19 million for the years ended December 31, 2022, 2021, and 2020, respectively.

In connection with the Separation, on January 1, 2023, these plans were separated and GE transferred certain liabilities and assets of these plans to GE HealthCare. The amounts assumed by GE HealthCare are shown in the table below. These amounts are not included in the Combined Statements of Financial Position as of December 31, 2022 and 2021.

Accumulated Benefit Obligations and Unrecognized Gain

	As of January 1, 2023		
	Defined benefit plans	Other post-retirement plans	Total
Accumulated benefit obligations	$ 21,696	$ 1,210	$ 22,906
Unrecognized gain to be recorded in AOCI	1,258	1,223	2,481

Net Benefit Liability

	As of January 1, 2023		
	Defined benefit plans	Other post-retirement plans	Total
Projected benefit obligations	$ 21,743	$ 1,210	$ 22,953
Fair value of assets	18,908	—	18,908
Net liability	**$ 2,835**	**$ 1,210**	**$ 4,045**

Defined Contribution Plan
Expenses associated with our employees' participation in GE's defined contribution plan represent the employer matching contributions for GE HealthCare employees and were $123 million, $119 million, and $83 million for the years ended December 31, 2022, 2021, and 2020, respectively.

PENSION PLANS SPONSORED BY GE HEALTHCARE.

In addition to these GE-sponsored plans, certain employees are covered by pension plans sponsored by the Company. Our pension plans in 2022 included 11 U.S. and non-U.S. pension plans with pension assets or obligations greater than $20 million. Smaller pension plans with pension assets or obligations less than $20 million are not presented in the following tables. We use a December 31st measurement date for these plans. These defined benefit plans generally provide benefits to employees based on formulas recognizing length of service and earnings. Certain of these pension plans have been closed to new participants.

Funding
The funding policy for our pension plans is to contribute amounts sufficient to meet minimum funding requirements as set forth in employee benefit and tax laws plus any additional amounts as we may determine to be appropriate. In 2022, we contributed $18 million to fund certain pension plans. In 2023, we expect to contribute approximately $19 million to our pension plans that were included in our Combined Statements of Financial Position as of December 31, 2022.

Plan Funded Status

	As of	
	December 31, 2022	December 31, 2021
Change in projected benefit obligations		
Balance at January 1	**$ 940**	**$ 1,048**
Service cost	19	24
Interest cost	17	15
Participant contributions	1	1
Actuarial loss (gain) – net	(193)	(59)
Benefits paid	(38)	(44)
Exchange rate adjustments	(43)	(45)
Balance at December 31	**$ 703**	**$ 940**
Change in plan assets		
Balance at January 1	**553**	**537**
Actual gain (loss) on plan assets	(101)	44
Employer contributions	18	20
Participant contributions	1	1
Benefits paid	(38)	(44)
Exchange rate adjustments	(8)	(5)
Balance at December 31	**$ 425**	**$ 553**
Funded status – surplus (deficit)	**$ (278)**	**$ (387)**

Amounts Recorded in Combined Statements of Financial Position

	As of	
	December 31, 2022	December 31, 2021
Non-current assets – other	$ 65	$ 97
Current liabilities – other	(16)	(18)
Non-current liabilities – compensation and benefits	(327)	(466)
Net amount recorded	**$ (278)**	**$ (387)**

Amounts Recorded in AOCI

	As of	
	December 31, 2022	December 31, 2021
Net loss (gain)	$ 60	$ 138
Prior service cost (credit)	(5)	(9)
Total recorded in AOCI	**$ 55**	**$ 129**

The accumulated benefit obligation represents the actuarial present value of benefits based on employee service and compensation as of the measurement date and does not include an assumption about future compensation levels. The table below summarizes the total accumulated benefit obligations, the accumulated benefit obligations in excess of plan assets, and the projected benefit obligation and fair value of plan assets for the defined benefit pension plans with projected benefit obligations in excess of plan assets.

Plan Obligations in Excess of Plan Assets

	As of	
	December 31, 2022	December 31, 2021
Accumulated benefit obligation	$ 687	$ 912
Plans with accumulated benefit obligation in excess of plan assets		
Accumulated benefit obligation	$ 390	$ 528
Fair value of plan assets	63	71
Plans with projected benefit obligation in excess of plan assets		
Projected benefit obligation	$ 406	$ 555
Fair value of plan assets	63	71

Components of Expense (Income)

	For the years ended December 31		
	2022	2021	2020
Service cost – Operating	**$ 19**	**$ 24**	**$ 23**
Interest cost	17	15	17
Expected return on plan assets	(27)	(27)	(26)
Amortization of net loss (gain)	5	17	18
Amortization of prior service cost (credit)	(5)	(4)	(4)
Curtailment / settlement loss (gain)	—	—	(1)
Non-operating	**$ (10)**	**$ 1**	**$ 4**
Net periodic expense	**$ 9**	**$ 25**	**$ 27**

Pre-tax Cost of Postretirement Benefit Plans and Changes in Other Comprehensive Income

	For the years ended December 31		
	2022	2021	2020
Cost of postretirement benefit plans	**$ 9**	**$ 23**	**$ 29**
Changes in other comprehensive loss (income):			
Net loss (gain) – current year	(74)	(86)	10
Reclassifications out of AOCI:			
Amortization of net loss	(5)	(16)	(18)
Amortization of prior service credit	5	4	4
Total changes in other comprehensive loss (income)	**$ (74)**	**$ (98)**	**$ (4)**
Cost (income) of postretirement benefit plans and changes in other comprehensive loss (income)	**$ (65)**	**$ (75)**	**$ 25**

Assumptions

	For the years ended December 31		
	2022	2021	2020
Weighted-average benefit obligations assumptions			
Discount rate	4.26 %	1.91 %	1.44 %
Compensation increases	2.99 %	2.81 %	2.65 %
Weighted-average benefit cost assumptions			
Discount rate	1.91 %	1.44 %	1.80 %
Expected rate of return on plan assets	6.32 %	5.39 %	5.40 %

Assumptions Used in Calculations

Accounting requirements necessitate the use of assumptions to reflect the uncertainties and the length of time over which the pension obligations will be paid. The actual amount of future benefit payments will depend upon when participants retire, the amount of their benefit at retirement, and how long they live. To reflect the obligation in today's U.S. dollars, we discount the future payments using a rate that matches the time frame over which the payments will be made. We also assume a long-term rate of return that will be earned on investments used to fund these payments.

We evaluate these assumptions annually. We periodically evaluate other assumptions, such as retirement age, mortality, and turnover, and update them as necessary to reflect our actual experience and expectations for the future.

We determine the discount rate using the weighted average yields on high-quality fixed-income securities that have maturities consistent with the timing of benefit payments. Lower discount rates increase the size of the benefit obligations and generally increase pension expense in the following year; higher discount rates reduce the size of the benefit obligation and generally reduce subsequent-year pension expense.

The expected return on plan assets is the estimated long-term rate of return that will be earned on the investments used to fund the pension obligations. To determine this rate, we consider the current and target composition of plan investments, our historical returns earned, and our expectations about the future.

The compensation assumption is used to estimate the annual rate at which compensation of active plan participants will grow. If the rate of growth assumed increases, the size of the pension obligations will increase, as will the amount recorded in AOCI in our Combined Statements of Financial Position and amortized to earnings in subsequent periods.

With respect to the pension balances included on our Combined Statements of Financial Position as of December 31, 2022, we estimate that we will amortize $3 million of net actuarial loss and $2 million of prior service credit from AOCI into pension expense during 2023.

Expected Future Benefit Payments of Our Benefit Plans

	2023	2024	2025	2026	2027	2028-2032
Estimated future benefit payments	$ 46	$ 50	$ 53	$ 51	$ 52	$ 256

COMPOSITION OF PLAN ASSETS.

The fair value of our pension plans' investments is presented below. The inputs and valuation techniques used to measure the fair value of the assets are consistently applied and described in Note 2, "Summary of Significant Accounting Policies."

Composition of Plan Assets

	As of	
	December 31, 2022	December 31, 2021
Global equity securities	$ 33	$ 61
Debt securities	174	200
Real estate	12	20
Private equities and other investments	59	70
Plan assets measured at fair value	**278**	**351**
Global equity securities	34	83
Debt securities	31	47
Real estate	13	11
Private equities and other investments	69	61
Plan assets measured at net asset value	**147**	**202**
Total plan assets	**$ 425**	**$ 553**

Those investments that were measured at net asset value as a practical expedient were excluded from the fair value hierarchy. Investments with a fair value of $61 million and $76 million as of December 31, 2022 and 2021, respectively, were classified within Level 3 of the fair value hierarchy and primarily relate to private equities, insurance contracts, and real estate. The remaining investments were all considered Levels 1 and 2.

