Confidential Treatment Requested by NPTG Holdings Corporation
Pursuant to 17 C.F.R. Section 200.83

As Confidentially Submitted to the Securities and Exchange Commission on December 17, 2024

File No.

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10

GENERAL FORM FOR REGISTRATION OF SECURITIES
Pursuant to Section 12(b) or (g) of
the Securities Exchange Act of 1934

NPTG Holdings Corporation

(Exact name of Registrant as specified in its charter)

Delaware	**99-5127620**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
6920 Seaway Blvd **Everett, WA**	**98203**
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code:
(425) 446-5000

Securities to be registered pursuant to Section 12(b) of the Act:

Title of each class to be so registered	Name of each exchange on which each class is to be registered
Common Stock, par value $0.01 per share	**New York Stock Exchange**

Securities to be registered pursuant to Section 12(g) of the Act: **None**

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 the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

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 7(a)(2)(B) of the Securities Act. ☐

NPTG HOLDINGS CORPORATION

INFORMATION REQUIRED IN REGISTRATION STATEMENT
CROSS-REFERENCE SHEET BETWEEN INFORMATION STATEMENT AND ITEMS OF FORM 10

Certain information required to be included in this Form 10 is incorporated by reference to specifically-identified portions of the body of the information statement filed herewith as Exhibit 99.1. None of the information contained in the information statement shall be incorporated by reference herein or deemed to be a part hereof unless such information is specifically incorporated by reference.

Item 1. ***Business.***

The information required by this item is contained under the sections of the information statement entitled “Information Statement Summary,” “Risk Factors,” “Cautionary Statement Concerning Forward-Looking Statements,” “The Separation and Distribution,” “Description of Material Indebtedness,” “Capitalization,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” “Business,” “Certain Relationships and Related Person Transactions,” “Material U.S. Federal Income Tax Consequences” and “Where You Can Find More Information.” Those sections are incorporated herein by reference.

Item 1A. ***Risk Factors.***

The information required by this item is contained under the sections of the information statement entitled “Risk Factors” and “Cautionary Statement Concerning Forward-Looking Statements.” Those sections are incorporated herein by reference.

Item 2. ***Financial Information.***

The information required by this item is contained under the sections of the information statement entitled “Summary Historical and Unaudited Pro Forma Combined Financial Data,” “Unaudited Pro Forma Combined Financial Statements” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations.” Those sections are incorporated herein by reference.

Item 3. ***Properties.***

The information required by this item is contained under the sections of the information statement entitled “Information Statement Summary,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Business.” Those sections are incorporated herein by reference.

Item 4. ***Security Ownership of Certain Beneficial Owners and Management.***

The information required by this item is contained under the sections of the information statement entitled “Management” and “Security Ownership of Certain Beneficial Owners and Management.” Those sections are incorporated herein by reference.

Item 5. ***Directors and Executive Officers.***

The information required by this item is contained under the section of the information statement entitled “Management.” That section is incorporated herein by reference.

Item 6. ***Executive Compensation.***

The information required by this item is contained under the section of the information statement entitled “Management” and “Executive and Director Compensation.” Those sections are incorporated herein by reference.

Item 7. ***Certain Relationships and Related Transactions, and Director Independence.***

The information required by this item is contained under the sections of the information statement entitled “Management,” “Certain Relationships and Related Person Transactions,” “Risk Factors — Risks

Related to the Separation and Our Relationship with Fortive" and "The Separation and Distribution." Those sections are incorporated herein by reference.

Item 8. ***Legal Proceedings.***

The information required by this item is contained under the section of the information statement entitled "Business — Legal Proceedings." That section is incorporated herein by reference.

Item 9. ***Market Price of, and Dividends on, the Registrant's Common Equity and Related Stockholder Matters.***

The information required by this item is contained under the sections of the information statement entitled "Information Statement Summary," "The Separation and Distribution," "Dividend Policy," "Management" and "Description of Capital Stock." Those sections are incorporated herein by reference.

Item 10. ***Recent Sales of Unregistered Securities.***

The information required by this item is contained under the sections of the information statement entitled "Information Statement Summary — [NewCo]'s Post-Separation Relationship with Fortive," "The Separation and Distribution," "Certain Relationships and Related Person Transactions" and "Description of Capital Stock." Those sections are incorporated herein by reference.

Item 11. ***Description of Registrant's Securities to be Registered.***

The information required by this item is contained under the sections of the information statement entitled "Dividend Policy," "The Separation and Distribution" and "Description of Capital Stock." Those sections are incorporated herein by reference.

Item 12. ***Indemnification of Directors and Officers.***

The information required by this item is contained under the section of the information statement entitled "Description of Capital Stock — Limitations on Liability, Indemnification of Officers and Directors and Insurance." That section is incorporated herein by reference.

Item 13. ***Financial Statements and Supplementary Data.***

The information required by this item is contained under the sections of the information statement entitled "Information Statement Summary — Summary Historical and Unaudited Pro Forma Combined Financial Data," "Unaudited Pro Forma Combined Financial Statements" and "Index to Financial Statements and Schedule" (and the financial statements and related notes referenced therein). Those sections and the financial statements and related notes referenced therein are incorporated herein by reference.

Item 14. ***Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.***

Not applicable.

Item 15. ***Financial Statements and Exhibits.***

(a) Financial Statements

The information required by this item is contained under the sections of the information statement entitled "Unaudited Pro Forma Combined Financial Statements," and "Index to Financial Statements" (and the financial statements and related notes referenced therein). Those sections and the financial statements and related notes referenced therein are incorporated herein by reference.

(b) Exhibits

The following documents are filed as exhibits hereto:

Exhibit Number	Exhibit Description
2.1*	Form of Separation and Distribution Agreement
3.1*	Form of Amended and Restated Certificate of Incorporation
3.2*	Form of Amended and Restated By-Laws
10.1*	Form of Transition Services Agreement
10.2*	Form of Tax Matters Agreement
10.3*	Form of Employee Matters Agreement
10.4*	Form of Intellectual Property Matters Agreement
10.5*	Form of FBS License Agreement
10.6*	Form of NPTG Holdings Corporation Stock Incentive Plan
21.1*	List of Subsidiaries
99.1**	Information Statement of NPTG Holdings Corporation, preliminary and subject to completion, dated [ ], 2025
99.2*	Form of Notice Regarding the Internet Availability of Information Statement Materials

* To be filed by amendment.

** Filed herewith.

SIGNATURES

Pursuant to the requirements of Section 12 of the Securities Exchange Act of 1934, the registrant has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized.

NPTG HOLDINGS CORPORATION

By: ______________________________

Name:
Title:

Date:

Exhibit 99.1

[ ], 2025

Dear Fortive Corporation Shareholder:

In September 2024, we announced our intention to separate our company into two independent, publicly traded companies, each with a focused business model and its own clear growth and capital allocation priorities.

The separation will occur through a distribution by Fortive of all of the outstanding shares of a newly formed company named [ ] (“[NewCo]”). [NewCo] will be a global technology company consisting of Fortive’s leading test and measurement and sensors and safety systems brands currently operating as the Precision Technologies segment. With unrivaled expertise in precision and reliability, [NewCo] will continue to pursue a focused strategy delivering customer-centric innovation in key secular growth industries, enabling engineers to advance technology and safeguard mission-critical applications. As a stand-alone entity, [NewCo] will leverage its industry-leading free cash flow generation to focus on returning capital to shareholders, as well as selectively pursuing acquisitions aligned to its core domain expertise and secular growth strategy.

Upon completion of this separation, Fortive will be a technology solutions company comprised of a leading portfolio of brands currently operating under Fortive’s Intelligent Operating Solutions (IOS) and Advanced Healthcare Solutions (AHS) business segments. These durable growth-oriented businesses, with approximately 50 percent recurring revenue, are aligned with significant long-term growth trends driven by the shift towards software-enabled workflows, the growing importance of connected devices and IoT offerings, rising productivity, safety and security requirements, and the demand for safer, high-quality healthcare globally. Fortive will focus on resilient, high-quality recurring growth by delivering productivity and safety solutions to customers across industrial and healthcare operating environments. With the separation, Fortive will be well positioned to continue to drive growth and profitability across its portfolio through a combination of organic compounding and execution of a focused and balanced capital allocation strategy, prioritizing M&A that enhances recurring revenue, growth, and free cash flow.

Further, in connection with the separation, we also announced exciting leadership changes aligned with our internal talent-development and succession plans. Upon completion of the separation, Olumide Soroye, currently President and CEO of our IOS and AHS segments, will become Fortive’s next President and CEO. Tami Newcombe, President and CEO of our PT segment, will assume the role of President and CEO of [NewCo]. Given their expertise, strategic and operational achievements, and passion for FBS, I, together with the other members of our Board, have the utmost confidence that Olumide and Tami’s leadership at their respective companies will deliver long-term value for stakeholders.

Benefits of the Separation

As standalone companies, Fortive and [NewCo] are each expected to benefit from:

- Enhanced management focus driven by individual board and management teams that leverage relevant expertise and are able to focus on strengthening each company;
- Tailored capital allocation strategies and the ability to make company-specific investment decisions to drive innovation and enhance growth and returns;
- The ability to pursue growth through selective M&A opportunities aligned to each company’s core strategy;
- Improved operational agility and focus, enabling each company to pursue its distinct operating priorities and strategies with increased flexibility, with a continued strong culture of continuous improvement, better positioning each for long-term success;

- Enhanced talent management, recruitment and retention, including the ability to attract and retain team members aligned with our more tailored business model and growth strategy; and
- The creation of distinct, compelling investment profiles, which will allow investors to more clearly understand the separate business models, financial profiles, strategies and investment identities of each company and invest in each based on a better appreciation of these characteristics.

We are confident that the separation builds on our track record of differentiated multi-year financial performance and will best position each company for the future to deliver enhanced value for all stakeholders.

What This Means For You

The separation will be in the form of a pro rata distribution of 100% of the outstanding shares of [NewCo] to holders of Fortive common stock. Each Fortive shareholder will receive share[s] of [NewCo] common stock for every share[s] of Fortive common stock held on , 2025, the record date for the distribution.

No vote of Fortive shareholders is required for the distribution. You do not need to take any action to receive shares of [NewCo] common stock to which you are entitled as a Fortive shareholder. You do not need to pay any consideration or surrender or exchange your shares of Fortive common stock to participate in the spin-off. The distribution is intended to be tax-free to Fortive shareholders for U.S. federal income tax purposes, except for any cash received by shareholders in lieu of fractional shares.

We encourage you to read the attached information statement, which is being provided to all Fortive shareholders who held shares on the record date for the distribution. The information statement describes the planned separation in detail and contains important business and financial information about [NewCo].

We believe the separation is a significant opportunity to create the strategic clarity at each company to deliver long-term value for all stakeholders. Further, the impactful contributions of our collective team members have set both companies on a path to success, which gives me great confidence in their future.

Sincerely,

James A. Lico
President and Chief Executive Officer
Fortive Corporation

[NewCo Logo/Name]

[ ] , 2025

Dear Future [NewCo] Shareholder:

It is my honor to welcome you as a [NewCo] shareholder. Together, we embark on an exciting journey to build an industry-leading business rooted in disciplined operational execution. We take immense pride in our heritage, our talented team, and our portfolio of leading brands that hold strong positions across critical industries. With a proven track record of operational and financial success, we are confident in our ability to deliver long-term value as we empower our customers with the precision technologies that drive breakthrough innovation in an electrified and digital world.

[NewCo] is a global technology leader dedicated to designing, developing, manufacturing, and servicing precision instruments and highly engineered solutions. Through our strategic segments — Test and Measurement and Sensors and Safety Systems — we empower engineers to advance breakthrough technologies and safeguard critical systems and help our customers bring next-generation technological advancements to the market faster and more efficiently. With over 150 years of operating experience and a legacy of customer trust, we are known for delivering innovative, high-quality products with the precision that mission-critical applications demand. Our expertise spans next-generation semiconductors, power electronics, energy storage systems, AI data centers, power grid, aero, defense, and space technologies, and industrial manufacturing to enable an intelligent, more connected future.

As a stand-alone company, we will benefit from our intensified focus on our strategic priorities. We are committed to a value-creation strategy that drives growth in key industries aligned with electrification and digitization, leveraging our globally recognized brands. We will continue our legacy of customer-centric innovation, partnering with our customers to achieve breakthroughs in next-generation technologies across industries. Our business model has resulted in sustained through-cycle growth, and we are committed to delivering a superior operating margin profile with strong free cash flow. Our strategy also includes a disciplined approach to capital return and deployment, along with selective acquisitions, all aimed at strengthening our leadership position.

How we do things is as important as what we achieve. Central to this philosophy is the [NewCo] Business System (“NBS”), our comprehensive set of processes and tools that originated from Danaher Corporation and have been rigorously applied and evolved at Fortive Corporation to continuously improve business performance in the critical areas of quality, delivery, cost, growth, and innovation. Our operating companies utilize NBS to drive sustainable improvements in product development, sales and marketing, supply chain and manufacturing efficiency. NBS is the foundation to our innovation and our culture of relentless execution and continuous improvement. We see NBS as a differentiator, as this ensures we deliver effective, measurable, and sustainable outcomes for our customers, employees, and shareholders.

I invite you to learn more about [NewCo] and our strategic initiatives in the attached information statement.

Sincerely,

Tamara Newcombe
President & Chief Executive Officer
[NewCo]

Preliminary and Subject to Completion, dated [ ], 2025

INFORMATION STATEMENT

[ ]

This information statement is being furnished in connection with the distribution by Fortive Corporation ("Fortive") to its shareholders of 100% of the outstanding shares of common stock of [NewCo], a wholly-owned subsidiary of Fortive that will hold, directly or indirectly, the assets and liabilities associated with Fortive's Precision Technologies business ("[NewCo]" or the "Company").

For every share of Fortive common stock held of record by you as of the close of business on , 2025, the record date for the distribution, you will receive share[s] of [NewCo] common stock. You will receive cash in lieu of any fractional shares of [NewCo] common stock that you would have received after application of the above ratio.

The distribution is intended to qualify as tax-free to Fortive shareholders for U.S. federal income tax purposes, except for any cash received in lieu of fractional shares.

No vote of Fortive shareholders is required for the distribution. Therefore, you are not being asked for a proxy, and you are requested not to send Fortive a proxy, in connection with the distribution. You do not need to pay any consideration, exchange or surrender your existing shares of Fortive common stock or take any other action to receive your shares of [NewCo] common stock.

There is no current trading market for [NewCo] common stock, although [NewCo] expects that a limited market, commonly known as a "when-issued" trading market, will develop on or shortly before the record date for the distribution, and [NewCo] expects "regular-way" trading of [NewCo] common stock to begin on the first trading day following the distribution. [NewCo] has applied to have its common stock authorized for listing on the New York Stock Exchange (the "NYSE") under the symbol "[ ]." Following the distribution, Fortive will continue to trade on the NYSE under the symbol "FTV."

In reviewing this information statement, you should carefully consider the matters described under the caption "Risk Factors" beginning on page 20.

Neither the U.S. Securities and Exchange Commission nor any state securities commission has approved or disapproved these securities or determined if this information statement is truthful or complete. Any representation to the contrary is a criminal offense.

This information statement does not constitute an offer to sell or the solicitation of an offer to buy any securities.

The date of this information statement is , 2025.

A Notice of Internet Availability of Information Statement Materials containing instructions describing how to access this information statement was first mailed to Fortive shareholders on or about [ ], 2025. This information statement will be mailed to Fortive's shareholders who previously elected to receive a paper copy of Fortive's materials.

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Presentation of Information

Unless the context otherwise requires, (i) references in this information statement to "[NewCo]," the "Company," "we," "us" and "our" refer to [ ], a Delaware corporation, and its consolidated subsidiaries after giving effect to the separation, (ii) references in this information statement to the "Precision Technologies business," "NEWCO" or the Company's historical business and operations refer to the business and operations of Fortive's Precision Technologies segment that will be transferred to the Company in connection with the separation and distribution and (iii) references in this information statement to "Fortive" and "Parent" refer to Fortive Corporation, a Delaware corporation, and its consolidated subsidiaries, unless the context otherwise requires.

In connection with the separation and distribution, we will enter into a series of transactions with Fortive pursuant to which Fortive will transfer the assets and liabilities of its Precision Technologies segment to us in exchange for shares of our common stock and a Cash Distribution, each as defined herein. As used herein, (i) the "separation" refers to the separation of the Precision Technologies business from Fortive and the creation of a separate, publicly traded company holding the Precision Technologies business and (ii) the "distribution" refers to the distribution of 100% of the shares of [NewCo] common stock owned by Fortive as of the record date to the Fortive shareholders. Except as otherwise indicated or unless the context otherwise requires, the information included in this information statement about [NewCo] assumes the completion of all of the transactions referred to in this information statement in connection with the separation and distribution.

Market, Industry and Other Data

Unless otherwise indicated, information contained in this information statement concerning our industry and the markets in which we operate, including our general expectations and market position, market opportunity and market share, is based on information from third-party sources and management estimates. Our management estimates are derived from publicly available information, our knowledge of our industry and assumptions based on such information and knowledge, which we believe to be reasonable. Our management estimates have not been verified by any independent source. In addition, assumptions and estimates of our and our industry's future performance are necessarily subject to a high degree of uncertainty and risk due to a variety of factors, including those described in "Risk Factors." These and other factors could cause future performance to differ materially from our assumptions and estimates. See "Cautionary Statement Concerning Forward-Looking Statements."

Trademarks and Trade Names

The name and mark, [NewCo], and other trademarks, trade names and service marks of the Company appearing in this information statement are our property or, as applicable, licensed to us, or, as applicable, are the property of Fortive. The name and mark, Fortive, and other trademarks, trade names and service marks of Fortive appearing in this information statement are the property of Fortive. This information statement also contains additional trade names, trademarks and service marks belonging to other companies. We do not intend our use or display of other parties' trademarks, trade names or service marks to imply, and such use or display should not be construed to imply, a relationship with, or endorsement or sponsorship of us by, these other parties.

QUESTIONS AND ANSWERS ABOUT THE SEPARATION AND DISTRIBUTION

What is [NewCo] and why is Fortive separating [NewCo]'s businesses and distributing [NewCo]'s stock?	[NewCo], which is currently a wholly-owned subsidiary of Fortive, was formed to hold Fortive's Precision Technologies business. The separation of [NewCo] from Fortive and the distribution of [NewCo] common stock are intended to create two separate, publicly traded companies that will be able to focus on each of their respective business strategies. The separation is expected to, among other things, allow each of Fortive and [NewCo] to have an independent corporate strategy and distinct profit drivers, allowing each company to effectively allocate its respective resources and manage its capital in line with its strategic priorities. Fortive and [NewCo] believe that the separation will result in enhanced long-term performance of each business for the reasons discussed in the sections entitled "The Separation and Distribution — Background" and "The Separation and Distribution — Reasons for the Separation."
Why am I receiving this document?	Fortive is delivering this document to you because you are a holder of record of shares of Fortive common stock. If you are a holder of Fortive common stock as of the close of business on , 2025, the record date of the distribution, you will be entitled to receive [ ] share[s] of [NewCo] common stock for every share of Fortive common stock that you held at the close of business on such date. This document will help you understand how the separation and distribution will affect your post-separation ownership of Fortive and us.
How will the separation of [NewCo] from Fortive work?	As part of the separation, and prior to the distribution, Fortive and its subsidiaries expect to complete an internal reorganization (which we refer to as the "internal reorganization") to transfer to [NewCo] the Precision Technologies business that [NewCo] will own following the separation. To accomplish the separation of [NewCo] into a separate, publicly-traded company, Fortive will distribute 100% of the outstanding shares of our common stock to Fortive shareholders on a pro rata basis in a distribution intended to be tax-free for U.S. federal income tax purposes, except for cash received in lieu of fractional shares.
What is the record date for the distribution?	The record date for the distribution will be , 2025.
When will the distribution occur?	It is expected that 100% of our common stock will be distributed by Fortive at [ ] [a.m.], Eastern Time, on , 2025, to holders of record of Fortive common stock at the close of business on , 2025, the record date for the distribution.
What do shareholders need to do to participate in the distribution?	Shareholders of Fortive as of the record date will not be required to take any action or pay any consideration to receive our common stock in the distribution, but you are urged to read this entire information statement carefully. Shareholder approval is not required, so if you do not want to receive our common stock in the distribution, you should sell your Fortive common stock prior to the record date for the distribution. The distribution will not affect the number of outstanding Fortive shares or any rights of Fortive shareholders, although it will affect the market value of each outstanding share of Fortive common stock.
How will shares of [NewCo] common stock be issued?	You will receive shares of [NewCo] common stock through the same or substantially similar channels that you currently use to hold or trade shares of Fortive common stock, whether through a brokerage account, 401(k) plan or other channel. Receipt of shares of [NewCo] common stock will be documented for you in substantially the same manner that you typically receive shareholder updates, such as monthly broker statements and 401(k) statements.

If you own shares of Fortive common stock as of the close of business on the record date, Fortive, with the assistance of Computershare Trust Company, N.A. ("Computershare"), the settlement and distribution agent, will electronically distribute shares of [NewCo] common stock to you or to your brokerage firm on your behalf by way of direct registration in book-entry form. Computershare will mail you a book-entry account statement that reflects your shares of our common stock, or your bank or brokerage firm will credit your account for the shares.

How many shares of [NewCo] common stock will I receive in the distribution?

Fortive will distribute to you share[s] of [NewCo] common stock for every share[s] of Fortive common stock held by you as of the record date for the distribution. Based on approximately shares of Fortive common stock outstanding as of , 2025, [NewCo] expects that a total of approximately shares of [NewCo] common stock will be distributed to Fortive's shareholders. For additional information on the distribution, see the section entitled "The Separation and Distribution."

Will [NewCo] issue fractional shares of its common stock in the distribution?

No. We will not issue fractional shares of our common stock in the distribution. The receipt of cash in lieu of fractional shares is described in the section entitled "Material U.S. Federal Income Tax Consequences."

What are the conditions to the distribution?