Weighted Average Asset Allocation of Pension Plans

	2022	
	Target	Actual
Global equity securities	17 %	16 %
Debt securities (including cash equivalents)	44 %	48 %
Real estate	6 %	6 %
Private equities and other instruments	33 %	30 %

Plan fiduciaries of our pension plans set investment policies and strategies for the assets held in trust and oversee their investment allocations, which includes selecting investment managers, commissioning periodic asset-liability studies, and setting long-term strategic targets. Long-term strategic investment objectives take into consideration a number of factors, including the funded status of the plans, a balance between risk and return, and plans' liquidity needs. The plans utilize a combination of long-dated corporate bonds, treasuries, and derivatives to implement its investment strategies as well as for hedging asset and liability risks. Target allocation percentages are established at an asset class level by plan fiduciaries. Target allocation ranges are guidelines, not limitations, and occasionally plan fiduciaries will approve allocations above or below a target range.

NOTE 11. INCOME TAXES

The provision for income taxes calculations has been prepared on a separate return basis as if the Company were a separate group of companies under common ownership. However, the results have been combined as if the Company were filing on a combined basis for U.S. federal, U.S. state, and Non-U.S. income tax purposes, where permissible by law. The Company is subject to income taxes in the U.S. (both federal and state) and in numerous foreign jurisdictions. Changes in the tax laws or regulations in these jurisdictions, or in positions by the relevant authorities regarding their application, administration, or interpretation, may affect our tax liability, return on investments, and business operations.

The Tax Cuts and Jobs Act imposes tax on U.S. shareholders for global intangible low-taxed income ("GILTI") earned by certain non-U.S. subsidiaries. The Company has elected to account for GILTI as a period cost.

Income Before Income Taxes

	For the years ended December 31		
	2022	2021	2020
U.S. income	$ 1,090	$ 1,587	$ 1,620
Non-U.S. income	1,422	1,288	1,090
Total	**$ 2,512**	**$ 2,875**	**$ 2,710**

Provision for Income Taxes

	For the years ended December 31		
	2022	2021	2020
Current			
U.S. Federal	$ 396	$ 141	$ 250
Non – U.S.	324	422	463
U.S. State	97	55	65
Deferred			
U.S. Federal	(213)	82	—
Non – U.S.	7	(101)	(129)
U.S. State	(48)	1	3
Total	**$ 563**	**$ 600**	**$ 652**

Reconciliation of U.S. Federal Statutory Income Tax Rate to Actual Income Tax Rate

	For the years ended December 31		
	2022	2021	2020
Income before taxes	**$ 2,512**	**$ 2,875**	**$ 2,710**
Tax expected at 21%	528	604	569
Foreign operations	47	(43)	42
U.S. tax on foreign operations	(36)	(23)	(45)
Uncertain tax positions	6	11	25
R&D benefits	(33)	(32)	(30)
State taxes, net of federal benefit	39	45	47
Valuation allowance	8	33	37
Other	4	5	7
Provision for income taxes	**$ 563**	**$ 600**	**$ 652**
Actual income tax rate	22.4%	20.9%	24.1%

UNRECOGNIZED TAX BENEFITS.

The Company is subject to periodic tax audits by tax authorities in the U.S. (both federal and state) and the numerous countries in which we operate. In 2021, the Company settled with tax authorities in certain foreign jurisdictions. While the Company currently is being audited in a number of jurisdictions for tax years 2004-2021, including China, Norway, France, Germany, Egypt, the United Kingdom, and the United States, we believe that there are no jurisdictions in which the ultimate outcome of unresolved issues or claims is likely to be material to the results of operations, financial position, or cash flows. We believe that we have made adequate provisions for all unrecognized tax benefits.

UNRECOGNIZED TAX BENEFITS RECONCILIATION.

The balance of unrecognized tax benefits, the amount of related interest and penalties, and what we believe to be the range of reasonably possible changes in the next 12 months are as follows:

	2022	2021	2020
Balance at January 1	**$ 365**	**$ 684**	**$ 622**
Additions for tax positions of the current year	9	9	18
Additions for tax positions of prior years	137	14	78
Reductions for tax positions of prior years	(41)	(78)	(17)
Settlements with tax authorities	(1)	(262)	(14)
Expiration of the statute of limitations	(4)	(2)	(3)
Balance as of December 31	**$ 465**	**$ 365**	**$ 684**

During 2022, $132 million of unrecognized tax benefits were contributed to the Company by GE which are included in the Combined Statements of Financial Position as of December 31, 2022, and are included in the Additions for tax positions of prior years line in the table above.

Unrecognized Tax Benefits

	For the years ended December 31		
	2022	2021	2020
Unrecognized tax benefits	$ 465	$ 365	$ 684
Accrued interest on unrecognized tax benefits	56	53	72
Reasonably possible reduction to the balance of unrecognized tax benefits in succeeding 12 months	45	36	64
Portion that, if recognized, would reduce tax expense and effective tax rate	153	111	99

We classify interest on tax deficiencies as interest expense; we classify income tax penalties as a provision for income taxes. For the years ended December 31, 2022, 2021, and 2020, $12 million, $9 million, and $6 million of Interest and other financial charges – net, respectively, was recognized in the Combined Statements of Income. No accrual for penalties was made in the periods.

DEFERRED INCOME TAXES.

We regularly evaluate the recoverability of our deferred tax assets and establish a valuation allowance, if necessary, to reduce the deferred tax assets to an amount that is more likely than not to be realized (a likelihood of more than 50%). Significant judgment is required in determining whether a valuation allowance is necessary and the amount of such valuation allowance. In assessing the recoverability of our deferred tax assets at December 31, 2022, we considered all available evidence, including the nature of financial statement losses, reversing taxable temporary differences, estimated future operating profits, and tax planning strategies.

Deferred Income Taxes

	As of December 31, 2022	As of December 31, 2021
Total assets	$ 1,550	$ 1,287
Total liabilities	(370)	(385)
Net deferred income tax asset (liability)	**$ 1,180**	**$ 902**

Components of the Net Deferred Income Tax Asset (Liability)

	As of	
	December 31, 2022	December 31, 2021
Deferred tax assets:		
Employee benefits	$ 222	$ 255
Contract liabilities	193	186
Inventories	84	83
Operating loss carryforwards	176	138
Other accrued expenses	70	36
Receivables	42	54
Lease liabilities	57	62
Tax credit carryforwards	128	133
Contract assets	99	120
Property, plant, and equipment	338	413
Capitalized R&D	554	307
Total deferred income tax asset	**1,963**	**1,787**
Valuation allowances	(272)	(279)
Total deferred income tax asset after valuation allowance	**1,691**	**1,508**
Deferred tax liabilities:		
Goodwill & other intangible assets	(458)	(517)
ROU assets	(47)	(56)
Other	(6)	(33)
Total deferred income tax liability	**(511)**	**(606)**
Net deferred income tax asset (liability)	**$ 1,180**	**$ 902**

Effective January 1, 2022, taxpayers are required to capitalize certain R&D expenses and amortize them over five or fifteen years pursuant to the Code. This provision increased our taxable income for the year ended December 31, 2022, and resulted in additional cash payments for U.S. federal and state income taxes. This provision also generated a $293 million deferred tax asset for the year ended December 31, 2022. In the event the capitalization of research costs is adjusted through retroactive legislation effective for 2022, the Company expects to record a reduction to the deferred tax asset resulting in a charge to tax expense under the Tax Matters Agreement with GE.

In connection with the Separation, certain deferred income taxes were contributed to the Company by GE. During 2022, net deferred income taxes of $80 million were contributed to the Company by GE and are recognized within Deferred income taxes in the Combined Statements of Financial Position as of December 31, 2022.

Valuation allowances primarily relate to non-U.S. deferred taxes where there were historical losses and U.S. federal and state credit carryforwards. Activity in the valuation allowance for the years ended December 31, 2022, 2021, and 2020 consists of the following:

Balance at January 1, 2020	**$**	**228**
Provision for income taxes		43
Foreign currency exchange and other		(21)
Balance at December 31, 2020	**$**	**250**
Provision for income taxes		39
Foreign currency exchange and other		(10)
Balance at December 31, 2021	**$**	**279**
Provision for income taxes		(5)
Foreign currency exchange and other		(2)
Balance at December 31, 2022	**$**	**272**

Reductions of valuation allowances recorded in individual taxing jurisdictions were not material for the years ended December 31, 2022, 2021, and 2020.

NET OPERATING LOSSES.

As of December 31, 2022, the Company had net operating loss carryforwards of $1,517 million (primarily related to Sweden, Germany, and Brazil, which can be carried forward indefinitely). The gross net operating loss carryforwards resulted in a deferred tax asset of $358 million at December 31, 2022. This amount excludes accruals of $182 million for unrecognized tax benefits the Company has recorded related to the underlying tax positions which generated the net operating losses.

UNDISTRIBUTED EARNINGS.

Substantially all of the undistributed earnings of our foreign subsidiaries are indefinitely reinvested in active non-U.S. business operations as there are no current needs to repatriate these earnings to fund ongoing operations by entities other than the subsidiaries generating such undistributed earnings. As of December 31, 2022, the cumulative amount of indefinitely reinvested foreign earnings was approximately $7,999 million. Computation of any deferred tax liability associated with any other remaining basis differences is not currently practicable.

NOTE 12. ACCUMULATED OTHER COMPREHENSIVE (INCOME) LOSS – NET

Accumulated Other Comprehensive (Income) Loss

	Currency translation adjustments[a]	Benefit plans	Cash flow hedges	Total AOCI
January 1, 2020	**$ 1,705**	**$ 310**	**$ 7**	**$ 2,022**
AOCI before reclasses – net of taxes of $(16), $21, and $(10)	(374)	6	36	(332)
Reclasses from AOCI – net of taxes of $—, $40, and $6[b]	(688)	(136)	(27)	(851)
December 31, 2020	**$ 643**	**$ 180**	**$ 16**	**$ 839**
AOCI before reclasses – net of taxes of $9, $57, and $12	326	(74)	(40)	212
Reclasses from AOCI – net of taxes of $—, $(37), and $3	—	(6)	(8)	(14)
December 31, 2021	**$ 969**	**$ 100**	**$ (32)**	**$ 1,037**
AOCI before reclasses – net of taxes of $5, $39, and $10	876	(58)	(27)	791
Reclasses from AOCI – net of taxes of $—, $—, and $(17)	—	—	50	50
December 31, 2022	**$ 1,845**	**$ 42**	**$ (9)**	**$ 1,878**

(a) The amount of foreign currency translation recognized in other comprehensive income during the years ended December 31, 2022, 2021, and 2020 included net gains (losses) relating to net investment hedges, as further discussed in Note 13, "Financial Instruments and Fair Value Measurements."

(b) The total reclassification from AOCI included $836 million related to the sale of our BioPharma business in 2020, including currency translation of $688 million, net of taxes.

NOTE 13. FINANCIAL INSTRUMENTS AND FAIR VALUE MEASUREMENTS

DERIVATIVES AND HEDGING.

Our primary objective in executing and holding derivatives is to reduce the earnings and cash flow volatility associated with fluctuations in foreign currency exchange rates and commodity prices. These hedge contracts reduce, but do not entirely eliminate, the impact of foreign currency rate and commodity price movements. The Company does not enter into or hold derivative instruments for speculative trading purposes.

We use foreign currency contracts to reduce the volatility of cash flows related to forecasted revenues, expenses, assets, and liabilities, including intercompany balances denominated in foreign currencies. These contracts are generally zero to 27 months in duration but with remaining maturities of up to 23 months as of December 31, 2022. The objective of the foreign currency contracts is to ultimately reduce the extent to which the U.S. dollar-equivalent cash flows are affected by changes in the applicable U.S. dollar/foreign currency exchange rates. We evaluate the effectiveness of our foreign currency contracts designated as cash flow hedges on a quarterly basis.

We use cross-currency swap contracts to reduce the volatility associated with the translation of the assets and liabilities for subsidiaries with a different functional currency than USD. The objective of the cross-currency swap contracts is to ultimately reduce the extent to which the U.S. dollar-equivalent net investments are affected by changes in the applicable U.S. dollar and/or foreign currency exchange rates. We also use cross-currency swaps synthetically convert certain USD-denominated bonds to Euro-denominated bonds and effectively adjust (i.e., reduce) the interest rate from the stated fixed coupon rate on the USD-denominated bonds to the fixed coupon rate on the cross-currency swap.

The embedded derivatives the Company recognizes primarily consist of foreign currency-related features in our purchase or sales contracts where the currency is not the functional currency of either party to the contract.

Cash Flow Hedges
For derivative instruments designated as cash flow hedges, changes in the fair value of designated hedging instruments are initially recorded as a component of AOCI and subsequently reclassified to earnings in the period in which the hedged transaction occurs and to the same financial statement line item impacted by the hedged forecasted transaction.

The total amount in AOCI related to cash flow hedges of foreign currency-denominated forecasted transactions was a net $9 million gain as of December 31, 2022. We expect to reclassify $20 million of pre-tax net deferred gains associated with designated cash flow hedges to earnings in the next 12 months, contemporaneously with the earnings effects of the related forecasted transactions. Pre-tax gains (losses) reclassified from AOCI into earnings were $67 million, $8 million, and $27 million for the years ended December 31, 2022, 2021, and 2020, respectively. As of December 31, 2022, the maximum length of time over which we are hedging our forecasted transactions was approximately two years.

Net Investment Hedges
As of December 31, 2022, the Company had $2,132 million notional of receive-fixed USD, pay-fixed Euro ("EUR") cross-currency swaps and designated each as the hedging instruments in net investment hedging relationships in order to mitigate the foreign currency risk attributable to the translation of its net investment in certain EUR-functional subsidiaries.

The Company uses the spot method to assess hedge effectiveness for its net investment hedges. As such, for derivative instruments designated as net investment hedges, changes in fair value of the designated hedging instruments attributable to fluctuations in foreign currency spot exchange rates only are initially recorded as a component of the Cumulative Translation Adjustment ("CTA") portion of Other Comprehensive Income (Loss), Net ("OCI") until the hedged subsidiary is either sold or substantially liquidated.

The initial value of the excluded components including periodic interest accruals is recognized within Interest and other financial charges – net in the Combined Statements of Income over the life of the hedging instrument. Any difference between the change in fair value of the hedging instrument attributable to the excluded components and the amounts recognized in earnings is recorded as a component of CTA.

Finally, the cash flows for the periodic interest settlements on the cross-currency swaps are recorded in the operating activities section of the Combined Statements of Cash Flows. Notional settlements and settlements from termination of the cross-currency swaps are recorded through the investing activities section of the Combined Statements of Cash Flows, following those of the hedged item (i.e., the hedged net investment).

Non-Designated Hedges
The Company also executes derivative instruments, such as foreign currency forward contracts and commodity swaps, that are not designated to qualifying hedging relationships under U.S. GAAP. These derivatives are intended to serve as economic hedges of foreign currency and commodity price risk, and depending on the derivative type, hedges of monetary assets and liabilities, including intercompany balances subject to remeasurement.

The changes in fair value of non-designated hedges and embedded derivatives are recorded in Other (income) expense – net and Cost of products in the Combined Statements of Income based on the nature of the derivative contract. The cash flows associated with non-designated hedges are recorded through the operating and investing activities sections of the Combined Statements of Cash Flows.

The following table presents the gross fair values of our outstanding derivative instruments as of the dates indicated:

Gross Fair Value of Outstanding Derivative Instruments

	As of December 31, 2022		
	Gross Notional	Fair Value – Assets	Fair Value – Liabilities
Foreign currency exchange contracts	$ 1,240	$ 32	$ 53
Derivatives accounted for as cash flow hedges	**1,240**	**32**	**53**
Cross-currency swaps	2,132	—	111
Derivatives accounted for as net investment hedges	**2,132**	**—**	**111**
Foreign currency exchange contracts	4,456	9	20
Embedded derivatives	604	24	18
Equity contracts	8	—	6
Commodity derivatives	48	1	1
Derivatives not designated as hedges	**5,116**	**34**	**45**
Total derivatives	**$ 8,488**	**$ 66**	**$ 209**

	As of December 31, 2021		
	Gross Notional	Fair Value – Assets	Fair Value – Liabilities
Foreign currency exchange contracts	$ 2,463	$ 49	$ 11
Derivatives accounted for as cash flow hedges	**2,463**	**49**	**11**
Cross-currency swaps	—	—	—
Derivatives accounted for as net investment hedges	**—**	**—**	**—**
Foreign currency exchange contracts	7,510	29	37
Embedded derivatives	789	6	8
Equity contracts	—	—	—
Commodity derivatives	24	3	—
Derivatives not designated as hedges	**8,323**	**38**	**45**
Total derivatives	**$ 10,786**	**$ 87**	**$ 56**

Under the master arrangements with the respective counterparties to our derivative contracts, in certain circumstances and subject to applicable requirements, we are allowed to net settle transactions with a single net amount payable by one party to the other. However, we have elected to present the derivative assets and derivative liabilities on a gross basis on our Combined Statements of Financial Position and in the table above.

As of December 31, 2022, the potential effect of rights of offset associated with the derivative contracts would be an offset to both assets and liabilities by $39 million.

The table below presents the pre-tax gains (losses) recognized in OCI associated with the Company's cash flow and net investment hedges:

Pre-tax Gains (Losses) Recognized in OCI Related to Cash flow and Net Investment Hedges

	For the years ended December 31		
	2022	2021	2020
Cash flow hedges	$ 37	$ 40	$ (36)
Net investment hedges	(111)	—	—

The table below represents the activity in our derivative financial instruments reflected in the Combined Statements of Income:

Derivative Financial Instruments

	2022			2021		2020	
	Cost of products	Other (income) expense – net	Interest and other financial charges – net	Cost of products	Other (income) expense – net	Cost of products	Other (income) expense – net
Effects of cash flow hedges[(a)]	$ (54)	$ —	$ —	$ 8	$ —	$ 11	$ —
Effects of net investment hedges[(b)]	—	—	—	—	—	—	—
Effects of fair value hedges	—	—	—	12	(24)	(15)	19
Effect of derivatives not designated as hedges[(c)]	96	(22)	—	—	(10)	—	9

(a) Cash flow hedges include foreign currency exchange contracts.
(b) Represents amounts excluded from effectiveness testing for 2022. Net investment hedges include cross-currency swaps.
(c) Derivatives not designated as hedges include foreign currency exchange contracts, embedded derivatives, equity contracts, and commodity derivatives.