The Fortive board of directors must give its final approval of the distribution and the following conditions must be satisfied (or waived by the Fortive board of directors):

- the transfer of assets and liabilities to us in accordance with the separation agreement will have been completed, other than any assets and liabilities intended to transfer after the distribution pursuant to the separation agreement;
- the receipt by Fortive and continuing validity of a private letter ruling from the Internal Revenue Service (the "IRS") and an opinion of its outside tax counsel, in each case, satisfactory to the Fortive board of directors, regarding the qualification of the distribution, together with certain related transactions, as a "reorganization" within the meaning of Sections 368(a)(1)(D) and 355 of the Internal Revenue Code of 1986, as amended (the "Code"), and which ruling and opinion shall not have been withdrawn, rescinded, or modified in any material respect;
- the making of a cash distribution of approximately $ billion (the "Cash Distribution") from [NewCo] to Fortive as partial consideration for the contribution of assets to [NewCo] by Fortive in connection with the separation, and the determination by Fortive in its sole and absolute discretion that following the separation, Fortive will have no further liability or obligation whatsoever with respect to any of the financing arrangements that [NewCo] will be entering into in connection with the separation;
- the U.S. Securities and Exchange Commission (the "SEC") will have declared effective the registration statement on Form 10 of which this information statement forms a part, no stop order suspending the effectiveness of the registration statement will be in effect, no proceedings for such purpose will be pending before or threatened by the SEC and this information statement will have been made available to Fortive shareholders;

- all actions and filings necessary or appropriate under applicable U.S. federal, U.S. state or other securities laws will have been taken and, where applicable, will have become effective or been accepted by the applicable governmental authority;
- the agreements relating to the separation will have been duly executed and delivered by the parties;
- no order, injunction or decree issued by any court of competent jurisdiction or other legal restraint or prohibition preventing the consummation of the separation, the distribution or any of the related transactions will be in effect;
- the shares of our common stock to be distributed will have been accepted for listing on the NYSE, subject to official notice of distribution;
- an independent appraisal firm acceptable to the Fortive board of directors will have delivered one or more opinions to the Fortive board of directors confirming the solvency and financial viability of [NewCo] after completion of the distribution, in a form and substance acceptable to the Fortive board of directors in its sole and absolute discretion;
- the financing described under the section entitled "Description of Material Indebtedness" will have been completed; and
- no other event or development will have occurred or exist that, in the judgment of Fortive's board of directors, in its sole and absolute discretion, makes it inadvisable to effect the separation, the distribution or the other related transactions.

Fortive and [NewCo] cannot assure you that any or all of these conditions will be met. For a complete discussion of all of the conditions to the distribution, see the section entitled "The Separation and Distribution — Conditions to the Distribution."

What is the expected date of completion of the separation and distribution?	It is expected that the shares of [NewCo] common stock will be distributed by Fortive at [ ] a.m., Eastern Time, on , 2025 to the holders of record of shares of Fortive common stock at the close of business on , 2025, the record date for the distribution. No assurance can be provided as to the timing of the separation or that all conditions to the distribution will be met.
Can Fortive decide to cancel the distribution of [NewCo] common stock even if all the conditions have been met?	Yes. **Until the distribution has occurred, Fortive has the right to terminate, modify or abandon the distribution, even if all of the conditions set forth in the section "The Separation and Distribution — Conditions to the Distribution" are satisfied.**
What if I want to sell my Fortive common stock or my [NewCo] common stock?	You should consult with your financial advisor, such as your stockbroker, bank or tax advisor.
What is "regular-way" and "ex-distribution" trading of Fortive stock?	Beginning on or shortly before the record date for the distribution and continuing up to and through the distribution date, it is expected that there will be two markets in Fortive common stock: a "regular-way" market and an "ex-distribution" market. Shares of Fortive common stock that trade in the "regular-way" market will trade with an entitlement to shares of our common stock distributed pursuant to the distribution. Shares that trade in

	the "ex-distribution" market will trade without an entitlement to shares of our common stock distributed pursuant to the distribution. If you decide to sell any shares of Fortive common stock before the distribution date, you should make sure your stockbroker, bank or other nominee understands whether you want to sell your Fortive common stock with or without your entitlement to our common stock distributed pursuant to the distribution.
Where will I be able to trade shares of [NewCo] common stock?	We intend to apply to list [NewCo]'s common stock on the NYSE under the symbol "[ ]." We anticipate that trading in shares of [NewCo]'s common stock will begin on a "when-issued" basis on or shortly before the record date for the distribution and will continue up to the distribution date and that "regular-way" trading in [NewCo]'s common stock will begin on the first trading day following the completion of the distribution. If trading begins on a "when-issued" basis, you may purchase or sell [NewCo]'s common stock up to the distribution date, but your transaction will not settle until after the distribution date. We cannot predict the trading prices for [NewCo]'s common stock before, on or after the distribution date.
What will happen to the listing of Fortive common stock?	Fortive common stock will continue to trade on the NYSE after the distribution under the symbol "FTV."
Will the number of shares of Fortive common stock that I own change as a result of the distribution?	No. The number of shares of Fortive common stock that you own will not change as a result of the distribution.
Will the distribution affect the market price of my Fortive shares?	Yes. As a result of the distribution, Fortive expects the trading price of shares of Fortive common stock immediately following the distribution to be lower than the "regular-way" trading price of such shares immediately prior to the distribution because the trading price will no longer reflect the value of the Precision Technologies business held by us. There can be no assurance that the aggregate market value of the Fortive common stock and our common stock following the separation will be higher or lower than the market value of Fortive common stock if the separation did not occur. This means, for example, that the combined trading prices of one share of Fortive common stock and share[s] of our common stock after the distribution may be equal to, greater than or less than the trading price of one share of Fortive common stock before the distribution.
What are the material U.S. federal income tax consequences of the separation and the distribution?	It is a condition to the distribution that Fortive receive a private letter ruling from the IRS and an opinion of its outside tax counsel, in each case, satisfactory to the Fortive board of directors, regarding the qualification of the distribution, together with certain related transactions, as a "reorganization" within the meaning of Sections 368(a)(1)(D) and 355 of the Code. If the distribution, together with certain related transactions, so qualifies, it is expected that Fortive shareholders generally will not recognize any gain or loss for U.S. federal income tax purposes upon receipt of [NewCo] common stock pursuant to the distribution, except with respect to any cash received in lieu of fractional shares. You should consult your tax advisor as to the particular tax consequences of the separation and distribution to you, including the applicability and effect of any U.S. federal, state and local and non-U.S. tax laws. For more information regarding the material U.S. federal income tax consequences of the distribution, see the section entitled "Material U.S. Federal Income Tax Consequences."

What will [NewCo]'s relationship be with Fortive following the separation?	We expect to enter into a separation other agreements with Fortive to effect the separation and provide a framework for our relationship with Fortive after the separation. These agreements will govern the separation between us and Fortive of the assets, employees, services, liabilities and obligations (including its investments, property and employee benefits and tax-related assets and liabilities) of Fortive and its subsidiaries attributable to periods prior to, at and after our separation from Fortive and will govern certain relationships between us and Fortive after the separation. For additional information regarding the separation agreement and other transaction agreements, see the sections entitled "Risk Factors — Risks Related to the Separation and Our Relationship with Fortive" and "Certain Relationships and Related Person Transactions."
Who will manage [NewCo] after the separation?	[NewCo]'s management team will be led by Tamara Newcombe, who will be [NewCo]'s President and Chief Executive Officer. For more information regarding [NewCo]'s management, see the section entitled "Management."
Are there risks associated with owning [NewCo] common stock?	Yes. Ownership of our common stock is subject to both general and specific risks, including those relating to our businesses, the industries in which we operate, the separation, our ongoing contractual relationships with Fortive after the separation, and our status as a separate, publicly traded company. These risks are described in the "Risk Factors" section of this information statement beginning on page [ ].
Does [NewCo] plan to pay dividends?	[NewCo] has not yet determined whether it expects to pay a regular dividend after the separation and distribution. The timing, declaration, amount of, and payment of any dividends following the separation and distribution will be within the discretion of [NewCo]'s board of directors (our "Board" or the "Board") and will depend upon many factors. See the section entitled "Dividend Policy."
Will [NewCo] incur any indebtedness prior to or at the time of the distribution?	Yes. We expect that a portion of the net proceeds of such indebtedness will be distributed to Fortive in the Cash Distribution as partial consideration for the contribution of assets by Fortive to [NewCo] in connection with the separation, with the remainder being of such indebtedness retained by us. See the sections entitled "Description of Material Indebtedness" and "Risk Factors — Risks Related to Our Business."
Who will be the distribution agent, transfer agent, registrar and information agent for the [NewCo] common stock?	The distribution agent, transfer agent and registrar for our common stock will be Computershare. For questions relating to the transfer or mechanics of the distribution, you should contact: Computershare Trust Company, N.A. P.O. Box 43010 Providence, RI 02940-3010 United States [•] If your shares are held by a bank, broker or other nominee, you may call the information agent for the distribution, Computershare, toll-free at [•].
Where can I find more information about Fortive and [NewCo]?	Before the distribution, if you have any questions relating to Fortive's business performance, you should contact: Fortive Corporation 6920 Seaway Blvd. Everett, WA 98203 Attention: Investor Relations

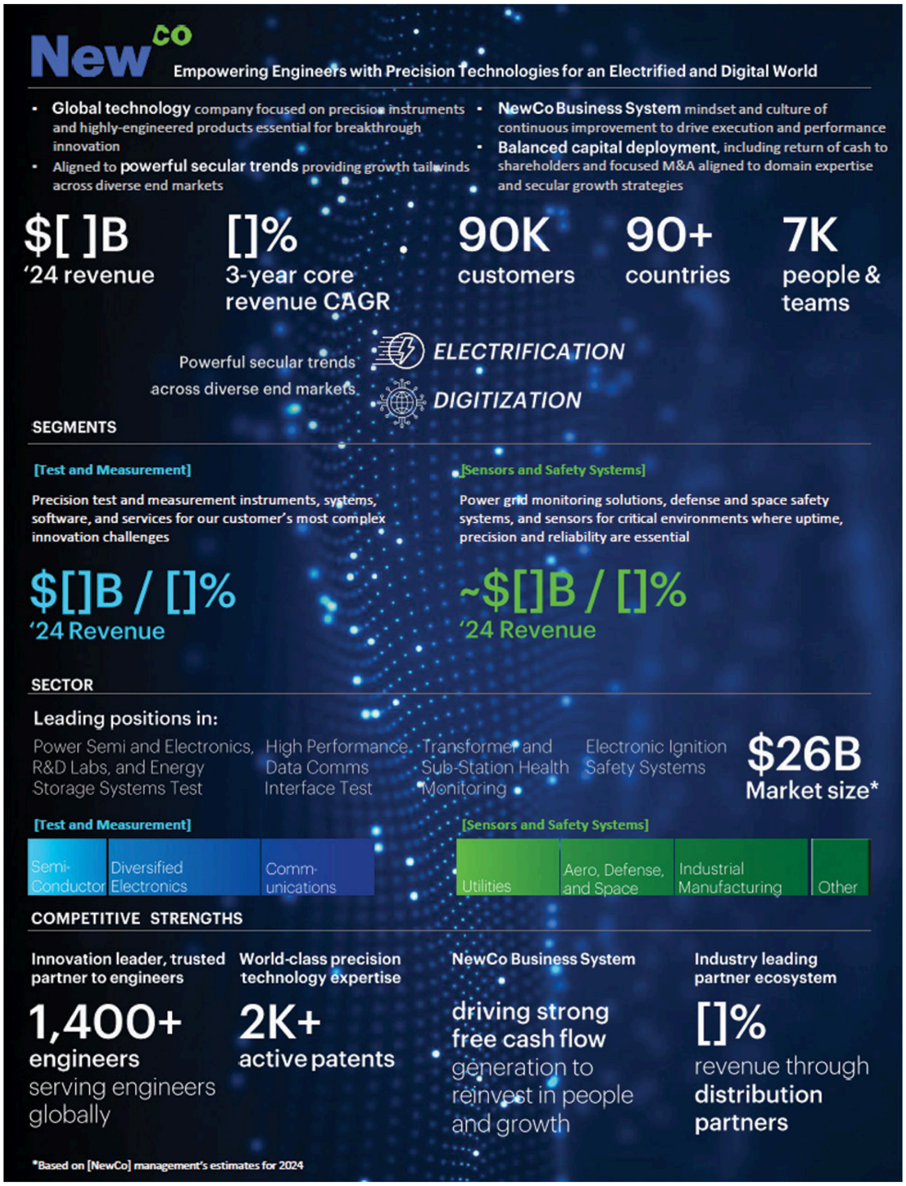
After the distribution, [NewCo] shareholders who have any questions relating to our business performance should contact us at:

[ ]
Attention: Investor Relations

We maintain a website at www.[ ].com. Our website, and the information contained therein, or connected thereto, is not incorporated by reference into this information statement.

INFORMATION STATEMENT SUMMARY

This summary highlights information included elsewhere in this information statement and does not contain all of the information that may be important to you. You should read this entire information statement carefully, including the sections entitled "Risk Factors," "Cautionary Statement Concerning Forward-Looking Statements," — "Summary Historical and Unaudited Pro Forma Combined Financial Data," — "Unaudited Pro Forma Combined Financial Statements" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" — and our combined financial statements and the notes thereto (the "Combined Financial Statements").



Our Company

We are a global technology company with businesses that design, develop, manufacture and service precision instruments and highly engineered products. We empower engineers with precision technologies essential for breakthrough innovation in an electrified and digital world, enabling our customers to bring advanced technologies to the market faster and more efficiently.

Our strategic segments — Test and Measurement and Sensors and Safety Systems — include well-known brands with leading positions across a range of attractive end-markets. Our solutions are used in more than 90 countries by over 90,000 customers.

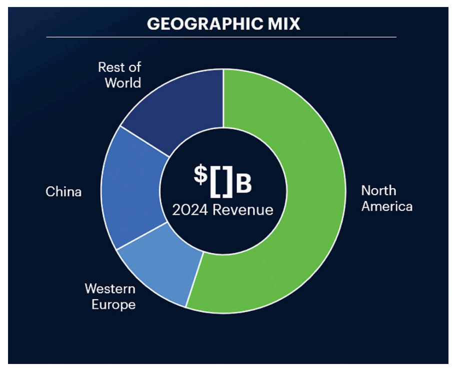
[NewCo] has decades of domain expertise in delivering high precision innovative solutions, extensive proprietary assets that include our portfolio of over 2,100 active patents, and the trust of our diverse customers. Our customers include engineers at industry leading companies, research institutions, and governments, across semiconductor, datacenter, consumer electronics, automotive, energy storage, aero, defense and space, utilities, industrial manufacturing, and other industries. Our team of over 1,400 engineers across the globe enables our unique 'engineer to engineer' approach, which allows us to build enduring trust, credibility, and partnerships with customers across both Fortune 1000 companies and next generation start-up enterprises.

The chart below illustrates our 2024 sales based on end market and geography.

2024 Sales

By End Market

By Geography



Portfolio Overview

	Test and Measurement	Sensors and Safety Systems
Overview	• A leading provider of precision test and measurement instruments, systems, software, and services	• Provides (i) leading power grid monitoring solutions, (ii) safety systems for aero, defense, and space applications, and (iii) sensing solutions where uptime, precision and reliability are essential
Key Brands	• Tektronix • Keithley Instruments • Sonix • EA Elektro-Automatik	• Qualitrol • Gems Sensors • Setra Systems • Hengstler Dynapar • Anderson-Negele • Dover Motion • Specialty Product Technologies • Pacific Scientific Energetic Materials Company
Solutions and Products Provided	• Oscilloscopes • Probes • Source measuring units • Semiconductor test systems • High-power bi-directional power supplies • Measurement analysis software packages	• Advanced monitoring, protection, and diagnostic solutions • Premium sensing products • Energetic materials • Ignition safety systems • Precision pyrotechnic devices
Markets Served	• Semiconductor • Diversified electronics • Communications	• Utilities • Aero, defense and space • Industrial manufacturing and other
Sector Growth Drivers	• Need for next generation semiconductors with higher power density, efficiency, and high-performance computing capability • Electrification of mobility, DC factories, connected homes, smart buildings, and digital health • Exponential growth in data from next generation computing and networking technologies	• Growing need for power and efficient energy management • Global defense modernization and ramping investments in space exploration and space commercialization • Rise of industrial automation and increasing digitization of manufacturing workflows • Increasing complexity of safety and regulatory needs
Percent of Total 2024 Revenues	[ ]%	[ ]%

[NewCo] Business System

The [NewCo] Business System (“NBS”) consists of a philosophy and a comprehensive set of processes and tools, which originated from Danaher Corporation, and have been rigorously applied and evolved at Fortive Corporation. Lean, Growth and Innovation, and Leadership principles of NBS guide all our actions and our approach to creating value for our people, customers, and shareholders. NBS is central to our commitment to drive innovation and our culture of relentless execution and continuous improvement. NBS principles, embedded throughout the organization, identify and minimize inefficiencies, define a structured way to solve problems, and drive consistent execution. NBS, embodied in our mindset and our culture, is consistently and rigorously applied across our business operations, including initiatives in manufacturing, supply chain, product development, commercialization, and customer centric innovation.

Application of NBS at [NewCo] enables disciplined operational execution (improved quality, delivery, yield), accelerates our innovation velocity, enhances commercial productivity, and drives strong free cash flow performance that empowers us to reinvest in our business and return cash to shareholders.

Industry Overview

We primarily operate in the following end markets: Semiconductor, Diversified Electronics, Communications, Utilities, Aero, Defense and Space, and Industrial Manufacturing and Other. These end markets are large, diverse and poised for growth from sustained tailwinds in electrification and digitization. Our focus on continuous innovation and our extensive product portfolio will position us as a key enabler of technologies necessary to drive electrification and digitization. With key application expertise and solutions for engineers to enable advancements, we are positioned to benefit from these secular tailwinds. Based on [NewCo] management’s estimates as of December 2024, the serviceable addressable market is approximately [$16 billion] within a total addressable market of approximately [$26 billion], with favorable secular growth trends.

The following are the key trends and drivers of our primary end markets:

***Semiconductor**:*

- Next generation semiconductors with higher power density, efficiency, and high-performance computing capability are required to support electrification and digitization across a wide range of end markets, which provides demand for our industry leading power test and measurement solutions as well as high-performance communications interface test and measurement solutions.

***Diversified Electronics**:*

- Electrification of mobility, DC factories, connected homes, smart buildings, and digital health are creating new sustained demand for our electronic test and measurement solutions tailored for high performance electronics.

***Communications**:*

- Exponential growth in data from next generation computing and networking technologies (AI/ML, Quantum Computing, Edge Computing, Silicon Photonics) creates the need for our communications test and measurement solutions to ensure compliance with new communications protocols.

Utilities:

- The growing need for power and efficient energy management in diverse industries (AI data centers, electric mobility and DC factories), increasing adoption of renewables (wind, solar and hydrogen), bi- directional flow of power in the grid and distributed energy resource management (DERM) are driving grid complexity and capacity expansion, thereby creating demand for our grid monitoring solutions.

Aero, Defense, and Space:

- Increasing use of advanced electronics to support defense modernization and space exploration, and rise of electric propulsion systems for satellites and spacecrafts, act as strong tailwinds for our precise safety ignition systems and energetic materials in launch and deployment mechanisms.

Industrial Manufacturing and Other:

- The rise of industrial automation and the increasing digitization of manufacturing workflows are accelerating global investment in precision sensing technologies.
- Safety and regulatory needs are becoming increasingly complex, and the cost of failure is rising rapidly for critical environments monitoring such as food and beverage as well as healthcare.

Our Competitive Strengths

Our differentiation is rooted in enduring trust and long-standing relationships with innovation leaders. Engineers depend on our deep expertise in precision as well as our reliability to advance next-generation technologies and safeguard mission-critical applications. Some of our competitive strengths include:

- *Long-standing global reputation as a trusted innovation partner to engineers.* We are a team of passionate engineers serving engineers. Our ability to understand and address unique challenges faced by engineers positions us as a trusted ally and preferred innovation partner. We operate as a global company with diverse channels, regional manufacturing footprints and product development teams designed to best meet local needs, with the scale advantage and credibility of a global solutions provider. A wide range of customers trust our precision technology expertise, with no customer making up more than [ ]% of our 2024 revenue and our top 10 accounting for less than [ ]% of our sales in 2024.
- *World-class precision technology expertise and intellectual property.* Our ability to harness decades of domain expertise and customer application know-how positions us to deliver unrivaled precision, accuracy and reliability for cutting edge technologies and mission critical applications. This leadership is shown through our leading positions in power electronics testing, high performance data communications interface testing, energy storage systems testing, transmission transformer health monitoring, electronic ignition safety systems, and sensing solutions for monitoring critical environments.
- *The NewCo Business System.* Our team has been united by the Fortive Business System (FBS), which has been consistently and rigorously applied across our businesses, leveraging Lean, Growth and Innovation, and Leadership principles. This has resulted in higher through-cycle core growth, significant margin expansion, and industry-leading free cash flow generation. Through the evolution of FBS into NBS, we will drive continuous improvement, measured by metrics such as quality, delivery, cost, growth and innovation.
- *Industry leading partner ecosystem.* Our people are our key strategic advantage. Through decades of cultivation, we have built an extensive eco-system of loyal partners that enable our scale and reach and accelerate expansion to new markets. These partners are deeply engaged, committed to our high-performance culture, and are empowered to deliver customer value.

Our Business Strategy

We have identified the following key drivers of value creation that underpin our business strategy:

- *Empower winning teams*. We start with people — building a workforce, leadership team, and loyal partner community that is deeply engaged, inspired, and committed to driving a high-performance culture. This culture is centered on a growth mindset, continuous improvement, and the belief that empowered individuals lead to stronger results. By investing in our employees' growth, we foster a sense of ownership, accountability, and innovation that permeates the entire organization. This focus on building winning teams fuels sustainable growth, strengthens our competitive position, and ensures that we make a lasting impact in the mission-critical industries we serve worldwide.
- *Culture of continuous improvement.* We will continue to rigorously apply the NBS across all areas of the business — to drive operational efficiency, reduce waste, and accelerate new product development efficiently. Our history of continuous improvement has resulted in operational efficiencies, allowing us to generate more consistent earnings and free cash flow to reinvest for growth with the goal of creating sustainable long-term value for our shareholders.

- *Target key secular growth industries by being at the forefront of electrification and digitization.* We are strategically targeting large and diverse end markets with multi-year growth tailwinds from electrification and digitization. This includes prioritizing technological advancements in semiconductors, power electronics (electric vehicle and mobility, DC factories, and renewable energy), communications (datacenter, networking, modern defense communications), utility grid modernization, and aero, defense, and space industries. Our ability to drive higher growth and market outperformance in these end markets is a proof point of our business strategy. In addition to organic growth, we also intend to pursue expansion through focused M&A in high growth areas aligned with our core competencies.
- *Deliver customer-centric innovation*. Our commitment to customer-centric innovation, grounded in our domain expertise in precision and reliability, has enabled us to build enduring trust and credibility with our customers. We aim to continue our legacy by leveraging our platform approach to innovation. Our focus on customer-centric innovation, supported by the strength of our platform approach and systematic NBS process to dream, develop, and deliver new products, is designed to drive organic growth.
- *Focus on returns and capital deployment.* We intend to leverage our industry-leading free cash flow generation to deliver strong returns to shareholders. We also intend to selectively pursue organic growth investments and acquisition opportunities aligned to our core domain expertise and secular growth strategy to enhance our leadership across industries. Through innovation and disciplined execution, we have delivered [ ] compound annual core revenue growth over the last three years. Our value creation model anchored in NBS has enabled strategic reinvestments in innovation and growth, laying a strong foundation for future returns.

People Strategy

We are a global team of approximately 7,000 employees, energized by a powerful shared purpose.

Our people strategy centers on empowering inclusive teams working together to solve problems no one could solve alone. We intentionally seek out different skills, backgrounds, and voices to deliver results for our customers. Our people strategy is defined by our inclusive growth culture and is advanced through our career development and reward systems. We continually measure, review, and refine our strategy through measured employee experience processes. These key elements enable us to accelerate progress for our customers, our teams, and the world.

The Separation and Distribution

The Separation and Distribution

On September 4, 2024, Fortive announced its intention to separate its Precision Technologies business from the remainder of its businesses.