Counterparty Credit Risk

The Company would be exposed to credit-related losses in the event of non-performance by counterparties on executed derivative instruments. The credit exposure of derivative contracts is represented by the fair value of contracts as of the reporting date. The fair value of the Company's derivatives can change significantly from period to period based on, among other factors, market movements, and changes in our positions.

We manage concentration of counterparty credit risk by limiting acceptable counterparties to major financial institutions with investment grade credit ratings, by limiting the amount of credit exposure to individual counterparties, and by actively monitoring counterparty credit ratings and the amount of individual credit exposure.

We also employ master netting arrangements that limit the risk of counterparty non-payment on a particular settlement date to the net gain that would have otherwise been received from the counterparty. Although not completely eliminated, we do not consider the risk of counterparty default to be significant as a result of these protections. Further, none of our derivative instruments are subject to collateral or other security arrangements, nor do they contain provisions that are dependent on our credit ratings from any credit rating agency.

FAIR VALUE MEASUREMENTS.

The following table represents financial assets and liabilities that are recorded and measured at fair value on a recurring basis:

As of December 31	2022				2021			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Assets:								
Derivatives	$ —	$ 66	$ —	$ 66	$ —	$ 87	$ —	$ 87
Liabilities:								
Derivatives	—	203	6	209	—	56	—	56
Contingent Consideration	—	—	42	42	—	—	112	112

Contingent Consideration
The contingent consideration liabilities as of December 31, 2022 and 2021 were recorded in connection with previous business acquisitions. During the year ended December 31, 2022, we recorded a benefit of $65 million from fair value adjustments related to the remeasurement of contingent consideration liabilities. This benefit is recognized within Selling, general, and administrative in the Combined Statements of Income. Changes in the Level 3 fair value measurement of contingent consideration were not material during the years ended December 31, 2021 or 2020.

Fair Value of Other Financial Instruments
The estimated fair value of long-term debt (including the current portion) as of December 31, 2022, was $8,512 million compared to a carrying value (which includes a reduction for amortized debt issuance costs and discounts) of $8,241 million. The fair value of our borrowings is determined based on observable and quoted prices and spreads of identical and comparable debt and benchmark securities and is considered Level 2 in the fair value hierarchy. See Note 9, "Borrowings" for further information.

NOTE 14. COMMITMENTS, GUARANTEES, PRODUCT WARRANTIES, AND OTHER LOSS CONTINGENCIES

We provide warranty coverage to our customers as part of customary practices in the market to provide assurance that the products we sell comply with agreed-upon specifications. We provide estimated product warranty expenses when we sell the related products. Warranty accruals are estimates that are based on the best available information, mostly historical claims experience, therefore claims costs may differ from amounts provided. An analysis of changes in the liability for product warranties follows.

Product Warranties

	2022	2021	2020
Balance at January 1	**$ 161**	**$ 157**	**$ 152**
Current-year provisions	238	228	207
Expenditures	(199)	(221)	(205)
Other changes	(7)	(3)	3
Balance as of December 31	**$ 193**	**$ 161**	**$ 157**

Product warranties are classified as short-term or long-term in the Combined Statements of Financial Position based on the expected settlement date.

GUARANTEES.

The Company has off-balance sheet credit exposure through standby letters of credit, bank guarantees, bid bonds, and surety bonds. See Note 9, "Borrowings" for further information. In addition, GE has provided parent company guarantees in certain jurisdictions where we lack the legal structure to issue the requisite guarantees required on certain projects.

LEGAL MATTERS.

In the normal course of our business, we are involved from time to time in various arbitrations; class actions; commercial, intellectual property, and product liability litigation; government investigations; investigations by competition/antitrust authorities; and other legal, regulatory, or governmental actions, including the significant matter described below that could have a material impact on our results of operations. In many proceedings, including the specific matter described below, it is inherently difficult to determine whether any loss is probable or even reasonably possible or to estimate the size or range of the possible loss, and accruals for legal matters are not recorded until a loss for a particular matter is considered probable and reasonably estimable. Given the nature of legal matters and the complexities involved, it is often difficult to predict and determine a meaningful estimate of loss or range of loss until we know, among other factors, the particular claims involved, the likelihood of success of our defenses to those claims, the damages or other relief sought, how discovery or other procedural considerations will affect the outcome, the settlement posture of other parties, and other factors that may have a material effect on the outcome. For such matters, unless otherwise specified, we do not believe it is possible to provide a meaningful estimate of loss at this time. Moreover, it is not uncommon for legal matters to be resolved over many years, during which time relevant developments and new information must be continuously evaluated.

Contracts with Iraqi Ministry of Health
In 2017, a number of U.S. Service members, civilians, and their families brought a complaint in the U.S. District Court for the District of Columbia (the "District Court") against a number of pharmaceutical and medical device companies, including GE HealthCare and certain affiliates, alleging that the defendants violated the U.S. Anti-Terrorism Act. The complaint seeks monetary relief and alleges that the defendants provided funding for an Iraqi terrorist organization through their sales practices pursuant to pharmaceutical and medical device contracts with the Iraqi Ministry of Health. In July 2020, the District Court granted defendants' motions to dismiss and dismissed all of the plaintiffs' claims. In January 2022, a panel of the U.S. Court of Appeals for the District of Columbia Circuit reversed the District Court's decision. In February 2022, the defendants requested review of the decision by all of the judges on the U.S. Court of Appeals for the District of Columbia Circuit ("the D.C. Circuit"). On February 2, 2023, the D.C. Circuit denied this request. On February 10, 2023, defendants filed a motion for a temporary, partial stay of further district court proceedings until the Supreme Court issues its decision in a separate case, Twitter, Inc. v. Taamneh, which also involves the U.S. Anti-Terrorism Act. Defendants also plan to petition the Supreme Court to review the D.C. Circuit's decision.

ENVIRONMENTAL AND ASSET RETIREMENT OBLIGATIONS.

Our operations, like operations of other companies engaged in similar businesses, involve the use, disposal, and cleanup of substances regulated under environmental protection laws and nuclear decommissioning regulations. We have obligations for ongoing and future *environmental remediation activities. Liabilities for environmental remediation and nuclear decommissioning exclude possible insurance* recoveries. Due to uncertainties or changes regarding the status of laws, regulations, technology, and information related to individual sites and lawsuits, it is reasonably possible that our exposure will exceed amounts accrued, and amounts not currently reasonably estimable and/or probable may need to be accrued in future periods. Our environmental remediation liabilities, which are measured on an undiscounted basis, were $11 million and $9 million as of December 31, 2022 and 2021, respectively, and are recognized within All other current liabilities and All other liabilities in the Combined Statements of Financial Position.

We record asset retirement obligations, which primarily relate to nuclear decommissioning, associated with the retirement of tangible long-lived assets as a liability in the period in which the obligation is incurred and its fair value can be reasonably estimated. The liability is measured at the present value of the obligation when incurred and is adjusted in subsequent periods. Corresponding asset retirement costs are generally capitalized as part of the carrying value of the related long-lived assets and depreciated over the assets' useful lives. Our asset retirement obligations were $274 million and $264 million at December 31, 2022 and 2021, respectively, and are recognized within All other current liabilities and All other liabilities in the Combined Statements of Financial Position. Changes in the liability balance were mainly due to settlement, accretion, and revisions in fair value, and were not material for the years ended December 31, 2022, 2021, and 2020.

OTHER CONTRACTUAL OBLIGATIONS.

We have future contractual obligations and other minimum commercial commitments which represent take-or-pay contracts as well as purchase orders for goods and services utilized in the normal course of business such as capital expenditures, inventory, and services under contracts.

As of December 31, 2022, we had the following purchase commitments that are legally binding and specify minimum purchase *quantities or spending amounts. These purchase commitments do not exceed our projected requirements and the amounts below* exclude open purchase orders with a remaining term of less than one year.

Other Contractual Obligations

	2023	2024	2025	2026	2027	Thereafter	Total
Other Contractual Obligations	$ 245	$ 174	$ 95	$ 86	$ 40	$ 40	$ 680

NOTE 15. RESTRUCTURING AND OTHER ACTIVITIES

In 2022, we initiated restructuring activities to reflect the business operating model for GE HealthCare as a stand-alone company mostly involving workforce reductions, organizational realignments, and revisions to our real estate footprint. Specifically, restructuring and other charges primarily include facility exit costs, employee-related termination benefits associated with workforce reductions, asset write-downs, and cease-use costs. For segment reporting, restructuring and other activities are not allocated.