It is expected that the Fortive board of directors, or a duly authorized committee thereof, will approve the distribution of 100% of our issued and outstanding shares of common stock on the basis of share[s] of our common stock for every share[s] of Fortive common stock held as of the close of business on , 2025, the record date for the distribution.

[NewCo]'s Post-Separation Relationship with Fortive

Prior to the completion of the distribution, we will be a wholly-owned subsidiary of Fortive, and all of our outstanding shares of common stock will be owned by Fortive. Following the separation and distribution, we and Fortive will operate separately, each as a public company.

Prior to the completion of the distribution, we will enter into a separation and distribution agreement with Fortive, which is referred to in this information statement as the "separation agreement." We will also enter into various other agreements to effect the separation and provide a framework for our relationship with Fortive after the separation, including a transition services agreement, an employee matters agreement, a tax matters agreement, an intellectual property matters agreement, and an FBS license agreement. These agreements will provide for the allocation between us and Fortive of the assets, employees, services, liabilities and obligations (including investments, property and employee benefits and tax-related assets and liabilities) of Fortive and its subsidiaries attributable to periods prior to, at and after the separation and will govern certain relationships between us and Fortive after the separation. In exchange for the transfer of the assets and liabilities of Fortive's Precision Technologies business to us, we will deliver to Fortive shares of our common stock and a Cash Distribution in the amount of approximately $ billion. For additional information regarding the separation agreement and such other agreements, please refer to sections entitled "Risk Factors — Risks Related to the Separation and Our Relationship with Fortive," "Certain Relationships and Related Person Transactions" and "The Separation and Distribution."

Reasons for the Separation

The Fortive board of directors believes that separating its Precision Technologies business from the remainder of Fortive is in the best interests of Fortive and its shareholders for the following reasons:

- *Enhanced Strategic and Management Focus, with Improved Operational Agility.* The separation will allow each company to more effectively pursue its distinct operating priorities and strategies with increased flexibility and enable its respective boards and management teams to better focus on strengthening its core businesses and operations, to more effectively address its singular operating and other needs, and to focus exclusively on its unique opportunities for long-term growth and profitability, all with a continued strong culture of continuous improvement, better positioning each for long-term success. Our board and management will be able to focus exclusively on the Precision Technologies business, while the board and management of Fortive will remain dedicated to its remaining businesses.
- *Separate Capital Structures and Tailored Capital Allocation Strategies.* The separation will give each business the ability to create its own optimal capital structure and allow it to manage capital allocation and capital return strategies with greater agility and focus in response to changes in the operating environment and industry landscape. The separation will also permit each company to concentrate its financial resources solely on its own operations without having to compete with each other for investment capital, providing each company with greater flexibility to invest capital in its business in a time and manner appropriate for its distinct objectives, strategy and business needs. This will facilitate a more efficient allocation of capital based on each company's profitability, cash flow and growth opportunities, allowing each company to make company-specific investment decisions to drive innovation and enhance growth and returns.
- *Creation of Independent Equity Structures and Greater Access to Unique Strategic Opportunities.* The separation will create independent equity structures for Fortive and [NewCo], aligned with each company's respective industry and providing each with an enhanced ability to capitalize on unique growth opportunities. In addition, each company will be able to directly access the capital markets and will have more flexibility to pursue growth through selective M&A opportunities that are more closely aligned with each company's core strategy.
- *Enhanced Talent Management, Recruitment and Retention and Alignment of Management Incentives and Performance.* The separation will permit each company to more effectively attract, retain and motivate team members, and to offer stock-based incentive compensation to its employees and executives that is more closely aligned with the business model and growth strategy of its business.
- *Distinct, Compelling Investment Profiles.* The separation will allow investors to more clearly understand the separate business models, financial profiles and investment identities of each company and to separately value each company based on its distinct investment identity. Our businesses differ from Fortive's other businesses in several respects, such as the market for products and services, manufacturing processes and R&D capabilities. The separation will enable investors to evaluate the merits, performance and future prospects of each company's respective businesses and to invest in each company separately based on a better appreciation of these characteristics. This will provide each company with better and more efficient access to the capital markets.

The Fortive board of directors also considered the following potentially negative factors in evaluating the separation:

- *Loss of Joint Purchasing Power and Increased Costs.* As a current part of Fortive, the Precision Technologies business that will become our business benefits from Fortive's size and purchasing power in procuring certain goods, services and technologies. After the separation, as a separate, independent entity, we may be unable to obtain these goods, services and technologies at prices or on terms as favorable as those Fortive obtained prior to the separation. We may also incur costs for certain functions previously performed by Fortive, such as accounting, tax, legal, human resources and other general administrative functions, that are higher than the amounts reflected in our historical financial statements, which could cause our profitability to decrease.
- *Disruptions to the Business as a Result of the Separation.* The actions required to separate our and Fortive's respective businesses could disrupt our and Fortive's operations after the separation.
- *Increased Significance of Certain Costs and Liabilities.* Certain costs and liabilities that were otherwise less significant to Fortive as a whole will be more significant for us and Fortive, after the separation, as stand-alone companies.
- *One-time Costs of the Separation.* We (and prior to the separation, Fortive) will incur costs in connection with the transition to being a stand-alone public company that may include accounting, tax, legal and other professional services costs, recruiting and relocation costs associated with hiring or reassigning our personnel, costs related to establishing a new brand identity in the marketplace and costs to separate information systems.
- *Risk of Failure to Realize Anticipated Benefits of the Separation.* We may not achieve the anticipated benefits of the separation for a variety of reasons, including, among others: (i) the separation will require significant amounts of management's time and effort, which may divert management's attention from operating and growing our businesses; (ii) following the separation, we may be more susceptible to market fluctuations and other adverse events than if we were still a part of Fortive; and (iii) following the separation, we may be more susceptible to market fluctuations, and other events may be more disadvantageous for us than if we were still part of Fortive, because our businesses will be less diversified than Fortive's businesses prior to the separation.
- *Limitations on Strategic Transactions.* Under the terms of the tax matters agreement that we will enter into with Fortive, we will be restricted from taking certain actions that could cause the distribution or certain related transactions (including certain transactions undertaken as part of the internal reorganization) to fail to qualify as tax-free for U.S. federal income tax purposes or other applicable law. These restrictions may limit our ability to pursue certain strategic transactions or engage in other transactions that might increase the value of our businesses.

While all of the bullets above are considered to be potentially negative factors to us, only the second, third and fourth bullets above are considered to be potentially negative factors to Fortive.

The Fortive board of directors concluded that the potential benefits of the separation outweighed these factors. For more information, please refer to the sections entitled "The Separation and Distribution — Reasons for the Separation" and "Risk Factors."

Description of Material Indebtedness

We anticipate having certain indebtedness upon completion of the separation. Additional details regarding such financing arrangements will be provided in subsequent amendments to this information statement. Please refer to the sections entitled "Description of Material Indebtedness" and "Risk Factors — Risks Related to Our Business."

Risks Associated with Our Business and the Separation

An investment in our common stock is subject to a number of risks, including risks relating to the separation, the successful implementation of our strategy and the ability to grow our business. The following list of risk factors is not exhaustive. Please read the information in the section entitled "Risk Factors" for a more thorough description of these and other risks.

Risks Related to Our Business

- Conditions in the global economy, the markets we serve, and the financial markets may adversely affect our business and financial statements.
- Our growth could suffer if the markets into which we sell our products and services decline, do not grow as anticipated or experience cyclicality.
- We face intense competition and if we are unable to compete effectively, we may experience decreased demand and decreased market share. Even if we compete effectively, we may be required to reduce prices for our products and services.
- Our growth depends in part on the timely development and commercialization, and customer acceptance, of new and enhanced products and services based on technological innovation.
- Changes in industry standards and governmental regulations may reduce demand for our products or services or increase our expenses.
- Our reputation, ability to do business and financial statements may be impaired by improper conduct by any of our employees, agents or business partners.
- Any inability to consummate acquisitions at our anticipated rate and at appropriate prices, and to make appropriate investments that support our long-term strategy, could negatively impact our growth rate and stock price.
- Our acquisition of businesses, investments, joint ventures and other strategic relationships could negatively impact our financial statements.
- The indemnification provisions of acquisition agreements by which we have acquired companies may not fully protect us and as a result we may face unexpected liabilities.
- Divestitures or other dispositions could negatively impact our business, and contingent liabilities from businesses that we have sold could adversely affect our financial statements.
- Our operations, products and services expose us to the risk of environmental, health and safety liabilities, costs and violations that could adversely affect our reputation and financial statements.
- Our businesses are subject to extensive regulation; failure to comply with those regulations could adversely affect our financial statements and our business, including our reputation.
- Climate change, or legal or regulatory measures to address climate change, may negatively affect us.
- International economic, political, legal, compliance and business factors could negatively affect our financial statements.
- Changes in U.S. GAAP could adversely affect our reported financial results and may require significant changes to our internal accounting systems and processes.
- We may be required to recognize impairment charges for our goodwill and other intangible assets.
- Trade relations between China and the United States could have a material adverse effect on our business and financial statements.
- Foreign currency exchange rates may adversely affect our financial statements.
- Changes in our effective tax rates or exposure to additional tax liabilities or assessments could affect our profitability. In addition, audits by tax authorities could result in additional tax payments for prior periods**.**
- We are subject to a variety of litigation and other legal and regulatory proceedings in the course of our business that could adversely affect our financial statements.
- If we do not or cannot adequately protect our intellectual property, or if third parties infringe our intellectual property rights, we may suffer competitive injury or expend significant resources enforcing our rights.

- Third parties may claim that we are infringing or misappropriating their intellectual property rights, and we could suffer significant litigation expenses, losses or licensing expenses or be prevented from selling products or services.
- Significant disruptions in, or breaches in security of, our information technology systems have adversely affected, and in the future could adversely affect, our business.
- We may use artificial intelligence in our business and in our products, and challenges with properly managing its use could result in reputational harm, competitive harm, and legal liability, and adversely affect our results of operations.
- Defects and unanticipated use or inadequate disclosure with respect to our products (including software) or services could adversely affect our business, reputation and financial statements.
- Adverse changes in our relationships with, or the financial condition, performance, purchasing patterns or inventory levels of, key distributors and other channel partners could adversely affect our financial statements.
- Our financial results are subject to fluctuations in the cost and availability of commodities or components that we use in our operations.
- If we cannot adjust our manufacturing capacity, supply chain management or the purchases required for our manufacturing activities to reflect changes in market conditions, customer demand and supply chain disruptions, our profitability may suffer. In addition, our reliance upon sole or limited sources of supply for certain materials, components and services could cause production interruptions, delays and inefficiencies.
- Our restructuring activities could have long-term adverse effects on our business.
- Work stoppages and works council campaigns and other labor disputes could adversely impact our productivity and results of operations.
- If we suffer a loss to our facilities, supply chains, distribution systems or information technology systems due to catastrophe or other events, our operations could be seriously harmed.
- Our ability to attract, develop and retain talented executives and other key employees is critical to our success.

Risks Related to the Separation and Our Relationship with Fortive

- We have no history of operating as a separate, publicly traded company, and our historical and pro forma financial information is not necessarily representative of the results that we would have achieved as a separate, publicly traded company and may not be a reliable indicator of our future results.
- As a separate, publicly traded company, we may not enjoy the same benefits that we did as a part of Fortive.
- The unaudited pro forma combined financial statements included in this information statement are presented for informational purposes only and may not be an indication of our financial condition or results of operations in the future.
- We expect that Fortive and its directors and officers will have limited liability to us or you for breach of fiduciary duty.
- Our rebranding initiative will involve substantial costs and may not be favorably received by our customers, business partners, or investors.
- Our customers, prospective customers, suppliers or other companies with whom we conduct business may conclude that our financial stability as a separate, publicly traded company is insufficient to satisfy their requirements for doing or continuing to do business with them.
- Potential indemnification liabilities to Fortive pursuant to the separation agreement could materially and adversely affect our businesses, financial condition, results of operations and cash flows.

- In connection with the separation into two public companies, each of Fortive and [NewCo] will indemnify each other for certain liabilities. If we are required to pay under these indemnities to Fortive, our financial results could be negatively impacted. In addition, there can be no assurance that the Fortive indemnities will be sufficient to insure us against the full amount of liabilities for which Fortive will be allocated responsibility, or that Fortive's ability to satisfy its indemnification obligation will not be impaired in the future.
- If the distribution, together with certain related transactions, does not qualify as a transaction that is generally tax-free for U.S. federal income tax purposes, or if certain internal restructuring transactions do not qualify as transactions that are generally tax-free for applicable tax purposes, we, as well as Fortive and Fortive's shareholders, could incur significant U.S. federal income tax liabilities and, in certain circumstances, we could be required to indemnify Fortive for material amounts of taxes and other related amounts pursuant to indemnification obligations under the tax matters agreement.
- We may be affected by significant restrictions following the distribution, including on our ability to engage in certain desirable capital-raising, strategic or other corporate transactions, in order to avoid triggering significant tax-related liabilities.
- After the distribution, certain of our executive officers and directors may have actual or potential conflicts of interest because of their equity interest in Fortive.
- Fortive may compete with us.
- We may not achieve some or all of the expected benefits of the separation, and the separation may adversely affect our businesses.
- We may have received better terms from unaffiliated third parties than the terms we will receive in our agreements with Fortive.
- We or Fortive may fail to perform under various transaction agreements that will be executed as part of the separation or we may fail to have necessary systems and services in place when certain of the transaction agreements expire.
- Our inability to resolve favorably any disputes that arise between us and Fortive with respect to our past and ongoing relationships may adversely affect our operating results.
- Fortive's plan to separate into two independent, publicly traded companies is subject to various risks and uncertainties and may not be completed in accordance with the expected plans or anticipated timeline, or at all, and will involve significant time and expense, which could disrupt or adversely affect our business.
- Challenges in the commercial and credit environment may adversely affect the expected benefits of the separation, the expected plans or anticipated timeline to complete the separation, and our future access to capital on favorable terms.
- As of the date of this information statement, we expect to have outstanding indebtedness at the closing of the distribution of approximately $ billion and the ability to incur an additional $ million of indebtedness under a revolving credit agreement that we expect to enter into, and in the future we may incur additional indebtedness. This indebtedness could adversely affect our businesses and our ability to meet our obligations and pay dividends.
- We may not be able to generate sufficient cash to service all of our indebtedness and may be forced to take other actions to satisfy our obligations under our indebtedness, which may not be successful.
- We may be held liable to Fortive if we fail to perform certain services under the transition services agreement, and the performance of such services may negatively impact our business and operations.
- Following the distribution, we will be dependent on Fortive to provide us with certain transition services, which may not be sufficient to meet our needs, and we may have difficulty finding replacement services or be required to pay increased costs to replace these services after our transition services agreement with Fortive expires.
- [Certain non-U.S. entities or assets that are part of our separation from Fortive may not be transferred to us prior to the distribution or at all.]

- The transfer to us of certain contracts, permits and other assets and rights may require the consents or approvals of, or provide other rights to, third parties and governmental authorities. If such consents or approvals are not obtained, we may not be entitled to the benefit of such contracts, permits and other assets and rights, which could increase our expenses or otherwise harm our business and financial performance.
- Until the distribution occurs, the Fortive board of directors has sole and absolute discretion to change the terms of the separation and distribution in ways that may be unfavorable to us.

Risks Related to Shares of Our Common Stock

- We cannot be certain that an active trading market for our common stock will develop or be sustained after the separation, and following the separation, the stock price of our common stock may fluctuate significantly.
- There may be substantial and rapid changes in our shareholder base, which may cause our stock price to fluctuate significantly.
- A significant number of shares of our common stock are or will be eligible for future sale, which may cause the market price of our common stock to decline.
- If we are unable to implement and maintain effective internal control over financial reporting in the future, investors may lose confidence in the accuracy and completeness of our financial reports and the market price of our common stock may be negatively affected.
- The obligations associated with being a public company will require significant resources and management attention.
- The market price of shares of our common stock may be volatile, which could cause the value of your investment to decline.
- We cannot guarantee the payment of dividends on our common stock, or the timing or amount of any such dividends.
- If securities or industry analysts do not publish research or publish misleading or unfavorable research about our business, our stock price and trading volume could decline.
- Your percentage ownership in us may be diluted in the future.
- Certain provisions in our amended and restated certificate of incorporation and bylaws, and of Delaware law, may prevent or delay an acquisition of our company, which could decrease the trading price of our common stock.
- Our amended and restated certificate of incorporation will designate the state courts in the State of Delaware or, if no state court located within the State of Delaware has jurisdiction, the federal court for the District of Delaware, as the sole and exclusive forum for certain types of actions and proceedings that may be initiated by our shareholders. Our amended and restated certificate of incorporation will further designate the federal district courts of the United States of America as the sole and exclusive forum for the resolution of any complaint asserting a cause of action arising under the Securities Act. These forum selection provisions could discourage lawsuits against us and our directors and officers.
- The combined post-separation value of share[s] of Fortive common stock and share[s] of [NewCo] common stock may not equal or exceed the pre-distribution value of share[s] of Fortive common stock.

Corporate Information

We were incorporated in Delaware on September 26, 2024 for the purpose of holding Fortive's Precision Technologies business in connection with the separation and the distribution. Prior to the separation, which is expected to occur immediately prior to completion of the distribution, we have had no operations. The address of our principal executive offices is [ ]. Our telephone number is [ ].

We maintain an Internet website at www.[ ].com. Our website, and the information contained therein, or connected thereto, is not incorporated by reference into this information statement.

Reason for Furnishing This Information Statement

This information statement is being furnished solely to provide information to shareholders of Fortive who will receive shares of our common stock in the distribution. It is not, and is not to be construed as, an inducement or encouragement to buy or sell any of our securities. The information contained in this information statement is believed by us to be accurate as of the date set forth on its cover. Changes may occur after that date and neither Fortive nor we will update the information except as required by federal securities laws or in the normal course of their and our respective disclosure obligations and practices.

SUMMARY HISTORICAL AND UNAUDITED PRO FORMA COMBINED FINANCIAL DATA

The following unaudited summary financial data reflects the combined assets, liabilities, equity, results of operations, and cash flows of [NEWCO]. We derived the summary historical and unaudited pro forma combined statement of earnings data, and summary historical statement of cash flows data for the years ended December 31, 2024, December 31, 2023 and December 31, 2022, and summary historical and unaudited pro forma combined balance sheet data as of December 31, 2024 and December 31, 2023, as set forth below, from our audited annual combined financial statements, which are included elsewhere in this information statement and from our unaudited combined pro forma financial statements included in the "Unaudited Pro Forma Combined Financial Statements" section of this information statement. Our underlying financial records were derived from the financial records of Fortive for the periods reflected herein. Our historical results may not necessarily reflect our results of operations, financial position and cash flows for future periods or what they would have been had we been a separate, publicly traded company during the periods presented.

The summary unaudited pro forma combined financial data presented has been prepared to reflect the separation, which is described in "Unaudited Pro Forma Combined Financial Statements." The unaudited pro forma combined statement of earnings data presented reflects the financial results as if the separation occurred on January 1, 2024, which was the first day of fiscal year 2024. The unaudited pro forma combined balance sheet data reflects the financial position as if the separation occurred on December 31, 2024, the date of such balance sheet data. The assumptions used and pro forma adjustments derived from such assumptions are based on currently available information.

The summary unaudited pro forma combined financial statements are not necessarily indicative of our results of operations or financial condition had the separation been completed on the dates assumed. Also, they may not reflect the results of operations or financial condition that would have resulted had we been operating as a separate, publicly traded company during such periods. In addition, they are not necessarily indicative of our future results of operations, financial position or cash flows.

This summary historical and unaudited pro forma combined financial data should be reviewed in combination with "Unaudited Pro Forma Combined Financial Statements," "Capitalization," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the combined financial statements and accompanying notes included in this information statement ($ in millions, except per share data).

	Year Ended December 31,			
	Pro Forma	**Historical**		
($ in millions)	**2024**	**2024**	**2023**	**2022**
	(unaudited)			
Summary Statement of Earnings Data:				
Sales	$[•]	$[•]	$ 2,155.7	$ 2,089.7
Cost of sales	[•]	[•]	(1,036.0)	(1,041.5)
Gross profit	[•]	[•]	1,119.7	1,048.2
Operating costs:	[•]	[•]		
Selling, general, and administrative	[•]	[•]	(446.4)	(419.3)
Research and development	[•]	[•]	(161.5)	(155.1)
Operating profit	[•]	[•]	511.8	473.8
Net earnings	[•]		$ 416.8	$ 370.7
Summary Statement of Cash Flows Data:				
Net cash (used in) provided by:				
Operating activities		$[•]	$ 461.8	$ 391.7
Investing activities		[•]	(22.4)	(32.2)
Financing activities		[•]	(431.7)	(341.0)
Capital expenditures		[•]	(29.2)	(30.8)

($ in millions)	Year Ended December 31, Pro Forma 2024 (unaudited)	Historical 2024	Historical 2023	Historical 2022
Other Data (Non-GAAP)[(a)]:				
Adjusted Operating Profit – [NEWCO]	$ [•]	$ [•]	$ 537.8	$ 489.6
Adjusted Operating Profit – [Test and Measurement]		[•]	201.9	151.7
Adjusted Operating Profit – [Sensor and Safety Systems]		[•]	335.9	337.9
Adjusted EBITDA	[•]	[•]	562.9	512.5
Adjusted Net Earnings	[•]	[•]	438.1	383.5
Free Cash Flow		[•]	432.6	360.9

(a) Refer to "Statement Regarding Non-GAAP Measures" and reconciliations included elsewhere in this information statement.

($ in millions)	As of December 31, Pro Forma 2024 (unaudited)	Historical 2024	Historical 2023
Balance Sheet Data:			
Current assets	$[•]	$[•]	$ 612.4
Current liabilities	[•]	[•]	554.8
Property, plant and equipment, net	[•]	[•]	207.2
Total assets	[•]	[•]	3,060.9
Long-term debt	[•]	[•]	—
Total liabilities	[•]	[•]	800.2
Total Parent's equity	[•]	[•]	2,260.7

Adjusted Operating Profit, EBITDA, Adjusted EBITDA, Adjusted Earnings, and Free Cash Flow are non-GAAP financial measures that we use to measure the performance of our business. The tables below reconcile these non-GAAP measures to the nearest financial measure that is in accordance with accounting principles generally accepted in the United States ("GAAP") for the periods presented.

Adjusted Operating Profit
(unaudited)

We define Adjusted Operating Profit as GAAP Operating Profit, to exclude amortization of acquisition-related intangible assets, acquisition and divestiture related adjustments and costs, gain on sale of property, discrete restructuring charges, and Russia exit and wind down costs.

The table below is a reconciliation of GAAP Operating Profit to Adjusted Operating Profit for the years ended December 31, 2024, 2023, and 2022, and for the unaudited pro forma year ended December 31, 2024.