As a result of restructuring initiatives, we recorded expenses of $146 million, $155 million, and $134 million for the years ended December 31, 2022, 2021, and 2020, respectively. These restructuring initiatives are expected to result in additional expenses of approximately $82 million, to be incurred primarily in 2023, substantially related to employee-related separation and facility exit costs. Restructuring expenses are recognized within Cost of products, Cost of services, or Selling, general, and administrative, as appropriate, in the Combined Statements of Income.

Restructuring and Other Activities

	For the years ended December 31		
	2022	2021	2020
Employee termination costs	$ 74	$ 127	$ 108
Facility and other exit costs	46	20	11
Asset write-downs	26	8	15
Total restructuring and other activities	**$ 146**	**$ 155**	**$ 134**

In connection with the Separation, GE transferred employee termination costs for services already rendered of $31 million to GE HealthCare. These amounts are not included in the Combined Statements of Financial Position as of December 31, 2022.

Liabilities related to restructuring are recognized within All other current liabilities and All other liabilities in the Combined Statements of Financial Position and totaled $75 million and $58 million as of December 31, 2022 and 2021, respectively.

NOTE 16. SUPPLEMENTAL FINANCIAL INFORMATION

Inventories

	As of	
	December 31, 2022	December 31, 2021
Raw materials	$ 1,053	$ 900
Work in process	91	104
Finished goods	1,011	942
Inventories[a]	**$ 2,155**	**$ 1,946**

(a) Certain inventory items are long-term in nature and therefore have been recognized within All other assets in the Combined Statements of Financial Position. See the supplemental table for "All Other Current and Non-Current Assets" for further information.

Property, Plant, and Equipment – Net

As of December 31	Depreciable lives (in years)	Original Cost		Accumulated		Net Carrying Value	
		2022	2021	2022	2021	2022	2021
Land and improvements[a]	8	$ 70	$ 77	$ (1)	$ (1)	$ 69	$ 76
Buildings, structures and related equipment	8-40	1,889	1,756	(1,109)	(1,006)	780	750
Machinery and equipment[b]	4-20	2,541	2,466	(1,791)	(1,746)	750	720
Leasehold costs and manufacturing plants under construction	1-10	489	394	(87)	(63)	402	331
Property, plant, and equipment – net, exclusive of ROU operating lease assets		**$ 4,989**	**$ 4,693**	**$ (2,988)**	**$ (2,816)**	**$ 2,001**	**$ 1,877**
ROU operating lease assets[c]						313	358
Property, plant, and equipment – net						**$ 2,314**	**$ 2,235**

(a) Depreciable lives exclude land.
(b) Equipment leased to customers is classified as Machinery and equipment and is reported at cost less accumulated depreciation, and was $39 million and $40 million as of December 31, 2022 and 2021, respectively.
(c) See Note 7, "Leases" for further information.

During the fourth quarter of 2022, $57 million of Property, plant, and equipment – net transferred from GE to GE HealthCare related to the Separation. Depreciation and amortization related to Property, plant, and equipment – net was $228 million, $225 million, and $222 million for the years ended December 31, 2022, 2021, and 2020, respectively.

All Other Current and Non-Current Assets

	As of	
	December 31, 2022	December 31, 2021
Prepaid expenses and deferred costs	$ 163	$ 163
Financing receivables – net	97	99
Derivative instruments	63	87
Other[a]	94	88
All other current assets	**$ 417**	**$ 437**
Equity method and other investments	322	341
Financing receivables – net	196	186
Long-term receivables – net	145	138
Long-term inventories	104	123
Long-term contract and other deferred assets	119	96
Other[b]	138	163
All other non-current assets	**$ 1,024**	**$ 1,047**

(a) Current Other primarily consists of miscellaneous deferred charges.
(b) Non-current Other primarily consists of long-term prepaid expenses, pension and other postretirement benefit plans with a surplus funded status, and advances to suppliers.

Equity Method Investments

		Equity method investment balance		Equity method income (loss)		
As of December 31	Ownership Percentage	2022	2021	2022	2021	2020
Nihon Medi-Physics Limited	50%	$ 162	$ 200	$ 16	$ 22	$ 8
Other		20	23	(3)	5	(1)
Total		**$ 182**	**$ 223**	**$ 13**	**$ 27**	**$ 7**

All Other Current and Non-Current Liabilities

	As of	
	December 31, 2022	December 31, 2021
Employee compensation and benefit liabilities[a]	$ 853	$ 884
Sales allowances, equipment projects, and other commercial liabilities	296	302
Uncertain and other income taxes and related liabilities	237	245
Product warranties	193	161
Accrued freight and utilities	150	118
Operating lease liabilities	104	104
Derivative instruments	86	56
Environmental and asset retirement obligations	34	35
Other[b]	237	257
All other current liabilities	**$ 2,190**	**$ 2,162**
Non-current contract liabilities	630	632
Operating lease liabilities	243	262
Environmental and asset retirement obligations	251	238
Uncertain and other income taxes and related liabilities	182	133
Finance lease obligations	39	34
Sales allowances, equipment projects, and other commercial liabilities	36	30
Other[c]	222	155
All other non-current liabilities	**$ 1,603**	**$ 1,484**

(a) Employee compensation and benefit liabilities primarily consists of accrued payroll, commissions, employee compensation and benefits, and pension and other postretirement benefit obligations.
(b) Current Other primarily consists of miscellaneous accrued costs and interest payable.
(c) Non-current Other primarily consists of liabilities related to derivative instruments.

REDEEMABLE NONCONTROLLING INTERESTS.

The Company has noncontrolling interests with redemption features. These redemption features, such as put options, could require the Company to purchase the noncontrolling interests upon the occurrence of certain events, such as a change of control of the Company. All noncontrolling interests with redemption features that are not solely within our control are recognized within the Combined Statements of Financial Position between liabilities and equity. Redeemable noncontrolling interests are initially recorded at the issuance date fair value. Those that are currently redeemable or probable of becoming redeemable are subsequently adjusted to the greater of current redemption value or initial carrying value. As of December 31, 2022, the Company does not believe it is probable the redemption features related to these noncontrolling interests will be triggered. In particular, a change of control is generally not considered probable until it occurs. As such, these noncontrolling interests have not been remeasured to redemption value.

As of January 3, 2023, certain redeemable noncontrolling interests are considered probable of becoming redeemable due to the change of control that occurred upon consummation of the Separation. At the time of the Separation, these redeemable noncontrolling interests were remeasured to their current redemption value resulting in incremental redemption value of $176 million.

The activity attributable to redeemable noncontrolling interests for the years ended December 31, 2022, 2021, and 2020 is presented below.

Redeemable Noncontrolling Interests

	2022	2021	2020
Balance as of January 1	$ 220	$ 223	$ 217
Net income attributable to redeemable noncontrolling interests	47	39	48
Distributions to and exercise of redeemable noncontrolling interests	(37)	(42)	(42)
Balance as of December 31	**$ 230**	**$ 220**	**$ 223**

Other Income (Expense) – Net

	For the years ended December 31		
	2022	2021	2020
Net interest and investment (expense) income	$ (9)	$ 34	$ 49
Equity method investment income	13	27	7
Other items, net[(a)]	58	62	5
Total other income (expense) – net	**$ 62**	**$ 123**	**$ 61**

(a) Other items, net primarily consists of licensing and royalty income and gains and losses related to derivatives.

NOTE 17. RELATED PARTIES

Prior to the Separation, GE provided the Company with significant corporate infrastructure and shared services. Some of these services will continue to be provided by GE to the Company on a temporary basis under the Transition Services Agreement. See Note 19, "Subsequent Events" for further information. Accordingly, as described in Note 1, "Organization and Basis of Presentation," certain corporate and shared costs have been charged on the basis of direct usage by the Company as follows:

(a) Employees of the Company participated in pensions and benefit plans that were sponsored by GE. The Company was charged $207 million, $237 million, and $296 million for the years ended December 31, 2022, 2021, and 2020, respectively. These costs were charged directly to the Company based on the specific employee eligibility for those benefits. See Note 10, "Postretirement Benefit Plans" for further information.

(b) GE granted various employee benefits to its group employees, including those of the Company, under the GE Long-Term Incentive Plan. These benefits primarily included stock options and restricted stock units. Compensation expense associated with this plan was $67 million, $76 million, and $80 million for the years ended December 31, 2022, 2021, and 2020, respectively, which are included primarily in Selling, general, and administrative in the Combined Statements of Income. These costs were charged directly to the Company based on the specific employees receiving awards.

Additionally, certain GE Corporate Costs were charged to the Company based on allocation methodologies as follows:

(a) Centralized services such as public relations, investor relations, treasury and cash management, executive management, security, government relations, community outreach, and corporate internal audit services were charged to the Company on a pro rata basis of GE's estimates of each company's usage at the beginning of the fiscal year. Costs of $42 million, $56 million, and $67 million for the years ended December 31, 2022, 2021, and 2020, respectively, were recognized within Selling, general, and administrative in the Combined Statements of Income.

(b) Costs associated with employee medical insurance totaling $122 million, $132 million, and $137 million for the years ended December 31, 2022, 2021, and 2020, respectively, were charged to the Company based on employee headcount and are recognized within Cost of products, Cost of services, Selling, general, and administrative, or Research and development in the Combined Statements of Income based on the employee population.

(c) Information technology, finance, insurance, research, supply chain, human resources, tax, and facilities activities were charged to the Company based on headcount, revenue, or other allocation methodologies. The Company incurred expenses for these services of $457 million, $455 million, and $503 million for the years ended December 31, 2022, 2021, and 2020, respectively, which are primarily included in Selling, general, and administrative and Research and development in the Combined Statements of Income.

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Management believes that the expense and cost allocations have been determined on a basis that is a reasonable reflection of the utilization of services provided or the benefit received by the Company during 2022, 2021, and 2020. The amounts that would have been, or will be incurred, on a stand-alone basis could materially differ from the amounts allocated due to economies of scale, difference in management judgment, a requirement for more or fewer employees, or other factors. Management does not believe, however, that it is practicable to estimate what these expenses would have been had the Company operated as an independent entity, including any expenses associated with obtaining any of these services from unaffiliated entities. In addition, the future results of operations, financial position, and cash flows could differ materially from the historical results presented herein.

The Company participates in factoring programs, the majority of which were discontinued in 2021. The Company factored U.S. and non-U.S. receivables through WCS on a recourse and nonrecourse basis pursuant to various factoring and servicing agreements. See Note 5, "Receivables" for further information.

The Company historically participated in centralized GE Treasury programs. The arrangement was not reflective of the manner in which the Company would have financed its operations had it been a stand-alone business separate from GE during the periods presented. Long-term intercompany financing, including strategic financing and centralized cash management arrangements, were used to fund expansion or certain working capital needs. All adjustments relating to certain transactions among the Company and GE or GE entities, which include the transfer of the balance of cash to GE, transfer of the balance of cash held in centralized cash management arrangements to GE, settlement of certain intercompany debt between the Company and GE or GE entities, and pushdown of all costs of doing business that were paid on behalf of the Company by GE or GE entities, were excluded from the asset and liability balances in the Combined Statements of Financial Position. These amounts have instead been reported within Net parent investment as a component of equity in the Combined Statements of Financial Position. As of December 31, 2022 and 2021, respectively, net related party receivables of $97 million and $195 million were reclassified to Net parent investment in the Combined Statements of Financial Position.

The Company's related party revenues were not significant for the years ended December 31, 2022, 2021, and 2020. The majority of related party revenues were generated from sales made to former GE industrial business units.

NOTE 18. DISCONTINUED OPERATIONS

In February 2019, we announced an agreement to sell our BioPharma business to Danaher Corporation. On March 31, 2020, we completed the sale for $20,718 million, after certain working capital adjustments. The consideration consisted of $20,301 million in cash and $417 million of pension liabilities that were assumed by Danaher Corporation. The Combined Statements of Income present the results of the BioPharma business as discontinued operations in the historical periods prior to sale, as further disclosed below.

Results of Discontinued Operations

	For the years ended December 31		
	2022	2021	2020
Sales of products	$ —	$ —	$ 785
Sales of services	—	—	45
Total revenues	**—**	**—**	**830**
Cost of products	—	—	230
Cost of services	—	—	28
Selling, general, and administrative	—	—	142
Research and development	—	—	44
Operating income of discontinued operations	—	—	386
Non-operating income (loss)[(a)]	—	—	(7)
Gain on disposal	6	16	12,782
Income of discontinued operations, before income taxes	6	16	13,161
Benefit (provision) for income taxes	12	2	(1,317)
Income from discontinued operations, net of taxes	**$ 18**	**$ 18**	**$ 11,844**
Less net (loss) attributable to noncontrolling interests	—	—	(5)
Income of discontinued operations, net of taxes and amounts attributable to noncontrolling interests	**$ 18**	**$ 18**	**$ 11,839**

(a) Non-operating income (loss) includes Interest and other financial charges – net, Non-operating benefit (income) costs, and Other (income) expense – net related to the discontinued operations of the BioPharma business.

NOTE 19. SUBSEQUENT EVENTS

On January 3, 2023, the Separation was completed through the Distribution of approximately 80.1% of outstanding shares of the Company to GE shareholders who held shares of GE common stock as of the close of business on December 16, 2022, the record date for the Distribution. As a result of the Distribution, GE stockholders received one share of the Company's common stock for every three shares of GE common stock. On January 4, 2023, the Company began trading as an independent, publicly traded company under the stock symbol "GEHC" on the Nasdaq Stock Market LLC.

In connection with the Separation, the Company entered into or adopted several agreements that provide a framework for the relationship between the Company and GE, including, but not limited to the following:

- *Separation and Distribution Agreement* – sets forth the principal actions to be taken in connection with the Separation, including the transfer of assets and assumption of liabilities, and establishes certain rights and obligations between the Company and GE following the Distribution, including procedures with respect to claims subject to indemnification and related matters.
- *Transition Services Agreement* – governs all matters relating to the provision of services between the Company and GE on a transitional basis. The services the Company receives include support for digital technology, human resources, supply chain, finance, and real estate services, among others. The services generally commenced on the date of the Separation and will terminate up to 36 months following the Distribution Date depending upon the related transitional service.
- *Tax Matters Agreement ("TMA")* – governs the respective rights, responsibilities, and obligations between the Company and GE with respect to all tax matters (excluding employee-related taxes covered under the Employee Matters Agreement), in addition to certain restrictions which generally prohibit us from taking or failing to take any action in the two-year period following the Distribution that would prevent the Distribution from qualifying as tax-free for U.S. federal income tax purposes, including limitations on our ability to pursue certain strategic transactions. The TMA specifies the portion of tax liability for which the Company will bear contractual responsibility, and the Company and GE will each agree to indemnify each other against any amounts for which such indemnified party is not responsible.
- *Employee Matters Agreement* – addresses certain employment, compensation, and benefits matters, including the allocation of employees between the Company and GE and the allocation and treatment of certain assets and liabilities relating to our employees and former employees.

- *Adoption of Incentive Plans* – adopted (a) the GE HealthCare 2023 Long-Term Incentive Plan (the "GE HealthCare LTIP") and (b) the GE HealthCare Mirror 2022 Long-Term Incentive Plan, the GE HealthCare Mirror 2007 Long-Term Incentive Plan and the GE HealthCare Mirror 1990 Long-Term Incentive Plan (collectively, the "GE HealthCare Mirror LTIPs"), in each case, effective as of the Distribution Date. The GE HealthCare Mirror LTIPs were adopted to assume the converted stock options and RSUs (including performance stock units) held by employees of GE HealthCare or one of its subsidiaries and corporate and former employees of GE or one of its subsidiaries, including those held by our executive officers, in each case as a result of the Spin-Off. Grants of equity awards made after the Spin-Off to our executive officers and other employees will be made under the GE HealthCare LTIP. The GE HealthCare LTIP and the GE HealthCare Mirror LTIPs became effective as of the Distribution Date.

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As a result of the Separation, the Company will record certain spin-off related transactions during the first quarter of 2023, including, but not limited to the following:

- Deferred compensation arrangements - GE transferred obligations related to deferred compensation arrangements for non-GE HealthCare employees of $525 million to GE HealthCare. We did not record any liabilities associated with these obligations in our Combined Statements of Financial Position as of December 31, 2022 and 2021. In January 2023, the Company entered into non-designated hedges that are intended to serve as economic hedges for the deferred compensation arrangements that are exposed to stock market volatility. The gross notional amount of the hedges was $224 million.

- Income taxes - GE transferred additional deferred income taxes to the Company. The amounts assumed by the Company are primarily tax attributes of approximately $1,700 million to $2,200 million that were not part of the Company's stand-alone operations and approximately $958 million of deferred income taxes related to pension plans transferred to the Company; see Note 10, "Postretirement Benefit Plans" for further information. There was also approximately $516 million of deferred income tax liabilities on unrecognized gains to be recorded in AOCI related to pension plans transferred to the Company. These amounts are not included in the Combined Statements of Financial Position as of December 31, 2022 and 2021. There may be changes to these amounts to reflect realizability and measurement conclusions on a GE HealthCare basis.

Following the Separation, the Company has remaining performance guarantees on behalf of GE. Under the Separation and Distribution Agreement, GE is obligated to use reasonable best efforts to replace the Company as the guarantor or terminate all such performance guarantees. Until such termination or replacement, in the event of non-fulfillment of contractual obligations by the relevant obligors, the Company could be obligated to make payments under the applicable instruments for which GE is obligated to reimburse and indemnify the Company. As of January 3, 2023, the Company's maximum aggregate exposure, subject to GE reimbursement, is approximately $164 million. In addition, GE has agreed to fund on behalf of the Company certain technology costs of approximately $75 million expected to occur within one year from the Separation.