[NEWCO] ($ in millions)	Year Ended December 31,			
	Pro Forma	Historical		
	2024	2024	2023	2022
	(unaudited)			
Revenue (GAAP)	$[•]	$[•]	**$2,155.7**	**$2,089.7**
Operating Profit (GAAP)	[•]	[•]	**$ 511.8**	**$ 473.8**
Amortization of acquisition-related intangible assets	[•]	[•]	3.6	13.5
Acquisition and divestiture related adjustments and costs	[•]	[•]	2.0	—
Gain on sale of property	[•]	[•]	—	—
Discrete restructuring charges	[•]	[•]	20.4	—
Russia exit and wind down costs	[•]	[•]	—	2.3
Adjusted Operating Profit (Non-GAAP)	$[•]	$[•]	**$ 537.8**	**$ 489.6**
Operating Profit Margin (GAAP)	[•]%	[•]%	23.7%	22.7%
Adjusted Operating Profit Margin (Non-GAAP)	[•]%	[•]%	24.9%	23.4%

[Test and Measurement] ($ in millions)	Year Ended December 31,		
	2024	2023	2022
Revenue (GAAP)	$[•]	**$941.3**	**$868.9**
Operating Profit (GAAP)	[•]	**$191.1**	**$142.0**
Amortization of acquisition-related intangible assets	[•]	0.7	9.7
Acquisition and divestiture related adjustments and costs	[•]	2.0	—
Gain on sale of property	[•]	—	—
Discrete restructuring charges	[•]	8.1	—
Adjusted Operating Profit (Non-GAAP)	$[•]	**$201.9**	**$151.7**
Operating Profit Margin (GAAP)	[•]%	20.3%	16.3%
Adjusted Operating Profit Margin (Non-GAAP)	[•]%	21.4%	17.5%

[Sensors and Safety Systems] ($ in millions)	Year Ended December 31,		
	2024	2023	2022
Revenue (GAAP)	$[•]	**$1,214.1**	**$1,220.8**
Operating Profit (GAAP)	[•]	**$ 320.7**	**$ 334.1**
Amortization of acquisition-related intangible assets	[•]	2.9	3.8
Discrete restructuring charges	[•]	12.3	—
Adjusted Operating Profit (Non-GAAP)	$[•]	**$ 335.9**	**$ 337.9**
Operating Profit Margin (GAAP)	[•]%	26.4%	27.4%

EBITDA and Adjusted EBITDA
(unaudited)

We define EBITDA as GAAP Net earnings before interest, income taxes, depreciation and amortization. We define Adjusted EBITDA as EBITDA adjusted to exclude acquisitions and divestiture related adjustments and costs, gain on sale of property, loss from divestiture, discrete restructuring charges, and Russia exit and wind down costs.

The table below is a reconciliation of GAAP Net earnings to Adjusted EBITDA for the years ended December 31, 2024, 2023, and 2022, and for the unaudited pro forma year ended December 31, 2024.

($ in millions)	Year Ended December 31, Pro Forma 2024 (unaudited)	Historical 2024	2023	2022
Net Earnings (GAAP)	$[•]	$[•]	**$416.8**	**$370.7**
Income taxes	[•]	[•]	93.0	101.2
Depreciation	[•]	[•]	27.1	24.8
Amortization	[•]	[•]	3.6	13.5
EBITDA (Non-GAAP)	[•]	[•]	**540.5**	**510.2**
Acquisition and divestiture related adjustments and costs	[•]	[•]	2.0	—
Gain on sale of property	[•]	[•]	—	—
Loss from divestiture	[•]	[•]	—	—
Discrete restructuring charges	[•]	[•]	20.4	—
Russia exit and wind down costs	[•]	[•]	—	2.3
Adjusted EBITDA (Non-GAAP)	$[•]	$[•]	**$562.9**	**$512.5**

Adjusted Net Earnings
(unaudited)

We define Adjusted Net Earnings as GAAP Net Earnings adjusted to exclude the pretax adjustments noted above in Adjusted Operating Profit and the associated tax effect as applicable.

The table below is a reconciliation of GAAP Net Earnings to Adjusted Net Earnings for the years ended December 31, 2024, 2023, and 2022, and for the unaudited pro forma year ended December 31, 2024.

($ in millions)	Year Ended December 31, Pro Forma 2024 (unaudited)	Historical 2024	2023	2022
Net Earnings (GAAP)	$[•]	$[•]	**$416.8**	**$370.7**
Pretax amortization of acquisition-related intangible assets	[•]	[•]	3.6	13.5
Pretax acquisition and divestiture related adjustments and costs	[•]	[•]	2.0	—
Pretax gain on sale of property	[•]	[•]	—	—
Loss from divestiture	[•]	[•]	—	—
Pretax discrete restructuring charges	[•]	[•]	20.4	—
Pretax Russia exit and wind down costs	[•]	[•]	—	2.3
Tax effect of the adjustments reflected above[(a)]	[•]	[•]	(4.7)	(3.0)
Adjusted Net Earnings (Non-GAAP)	$[•]	$[•]	**$438.1**	**$383.5**

(a) The loss from divesture had no tax impact. The tax effect of the adjustments included all other line items.

Free Cash Flow
(unaudited)

With respect to Free Cash Flow ("FCF"), we calculate it as net cash provided by operating activities less purchases of property, plant and equipment ("capital expenditures").

The table below is a reconciliation of GAAP net cash provided by operating activities to FCF for the years ended December 31, 2024, 2023, and 2022:

($ in millions)	Year Ended December 31, Historical 2024	2023	2022
Net cash provided by operating activities (GAAP)	$[•]	**$461.8**	**$391.7**
Less: Capital expenditures (GAAP)	[•]	(29.2)	(30.8)
Free Cash Flow (Non-GAAP)	$[•]	**$432.6**	**$360.9**

Statement Regarding Non-GAAP Measures

Each of the non-GAAP measures set forth above should be considered in addition to, and not as a replacement for or superior to, the comparable GAAP measure, and may not be comparable to similarly titled measures reported by other companies. Management believes that these measures provide useful information to investors by offering additional ways of viewing our results that, when reconciled to the corresponding GAAP measure, help our investors to:

- with respect to Adjusted operating profit, EBITDA, Adjusted EBITDA, and Adjusted net earnings, understand the long-term profitability trends of our business and facilitate comparisons of our performance and profitability to prior and future periods and to our peers; and
- with respect to FCF, understand our ability to generate cash without external financing, fund acquisitions and other investments and, in the absence of refinancing, repay our debt obligations (although a limitation of Free Cash Flow is that it excludes certain expenditures that are required or that we have committed to, such as debt service requirements and other non-discretionary expenditures).

The items excluded from the non-GAAP measures set forth above have been excluded for the following reasons:

- With respect to Adjusted operating profit, EBITDA, Adjusted EBITDA, and Adjusted Net Earnings:
  - As a result of our acquisition activity, we have significant amortization expense associated with definite-lived intangible assets. We exclude the amortization expense of acquisition related intangible assets incurred in each period, and impairment charges incurred, if any. We believe that this adjustment provides our investors with additional insight into our operational performance and profitability as such impacts are not related to our core business performance.
  - We exclude the acquisition and divestiture related adjustments and costs. While we have a history of acquisition and divestiture activity, we do not acquire and divest businesses or assets on a predictable cycle. The amount of an acquisition’s purchase price allocated to inventory fair value adjustments are unique to each acquisition and can vary significantly from acquisition to acquisition. In addition, transaction costs, which include acquisition, divestiture, integration and restructuring costs related to completed or announced transactions, and the non-recurring gains on divestitures of businesses or assets are unique to each transaction and are impacted from period to period depending on the number of acquisitions or divestitures evaluated, pending, or completed during such period, and the complexity of such transactions. We adjust for transaction costs, acquisition related fair value adjustments to inventory, integration costs and corresponding restructuring charges related to acquisitions, in each case, incurred in a given period.
  - On March 14, 2024, we completed a transaction to sell land and certain office buildings in our Precision Technologies segment for [•]. During the year ended December 31, 2024, we recorded a gain on sale of property of [•] in the Combined Statements of Earnings. We adjust for the gain on sale of property because we believe the adjustment facilitates comparison of our performance with prior and future periods and provides our investors with additional insight into our operational performance.
  - We exclude costs incurred pursuant to discrete restructuring plans that are fundamentally different in terms of the size, strategic nature and planning requirements, as well as the inconsistent frequency, of such plans originating from significant macroeconomic trends or

material disruptions to operations, economy or capital markets from the ongoing productivity improvements that result from application of the [NEWCO] Business System or from execution of general cost saving strategies. Because these restructuring plans will be incremental to the fundamental activities that arise in the ordinary course of our business and we believe are not indicative of our ongoing operating costs in a given period, we exclude these costs to facilitate a more consistent comparison of operating results over time. Restructuring costs related primarily to an acquisition are not included in this adjustment but are instead included in acquisition and divestiture related items.

  - In connection with the invasion of Ukraine by Russian forces, the Company exited business operations in Russia in the second quarter of 2022. As a result of the exit of our business operations in Russia, the Company recorded a pre-tax charge totaling $2.3 million for the year ended December 31, 2022, to reflect the write-off of net assets, the write-off of the cumulative translation adjustment in earnings for legal entities deemed substantially liquidated, and to record provisions for employee severance and legal contingencies. These costs are recorded within Selling, general, and administrative expenses in the Combined Statements of Earnings. We adjust for the non-recurring Russia exit and wind down costs because we believe that this adjustment facilitates comparison of our performance with prior and future periods and provides our investors with additional insight into our operational performance.

- In addition, with respect to EBITDA and Adjusted EBITDA:
  - We exclude interest, taxes, and depreciation expense because we believe these adjustments help investors understand operational factors associated with our financial performance.
- In addition, with respect to Adjusted EBITDA and Adjusted Net Earnings:
  - During 2024, we divested and transferred ownership of Invetech, excluding the Dover Motion Business, to its management team (the “Invetech Divestiture”). We exclude the loss from the Invetech Divestiture because we believe the adjustment facilitates comparison of our performance with prior and future periods and provides our investors with additional insight into our operational performance.
- In addition, with respect to Adjusted Net Earnings:
  - Excluding the tax effect (to the extent tax deductible) of the pretax adjustments noted above. The tax effect of such adjustments was calculated by applying our overall estimated effective tax rate to the pretax amount of each adjustment (unless the nature of the item and/or the tax jurisdiction in which the item has been recorded requires application of a specific tax rate or tax treatment, in which case the tax effect of such item is estimated by applying such specific tax rate or tax treatment). We expect to apply our overall estimated effective tax rate to each adjustment going forward.
- With respect to FCF, we calculate it as net cash provided by operating activities less purchases of property, plant and equipment (“capital expenditures”).

RISK FACTORS

You should carefully consider the risks and uncertainties described below, together with the information included elsewhere in this information statement. The risks and uncertainties described below are those that we have identified as material but are not the only risks and uncertainties facing us. Our business is also subject to general risks and uncertainties that affect many other companies, such as market conditions, economic conditions, geopolitical events, changes in laws, regulations or accounting rules, fluctuations in interest rates, terrorism, wars or conflicts, major health concerns, natural disasters or other disruptions of expected business conditions. Additional risks and uncertainties not currently known to us or that we currently believe are immaterial also may impair our business, including our results of operations, liquidity and financial condition.

Risks Related to Our Business

Conditions in the global economy, the markets we serve, and the financial markets may adversely affect our business and financial statements.

Our business is impacted by general economic conditions, and adverse economic conditions arising from any slower global economic growth, reduced demand or consumer confidence, energy, manufacturing or component supply constraints arising from international conflicts, including the Russian invasion of Ukraine and the Israel-Hamas war, high inflation rates and the corresponding interest rate policies, volatility in currency and credit markets, actual or anticipated default on sovereign debt, changes in global trade policies, unemployment and underemployment rates, reduced levels of capital expenditures, changes in government fiscal and monetary policies, government deficit reduction and budget negotiation dynamics, sequestration, other austerity measures, political and social instability, other geopolitical conflict, sanctions, natural disasters, terrorist attacks, and other challenges affect us and our distributors, customers and suppliers, including having the effect of:

- reducing demand for our products, software and services, limiting the financing available to our customers and suppliers, increasing order cancellations and resulting in longer sales cycles and slower adoption of new technologies;
- increasing the difficulty in collecting accounts receivable and the risk of excess and obsolete inventories;
- increasing price competition in our served markets;
- supply interruptions, which could disrupt our ability to produce our products;
- increasing the risk of impairment of goodwill and other long-lived assets, and the risk that we may not be able to fully recover the value of other assets such as real estate and tax assets;
- increasing the impact of currency translation; and
- increasing the risk that counterparties to our contractual arrangements will become insolvent or otherwise unable to fulfill their contractual obligations which, in addition to increasing the risks identified above, could result in preference actions against us.

In addition, adverse general economic conditions may lead to instability in U.S. and global capital and credit markets, including market disruptions, limited liquidity and interest rate volatility. If we are unable to access capital and credit markets on terms that are acceptable to us or our lenders are unable to provide financing in accordance with their contractual obligations, we may not be able to make certain investments or acquisitions or fully execute our business plans and strategies. Furthermore, our suppliers and customers are also dependent upon the capital and credit markets. Limitations on the ability of customers, suppliers or financial counterparties to access credit at interest rates and on terms that are acceptable to them could lead to insolvencies of key suppliers and customers, limit or prevent customers from obtaining credit to finance purchases of our products and services and cause delays in the delivery of key products from suppliers.

If growth in the global economy or in any of the markets we serve slows for a significant period, if there is significant deterioration in the global economy or such markets, if there is instability in global capital and credit markets, or if improvements in the global economy do not benefit the markets we serve, our business and financial statements would be adversely affected.

Our growth could suffer if the markets into which we sell our products and services decline, do not grow as anticipated or experience cyclicality.

Our growth depends in part on the growth of the markets which we serve, and visibility into our markets is limited (particularly for markets into which we sell through distribution). Our quarterly sales and profits depend substantially on the volume and timing of orders received during the fiscal quarter, which are difficult to forecast. Any decline or lower than expected growth in our served markets could diminish demand for our products and services, which could adversely affect our financial statements. Certain of our businesses operate in industries that may experience periodic, cyclical downturns. In addition, in certain of our businesses, demand depends on customers' capital spending budgets, and product and economic cycles can affect the spending decisions of these entities. Demand for our products and services is also sensitive to changes in customer order patterns, which may be affected by announced price changes, changes in incentive programs, new product introductions and customer inventory levels. Any of these factors could adversely affect our growth and results of operations in any given period.

We face intense competition and if we are unable to compete effectively, we may experience decreased demand and decreased market share. Even if we compete effectively, we may be required to reduce prices for our products and services.

Many of our businesses operate in industries that are intensely competitive and have been subject to consolidation. Because of the range of the products and services we sell and the variety of markets we serve, we encounter a wide variety of competitors. See "Business — Competition." In order to compete effectively, we must retain longstanding relationships with major customers and continue to grow our business by establishing relationships with new customers, continually developing new or enhanced products and services to maintain and expand our brand recognition and leadership position in various product and service categories and penetrating new markets, including high-growth markets. Our failure to compete effectively and/or pricing pressures resulting from competition may adversely impact our financial statements, and our expansion into new markets may result in greater-than-expected risks, liabilities and expenses.

Our growth depends in part on the timely development and commercialization, and customer acceptance, of new and enhanced products and services based on technological innovation.

We generally sell our products and services in industries that are characterized by rapid technological changes, frequent new product introductions and changing industry standards. If we do not develop innovative new and enhanced products and services on a timely basis, our offerings will become obsolete over time and our competitive position and financial statements will suffer. Our success will depend on several factors, including our ability to:

- accurately identify customer needs and preferences and predict future needs and preferences;
- allocate our research and development funding to products and services with higher growth prospects;
- anticipate and respond to our competitors' development of new products and services and technological innovations;
- differentiate our offerings from our competitors' offerings and avoid commoditization;
- innovate and develop new technologies and applications, and acquire or obtain rights to third-party technologies that may have valuable applications in our served markets;
- obtain adequate intellectual property rights with respect to key technologies before our competitors do;
- successfully commercialize new technologies in a timely manner, price them competitively and cost-effectively manufacture and deliver sufficient volumes of new products of appropriate quality on time; and
- stimulate customer demand for and convince customers to adopt new technologies.

In addition, if we fail to accurately predict future customer needs and preferences or fail to produce viable technologies, we may invest heavily in research and development of products and services that do not lead to significant revenue, which would adversely affect our profitability. Even if we successfully innovate and develop new and enhanced products and services, we may incur substantial costs in doing so, and our profitability may suffer.

Changes in industry standards and governmental regulations may reduce demand for our products or services or increase our expenses.

We compete in markets in which we and our customers must comply with supranational, federal, state, local, and other jurisdictional regulations, such as regulations governing health and safety, the environment, and electronic communications, and market standardizations. We develop, configure, and market our products and services to meet customer needs created by these regulations and standards. These regulations and standards are complex, change frequently, have tended to become more stringent over time, and may be inconsistent across jurisdictions. Any significant change or delay in implementation in any of these regulations or standards (or in the interpretation, application, or enforcement thereof) could reduce or delay demand for our products and services, increase our costs of producing or delay the introduction of new or modified products and services, or restrict our existing activities, products, and services. In addition, in certain of our markets our growth depends in part upon the introduction of new regulations or implementation of industry standards on the timeline we expect. In these markets, the delay or failure of governmental and other entities to adopt or enforce new regulations or industry standards, or the adoption of new regulations or industry standards which our products and services are not positioned to address, could adversely affect demand. In addition, regulatory deadlines or industry standard implementation timelines may result in substantially different levels of demand for our products and services from period to period.

Our reputation, ability to do business and financial statements may be impaired by improper conduct by any of our employees, agents or business partners.

We cannot provide assurance that our internal controls and compliance systems will always protect us from acts committed by employees, agents or business partners of ours (or of businesses we acquire or partner with) that would violate U.S. and/or non-U.S. laws, including the laws governing payments to government officials, bribery, fraud, kickbacks and false claims, sales and marketing practices, conflicts of interest, competition, export and import compliance, money laundering and data privacy. In particular, the U.S. Foreign Corrupt Practices Act, the U.K. Bribery Act and similar anti-bribery laws in other jurisdictions generally prohibit companies and their intermediaries from making improper payments to government officials for the purpose of obtaining or retaining business, and we operate in many parts of the world that have experienced governmental corruption to some degree. Any such improper actions or allegations of such acts could damage our reputation and subject us to civil or criminal investigations in the United States and in other jurisdictions and related shareholder lawsuits, could lead to substantial civil and criminal, monetary and non-monetary penalties and could cause us to incur significant legal and investigatory fees. In addition, though we rely on our suppliers to adhere to our supplier standards of conduct, material violations of such standards of conduct could occur that could have a material effect on our financial statements.

Any inability to consummate acquisitions at our anticipated rate and at appropriate prices, and to make appropriate investments that support our long-term strategy, could negatively impact our growth rate and stock price.

Our ability to grow revenue, earnings and cash flow at or above our anticipated rates depends in part upon our ability to identify and successfully acquire and integrate businesses at appropriate prices and realize anticipated synergies, and to make appropriate investments that support our long-term strategy. We may not be able to consummate acquisitions at anticipated rates, which could adversely impact our growth rate and our stock price. Acquisitions and investments that align with our portfolio strategy may be difficult to identify and execute for a number of reasons, including high valuations, competition among prospective buyers, the availability of affordable funding in the capital markets and the need to satisfy applicable closing conditions and obtain antitrust and other regulatory approvals on acceptable terms. In addition, competition for acquisitions and investments may result in higher purchase prices. Changes in accounting or regulatory requirements or instability in the credit markets could also adversely impact our ability to consummate acquisitions and investments.

Our acquisition of businesses, investments, joint ventures and other strategic relationships could negatively impact our financial statements.

As part of our business strategy, we acquire businesses, make investments and enter into joint ventures and other strategic relationships in the ordinary course, some of which may be material; please refer to "Management's Discussion and Analysis of Financial Condition and Results of Operations" for additional details. These acquisitions, investments, joint ventures and strategic relationships involve a number of financial, accounting, managerial, operational, legal, compliance and other risks and challenges, including the following, any of which could adversely affect our financial statements:

- any business, technology, service or product that we acquire or invest in could under-perform relative to our expectations and the price that we paid for it, or not perform in accordance with our anticipated timetable, or we could fail to operate any such business profitably;
- we may incur or assume significant debt in connection with our acquisitions, investments, joint ventures or strategic relationships, which could also cause a deterioration of our credit ratings, result in increased borrowing costs and interest expense and diminish our future access to the capital markets;
- acquisitions, investments, joint ventures or strategic relationships could cause our financial results to differ from our own or the investment community's expectations in any given period, or over the long-term;
- pre-closing and post-closing earnings charges could adversely impact operating results in any given period, and the impact may be substantially different from period to period;
- acquisitions, investments, joint ventures or strategic relationships could create demands on our management, operational resources and financial and internal control systems that we are unable to effectively address;
- we could experience difficulty in integrating personnel, operations and financial and other controls and systems and retaining key employees and customers;
- we may be unable to achieve cost savings or other synergies anticipated in connection with an acquisition, investment, joint venture or strategic relationship;
- we may assume by acquisition or strategic relationship unknown liabilities, known contingent liabilities that become realized, known liabilities that prove greater than anticipated, internal control deficiencies or exposure to regulatory sanctions resulting from the acquired company's or investee's activities, and the realization of any of these liabilities or deficiencies may increase our expenses, adversely affect our financial position or cause us to fail to meet our public financial reporting obligations;
- in connection with acquisitions and joint ventures, we may enter into post-closing financial arrangements such as purchase price adjustments, earn-out obligations and indemnification obligations, which may have unpredictable financial results;
- in connection with acquisitions and investments, we have recorded significant goodwill and other intangible assets on our balance sheet and if we are not able to realize the value of these assets, we may be required to incur charges relating to the impairment of these assets; and
- we may have interests that diverge from those of our joint venture partners or other strategic partners and we may not be able to direct the management and operations of the joint venture or other strategic relationship in the manner we believe is most appropriate, exposing us to additional risk.

The indemnification provisions of acquisition agreements by which we have acquired companies may not fully protect us and as a result we may face unexpected liabilities.

Certain of the acquisition agreements by which we have acquired companies require the former owners to indemnify us against certain liabilities related to the operation of the company before we acquired it. In most of these agreements, however, the liability of the former owners is limited and certain former owners may be unable to meet their indemnification responsibilities. We cannot assure you that these indemnification provisions will protect us fully or at all, and as a result we may face unexpected liabilities that adversely affect our financial statements.

Divestitures or other dispositions could negatively impact our business, and contingent liabilities from businesses that we have sold could adversely affect our financial statements.

We continually assess the strategic fit of our existing businesses and may divest or otherwise dispose of businesses that are deemed not to fit with our strategic plan or are not achieving the desired return on investment. These transactions pose risks and challenges that could negatively impact our business. For example, when we decide to sell or otherwise dispose of a business or assets, we may be unable to do so on satisfactory terms within our anticipated timeframe or at all, and even after reaching a definitive agreement to sell or dispose a business the sale is typically subject to satisfaction of pre-closing conditions which may not become satisfied. In addition, divestitures or other dispositions may dilute our earnings per share, have other adverse financial and accounting impacts and distract management, and disputes may arise with buyers. In addition, we have retained responsibility for and/or have agreed to indemnify buyers against some known and unknown contingent liabilities related to a number of businesses we have sold or disposed of. The resolution of these contingencies has not had a material effect on our financial statements, but we cannot be certain that this favorable pattern will continue.

Our operations, products and services expose us to the risk of environmental, health and safety liabilities, costs and violations that could adversely affect our reputation and financial statements.

Our operations, products and services are subject to environmental laws and regulations, which impose limitations on the discharge of pollutants into the environment and establish standards for the use, generation, treatment, storage and disposal of hazardous and non-hazardous wastes. We must also comply with various health and safety regulations in the United States and abroad in connection with our operations. In addition, some of our operations require the controlled use of hazardous or energetic materials in the development, manufacturing or servicing of our products. We cannot assure you that our environmental, health and safety compliance program has been or will at all times be effective. Failure to comply with any of these laws could result in civil and criminal, monetary and non-monetary penalties and damage to our reputation. In addition, we cannot provide assurance that our costs of complying with current or future environmental protection and health and safety laws will not exceed our estimates or adversely affect our financial statements. Moreover, any accident that results in significant personal injury or property damage, whether occurring during development, manufacturing, servicing, use, or storage of our products, may result in significant production interruption, delays or claims for substantial damages caused by personal injuries or property damage, harm to our reputation, and reduction in morale among our employees, any of which may adversely and materially affect our results of operations.

In addition, we may incur costs related to remedial efforts or alleged environmental damage associated with past or current waste disposal practices or other hazardous materials handling practices. We are also from time to time party to personal injury or other claims brought by private parties alleging injury due to the presence of or exposure to hazardous substances. We may also become subject to additional remedial, compliance or personal injury costs due to future events such as changes in existing laws or regulations, changes in agency direction or enforcement policies, developments in remediation technologies, changes in the conduct of our operations and changes in accounting rules. For additional information regarding these risks, please refer to Note 11 to the audited Combined Financial Statements included in this information statement. We cannot assure you that our liabilities arising from past or future releases of, or exposures to, hazardous substances will not exceed our estimates or adversely affect our reputation and financial statements or that we will not be subject to additional claims for personal injury or remediation in the future based on our past, present or future business activities.

Our businesses are subject to extensive regulation; failure to comply with those regulations could adversely affect our financial statements and our business, including our reputation.

In addition to the environmental, health, safety, anticorruption, data privacy and other regulations noted elsewhere in this information statement, our businesses are subject to extensive regulation by U.S. and non-U.S. governmental and self-regulatory entities at the supranational, federal, state, local and other jurisdictional levels, including the following:

- we are required to comply with various import laws and export control and economic sanctions laws, which may affect our transactions with certain customers, business partners and other persons and dealings between our employees and between our subsidiaries. In certain circumstances, export control and economic sanctions regulations may prohibit the export of certain products, services and technologies. In other circumstances, we may be required to obtain an export license before exporting the controlled item. Compliance with the various import laws that apply to our businesses can restrict our access to, and increase the cost of obtaining, certain products and at times can interrupt our supply of imported inventory. We may also face audits or investigations by one or more domestic or foreign government agencies relating to our compliance with these regulations. An adverse outcome in any such audit or investigation could subject us to fines or other penalties;

- we also have agreements to sell products and services to government entities and are subject to various statutes and regulations that apply to companies doing business with government entities (approximately $[ ] million of our 2024 sales were made to the U.S. federal government). The laws governing government contracts differ from the laws governing private contracts. For example, many government contracts contain pricing and other terms and conditions that are not applicable to private contracts. Our agreements with government entities may be subject to termination, reduction or modification at the convenience of the government or in the event of changes in government requirements, reductions in federal spending and other factors, and we may underestimate our costs of performing under the contract. In certain cases, a governmental entity may require us to pay back amounts it has paid to us. Government contracts that have been awarded to us following a bid process could become the subject of a bid protest by a losing bidder, which could result in loss of the contract. We are also subject to investigation and audit for compliance with the requirements governing government contracts. An adverse outcome in any such investigation or audit could subject us to fines or other penalties;

- we are also required to comply with increasingly complex and changing data privacy regulations in multiple jurisdictions that regulate the collection, use, protection and transfer of personal data, including the transfer of personal data between or among countries. In particular, the General Data Protection Regulation became effective in the European Union in May 2018 and the California Consumer Privacy Act became effective in January 2020. We may also face audits or investigations by one or more domestic or foreign government agencies relating to our compliance with these regulations. An adverse outcome in any such audit or investigation could subject us to fines or other penalties. That or other circumstances related to our collection, use, and transfer of personal data could cause a loss of reputation in the market and/or adversely affect our business and financial position;

- we are also required to comply with complex and evolving state, U.S. and foreign laws regarding the distribution of our products and services. These rules are subject to change due to new or amended legislation or regulations, administrative or judicial interpretation or government enforcement policies. Any such change could adversely impact our current distribution business models and result in a decrease in sales or expose us to other significant costs affecting our business and financial position;

- we are also subject to the federal False Claims Act (the “FCA”), which imposes civil and criminal liability on individuals or entities that knowingly submit false or fraudulent claims for payment to the government or knowingly make, or cause to be made, a false statement in order to have a false claim paid, including qui tam or whistleblower suits. There are many potential bases for liability under the FCA. In addition, we could be held liable under the FCA if we are deemed to “cause” the submission of false or fraudulent claims; and

- we are also required to comply with ever changing labor and employment laws and regulations in multiple jurisdictions. These changes could negatively impact our business or financial position.

These are not the only regulations that our businesses must comply with. The regulations we are subject to have tended to become more stringent over time and may be inconsistent across jurisdictions. We, our representatives, and the industries in which we operate may at times be under review and/or investigation by regulatory authorities. Failure to comply (or any alleged or perceived failure to comply) with the regulations referenced above or any other regulations could result in civil and criminal, monetary and non-monetary penalties, and any such failure or alleged failure (or becoming subject to a regulatory enforcement investigation) could also damage our reputation, disrupt our business, limit our ability to manufacture, import, export, and sell products and services, result in loss of customers and disbarment from selling to certain federal agencies and cause us to incur significant legal and investigatory fees. Compliance with these and other regulations may also affect our returns on investment, require us to incur significant expenses or modify our business model, or impair our flexibility in modifying product, marketing, pricing, or other strategies for growing our business. Our products and operations are also often subject to the rules of industrial standards bodies such as the International Standards Organization, and failure to comply with these rules could result in withdrawal of certifications needed to sell our products and services and otherwise adversely impact our financial statements. For additional information regarding these risks, please refer to the section entitled “Business — Regulatory Matters.”

Climate change, or legal or regulatory measures to address climate change, may negatively affect us.

Climate change resulting from increased concentrations of carbon dioxide and other greenhouse gases in the atmosphere could present risks to our operations. Physical risk resulting from acute changes (such as hurricane, tornado, wildfire or flooding) or chronic changes (such as droughts, heat waves or sea level changes) in climate patterns can adversely impact our facilities and operations and disrupt our supply chains and distribution systems. Concern over climate change can also result in new or additional legal or regulatory requirements designed to reduce greenhouse gas emissions and/or mitigate the effects of climate change on the environment (such as taxation of, or caps on the use of, carbon-based energy). Any such new or additional legal or regulatory requirements, including extensive disclosure requirements in various jurisdictions, including in the European Union and domestically, may increase the costs associated with, or disrupt, sourcing, manufacturing and distribution of our products, which may adversely affect our business and financial statements. In addition, any failure to adequately address stakeholder expectations with respect to environmental, social and governance matters may result in the loss of business, adverse reputational impacts, diluted market valuations and challenges in attracting and retaining customers and talented employees.

International economic, political, legal, compliance and business factors could negatively affect our financial statements.

In 2024, [ ]% of our sales were derived from customers outside the United States. In addition, many of our manufacturing operations, suppliers and employees are located outside the United States. Our principal markets outside the United States are in [Europe and Asia]. Since our growth strategy depends in part on our ability to further penetrate markets outside the United States and increase the localization of our products and services, we expect to continue to increase our sales and presence outside the United States, particularly in high-growth markets, such as Eastern Europe, the Middle East, Africa, Latin America, and Asia. Our international business (and particularly our business in high-growth markets) is subject to risks that are customarily encountered in non-U.S. operations, as well as increased risks due to significant uncertainties related to political and economic changes, including:

- impact of geopolitical conflict, including the Russian invasion of Ukraine and the Israel-Hamas war;
- interruption in the transportation of materials to us and finished goods to our customers;
- differences in terms of sale, including payment terms;
- local product preferences and product requirements;
- changes in a country’s or region’s political or economic conditions, including changes in relationship with the United States, particularly with respect to China;
- trade protection measures, sanctions, increased trade barriers, imposition of significant tariffs on imports or exports, embargoes and import or export restrictions and requirements;
- new conditions to, and possible restrictions of, existing free trade agreements;

- epidemics, such as the coronavirus outbreak, that adversely impact travel, production or demand;
- unexpected changes in laws or regulatory requirements, including negative changes in tax laws in the United States and in countries in which we manufacture or sell our products;
- limitations on ownership and on repatriation of earnings and cash;
- the potential for nationalization of enterprises;
- limitations on legal rights and our ability to enforce such rights;
- difficulty in staffing and managing widespread operations;
- differing labor regulations;
- difficulties in implementing restructuring actions on a timely or comprehensive basis; and
- differing protection of intellectual property.

Any of these risks could negatively affect our financial statements and growth rate.

Changes in U.S. GAAP could adversely affect our reported financial results and may require significant changes to our internal accounting systems and processes.

We prepare our consolidated financial statements in conformity with generally accepted accounting principles in the United States of America ("GAAP"). These principles are subject to interpretation by the Financial Accounting Standards Board ("FASB"), the SEC, and various bodies formed to interpret and create appropriate accounting principles and guidance. Any new or amended standards may result in different accounting principles, which may significantly impact our reported results or could result in volatility of our financial results.

We may be required to recognize impairment charges for our goodwill and other intangible assets.

As of [ ], 2025, the net carrying value of our goodwill and other intangible assets totaled approximately $[ ]. In accordance with generally accepted accounting principles, we periodically assess these assets to determine if they are impaired. Significant negative industry or economic trends, disruptions to our business, inability to effectively integrate acquired businesses, unexpected significant changes or planned changes in use of our assets, changes in the structure of our business, divestitures, market capitalization declines, or increases in associated discount rates may impair our goodwill and other intangible assets. Any charges relating to such impairments would adversely affect our results of operations in the periods recognized.

Trade relations between China and the United States could have a material adverse effect on our business and financial statements.

We participate in various end markets in China. During 2024, sales in China accounted for approximately [ ]% of our total sales for the year. In addition, we have several facilities in China, many of which serve multiple [NewCo] operating companies in manufacturing, distribution, product design, and selling, general and administrative functions.

There continues to be significant uncertainty about the future relationship between the United States and China, including with respect to trade policies, treaties, government regulations, and tariffs. In particular, there continues to be uncertainty about U.S. foreign trade policy with respect to China, including any changes to the trade policies that may be adopted by the Trump administration. Any increased trade barriers or restrictions on global trade, especially trade with China, could adversely impact our business and financial statements.

Foreign currency exchange rates may adversely affect our financial statements.

Sales and purchases in currencies other than the U.S. dollar expose us to fluctuations in foreign currencies relative to the U.S. dollar and may adversely affect our financial statements. Overall strengthening of the U.S. dollar [during most of fiscal year 2024] has increased the effective price of our products sold in

U.S. dollars into other countries, which may require us to lower our prices or adversely affect sales to the extent we do not increase local currency prices. Decreased strength of the U.S. dollar could adversely affect the cost of materials, products and services we purchase overseas. Sales and expenses of our non-U.S. businesses are also translated into U.S. dollars for reporting purposes and the strengthening or weakening of the U.S. dollar could result in unfavorable translation effects. In addition, certain of our businesses transact in a currency other than the business's functional currency, and movements in the transaction currency relative to the functional currency could also result in unfavorable exchange rate effects. We also face exchange rate risk from our investments in subsidiaries owned and operated in foreign countries and borrowings denominated in foreign currencies.

Changes in our effective tax rates or exposure to additional tax liabilities or assessments could affect our profitability. In addition, audits by tax authorities could result in additional tax payments for prior periods.

We are subject to income, transaction and other taxes in the United States and in multiple foreign jurisdictions. Our future income tax rates could be volatile and difficult to predict due to changes in business profit by jurisdiction, changes in the amount and recognition of deferred tax assets and liabilities, or by changes in tax laws, regulations, or accounting principles. For example, the Organisation for Economic Co-operation and Development continues to advance proposals for modernizing international tax rules, including the introduction of global minimum tax standards. We closely monitor changes to tax laws, regulations, accounting principles, and global tax standards; and at the time of a change, the related expense or benefit recorded may be material to the quarter and year of change. Furthermore, certain tax laws are inherently ambiguous requiring subjective interpretation on the application thereof. Our interpretation and the corresponding amount of taxes we pay is, and may in the future continue to be, subject to audits by U.S. federal, state, and local tax authorities and by non-U.S. tax authorities. If these audits result in payments or assessments different from our reserves, our future results may include unfavorable adjustments to our tax liabilities and our financial statements could be adversely affected.

We are subject to a variety of litigation and other legal and regulatory proceedings in the course of our business that could adversely affect our financial statements.

We are subject to a variety of litigation and other legal and regulatory proceedings incidental to our business (or the business operations of previously owned entities), including claims for damages arising out of the use of products or services and claims relating to intellectual property matters, employment matters, tax matters, commercial disputes, disputes with our suppliers or vendors, competition and sales and trading practices, environmental matters, personal injury, insurance coverage, and acquisition or divestiture-related matters, as well as regulatory investigations or enforcement. We may also become subject to lawsuits as a result of past or future acquisitions or as a result of liabilities retained from, or representations, warranties or indemnities provided in connection with, divested businesses. These lawsuits may include claims for compensatory damages, punitive and consequential damages and/or injunctive relief. The defense of these lawsuits may divert our management's attention, we may incur significant expenses in defending these lawsuits, we may experience disruption in supply or sales, and we may be required to pay damage awards or settlements or become subject to equitable remedies that could adversely affect our operations and financial statements. Moreover, any insurance or indemnification rights that we may have may be insufficient or unavailable to protect us against such losses. In addition, developments in proceedings in any given period may require us to adjust the loss contingency estimates that we have recorded in our financial statements, record estimates for liabilities or assets that we were previously unable to estimate, or pay cash settlements or judgments. Any of these developments could adversely affect our financial statements in any particular period. We cannot assure you that our liabilities in connection with litigation and other legal and regulatory proceedings will not exceed our estimates or adversely affect our financial statements and reputation.

If we do not or cannot adequately protect our intellectual property, or if third parties infringe our intellectual property rights, we may suffer competitive injury or expend significant resources enforcing our rights.

We own numerous patents, trademarks, copyrights, trade secrets and other intellectual property and have licenses to intellectual property owned by others, which in aggregate are important to our business. The intellectual property rights that we obtain, however, may not be sufficiently broad or otherwise may not provide us a significant competitive advantage, and patents may not be issued for pending or future patent applications owned by or licensed to us. In addition, the steps that we and our licensors have taken to maintain and protect our intellectual property may not prevent it from being challenged, invalidated, circumvented, designed-around or becoming subject to compulsory licensing, particularly in countries where intellectual property rights are not highly developed or protected. In some circumstances, enforcement may not be available to us because an infringer has a dominant intellectual property position or for other business reasons, or countries may require compulsory licensing of our intellectual property. We also rely on nondisclosure and noncompetition agreements with employees, consultants and other parties to protect, in part, trade secrets and other proprietary rights. There can be no assurance that these agreements will adequately protect our trade secrets and other proprietary rights and will not be breached, that we will have adequate remedies for any breach, that others will not independently develop substantially equivalent proprietary information or that third parties will not otherwise gain access to our trade secrets or other proprietary rights. Our failure to obtain or maintain intellectual property rights that convey competitive advantage, adequately protect our intellectual property or detect or prevent circumvention or unauthorized use of such property and the cost of enforcing our intellectual property rights could adversely impact our business, including our competitive position, and financial statements.

Third parties may claim that we are infringing or misappropriating their intellectual property rights and we could suffer significant litigation expenses, losses or licensing expenses or be prevented from selling products or services.

From time to time, we receive notices from third parties alleging intellectual property infringement or misappropriation. Any dispute or litigation regarding intellectual property could be costly and time-consuming due to the complexity of many of our technologies and the uncertainty of intellectual property litigation. Our intellectual property portfolio may not be useful in asserting a counterclaim, or negotiating a license, in response to a claim of infringement or misappropriation. In addition, as a result of such claims of infringement or misappropriation, we could lose our rights to critical technology, be unable to license critical technology or sell critical products and services, be required to pay substantial damages or license fees with respect to the infringed rights, be required to license technology or other intellectual property rights from others, be required to cease marketing, manufacturing or using certain products or be required to redesign, re-engineer or re-brand our products at substantial cost, any of which could adversely impact our competitive position and financial statements. Third-party intellectual property rights may also make it more difficult or expensive for us to meet market demand for particular product or design innovations. If we are required to seek licenses under patents or other intellectual property rights of others, we may not be able to acquire these licenses on acceptable terms, if at all. Even if we successfully defend against claims of infringement or misappropriation, we may incur significant costs and diversion of management attention and resources, which could adversely affect our business and financial statements.

Significant disruptions in, or breaches in security of, our information technology systems have adversely affected, and in the future could adversely affect, our business.

We rely on information technology systems, some of which are managed by third parties and some of which are managed on a decentralized, independent basis by our operating companies, to process, transmit, and store electronic information (including sensitive data such as confidential business information and personally identifiable data relating to employees, customers, and other business partners), and to manage or support a variety of critical business processes and activities. These systems may be damaged, disrupted, accessed, or shut down due to attacks by computer hackers, nation states, cyber-criminals, computer viruses, error or malfeasance by employee or former employees, power outages, hardware failures, telecommunication or utility failures, catastrophes, or other similar events, and in any such circumstances our system redundancy and other disaster recovery planning may be ineffective or inadequate. In addition, security breaches of our systems or lack of sufficient control in our systems (or the systems of our customers, suppliers or other business partners) could result in the misappropriation, change, destruction, exfiltration or unauthorized disclosure of confidential information or personal data belonging to us or to our employees, partners, customers, or suppliers. Like many multinational corporations, our information technology systems have been subject to computer viruses, malicious codes, and other cyber-attacks that have resulted in disruption of our operations, unauthorized access to confidential information and increased the cost of operations through containment, investigation and remediation efforts. Furthermore, we expect to be subject to similar incidents in the future as such attacks become more sophisticated and frequent, any of which may have a material adverse impact on our business continuity, operations or financial results. Increasing use of artificial intelligence may increase these risks. Any of the attacks, breaches, or other disruptions or damage described above, as well as corresponding remediation efforts, can disrupt our operations, delay production and shipments, result in theft of our and our customers' intellectual property and trade secrets, damage customer and business partner relationships and our reputation, or result in defective products or services, legal claims and proceedings, liability and penalties under privacy laws, and increased costs for security and remediation, each of which could adversely affect our business and financial statements.

We may use artificial intelligence in our business and in our products, and challenges with properly managing its use could result in reputational harm, competitive harm, and legal liability, and adversely affect our results of operations.

We may incorporate artificial intelligence ("AI") solutions into our products, services and features, and we may leverage AI, including generative AI, in our product development, our operations, and our software programming. Our competitors or other third parties may incorporate AI into their products or operational processes more quickly or more successfully than us, which could impair our ability to compete effectively and adversely affect our results of operations.

In addition, there are significant risks involved in developing and deploying AI and there can be no assurance that the usage of AI will enhance our products or services or be beneficial to our business, including our efficiency or profitability. For example, our AI-related efforts, particularly those related to generative AI, subject us to risks related to accuracy, intellectual property infringement or misappropriation, data privacy, and cybersecurity, among others. It is also uncertain how various laws related to online services, intermediary liability, and other issues will apply to content generated by AI. AI also presents emerging ethical issues, and if our use of AI becomes controversial, we may experience brand or reputational harm, competitive harm, or legal liability. The rapid evolution of AI, including the regulation of AI by government or other regulatory agencies, will require significant resources to develop, test and maintain our platforms, offerings, services, and features to implement AI ethically and minimize any unintended harmful impacts.

Defects and unanticipated use or inadequate disclosure with respect to our products (including software) or services could adversely affect our business, reputation and financial statements.

Manufacturing or design defects impacting safety, cybersecurity or quality issues (or the perception of such issues) for our products and services can lead to personal injury, death, property damage, data loss or other damages. These events could lead to recalls or safety or other public alerts, result in product or service downtime or the temporary or permanent removal of a product or service from the market and result in product liability or similar claims being brought against us. Recalls, downtime, removals and product liability and similar claims (regardless of their validity or ultimate outcome) can result in significant costs, as well as negative publicity and damage to our reputation that could reduce demand for our products and services.

Adverse changes in our relationships with, or the financial condition, performance, purchasing patterns or inventory levels of, key distributors and other channel partners could adversely affect our financial statements.

Certain of our businesses sell a significant amount of their products to key distributors and other channel partners that have valuable relationships with customers and end-users. Some of these distributors and other partners also sell our competitors' products or compete with us directly, and if they favor competing products for any reason they may fail to market our products effectively. Adverse changes in our relationships with these distributors and other partners, or adverse developments in their financial condition, performance or purchasing patterns, could adversely affect our financial statements. The levels of inventory maintained by our distributors and other channel partners, and changes in those levels, can also significantly impact our results of operations in any given period. In addition, the consolidation of distributors and customers in certain of the industries in which we operate could adversely impact our profitability.

Our financial results are subject to fluctuations in the cost and availability of commodities or components that we use in our operations.

As further discussed in the section entitled "Business — Materials," our manufacturing and other operations employ a wide variety of components, raw materials and other commodities. Prices for and availability of these components, raw materials and other commodities have fluctuated significantly in the past. In particular, the widespread supply chain challenges due to labor, raw material, and component shortages, as well as widespread logistics issues, affected multiple industries, raised material and shipping costs, limited the quantities available, and extended the lead time required for supplies and deliveries. Any sustained interruption in the supply of these items, including as a result of general supply chain constraints, increasing demand outpacing supplies, or contractual disputes with suppliers or vendors, could adversely affect our business. In addition, due to the highly competitive nature of the industries that we serve, the cost-containment efforts of our customers and the terms of certain contracts we are party to, if commodity or component prices rise we may be unable to pass along cost increases through higher prices. If we are unable to fully recover higher commodity or component costs through price increases or offset these increases through cost reductions, or if there is a time delay between the increase in costs and our ability to recover or offset these costs, we could experience lower margins and profitability and our financial statements could be adversely affected.

If we cannot adjust our manufacturing capacity, supply chain management or the purchases required for our manufacturing activities to reflect changes in market conditions, customer demand and supply chain disruptions, our profitability may suffer. In addition, our reliance upon sole or limited sources of supply for certain materials, components and services could cause production interruptions, delays and inefficiencies.