On February 1, 2023, our Board of Directors approved a one-time equity grant of approximately $100 million, including approximately 1.5 million stock options and 0.8 million restricted stock units of GE HealthCare Technologies Inc. to approximately 8,200 employees. The stock options and restricted stock units were valued based on the share price as of the close of trading on February 1, 2023, and will vest 50% on February 1, 2025, and 50% on February 1, 2026.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

EVALUATION OF DISCLOSURE CONTROLS AND PROCEDURES.

Under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, we conducted an evaluation of our disclosure controls and procedures as defined under Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended ("Exchange Act"). Based on this evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective as of December 31, 2022 to provide reasonable assurance that information required to be disclosed in our reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC rules and forms and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING.

This Annual Report does not include a report of management's assessment regarding internal control over financial reporting or an attestation report of our registered public accounting firm due to a transition period established by rules of the SEC for newly public companies.

CHANGES IN INTERNAL CONTROL OVER FINANCIAL REPORTING.

There were no changes in our internal control over financial reporting that occurred during the quarter ended December 31, 2022 that materially affected or are reasonably likely to materially affect our internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

None.

ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not applicable.

PART III
ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The information required under this item, with the exception of "Information About Our Executive Officers" and "Ethics and Governance" located under Item 1 of this Annual Report on Form 10-K, is incorporated by reference to the Company's definitive proxy statement pursuant to Regulation 14A, which proxy statement will be filed with the Securities and Exchange Commission no later than 120 days after the close of the Company's fiscal year ended December 31, 2022.

ITEM 11. EXECUTIVE COMPENSATION

The information required under this item is incorporated by reference to the Company's definitive proxy statement pursuant to Regulation 14A, which proxy statement will be filed with the Securities and Exchange Commission no later than 120 days after the close of the Company's fiscal year ended December 31, 2022.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The information required under this item is incorporated by reference to the Company's definitive proxy statement pursuant to Regulation 14A, which proxy statement will be filed with the Securities and Exchange Commission no later than 120 days after the close of the Company's fiscal year ended December 31, 2022.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

The information required under this item is incorporated by reference to the Company's definitive proxy statement pursuant to Regulation 14A, which proxy statement will be filed with the Securities and Exchange Commission no later than 120 days after the close of the Company's fiscal year ended December 31, 2022.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

The information required under this item is incorporated by reference to the Company's definitive proxy statement pursuant to Regulation 14A, which proxy statement will be filed with the Securities and Exchange Commission no later than 120 days after the close of the Company's fiscal year ended December 31, 2022.

PART IV
ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

Exhibit Numbers	Exhibit Description
2.1	Separation and Distribution Agreement, dated November 7, 2022, by and between General Electric Company and the Registrant, as amended (incorporated by reference to Exhibit 2.1 to the Registrant's Current Report on Form 8-K filed with the SEC on January 4, 2023).†
3.1	Certificate of Incorporation of the Registrant (incorporated by reference to Exhibit 3.1 to the Registrant's Current Report on Form 8-K filed with the SEC on December 29, 2022).
3.2	Bylaws of the Registrant (incorporated by reference to Exhibit 3.2 to the Registrant's Current Report on Form 8-K filed with the SEC on December 29, 2022).
4.1	Base Indenture, dated as of November 22, 2022, among GE HealthCare Holding LLC, General Electric Company, as guarantor, and The Bank of New York Mellon, as trustee (incorporated by reference to Exhibit 4.1 of General Electric Company's Current Report on Form 8-K filed with the SEC on November 23, 2022).
4.2	First Supplemental Indenture, dated as of November 22, 2022, between GE HealthCare Holding LLC and The Bank of New York Mellon, as trustee (incorporated by reference to Exhibit 4.2 of General Electric Company's Current Report on Form 8-K filed with the SEC on November 23, 2022).
4.3	Registration Rights Agreement, dated as of November 22, 2022, among GE HealthCare Holding LLC, BofA Securities, Inc., and Morgan Stanley & Co. LLC (incorporated by reference to Exhibit 4.3 of General Electric Company's Current Report on Form 8-K filed with the SEC on November 23, 2022).
4.4	Description of Securities.
10.1	Transition Services Agreement, dated January 2, 2023, by and between General Electric Company and the Registrant (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed with the SEC on January 4, 2023).†
10.2	Tax Matters Agreement, dated January 2, 2023, by and between General Electric Company and the Registrant (incorporated by reference to Exhibit 10.2 to the Registrant's Current Report on Form 8-K filed with the SEC on January 4, 2023).†
10.3	Employee Matters Agreement, dated January 2, 2023, by and between General Electric Company and the Registrant (incorporated by reference to Exhibit 10.3 to the Registrant's Current Report on Form 8-K filed with the SEC on January 4, 2023).
10.4	Trademark License Agreement, dated December 31, 2022, by and between General Electric Company and GE HealthCare Imaging Holding Inc. (incorporated by reference to Exhibit 10.4 to the Registrant's Current Report on Form 8-K filed with the SEC on January 4, 2023).†
10.5	Real Estate Matters Agreement, dated January 2, 2023, by and between General Electric Company and the Registrant (incorporated by reference to Exhibit 10.5 to the Registrant's Current Report on Form 8-K filed with the SEC on January 4, 2023).
10.6	Stockholder and Registration Rights Agreement, dated January 2, 2023, by and between General Electric Company and the Registrant (incorporated by reference to Exhibit 10.6 to the Registrant's Current Report on Form 8-K filed with the SEC on January 4, 2023).†
10.7	Form of Indemnification Agreement (incorporated by reference to Exhibit 10.7 to the Registrant's Form 10 filed with the SEC on October 11, 2022).
10.8	Term Loan Agreement, dated as of November 4, 2022, by and among GE HealthCare Holding LLC, as the borrower, the lenders from time to time party thereto and Citibank, N.A., as administrative agent (incorporated by reference to Exhibit 10.8 to the Registrant's Amendment No.1 to Form 10 filed with the SEC on November 7, 2022).
10.9	364-Day Revolving Credit Agreement, dated as of November 4, 2022, by and among GE HealthCare Holding LLC, as the borrower, the lenders from time to time party thereto and Citibank, N.A., as administrative agent (incorporated by reference to Exhibit 10.9 to the Registrant's Amendment No. 1 to form 10 filed with the SEC on November 7, 2022).
10.10	Credit Agreement, dated as of November 4, 2022, by and among the Registrant, as the borrower, the lenders from time to time party thereto and Citibank, N.A., as administrative agent (incorporated by reference to Exhibit 10.10 to the Registrant's Amendment No. 1 to Form 10 filed with the SEC on November 7, 2022).
10.11	GE HealthCare 2023 Long-Term Incentive Plan.
10.12	GE HealthCare Mirror 2022 Long-Term Incentive Plan (incorporated by reference to Exhibit 10.12 of the Registrant's Registration Statement on Form S-1 filed with the SEC on December 14, 2022).
10.13	GE HealthCare Mirror 2007 Long-Term Incentive Plan (incorporated by reference to Exhibit 10.13 of the Registrant's Registration Statement on Form S-1 filed with the SEC on December 14, 2022).

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10.14	GE HealthCare Mirror 1990 Long-Term Incentive Plan (incorporated by reference to Exhibit 10.14 of the Registrant's Registration Statement on Form S-1 filed with the SEC on December 14, 2022).
10.15	Offer Letter with Peter J. Arduini, dated June 15, 2021 (incorporated by reference to Exhibit 10.15 to the Registrant's Amendment No. 1 to form 10 filed with the SEC on November 7, 2022).
10.16	Amended Offer Letter with Peter J. Arduini, dated November 16, 2022 (incorporated by reference to Exhibit 10.16 to the Registrant's Amendment No. 2 to Form 10 filed with the SEC on November 18, 2022).
10.17	Settlement Agreement with Kieran Murphy, dated December 21, 2021 (incorporated by reference to Exhibit 10.16 to the Registrant's Amendment No. 1 to Form 10 filed with the SEC on November 7, 2022).
10.18	Performance Share Grant Agreement for H. Lawrence Culp, Jr., dated August 18, 2020 (incorporated by reference to Exhibit 10.17 to the Registrant's Amendment No. 1 to Form 10 filed with the SEC on November 7, 2022).
10.19	Notice of Adjustment to the Performance Share Grant Agreement for H. Lawrence Culp, Jr., effective July 30, 2021 (incorporated by reference to Exhibit 10.18 to the Registrant's Amendment No. 1 to Form 10 filed with the SEC on November 7, 2022).
10.20	Performance Stock Unit Grant Agreement for Peter J. Arduini, dated February 23, 2022 (incorporated by reference to Exhibit 10.19 to the Registrant's Amendment No. 1 to Form 10 filed with the SEC on November 7, 2022).
10.21	GE HealthCare Annual Executive Incentive Plan (incorporated by reference to Exhibit 10.20 to the Registrant's Amendment No. 1 to Form 10 filed with the SEC on November 7, 2022).
10.22	GE HealthCare Restoration Plan (incorporated by reference to Exhibit 10.21 to the Registrant's Amendment No. 1 to Form 10 filed with the SEC on November 7, 2022).
10.23	GE HealthCare U.S. Executive Severance Plan (incorporated by reference to Exhibit 10.22 to the Registrant's Amendment No. 1 to Form 10 filed with the SEC on November 7, 2022).
21.1	Subsidiaries of the Registrant.
23.1	Consent of KPMG LLP, Independent Registered Public Accounting Firm.
23.2	Consent of Deloitte & Touche LLP, Independent Registered Public Accounting Firm.
31.1	Certification of the Registrant's Chief Executive Officer pursuant to Rule 13a-14(a)/15d-14(a) of the Securities Exchange Act of 1934, as amended, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of the Registrant's Chief Financial Officer pursuant to Rule 13a-14(a)/15d-14(a) of the Securities Exchange Act of 1934, as amended, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certifications of the Registrant's Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
104	Cover Page Interactive Data File (formatted as Inline XBRL).
†	Certain portions of this exhibit have been redacted pursuant to Item 601(b)(2)(ii) and Item 601(b)(10)(iv) of Regulation S-K, as applicable. The Company agrees to furnish supplementally an unredacted copy of the exhibit to the Securities and Exchange Commission upon its request.