We purchase materials, components, and equipment from third parties for use in our manufacturing operations. Our income could be adversely impacted if we are unable to adjust our purchases and supply chain management to reflect any supply chain or transportation disruptions or changes in customer demand and market fluctuations, geopolitical disruptions, severe weather events, increases in demand outpacing supply capabilities, labor shortages, seasonality or cyclicality. During a market upturn or general supply chain disruptions, suppliers have extended lead times, limited supplies, or increased prices. If we cannot purchase sufficient products at competitive prices and quality and on a timely enough basis to meet demand for our products, we may not be able to satisfy market demand, product shipments may be delayed, our costs may increase, or we may breach our contractual commitments and incur liabilities.

Conversely, in order to secure supplies for the production of products, we sometimes enter into noncancelable purchase commitments with vendors, which could impact our ability to adjust our inventory to reflect declining market demands. If demand for our products is less than we expect, we may experience additional excess and obsolete inventories and be forced to incur additional charges and our profitability may suffer.

In addition, some of our businesses purchase certain requirements from sole or limited source suppliers for reasons of quality assurance, cost effectiveness, availability, contractual obligations or uniqueness of design. If these or other suppliers encounter financial, operating, quality, or other difficulties or if our relationship with them changes, including as a result of contractual disputes, we might not be able to quickly establish or qualify replacement sources of supply. The supply chains for our businesses could also be disrupted by supplier capacity constraints, operational or quality issues, bankruptcy or exiting of the business for other reasons, decreased availability of key raw materials or commodities, and external events such as natural disasters, severe weather events that are occurring more frequently or with more intense effects as a result of global climate change, pandemic health issues, war, terrorist actions, governmental actions, and legislative or regulatory changes, among others. Any of these factors could result in production interruptions, delays, extended lead times, and inefficiencies.

Because we cannot always immediately adapt our production capacity and related cost structures to changing market conditions, our manufacturing capacity may at times exceed or fall short of our production requirements. Any or all of these problems could result in the loss of customers, provide an opportunity for competing products to gain market acceptance, and otherwise adversely affect our profitability.

Our restructuring activities could have long-term adverse effects on our business.

We have implemented, and may continue to implement, significant restructuring activities across our businesses to adjust our cost structure. These significant restructuring activities as well as our regular ongoing cost reduction activities (including in connection with the integration of acquired businesses) reduce our available talent, assets and other resources and could slow improvements in our products and services, adversely affect our ability to respond to customers and limit our ability to increase production quickly if demand for our products increases. In addition, delays in implementing planned restructuring activities or other productivity improvements, unexpected costs or failure to meet targeted improvements may diminish the operational or financial benefits we realize from such actions. Any of the circumstances described above could adversely impact our business and financial statements.

Work stoppages and works council campaigns and other labor disputes could adversely impact our productivity and results of operations.

We have various non-U.S. collective labor arrangements. We are subject to potential work stoppages and works council campaigns and other labor disputes, any of which could adversely impact our productivity, results of operations and reputation.

If we suffer a loss to our facilities, supply chains, distribution systems or information technology systems due to catastrophe or other events, our operations could be seriously harmed.

Our facilities, supply chains, distribution systems and information technology systems are subject to catastrophic loss due to fire, flood, earthquake, hurricane, public health crisis, war, terrorism or other natural or man-made disasters, including those caused by climate change and other climate-related causes. If any of these facilities, supply chains or systems were to experience a catastrophic loss, it could disrupt our operations, delay production and shipments, result in defective products or services, damage customer relationships and our reputation and result in legal exposure and large repair or replacement expenses. The third-party insurance coverage that we maintain will vary from time to time in both type and amount depending on cost, availability and our decisions regarding risk retention, and may be unavailable or insufficient to protect us against losses.

Our ability to attract, develop and retain talented executives and other key employees is critical to our success.

Our future performance is dependent upon our ability to attract, motivate and retain executives and other key employees. The loss of services of executives and other key employees or the failure to attract, motivate and develop talented new executives or other key employees could prevent us from successfully implementing and executing business strategies, and therefore adversely affect our financial statements. Our success also depends on our ability to attract, develop and retain a talented employee base. Our brand, our culture, our ability to provide competitive compensation, our locations of operations, and our reputation are important to our ability to recruit and retain key employees in these competitive markets. If we are not competitive or successful in our recruiting efforts, if we cannot attract or retain key employees, if we do not adequately ensure effective succession planning or transfer of knowledge for our key employees, or if our employees leave us given uncertainties relating to the separation, resulting in the inability to operate our business with employees possessing the appropriate expertise, our ability to deliver and execute on our operational, development, or portfolio strategies would be adversely affected.

Risks Related to the Separation and Our Relationship with Fortive

We have no history of operating as a separate, publicly traded company, and our historical and pro forma financial information is not necessarily representative of the results that we would have achieved as a separate, publicly traded company and may not be a reliable indicator of our future results.

The historical information about us in this information statement refers to our businesses as operated by and integrated with Fortive. Our historical and pro forma financial information included in this information statement is derived from the consolidated financial statements and accounting records of Fortive. Accordingly, the historical and pro forma financial information included in this information statement does not necessarily reflect the financial condition, results of operations or cash flows that we would have achieved as a separate, publicly traded company during the periods presented or those that we will achieve in the future primarily as a result of the factors described below:

- prior to the separation, our businesses have been operated by Fortive as part of its broader corporate organization, rather than as a separate, publicly traded company. Fortive or one of its affiliates performed various corporate functions for us such as legal, treasury, accounting, auditing, human resources, investor relations, corporate affairs and finance. Our historical and pro forma financial results reflect allocations of corporate expenses from Fortive for such functions and are likely to be less than the expenses we would have incurred had we operated as a separate publicly-traded company. Following the separation, our costs related to such functions previously performed by Fortive may therefore increase;

- currently, our businesses are integrated with the other businesses of Fortive. Historically, we have shared economies of scope and scale in costs, employees, vendor relationships and customer relationships. Although we will enter into transition agreements with Fortive, these arrangements may not fully capture the benefits that we have enjoyed as a result of being integrated with Fortive and may result in us paying higher charges than in the past for these services. This could have an adverse effect on our results of operations and financial condition following the completion of the separation;
- generally, our working capital requirements and capital for our general corporate purposes, including acquisitions and capital expenditures, have historically been satisfied as part of the corporate-wide cash management policies of Fortive. Following the completion of the separation, our results of operations and cash flows are likely to be more volatile, and we may need to obtain additional financing from banks, through public offerings or private placements of debt or equity securities, strategic relationships or other arrangements, which may or may not be available and may be more costly;
- as a current part of Fortive, we take advantage of Fortive’s overall size and scope to obtain more advantageous procurement terms. After the distribution, as a stand-alone company, we may be unable to obtain similar arrangements to the same extent that Fortive did, or on terms as favorable as those Fortive obtained, prior to completion of the distribution;
- after the completion of the separation, the cost of capital for our businesses may be higher than Fortive’s cost of capital prior to the separation;
- our historical financial information does not reflect the debt or the associated interest expense that we are expected to incur as part of the separation and distribution; and
- as an independent public company, we will separately become subject to, among other things, the reporting requirements of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), the Sarbanes-Oxley Act of 2002 (the “Sarbanes-Oxley Act”), the Dodd-Frank Wall Street Reform and Consumer Protection Act, and the regulations of the NYSE and will be required to prepare our stand-alone financial statements according to the rules and regulations required by the SEC. These reporting and other obligations will place significant demands on our management and administrative and operational resources. Moreover, to comply with these requirements, we anticipate that we will need to migrate our systems, including information technology systems, implement additional financial and management controls, reporting systems and procedures and hire additional accounting and finance staff. We expect to incur additional annual expenses related to these steps, and those expenses may be significant. If we are unable to implement our financial and management controls, reporting systems, information technology and procedures in a timely and effective fashion, our ability to comply with our financial reporting requirements and other rules that apply to reporting companies under the Exchange Act could be impaired.

Other significant changes may occur in our cost structure, management, financing and business operations as a result of operating as a company separate from Fortive. For additional information about the past financial performance of our businesses and the basis of presentation of the historical Combined Financial Statements and the unaudited pro forma combined financial statements of our businesses, please refer to the sections entitled “Unaudited Pro Forma Combined Financial Statements,” “Summary Historical and Unaudited Pro Forma Combined Financial Data,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and the audited Combined Financial Statements and accompanying notes included elsewhere in this information statement.

As a separate, publicly traded company, we may not enjoy the same benefits that we did as a part of Fortive.

The separation will result in [NewCo] being a smaller, less diversified company than Fortive. There is a risk that, by separating from Fortive, we may become more susceptible to market fluctuations and other adverse events than we would have been if we were still a part of the current Fortive organizational structure. As part of Fortive, we have been able to enjoy certain benefits from Fortive's operating diversity, purchasing power and opportunities to pursue integrated strategies with Fortive's other businesses. As a separate, publicly traded company, we will not have similar diversity or integration opportunities and may not have similar purchasing power or access to capital markets.

The unaudited pro forma combined financial statements included in this information statement are presented for informational purposes only and may not be an indication of our financial condition or results of operations in the future.

The unaudited pro forma combined financial statements included in this information statement are presented for informational purposes only and are not necessarily indicative of what our actual financial condition or results of operations would have been had the separation been completed on the date indicated. The assumptions used in preparing the pro forma financial information may not prove to be accurate and other factors may affect our financial condition or results of operations. Accordingly, our financial condition and results of operations in the future may not be evident from or consistent with such pro forma financial information.

We expect that Fortive and its directors and officers will have limited liability to us or you for breach of fiduciary duty.

Our amended and restated certificate of incorporation will provide that, subject to any contractual provision to the contrary, Fortive and its directors and officers will have no obligation to refrain from engaging in the same or similar business activities or lines of business as we do or doing business with any of our clients or consumers. As such, neither Fortive nor any officer or director of Fortive will be liable to us or to our shareholders for breach of any fiduciary duty by reason of any of these activities.

Our rebranding initiative will involve substantial costs and may not be favorably received by our customers, business partners, or investors.

Prior to the separation, we have conducted our business under the Fortive brand. In connection with the separation, we will conduct our business under a new brand and are currently in the process of planning our rebranding. We may not improve upon the brand recognition associated with the "Fortive" name that we previously established with customers and business partners. In addition, the initiative will involve significant costs and require the dedication of significant time and effort by management and other personnel.

We cannot predict the impact of this rebranding initiative on our business. However, if we fail to establish, maintain and/or enhance brand recognition associated with the "[NewCo]" name, it may affect our ability to attract and retain customers, which may adversely affect our ability to generate revenues and could impede our business plan. Additionally, the costs and the dedication of time and effort associated with the rebranding initiative may negatively impact our profitability.

Our customers, prospective customers, suppliers or other companies with whom we conduct business may conclude that our financial stability as a separate, publicly traded company is insufficient to satisfy their requirements for doing or continuing to do business with them.

Some of our customers, prospective customers, suppliers or other companies with whom we conduct business may conclude that our financial stability as a separate, publicly traded company is insufficient to satisfy their requirements for doing or continuing to do business with them, or may require us to provide additional credit support, such as letters of credit or other financial guarantees. Any failure of parties to be satisfied with our financial stability could have a material adverse effect on our business, financial condition, results of operations and cash flows.

Potential indemnification liabilities to Fortive pursuant to the separation agreement could materially and adversely affect our businesses, financial condition, results of operations and cash flows.

The separation agreement, among other things, provides for indemnification obligations (for uncapped amounts) designed to make us financially responsible for substantially all liabilities that may exist relating to our business activities, whether incurred prior to or after the separation. If we are required to indemnify Fortive under the circumstances set forth in the separation agreement, we may be subject to substantial liabilities. Please refer to the section entitled "Certain Relationships and Related Person Transactions — Agreements with Fortive — The Separation Agreement — Release of Claims and Indemnification."

In connection with the separation into two public companies, each of Fortive and [NewCo] will indemnify each other for certain liabilities. If we are required to pay under these indemnities to Fortive, our financial results could be negatively impacted. In addition, there can be no assurance that the Fortive indemnities will be sufficient to insure us against the full amount of liabilities for which Fortive will be allocated responsibility, or that Fortive's ability to satisfy its indemnification obligation will not be impaired in the future.

Pursuant to the separation agreement and certain other agreements with Fortive, each party will agree to indemnify the other for certain liabilities, in each case for uncapped amounts, as discussed further in "Certain Relationships and Related Person Transactions." Indemnities that we may be required to provide Fortive are not subject to any cap, may be significant and could negatively impact our business. Third parties could also seek to hold us responsible for any of the liabilities that Fortive has agreed to retain. Any amounts we are required to pay pursuant to these indemnification obligations and other liabilities could require us to divert cash that would otherwise have been used in furtherance of our operating business.

Further, third parties could also seek to hold us responsible for any of the liabilities that Fortive has agreed to retain, and there can be no assurance that the indemnity from Fortive will be sufficient to protect us against the full amount of such liabilities, or that Fortive will be able to fully satisfy its indemnification obligations. In addition, Fortive's insurance will not necessarily be available to us for liabilities associated with occurrences of indemnified liabilities prior to the separation, and in any event Fortive's insurers may deny coverage to us for liabilities associated with certain occurrences of indemnified liabilities prior to the separation. Moreover, even if we ultimately succeed in recovering from Fortive or such insurance providers any amounts for which we are held liable, we may be temporarily required to bear these losses. Each of these risks could negatively affect our businesses, financial position, results of operations and cash flows.

If the distribution, together with certain related transactions, does not qualify as a transaction that is generally tax-free for U.S. federal income tax purposes, or if certain internal restructuring transactions do not qualify as transactions that are generally tax-free for applicable tax purposes, we, as well as Fortive and Fortive's shareholders, could incur significant U.S. federal income tax liabilities and, in certain circumstances, we could be required to indemnify Fortive for material amounts of taxes and other related amounts pursuant to indemnification obligations under the tax matters agreement.

It is a condition to the distribution that Fortive receive a private letter ruling from the IRS and an opinion of its outside tax counsel, in each case, satisfactory to the Fortive board of directors, regarding the qualification of the distribution, together with certain related transactions, as a "reorganization" within the meaning of Sections 368(a)(1)(D) and 355 of the Code, and which ruling and opinion shall not have been withdrawn, rescinded or modified in any material respect. The receipt and continued effectiveness of the IRS private letter ruling and the opinion of outside tax counsel are separate conditions to the distribution, either or all of which may be waived by the Fortive board of directors in its sole and absolute discretion. The IRS private letter ruling and the opinion of Fortive's outside tax counsel will be based upon and rely on, among other things, various facts and assumptions, as well as certain representations, statements and undertakings from Fortive and us, including facts, assumptions, representations, statements and undertakings relating to the past and future conduct of the companies' respective businesses and other matters. If any of these facts, assumptions, representations, statements or undertakings are or become inaccurate, incomplete, or not otherwise satisfied, or if any such undertaking is not complied with, Fortive may not be able to rely on the IRS private letter ruling and/or the opinion of its outside tax counsel and could be subject to significant tax liabilities.

Notwithstanding Fortive's receipt of the IRS private letter ruling and opinion of its outside tax counsel, the IRS could determine on audit that the distribution or any related transaction is taxable for U.S. federal income tax purposes if it determines that any of the facts, assumptions, representations, statements or undertakings upon which the ruling or the opinion were based are not correct or have been violated, or if it disagrees with any of the conclusions in the opinion, or for other reasons, including as a result of certain changes in the stock ownership of Fortive or us after the distribution or other post-distribution actions or transactions. Accordingly, notwithstanding Fortive's receipt of the IRS private letter ruling and the opinion of its outside tax counsel, there can be no assurance that the IRS will not assert that the distribution or any of the related transactions does not qualify for tax-free treatment for U.S. federal income tax purposes, or that a court would not sustain such a challenge. In the event the IRS were to prevail in any such challenge or if the distribution or any related transaction is determined to be taxable for U.S. federal income tax purposes, Fortive and/or its shareholders could incur significant U.S. federal income tax liabilities, and we could also incur significant liabilities. For a discussion of the tax consequences of the distribution, together with certain related transactions, please refer to the section entitled "Material U.S. Federal Income Tax Consequences."

In addition, as part of the separation, and prior to the distribution, Fortive and its subsidiaries expect to complete the internal reorganization, and certain tax costs may be incurred by Fortive, us and our respective subsidiaries in connection with the internal reorganization, including non-U.S. tax costs resulting from transactions in non-U.S. jurisdictions, which may be material. It is intended that the transactions comprising the internal reorganization be completed in a tax-efficient manner, and certain internal restructuring transactions are intended to qualify as tax-free for applicable tax purposes. Notwithstanding this intention, there can be no assurance that the relevant taxing authorities will not assert that the tax treatment of the relevant transactions differs from the intended tax treatment. In the event the relevant taxing authorities prevail with any challenge in respect of any relevant transaction, Fortive and its subsidiaries could be subject to significant tax liabilities, and we could also incur significant tax liabilities.

Under the tax matters agreement, we will generally be required to indemnify Fortive against taxes incurred by Fortive and related amounts resulting from (a) any inaccuracy or breach of a representation, covenant or undertaking made by us in any of the separation-related agreements and documents or in any documents relating to the IRS private letter ruling, the opinion of tax counsel relating to the distribution, and/or any other opinions of Fortive's tax advisors relating to the internal reorganization, (b) an acquisition of all or a portion of our equity securities or assets, whether by merger or otherwise (and regardless of whether we participated in or otherwise facilitated the transaction) or (c) any other action undertaken or failure to act by us. For a discussion of the tax matters agreement, please refer to the section entitled ["Certain Relationships and Related Person Transactions — Agreements with Fortive — Tax Matters Agreement."]

We may be affected by significant restrictions following the distribution, including on our ability to engage in certain desirable capital-raising, strategic or other corporate transactions, in order to avoid triggering significant tax-related liabilities.

Under current U.S. federal income tax law, a spin-off that otherwise qualifies for tax-free treatment can be rendered taxable to the parent corporation and its shareholders as a result of certain post-spin-off transactions, including certain acquisitions of shares or assets of the spun-off corporation. For example, a spin-off may result in taxable gain to the parent corporation under Section 355(e) of the Code if it were later deemed to be part of a plan (or series of related transactions) pursuant to which one or more persons acquire, directly or indirectly, shares representing a 50 percent or greater interest (by vote or value) in the spun-off corporation. To preserve the tax-free treatment for U.S. federal income tax purposes of the distribution and certain related transactions, and in addition to our indemnity obligations described above, under the tax matters agreement that we will enter into with Fortive, we will be restricted from taking any action that prevents the distribution, together with certain related transactions, from being tax-free for U.S. federal income tax purposes. Under the tax matters agreement, for the two-year period following the distribution, we will be subject to specific restrictions on our ability to enter into certain acquisition, merger, liquidation, sale and stock redemption transactions with respect to our stock. Moreover, we will be subject to 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. Further, the tax matters agreement will impose similar restrictions on us and our subsidiaries that are intended to prevent certain transactions undertaken as part of the internal reorganization from failing to qualify as transactions that are generally tax-free for applicable tax purposes. These restrictions may limit our ability to pursue certain strategic transactions or other transactions that we may believe to be in the best interests of our shareholders or that might increase the value of our business, and may reduce our strategic and operating flexibility. In addition, under the tax matters agreement, we may be required to indemnify Fortive against any such tax liabilities as a result of the acquisition of our stock or assets, even if we do not participate in or otherwise facilitate the acquisition. For more information, please refer to the section entitled [“Certain Relationships and Related Person Transactions — Agreements with Fortive — Tax Matters Agreement.”]

After the distribution, certain of our executive officers and directors may have actual or potential conflicts of interest because of their equity interest in Fortive.

Because of their current or former positions with Fortive, certain of our executive officers and directors own equity interests in Fortive. Continuing ownership of shares of Fortive common stock and equity awards could create, or appear to create, potential conflicts of interest if we and Fortive face decisions that could have implications for both Fortive and us, after the separation.

Fortive may compete with us.

Fortive will not be restricted from competing with us. If Fortive in the future decides to engage in the type of business we conduct, it may have a competitive advantage over us, which may cause our business, financial condition and results of operations to be materially adversely affected.

We may not achieve some or all of the expected benefits of the separation, and the separation may adversely affect our businesses.

We may not be able to achieve the full strategic and financial benefits expected to result from the separation, or such benefits may be delayed or not occur at all. The separation is expected to provide the following benefits, among others:

- the separation will allow each company to more effectively pursue its distinct operating priorities and strategies and enable its respective management to better focus on strengthening its core businesses and operations, to more effectively address its singular operating and other needs, and to focus exclusively on its unique opportunities for long-term growth and profitability. Our management will be able to focus exclusively on the Precision Technologies business, while the management of Fortive will remain dedicated to its remaining businesses;
- the separation will give each business the ability to create its own optimal capital structure and allow it to manage capital allocation and capital return strategies with greater agility and focus in response to changes in the operating environment and industry landscape. The separation will also permit each company to concentrate its financial resources solely on its own operations without having to compete with each other for investment capital, providing each company with greater flexibility to invest capital in its business in a time and manner appropriate for its distinct objectives, strategy and business needs. This will facilitate a more efficient allocation of capital based on each company’s profitability, cash flow and growth opportunities;
- the separation will create an independent equity structure for both companies, affording each with direct access to the capital markets and an enhanced ability to capitalize on unique growth opportunities. In addition, each company will be able to use its own pure-play equity currency to pursue accretive M&A opportunities that are more closely aligned with each company’s strategic goals and expected growth trajectories;
- the separation will permit each company to more effectively attract, retain and motivate talent as a completely separate company, and to offer stock-based incentive compensation to its employees and executives that is more closely aligned with the specific growth objectives, financial goals and performance of its business; and
- the separation will allow investors to more clearly understand the separate business models, financial profiles and investment identities of the two companies and to separately value each company based on its distinct investment identity. Our businesses differ from Fortive’s other businesses in several respects, such as the market for products and services, manufacturing processes and R&D capabilities. The separation will enable investors to evaluate the merits, performance and future

prospects of each company's respective businesses and to invest in each company separately based on its distinct characteristics. This will provide each company with better and more efficient access to the capital markets.

We may not achieve these and other anticipated benefits for a variety of reasons, including, among others:

- as a current part of Fortive, our businesses benefit from Fortive's size and purchasing power in procuring certain goods and services. After the separation, as a separate entity, we may be unable to obtain these goods, services and technologies at prices or on terms as favorable as those Fortive obtained prior to the separation. We may also incur costs for certain functions previously performed by Fortive, such as accounting, tax, legal, human resources and other general administrative functions that are higher than the amounts reflected in our historical financial statements, which could cause our profitability to decrease;
- the actions required to separate our and Fortive's respective businesses could disrupt our and Fortive's operations;
- certain costs and liabilities that were otherwise less significant to Fortive as a whole will be more significant for us and Fortive as separate companies, after the separation;
- we (and prior to the separation, Fortive) will incur costs in connection with the transition to being a separate, publicly traded company that may include accounting, tax, legal and other professional services costs, recruiting and relocation costs associated with hiring or reassigning our personnel, costs related to establishing a new brand identity in the marketplace and costs to separate information systems;
- we may not achieve the anticipated benefits of the separation for a variety of reasons, including, among others: (i) the separation will require significant amounts of management's time and effort, which may divert management's attention from operating and growing our businesses; (ii) following the separation, we may be more susceptible to market fluctuations and other adverse events than if we were still a part of Fortive; and (iii) following the separation, our businesses will be less diversified than Fortive's businesses prior to the separation; and
- under the terms of the tax matters agreement that we will enter into with Fortive, we will be restricted from taking certain actions that could cause the distribution or certain related transactions (including certain transactions undertaken as part of the internal reorganization) to fail to qualify as tax-free for U.S. federal income tax purposes or other applicable law. These restrictions may limit our ability to pursue certain strategic transactions or engage in other transactions that might increase the value of our businesses.

If we fail to achieve some or all of the benefits expected to result from the separation, or if such benefits are delayed, our businesses, operating results and financial condition could be adversely affected.

We may have received better terms from unaffiliated third parties than the terms we will receive in our agreements with Fortive.

The agreements we will enter into with Fortive in connection with the separation, including the separation agreement, transition services agreement, employee matters agreement, tax matters agreement, intellectual property matters agreement, and FBS license agreement, were prepared in the context of our separation from Fortive while we were still a wholly-owned subsidiary of Fortive. Accordingly, during the period in which the terms of those agreements were prepared, we did not have a separate or independent Board of Directors or a management team that was separate from or independent of Fortive. As a result, while we believe those agreements reflect arm's length terms, they may not reflect terms that would have resulted from negotiations between unaffiliated third parties. For example, negotiations between Fortive and an unaffiliated third party in another form of transaction, such as a buyer in a sale of a business transaction, may have resulted in more favorable terms to the unaffiliated third party. For more information, please refer to the section entitled "Certain Relationships and Related Person Transactions."

We or Fortive may fail to perform under various transaction agreements that will be executed as part of the separation or we may fail to have necessary systems and services in place when certain of the transaction agreements expire.

The separation agreement and other agreements to be entered into in connection with the separation (including the documents and agreements by which the internal reorganization will be effected) will determine the allocation of assets and liabilities between the companies following the separation for those respective areas and will include any necessary indemnifications related to liabilities and obligations. The transition services agreement will provide for the performance of certain services by each company for the benefit of the other for a period of time after the separation. We will rely on Fortive after the separation to satisfy its performance and payment obligations under these agreements. If Fortive is unable or unwilling to satisfy its obligations under these agreements, including its indemnification obligations, we could incur operational difficulties or losses. If we do not have in place our own systems and services, or if we do not have agreements with other providers of these services once certain transaction agreements expire, we may not be able to operate our businesses effectively and our profitability may decline. We are in the process of creating our own, or engaging third parties to provide, systems and services to replace many of the systems and services that Fortive currently provides to us. However, we may not be successful in implementing these systems and services or in transitioning data from Fortive's systems to us in a timely manner or at all, we may incur additional costs in connection with, or following, the implementation of these systems and services, and we may not be successful in transitioning data from Fortive's systems to ours.

In addition, we expect this process to be complex, time-consuming and costly. We are also establishing or expanding our own tax, treasury, internal audit, investor relations, corporate governance and listed company compliance and other corporate functions. We expect to incur one-time costs to replicate, or outsource from other providers, these corporate functions to replace the corporate services that Fortive historically provided us prior to the separation. Any failure or significant downtime in our own financial, administrative or other support systems or in the Fortive financial, administrative or other support systems during the transitional period during which Fortive provides us with support could negatively impact our results of operations or prevent us from paying our suppliers and employees, executing business combinations and foreign currency transactions or performing administrative or other services on a timely basis, which could negatively affect our results of operations.

In particular, our day-to-day business operations rely on information technology systems. A significant portion of the communications among our personnel, customers and suppliers take place on information technology platforms. We expect the transfer of information technology systems from Fortive to us to be complex, time consuming and costly. There is also a risk of data loss in the process of transferring information technology. As a result of our reliance on information technology systems, the cost of such information technology integration and transfer and any such loss of key data could have an adverse effect on our business, financial condition and results of operations.

Our inability to resolve favorably any disputes that arise between us and Fortive with respect to our past and ongoing relationships may adversely affect our operating results.

Disputes may arise between Fortive and us in a number of areas relating to our ongoing relationships, including:

- labor, tax, employee benefit, indemnification and other matters arising from our separation from Fortive;
- employee retention and recruiting;
- business combinations involving us; and
- the nature, quality and pricing of services that we and Fortive have agreed to provide each other.

We may not be able to resolve potential conflicts, and even if we do, the resolution may be less favorable than if we were dealing with an unaffiliated party.

Fortive's plan to separate into two independent, publicly traded companies is subject to various risks and uncertainties and may not be completed in accordance with the expected plans or anticipated timeline, or at all, and will involve significant time and expense, which could disrupt or adversely affect our business.

Fortive's separation into two independent, publicly traded companies is complex in nature, and unanticipated developments or changes, including changes in the law, the macroeconomic environment, competitive conditions of Fortive's markets, regulatory approvals or clearances, the uncertainty of the financial markets and challenges in executing the separation, could delay or prevent the completion of the proposed separation, or cause the separation to occur on terms or conditions that are different or less favorable than expected. Additionally, the Fortive board of directors, in its sole and absolute discretion, may decide not to proceed with the distribution at any time prior to the distribution date.

The process of completing the proposed separation has been and is expected to continue to be time-consuming and involves significant costs and expenses. The separation costs may be significantly higher than what we currently anticipate and may not yield a discernible benefit if the separation is not completed or is not well executed, or if the expected benefits of the separation are not realized. Executing the proposed separation will also require significant amounts of management's time and effort, which may divert management's attention from operating and growing our business. Other challenges associated with effectively executing the separation include attracting, retaining and motivating employees during the pendency of the separation and following its completion; addressing disruptions to our supply chain, manufacturing, sales and distribution, and other operations resulting from separating Fortive into two independent companies; and separating Fortive's information systems.

Challenges in the commercial and credit environment may adversely affect the expected benefits of the separation, the expected plans or anticipated timeline to complete the separation, and our future access to capital on favorable terms.

Volatility in global financial markets could increase borrowing costs or affect our ability to access the capital markets. Our ability to issue debt or enter into other financing arrangements on acceptable terms could be adversely affected if there is a material decline in the demand for our services or in the solvency of our customers or suppliers or if there are other significantly unfavorable changes in economic conditions. These conditions may adversely affect our anticipated timeline to complete the separation and the expected benefits of the separation, including by increasing the time and expense involved in the separation.

As of the date of this information statement, we expect to have outstanding indebtedness at the closing of the distribution of approximately $[ ] billion and the ability to incur an additional $[ ] million of indebtedness under a revolving credit agreement that we expect to enter into, and in the future we may incur additional indebtedness. This indebtedness could adversely affect our businesses and our ability to meet our obligations and pay dividends.

As of the date of this information statement, we expect to have outstanding indebtedness at the closing of the distribution of approximately $[ ] billion, and have the ability to incur an additional $[ ] million of indebtedness under a revolving credit agreement that we expect to enter into prior to the closing of the separation. See the section entitled "Description of Material Indebtedness." This debt could have important, adverse consequences to us and our investors, including:

- requiring a substantial portion of our cash flow from operations to make interest payments;
- making it more difficult to satisfy other obligations;
- increasing the risk of a future credit ratings downgrade of our debt, which could increase future debt costs and limit the future availability of debt financing;
- increasing our vulnerability to general adverse economic and industry conditions;
- reducing the cash flow available to fund capital expenditures and other corporate purposes and to grow our businesses;
- limiting our ability to pay dividends;

- placing us at a competitive disadvantage relative to our competitors that may not be as highly leveraged with debt;
- limiting our flexibility in planning for, or reacting to, changes in our businesses and industries; and
- limiting our ability to borrow additional funds as needed or take advantage of business opportunities as they arise, pay cash dividends or repurchase shares of our common stock.

The debt financing will not be available for borrowings until the date on which certain conditions are satisfied, which we expect will be satisfied prior to the completion of the distribution. We anticipate that the instruments governing the debt financing will contain restrictive covenants that will limit our ability to engage in activities that may be in our long-term interest, including for example EBITDA-based leverage and interest coverage ratios. If we breach any of these restrictions and cannot obtain a waiver from the lenders on favorable terms, subject to applicable cure periods, the outstanding indebtedness (and any other indebtedness with cross-default provisions) could be declared immediately due and payable, which would adversely affect our liquidity and financial statements. In addition, any failure to obtain and maintain credit ratings from independent rating agencies would adversely affect our cost of funds and could adversely affect our liquidity and access to the capital markets. If we incur additional debt, the risks described above could increase. For additional information regarding the debt financing, please refer to the section entitled “Description of Material Indebtedness.”

The risks described above will increase with the amount of indebtedness we incur, and in the future, we may incur significant indebtedness in addition to the indebtedness described above. In addition, our actual cash requirements in the future may be greater than expected. Our cash flow from operations may not be sufficient to service our outstanding debt or to repay the outstanding debt as it becomes due, and we may not be able to borrow money, sell assets or otherwise raise funds on acceptable terms, or at all, to service or refinance our debt.

We may not be able to generate sufficient cash to service all of our indebtedness and may be forced to take other actions to satisfy our obligations under our indebtedness, which may not be successful.

Our ability to make scheduled payments on or refinance our debt obligations depends on our financial condition and operating performance, which are subject to prevailing economic and competitive conditions and to certain financial, business, legislative, regulatory and other factors beyond our control. We may be unable to maintain a level of cash flows from operating activities sufficient to permit us to pay the principal and interest on our indebtedness.

If our cash flows and capital resources are insufficient to fund our debt service obligations, we could face substantial liquidity problems and could be forced to reduce or delay investments and capital expenditures, or to dispose of material assets or operations, alter our dividend policy (if we pay dividends), seek additional debt or equity capital or restructure or refinance our indebtedness. We may not be able to effect any such alternative measures on commercially reasonable terms or at all and, even if successful, those alternative actions may not allow us to meet our scheduled debt service obligations. The instruments that will govern our indebtedness may restrict our ability to dispose of assets and may restrict the use of proceeds from those dispositions. We may not be able to consummate those dispositions or to obtain proceeds in an amount sufficient to meet any debt service obligations when due.

In addition, we conduct our operations through our subsidiaries. Accordingly, repayment of our indebtedness will depend on the generation of cash flow by our subsidiaries, including certain international subsidiaries, and their ability to make such cash available to us, by dividend, debt repayment or otherwise. Our subsidiaries may not have any obligation to pay amounts due on our indebtedness or to make funds available for that purpose. Our subsidiaries may not be able to, or may not be permitted to, make adequate distributions to enable us to make payments in respect of our indebtedness. Each subsidiary is a distinct legal entity and, under certain circumstances, legal, tax and contractual restrictions may limit our ability to obtain cash from our subsidiaries. In the event that we do not receive distributions from our subsidiaries, we may be unable to make required principal and interest payments on our indebtedness.

Our inability to generate sufficient cash flows to satisfy our debt obligations, or to refinance our indebtedness on commercially reasonable terms or at all, may materially adversely affect our business, financial condition and results of operations and our ability to satisfy our obligations under our indebtedness or pay dividends on our common stock.

We may be held liable to Fortive if we fail to perform certain services under the transition services agreement, and the performance of such services may negatively impact our business and operations.

In connection with the separation, [NewCo] and Fortive will enter into a transition services agreement that will provide for the performance of certain services by each company for the benefit of the other for a period of time after the separation. If we do not satisfactorily perform our obligations under the agreement, we may be held liable for any resulting losses suffered by Fortive, subject to certain limits. In addition, during the transition services periods, our management and employees may be required to divert their attention away from our business in order to provide services to Fortive, which could adversely affect our business.

Following the distribution, we will be dependent on Fortive to provide us with certain transition services, which may not be sufficient to meet our needs, and we may have difficulty finding replacement services or be required to pay increased costs to replace these services after our transition services agreement with Fortive expires.

Historically, Fortive has provided, and until our separation from Fortive, Fortive will continue to provide, significant corporate and shared services related to corporate functions such as executive oversight, risk management, information technology, accounting, audit, legal, investor relations, human resources, tax, treasury, procurement and other services. Following our separation from Fortive, we expect Fortive to continue to provide many of these services on a transitional basis for a fee. While these services are being provided to us by Fortive, we will be dependent on Fortive for services that are critical to our operation as a separate, publicly traded company, and our operational flexibility to modify or implement changes with respect to such services and the amounts we pay for them will be limited. After the expiration of the transition services agreement, we may not be able to replace these services or enter into appropriate third-party agreements on terms and conditions, including cost and quality of service, comparable to those that we will receive from Fortive under the transition services agreement. Although we intend to replace portions of the services currently provided by Fortive following the separation, we may encounter difficulties replacing certain services or be unable to negotiate pricing or other terms as favorable as those we currently have in effect.

[Certain non-U.S. entities or assets that are part of our separation from Fortive may not be transferred to us prior to the distribution or at all.

Certain non-U.S. entities and assets that are part of our separation from Fortive may not be transferred prior to the distribution because the entities or assets, as applicable, are subject to foreign government or third party approvals that we may not receive prior to the distribution. Such approvals may include, but are not limited to, approvals to merge or demerge, to form new legal entities (including obtaining required registrations and/or licenses or permits) and to transfer assets and/or liabilities. It is currently anticipated that all material transfers will occur without delays beyond the closing of the distribution, but we cannot offer any assurance that such transfers will ultimately occur or not be delayed for an extended period of time. To the extent such transfers do not occur prior to the distribution, under the separation agreement, the economic benefits and burdens of owning such assets and/or entities will, to the extent reasonably possible and permitted by applicable law, be provided to the Company.

In the event such transfers do not occur or are significantly delayed because we do not receive the required approvals, we may not realize all of the anticipated benefits of our separation from Fortive and we may be dependent on Fortive for transition services for a longer period of time than would otherwise be the case. For additional information, see "Risk Factors — Risks Related to our Business — Following the distribution, we will be dependent on Fortive to provide us with certain transition services, which may not be sufficient to meet our needs, and we may have difficulty finding replacement services or be required to pay increased costs to replace these services after our transition services agreement with Fortive expires."]

The transfer to us of certain contracts, permits and other assets and rights may require the consents or approvals of, or provide other rights to, third parties and governmental authorities. If such consents or approvals are not obtained, we may not be entitled to the benefit of such contracts, permits and other assets and rights, which could increase our expenses or otherwise harm our business and financial performance.

The separation agreement will provide that certain contracts, permits and other assets and rights are to be transferred from Fortive or its subsidiaries to [NewCo] or its subsidiaries in connection with the separation. The transfer of certain of these contracts, permits and other assets and rights may require consents or approvals of third parties or governmental authorities or provide other rights to third parties. In addition, in some circumstances, we and Fortive are joint beneficiaries of contracts, and we and Fortive may need the consents of third parties in order to split or separate the existing contracts or the relevant portion of the existing contracts to us or Fortive.

Some parties may use consent requirements or other rights to seek to terminate contracts or obtain more favorable contractual terms from us, which, for example, could take the form of adverse price changes, require us to expend additional resources in order to obtain the services or assets previously provided under the contract or require us to seek arrangements with new third parties or obtain letters of credit or other forms of credit support. If we are unable to obtain required consents or approvals, we may be unable to obtain the benefits, permits, assets and contractual commitments that are intended to be allocated to us as part of our separation from Fortive, and we may be required to seek alternative arrangements to obtain services and assets which may be more costly and/or of lower quality. The termination or modification of these contracts or permits or the failure to timely complete the transfer or separation of these contracts or permits could negatively impact our business, financial condition, results of operations and cash flows.

Until the distribution occurs, the Fortive board of directors has sole and absolute discretion to change the terms of the separation and distribution in ways that may be unfavorable to us.

Until the distribution occurs, [NewCo] will be a wholly-owned subsidiary of Fortive. Accordingly, the Fortive board of directors will have the sole and absolute discretion to determine and change the terms of the separation, including the establishment of the record date for the distribution and the distribution date. These changes could be unfavorable to us. In addition, the Fortive board of directors, in its sole and absolute discretion, may decide not to proceed with the distribution at any time prior to the distribution date.

Risks Related to Shares of Our Common Stock

We cannot be certain that an active trading market for our common stock will develop or be sustained after the separation, and following the separation, the stock price of our common stock may fluctuate significantly.

Prior to the completion of the distribution, there has been no public market for our common stock. We anticipate that on or prior to the record date for the distribution, trading of shares of our common stock will begin on a “when-issued” basis and will continue through the distribution date. However, we cannot guarantee that an active trading market will develop or be sustained for our common stock after the distribution, nor can we predict the prices at which shares of our common stock may trade after the distribution. If an active trading market does not develop, you may have difficulty selling your shares of our common stock at an attractive price, or at all. In addition, we cannot predict the prices at which shares of our common stock may trade after the distribution or whether the combined market value of [ ] shares of our common stock and [ ] share of Fortive common stock will be less than, equal to or greater than the market value of [ ] share of Fortive common stock prior to the distribution.

Until the market has fully evaluated Fortive’s businesses without [NewCo], the price at which each share of Fortive common stock trades may fluctuate more significantly than might otherwise be typical, even with other market conditions, including general volatility, held constant. Similarly, until the market has fully evaluated our business as a stand-alone entity, the prices at which shares of our common stock trade may fluctuate more significantly than might otherwise be typical, even with other market conditions, including general volatility, held constant. The increased volatility of our stock price following the distribution may have a material adverse effect on our business, financial condition and results of operations.

The market price of our common stock may fluctuate significantly due to a number of factors, some of which may be beyond our control, including:

- our quarterly or annual earnings, or those of other companies in our industry;
- the failure of securities analysts to cover our common stock after the separation;
- actual or anticipated fluctuations in our operating results;
- changes in earnings estimated by securities analysts or our ability to meet those estimates;
- the operating and stock price performance of other comparable companies;
- changes to the regulatory and legal environment in which we operate;
- actual or anticipated fluctuations in commodities prices;
- overall market fluctuations and domestic and worldwide economic conditions; and
- other factors described in these “Risk Factors” and elsewhere in this information statement.

Stock markets in general have experienced volatility that has often been unrelated to the operating performance of a particular company. These broad market fluctuations may adversely affect the trading price of our common stock.

There may be substantial and rapid changes in our shareholder base, which may cause our stock price to fluctuate significantly.

Many investors holding shares of Fortive common stock may hold that stock because of a decision to invest in a company with Fortive’s profile. Following the distribution, the shares of [NewCo] common stock held by those investors will represent an investment in a company with a different profile. This may not be aligned with a holder’s investment strategy and may cause the holder to sell the shares rapidly. As a result, the price of [NewCo] common stock may decline or experience volatility as [NewCo]’s shareholder base changes.

A significant number of shares of our common stock are or will be eligible for future sale, which may cause the market price of our common stock to decline.

Upon completion of the separation and distribution, [NewCo] will have an aggregate of approximately [ ] million shares of common stock outstanding. Virtually all of those shares will be freely tradable without restriction or registration under the Securities Act. We are unable to predict whether large amounts of [NewCo] common stock will be sold in the open market following the separation and distribution. We are also unable to predict whether a sufficient number of buyers of [NewCo] common stock with demand for shares of [NewCo] common stock will exist to purchase such shares of [NewCo] common stock at attractive prices. It is possible that Fortive shareholders will sell the shares of [NewCo] common stock they receive in the distribution for various reasons. For example, such shareholders may not believe that [NewCo]’s business profile or its level of market capitalization as an independent company fits their investment objectives. The sale of significant amounts of [NewCo] common stock or the perception in the market that this will occur may lower the market price of [NewCo] common stock.

If we are unable to implement and maintain effective internal control over financial reporting in the future, investors may lose confidence in the accuracy and completeness of our financial reports and the market price of our common stock may be negatively affected.

Our financial results previously were included within the combined results of Fortive, and we believe that our reporting and control systems were appropriate for those of subsidiaries of a public company. However, we were not directly subject to the reporting and other requirements of the Exchange Act. As a result of the distribution, we will be directly subject to reporting and other obligations under the Exchange Act, including the requirements of Section 404 of 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 addressing these assessments. In addition, our independent registered public accounting firm will be required to express an opinion as to the effectiveness of our internal control over financial reporting. At such time, our independent registered public accounting firm may issue a report that is adverse in the event it is not satisfied with the level at which our internal control over financial reporting is documented, designed or operating. These reporting and other obligations will place significant demands on our management and administrative and operational resources, including accounting resources. We may not have sufficient time following the separation to meet these obligations by the applicable deadlines.

The process of designing, implementing, and testing the internal control over financial reporting required to comply with this obligation is time consuming, costly, and complicated. If we identify material weaknesses in our internal control over financial reporting, if we are unable to comply with the requirements of Section 404 of the Sarbanes-Oxley Act in a timely manner or to assert that our internal control over financial reporting is effective, or if our independent registered public accounting firm is unable to express an opinion as to the effectiveness of our internal control over financial reporting, investors may lose confidence in the accuracy and completeness of our financial reports and the market price of our common stock could be negatively affected, and we could become subject to investigations by the stock exchange on which our securities are listed, the SEC, or other regulatory authorities, which could limit [NewCo]'s ability to access the global capital markets and could have a material adverse effect on our business, financial condition, results of operations, cash flows or the market price of [NewCo] securities.

The obligations associated with being a public company will require significant resources and management attention.

Currently, we are not directly subject to the reporting and other requirements of the Exchange Act. Following the effectiveness of the registration statement of which this information statement forms a part, we will be directly subject to such reporting and other obligations under the Exchange Act and the rules of the NYSE. As a separate public company, we are required to, among other things:

- prepare and distribute periodic reports, proxy statements and other shareholder communications in compliance with the federal securities laws and rules;
- have our own board of directors and committees thereof, which comply with federal securities laws and rules and applicable stock exchange requirements;
- maintain an internal audit function;
- institute our own financial reporting and disclosure compliance functions;
- establish an investor relations function;
- establish internal policies, including those relating to trading in our securities and disclosure controls and procedures; and
- comply with the Sarbanes-Oxley Act, the Dodd-Frank Act, and the rules and regulations implemented by the SEC, the Public Company Accounting Oversight Board and the NYSE.

These reporting and other obligations will place significant demands on our management and our administrative and operational resources, and we expect to face increased legal, accounting, administrative and other costs and expenses relating to these demands that we had not incurred as a segment of Fortive. Certain of these functions will be provided on a transitional basis by Fortive pursuant to a transition services agreement. See "Certain Relationships and Related Person Transactions." Our investment in compliance with existing and evolving regulatory requirements will result in increased administrative expenses and a diversion of management's time and attention from sales-generating activities to compliance activities, which could have an adverse effect on our business, financial position, results of operations and cash flows.

The market price of shares of our common stock may be volatile, which could cause the value of your investment to decline.

Even if a trading market develops, the market price of our common stock may be highly volatile and could be subject to wide fluctuations. Securities markets worldwide experience significant price and volume fluctuations. This market volatility, as well as general economic, market or political conditions, could reduce the market price of shares of our common stock regardless of our operating performance. In addition, our operating results could be below the expectations of public market analysts and investors due to a number of potential factors, including variations in our quarterly operating results or dividends, if any, to shareholders, additions or departures of key management personnel, failure to meet analysts' earnings estimates, publication of research reports about our industry, litigation and government investigations, changes or proposed changes in laws or regulations or differing interpretations or enforcement thereof affecting our business, adverse market reaction to any indebtedness we may incur or securities we may issue in the future, changes in market valuations of similar companies or speculation in the press or investment community, announcements by us or our competitors of significant contracts, acquisitions, dispositions, strategic partnerships, joint ventures or capital commitments, or adverse publicity about the industries we participate in or individual scandals, and in response the market price of shares of our common stock could decrease significantly.