ITEM 16. FORM 10-K SUMMARY

Registrants may voluntarily include a summary of information required by Form 10-K under this Item 16. The Company has elected to not include such summary information.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, on February 15, 2023.

GE HealthCare Technologies Inc.

By: /s/ Helmut Zodl

Name: Helmut Zodl

Title: Chief Financial Officer

(Principal Financial Officer)

20230703016843

Pursuant to the requirements of the Securities Exchange Act of 1934, this Report has been signed below by the following persons on behalf of the Registrant and in the capacities indicated on February 15, 2023.

Signature	Title
/s/ Peter J. Arduini Peter J. Arduini	Chief Executive Officer and Director (Principal Executive Officer)
/s/ Helmut Zodl Helmut Zodl	Chief Financial Officer (Principal Financial Officer)
/s/ George A. Newcomb George A. Newcomb	Chief Accounting Officer (Principal Accounting Officer)
/s/ H. Lawrence Culp, Jr. H. Lawrence Culp, Jr.	Chairman of the Board of Directors
/s/ Rodney F. Hochman Rodney F. Hochman	Director
/s/ Lloyd W. Howell, Jr. Lloyd W. Howell, Jr.	Director
/s/ Catherine Lesjak Catherine Lesjak	Director
/s/ Anne T. Madden Anne T. Madden	Director
/s/ Tomislav Mihaljevic Tomislav Mihaljevic	Director
/s/ Risa Lavizzo-Mourey Risa Lavizzo-Mourey	Director
/s/ William J. Stromberg William J. Stromberg	Director
/s/ Phoebe L. Yang Phoebe L. Yang	Director

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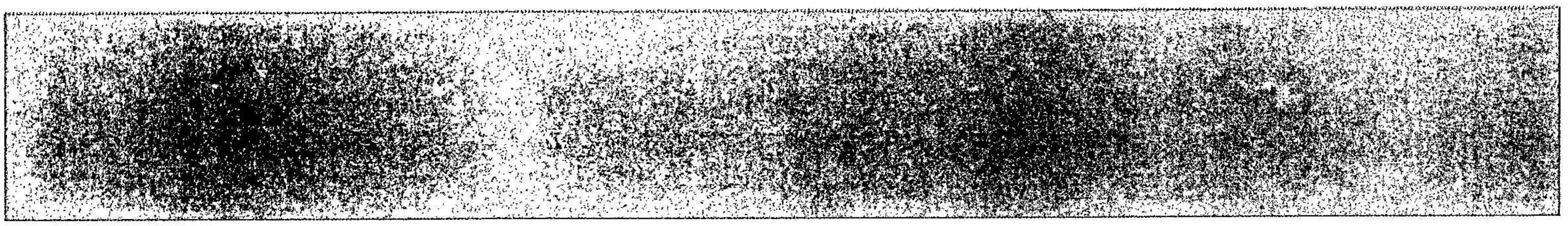

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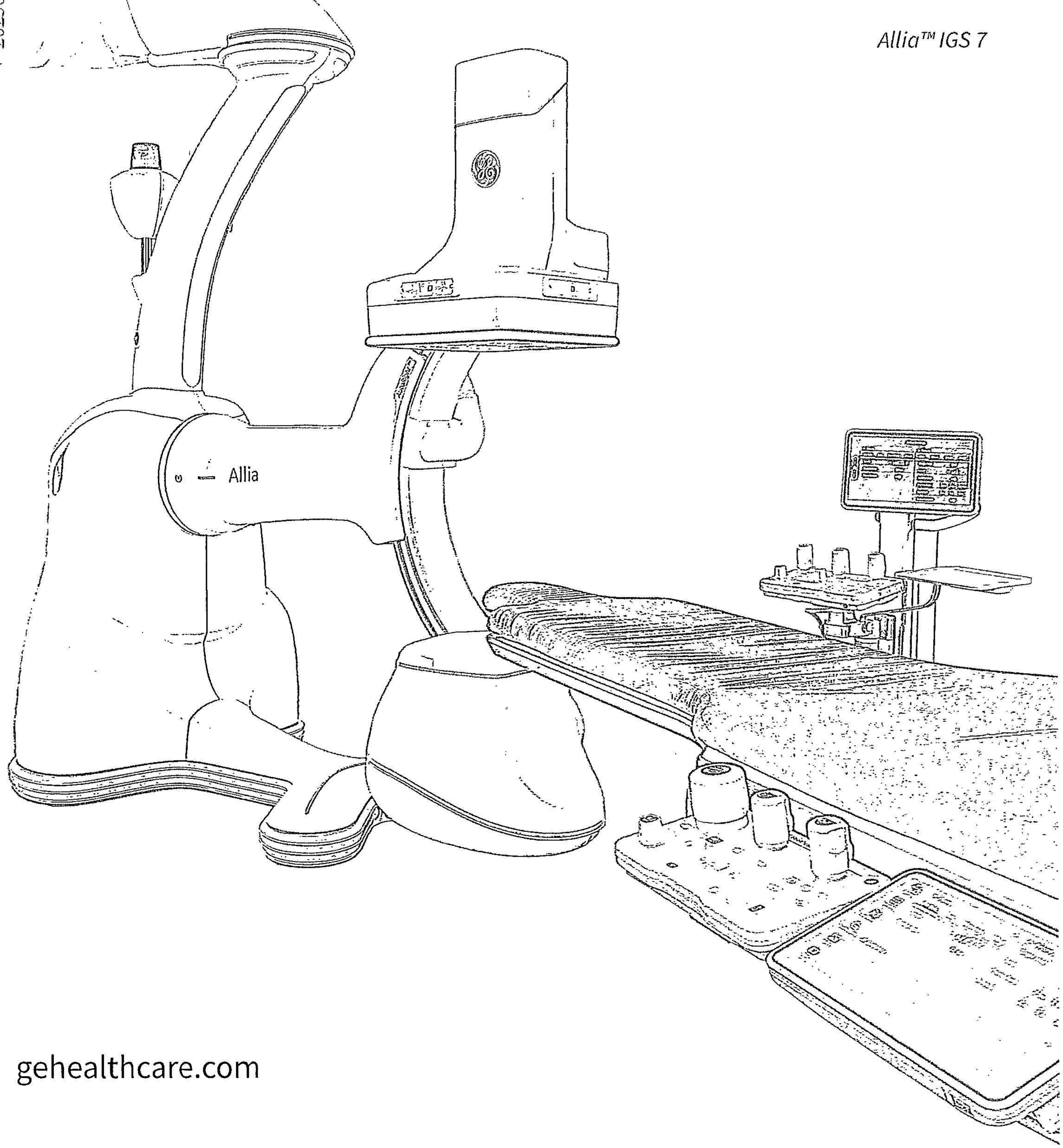

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Top photo
Dr. Sanjay Pattani, MD MHSA, FACEP, Associate Chief Medical Officer, AdventHealth Central Florida Division, is pictured inside AdventHealth's Mission Control in Orlando, Florida. Mission Control orchestrates access, capacity, and resources for AdventHealth's eight Orlando-area hospitals using "live-time" insights from GE HealthCare's Command Center software platform for faster, more informed decisions and better patient experience.

Lower left photo
Introduced in October 2022, Omni Legend is a fast-selling all-digital PET/CT system with clear images and greater sensitivity that provides clinicians with more diagnostic confidence. Omni Legend is CE marked and 510(k)-cleared by the U.S. FDA.

Lower right photo
Care teams collaborate using Patient Manager to streamline multidisciplinary rounds and proactively identify and resolve discharge barriers. Patient Manager is the most widely used "Tile" or application on GE HealthCare's Command Center software platform.

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