In the past few years, stock markets have experienced extreme price and volume fluctuations. In the past, following periods of volatility in the overall market and the market price of a company's securities, securities class action litigation has often been instituted against these companies. Such litigation, if instituted against us, could result in substantial costs and a diversion of our management's attention and resources.

We cannot guarantee the payment of dividends on our common stock, or the timing or amount of any such dividends.

We have not yet determined whether or the extent to which we will pay any dividends on our common stock. The payment of any dividends in the future, and the timing and amount thereof, to our shareholders will fall within the discretion of our Board. The Board's decisions regarding the payment of dividends will depend on many factors, such as our financial condition, earnings, capital requirements, debt service obligations, restrictive covenants in our then existing debt agreements, industry practice, legal requirements and other factors that the Board deems relevant. For more information, please refer to the section entitled "Dividend Policy." Our ability to pay dividends will depend on our ongoing ability to generate cash from operations and on our access to the capital markets. We cannot guarantee that we will pay a dividend in the future or continue to pay any dividends if we commence paying dividends.

If securities or industry analysts do not publish research or publish misleading or unfavorable research about our business, our stock price and trading volume could decline.

The trading market for our common stock will depend in part on the research and reports that securities or industry analysts publish about us or our business. We do not currently have and may never obtain research coverage for [NewCo] common stock. If there is no research coverage of [NewCo] common stock, the trading price for shares of [NewCo] common stock may be negatively impacted. If we obtain research coverage for [NewCo] common stock and if one or more of the analysts downgrades our stock or publishes misleading or unfavorable research about our business, our stock price would likely decline. If one or more of the analysts ceases coverage of [NewCo] common stock or fails to publish reports on us regularly, demand for [NewCo] common stock could decrease, which could cause our common stock price or trading volume to decline.

Your percentage ownership in us may be diluted in the future.

In the future, your percentage ownership in us may be diluted because of equity issuances for acquisitions, capital market transactions or otherwise, including equity awards that we will be granting to our directors, officers and employees. In addition, following the distribution, our employees will have rights to purchase or receive shares of our common stock as a result of the conversion of their Fortive stock options, restricted stock units ("RSUs") and performance stock units ("PSUs") into our stock options and restricted stock units. The conversion of these Fortive awards into our awards is described in further detail in the section entitled "Executive and Director Compensation — Compensation Discussion and Analysis." As of the date of this information statement, the exact number of shares of our common stock that will be subject to the converted equity awards is not determinable, and, therefore, it is not possible to determine the extent to which your percentage ownership in us could by diluted as a result of the conversion. It is anticipated that our Compensation Committee will grant additional equity awards to our employees and directors after the distribution, from time to time, under our employee benefits plans. These additional awards will have a dilutive effect on our earnings per share, which could adversely affect the market price of our common stock.

In addition, our amended and restated certificate of incorporation will authorize us to issue, without the approval of our shareholders, one or more classes or series of preferred stock having such designation, powers, preferences and relative, participating, optional and other special rights, including preferences over our common stock respecting dividends and distributions, as the Board generally may determine. The terms of one or more classes or series of preferred stock could dilute the voting power or reduce the value of our common stock. For example, we could grant the holders of preferred stock the right to elect some number of our directors in all events or on the happening of specified events or the right to veto specified transactions. Similarly, the repurchase or redemption rights or liquidation preferences that we could assign to holders of preferred stock could affect the residual value of the common stock. Please refer to the section entitled "Description of Capital Stock."

Certain provisions in our amended and restated certificate of incorporation and bylaws, and of Delaware law, may prevent or delay an acquisition of our company, which could decrease the trading price of our common stock.

Our amended and restated certificate of incorporation and amended and restated bylaws will contain, and Delaware law contains, provisions that are intended to deter coercive takeover practices and inadequate takeover bids and to encourage prospective acquirers to negotiate with the Board rather than to attempt an unsolicited takeover not approved by the Board. These provisions include, among others:

- the inability of our shareholders to call a special meeting;
- the inability of our shareholders to act by written consent;
- rules regarding how shareholders may present proposals or nominate directors for election at shareholder meetings;
- the right of the Board to issue preferred stock without shareholder approval;
- the division of the Board into three classes of directors, with each class serving a staggered three-year term, and this classified board provision could have the effect of making the replacement of incumbent directors more time consuming and difficult;
- provision that shareholders may only remove directors with cause;
- the ability of our directors, and not shareholders, to fill vacancies (including those resulting from an enlargement of the Board) on the Board; and
- the requirement that the affirmative vote of shareholders holding at least two-thirds of our voting stock is required to amend our amended and restated bylaws and certain provisions in our amended and restated certificate of incorporation.

In addition, because we have not chosen to be exempt from Section 203 of the Delaware General Corporation Law (the "DGCL"), this provision could delay or prevent a change of control that our shareholders may favor. Section 203 provides that, subject to limited exceptions, persons that acquire, or are affiliated with a person that acquires, more than 15% of the outstanding voting stock of a Delaware corporation (an "interested stockholder") shall not engage in any business combination with that corporation, including by merger, consolidation or acquisitions of additional shares, for a three-year period following the date on which the person became an interested stockholder, unless (i) prior to such time, the board of directors of such corporation approved either the business combination or the transaction that resulted in the stockholder becoming an interested stockholder; (ii) upon consummation of the transaction that resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of the voting stock of such corporation at the time the transaction commenced (excluding for purposes of determining the voting stock outstanding (but not the outstanding voting stock owned by the interested stockholder) the voting stock owned by directors who are also officers or held in employee benefit plans in which the employees do not have a confidential right to tender or vote stock held by the plan); or (iii) on or subsequent to such time the business combination is approved by the board of directors of such corporation and authorized at a meeting of stockholders by the affirmative vote of at least two-thirds of the outstanding voting stock of such corporation not owned by the interested stockholder.

We believe these provisions will protect our shareholders 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 are not intended to make our company immune from takeovers. However, these provisions will apply even if the offer may be considered beneficial by some shareholders and could delay or prevent an acquisition that the Board determines is not in the best interests of our company and our shareholders. These provisions may also prevent or discourage attempts to remove and replace incumbent directors.

Our amended and restated certificate of incorporation will designate the state courts in the State of Delaware or, if no state court located within the State of Delaware has jurisdiction, the federal court for the District of Delaware, as the sole and exclusive forum for certain types of actions and proceedings that may be initiated by our shareholders. Our amended and restated certificate of incorporation will further designate the federal district courts of the United States of America as the sole and exclusive forum for the resolution of any complaint asserting a cause of action arising under the Securities Act. These forum selection provisions could discourage lawsuits against us and our directors and officers.

Our amended and restated certificate of incorporation will provide that, unless the Board determines otherwise, the state courts in the State of Delaware or, if no state court located within the State of Delaware has jurisdiction, the federal court for the District of Delaware, will be the sole and exclusive forum for any derivative action or proceeding brought on behalf of our company, any action asserting a claim of breach of a fiduciary duty owed by any of our directors, officers, employees or shareholders to our company or our shareholders, any action asserting a claim against our company or any of our directors or officers arising pursuant to any provision of the DGCL or our amended and restated certificate of incorporation or amended and restated bylaws, or any action asserting a claim against our company or any of our directors or officers governed by the internal affairs doctrine. We recognize that this forum selection clause may impose additional litigation costs on shareholders in pursuing any such claims, particularly if the shareholders do not reside in or near the State of Delaware.

Section 22 of the Securities Act creates concurrent jurisdiction for federal and state courts over all suits brought to enforce any duty or liability created by the Securities Act or the rules and regulations thereunder. Accordingly, both state and federal courts have jurisdiction to entertain such claims. To prevent having to litigate claims in multiple jurisdictions and the threat of inconsistent or contrary rulings by different courts, among other considerations, our amended and restated certificate of incorporation will further provide that, unless we consent otherwise, the federal district courts of the United States of America will be the sole and exclusive forum for resolving any complaint asserting a cause of action arising under the Securities Act. Section 27 of the Exchange Act creates exclusive federal jurisdiction over all suits brought to enforce any duty of liability created by the Exchange Act or the rules and regulations thereunder, and as a result, the exclusive forum provision does not apply to actions arising under the Exchange Act or the rules and regulations thereunder. While the Delaware Supreme Court ruled in March 2020 that federal forum selection provisions purporting to require claims under the Securities Act be brought in federal court are “facially valid” under Delaware law, there is uncertainty as to whether other courts will enforce our federal forum provision described above. Our shareholders will not be deemed to have waived compliance with the federal securities laws and the rules and regulations thereunder.

Although [NewCo] believes these exclusive forum provisions benefit the Company by providing increased consistency in the application of law in the types of lawsuits to which they apply, these provisions may limit the ability of our shareholders to bring a claim in a judicial forum that such shareholders find favorable for disputes with our company or our directors or officers, and it may be costlier for [NewCo] shareholders to bring a claim in the designated courts than other judicial forums, each of which may discourage such lawsuits against [NewCo] and our directors and officers.

The combined post-separation value of share[s] of Fortive common stock and share[s] of [NewCo] common stock may not equal or exceed the pre-distribution value of share[s] of Fortive common stock.

As a result of the separation, we expect the trading price of shares of Fortive common stock immediately following the separation to be different from the “regular-way” trading price of Fortive common shares immediately prior to the separation because the trading price will no longer reflect the value of [NewCo]. There can be no assurance that the aggregate market value of share[s] of Fortive common stock and shares of [NewCo] common stock following the separation will be higher than, lower than or the same as the market value of a share of Fortive common stock if the separation did not occur.

CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS

Certain statements included in this information statement, in other documents we file with or furnish to the SEC, in our press releases, webcasts, conference calls, materials delivered to shareholders and other communications, are "forward-looking statements" within the meaning of the U.S. federal securities laws. All statements other than historical factual information are forward-looking statements, including, without limitation, statements regarding: future financial performance, tax rates, tax provisions, cash flows, pension and benefit obligations and funding requirements, our liquidity position or other financial measures; management's plans and strategies for future operations, including statements relating to anticipated operating performance, cost reductions, restructuring activities, new product and service developments, competitive strengths or market position, acquisitions, divestitures, strategic opportunities, securities offerings, stock repurchases, dividends and executive compensation; the effects of the separation or the distribution, if consummated, on our business; growth, declines and other trends in markets we sell into, including the expected impact of trade and tariff policies; new or modified laws, regulations and accounting pronouncements; impact of climate-related events or transition activities; outstanding claims, legal proceedings, tax audits and assessments and other contingent liabilities; foreign currency exchange rates and fluctuations in those rates; impact of changes to tax laws; general economic and capital markets conditions, including expected impact of inflation or interest rate changes; impact of geopolitical events, including the anticipated impact of the Ukraine/Russia conflict, conflict in the Middle East, and other hostilities; the anticipated timing of any of the foregoing; assumptions underlying any of the foregoing; and any other statements that address events or developments that we intend or believe will or may occur in the future. Terminology such as "believe," "anticipate," "will," "should," "could," "intend," "plan," "expect," "estimate," "project," "target," "may," "possible," "potential," "forecast" and "positioned" and similar references to future periods are intended to identify forward-looking statements, although not all forward-looking statements are accompanied by such words. Forward-looking statements are based on assumptions and assessments made by our management in light of their experience and perceptions of historical trends, current conditions, expected future developments and other factors they believe to be appropriate. These forward-looking statements are subject to a number of risks and uncertainties, including but not limited to the risks and uncertainties set forth under "Risk Factors."

Forward-looking statements are not guarantees of future performance and actual results may differ materially from the results, developments and business decisions contemplated by our forward-looking statements. Accordingly, you should not place undue reliance on any such forward-looking statements. Forward-looking statements speak only as of the date of the information statement, document, press release, webcast, call, materials or other communication in which they are made. Except to the extent required by applicable law, neither Fortive nor we assume any obligation to update or revise any forward-looking statement, whether as a result of new information, future events and developments or otherwise.

DIVIDEND POLICY

We have not yet determined the extent to which we will pay any dividends on our common stock. The payment of any dividends in the future, and the timing and amount thereof, is within the discretion of the Board. The Board's decisions regarding the payment of dividends will depend on many factors, such as our financial condition, earnings, capital requirements, debt service obligations, restrictive covenants in our then existing debt agreements, industry practice, legal requirements and other factors that our Board deems relevant. Our ability to pay dividends will depend on our ongoing ability to generate cash from operations and on our access to the capital markets. We cannot guarantee that we will pay a dividend in the future or continue to pay any dividends if we commence paying dividends.

CAPITALIZATION

The following table sets forth our cash and equivalents and capitalization as of December 31, 2024:

- on a historical basis; and
- on a pro forma basis to give effect to the Pro Forma Transactions, as defined in the "Unaudited Pro Forma Combined Financial Statements."

The information below is not necessarily indicative of what our cash and equivalents and capitalization would have been had the separation been completed as of December 31, 2024. In addition, it is not indicative of our future cash and equivalents and capitalization. This table should be read in conjunction with "Unaudited Pro Forma Combined Financial Statements," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our combined financial statements and notes thereto included elsewhere in this information statement (amounts in millions, except per share data).

	As of December 31, 2024	
	Historical	Pro Forma
		(unaudited)
Cash and equivalents[1]	$[•]	$[•]
Capitalization:		
Debt:		
Short-term borrowings	[•]	[•]
Long-term debt[2]	[•]	[•]
Total Debt	[•]	[•]
Equity:		
Common Stock – $0.01 par value, [•] shares authorized, [•] shares issued and outstanding on a pro forma basis[3]	[•]	[•]
APIC	[•]	[•]
Net Parent investment[4]	[•]	[•]
AOCI	[•]	[•]
Non-controlling interests	[•]	[•]
Total Equity	[•]	[•]
Total Capitalization	$[•]	$[•]

(1) Concurrent with the date of separation, we expect to have [•] in cash and equivalents as reflected on our Pro Forma Combined Balance Sheet.

(2) Pro forma long-term debt is presented net of unamortized debt issuance costs.

(3) The number of [NEWCO] pro forma shares issued and outstanding is based on the number of Parent common shares issued and outstanding as of December 31, 2024, assuming a distribution ratio of [•] share(s) of NEWCO common stock for every [•] share(s) of Parent common stock.

(4) Reflects the Net Parent investment impact as a result of the anticipated post-separation and post-distribution capital structure.

UNAUDITED PRO FORMA COMBINED FINANCIAL STATEMENTS

The following unaudited pro forma combined financial statements consist of an Unaudited Pro Forma Combined Statement of Earnings for the year ended December 31, 2024 and an Unaudited Pro Forma Combined Balance Sheet as of December 31, 2024. These unaudited pro forma combined statements were derived from the Company's historical audited Combined Financial Statements included elsewhere in this information statement. The pro forma adjustments give effect to the transactions described below. The Unaudited Pro Forma Combined Statement of Earnings for the year ended December 31, 2024 gives effect to the transactions described below as if they had occurred on January 1, 2024, the first day of fiscal 2024. The Unaudited Pro Forma Combined Balance Sheet gives effect to the transactions described below as if they had occurred on December 31, 2024, our latest balance sheet date. References to the "Company" or "NEWCO" in this section and in the following unaudited pro forma combined financial statements and our combined financial statements included in this information statement shall mean Fortive's Precision Technologies segment.

The unaudited pro forma combined financial statements have been prepared to reflect transaction accounting and autonomous entity adjustments to present the financial condition and results of operations as if we were a separate stand-alone entity. In addition, the unaudited pro forma combined financial statements include a presentation of management adjustments that management believes are necessary to enhance an understanding of the pro forma effects of the transaction.

The unaudited pro forma combined financial statements give effect to the following transactions, which we refer to as the "Pro Forma Transactions":

- the impact of the consummation of the separation and the transactions contemplated by the separation agreement, the tax matters agreement, the transition services agreement, the employee matters agreement, the intellectual property agreement, the FBS license agreement, and other commercial agreements between [NEWCO] and Parent and the provisions contained therein;
- the long-term debt arrangements entered into by the Company in connection with the separation;
- the transfer to us from Fortive and Fortive affiliates pursuant to the separation agreement in consideration for (i) shares of our common stock, and [(ii) a Cash Distribution of [•], consisting of all of the proceeds to us of the indebtedness under the Senior Credit Facilities representing our indebtedness in an aggregate principal amount of [•] other than such proceeds therefrom necessary to ensure we have approximately [•] in available cash on our balance sheet upon completion of the distribution]; and
- the anticipated capital structure after giving effect to the distribution; and
- the incremental costs [NEWCO] expects to incur as an autonomous entity.

The Unaudited Pro Forma Combined Financial Statements were prepared in accordance with Article 11 of Regulations S-X.

The unaudited pro forma combined financial statements are subject to the assumptions and adjustments described in the accompanying notes.

[In connection with the separation, we expect to enter into a transition services agreement with Fortive, pursuant to which Fortive and we will provide to each other certain specified services on a temporary basis, including various information technology, financial and administrative services. The charges for the transition services are based on arm's length terms. Any incremental costs expected to be incurred from the transition services agreement are reflected as an autonomous entity adjustment.]

The unaudited pro forma combined financial statements have been presented for informational purposes only. The pro forma information is not necessarily indicative of our results of operations or financial condition had the separation and the related transactions been completed on the dates assumed and should not be relied upon as a representation of our future performance or financial position as a separate public company.

The following unaudited pro forma combined financial statements should be read in conjunction with our historical combined financial statements and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” included in this information statement.

NEWCO

UNAUDITED PRO FORMA COMBINED BALANCE SHEET
($ and shares in millions, except per share amounts)

	As of December 31, 2024			
	Historical	Transaction Accounting Adjustments	Autonomous Entity Adjustments	Pro Forma
ASSETS				
Current assets:				
Cash and equivalents	$[•]	$[•][a]	$[•]	$[•]
Accounts receivable, net	[•]	[•]	[•]	[•]
Inventories	[•]	[•]	[•]	[•]
Prepaid expenses and other current assets	[•]	[•]	[•]	[•]
Total current assets	[•]	[•]	[•]	[•]
Property, plant and equipment, net	[•]	[•]	[•]	[•]
Other assets	[•]	[•]	[•][g]	[•]
Goodwill	[•]	[•]	[•]	[•]
Other intangible assets, net	[•]	[•]	[•]	[•]
Total assets	$[•]	$[•]	$[•]	$[•]
LIABILITIES AND EQUITY				
Current liabilities:				
Short-term borrowing	[•]	[•]	[•]	[•]
Trade accounts payable	[•]	[•]	[•]	[•]
Accrued expenses and other current liabilities	[•]	[•]	[•]	[•]
Total current liabilities	[•]	[•]	[•]	[•]
Other long-term liabilities				
Long-term debt	[•]	[•][a][b]	[•][g]	[•]
Equity:				
Common stock: [•] par value, [•] shares authorized; [•] shares issued and outstanding, pro forma	[•]	[•][c]	[•]	[•]
Additional paid-in capital	[•]	[•][c]	[•]	[•]
Net Parent investment	[•]	[•][c]	[•]	[•]
Accumulated other comprehensive loss	[•]	[•]	[•]	[•]
Total Parent’s equity	[•]	[•]	[•]	[•]
Total liabilities and equity	$[•]	$[•]	$[•]	$[•]

See the accompanying notes to the unaudited pro forma combined financial statements.

NEWCO

UNAUDITED PRO FORMA COMBINED STATEMENTS OF EARNINGS
($ and shares in millions, except per share amounts)

	Year Ended December 31, 2024			
	Historical	Transaction Accounting Adjustments	Autonomous Entity Adjustments	Pro Forma
Sales	$[•]	$[•][a]	$[•]	$[•]
Cost of sales	[•]	[•]	[•]	[•]
Gross profit	[•]	[•]	[•]	[•]
Operating costs:				
Selling, general, and administrative	[•]	[•]	[•][g][h]	[•]
Research and development	[•]	[•]	[•]	[•]
Operating profit	[•]	[•]	[•]	[•]
Interest income (expense), net	[•]	[•][d]	[•]	[•]
Earnings before income taxes	[•]	[•]	[•]	[•]
Income taxes	[•]	[•][e]	[•][i]	[•]
Net earnings	$[•]	$[•]	$[•]	$[•]
Net earnings per common share:				
Basic			[f]	$[•]
Diluted			[f]	$[•]
Average common stock and common equivalent shares outstanding:				
Basic			[f]	$[•]
Diluted			[f]	$[•]

See the accompanying notes to the unaudited pro forma combined financial statements.

NOTES TO UNAUDITED PRO FORMA COMBINED FINANCIAL STATEMENTS

For further information regarding the historical combined financial statements, please refer to the audited combined financial statements and the unaudited combined financial statements included in this information statement. The Unaudited Pro Forma Combined Balance Sheet as of December 31, 2024 and Unaudited Pro Forma Combined Statement of Earnings for the year ended December 31, 2024 include adjustments related to the following:

Transaction Accounting Adjustments:

(a) Reflects a pro forma adjustment to cash calculated as follows:

Net proceeds from [•]	$[•]
Less: Distribution of net proceeds from [•] to Parent	[•]
Total pro forma adjustment for unremitted cash held by [NEWCO]	$[•]

In connection with the distribution, Parent will transfer to us certain cash balances and amounts due to banks. As of December 31, 2024, these adjusted amounts included cash held by us of $[•] million (reflected as cash and equivalents in the accompanying Unaudited Pro Forma Balance Sheet). The ultimate amount of cash that Parent will transfer to us will depend on the related balances as of the date of distribution.

(b) Reflects $[•] million of estimated proceeds from [•] that we will enter into in connection with the distribution, net of $[•] million in estimated financing costs. Proceeds from these anticipated borrowings are expected to be used to fund a payment to Parent of approximately $[•] million in connection with the distribution.

(c) Reflects the Net Parent investment impact as a result of the anticipated post-separation and post-distribution capital structure. As of the distribution date, the Net Parent investment after reflecting the impact of the payment to Parent described in note (b) above will be adjusted to reflect the distribution of [•] million outstanding shares of [NEWCO] common stock to Parent stockholders. [NEWCO]'s common stock account reflects an adjustment for the par value of the anticipated [•] million outstanding shares of [NEWCO] common stock, par value of $[•] per share, expected to be issued upon the distribution. [NEWCO]'s additional paid-in capital account reflects an adjustment related to the reclassification of Parent's net investment in [NEWCO]. Parent's net investment in [NEWCO] will be allocated between common stock and additional paid in capital based on the number of shares of [NEWCO] common stock outstanding at the distribution date. The Parent has assumed the number of outstanding shares of [NEWCO]'s common stock based on [•] shares of Fortive common stock outstanding as of December 31, 2024 and assumed a distribution of [•] of the outstanding shares of [NEWCO]'s common stock to Fortive's stockholders, on the basis of [•] share of [NEWCO]'s common stock for every [•] share of Fortive common stock. The actual number of shares issued will not be known until the record date for the spin-off.

(d) Reflects estimated interest expense of $[•] million for the year ended December 31, 2024 related to the anticipated borrowing to be entered into in connection with the distribution reflecting an estimated average borrowing cost of approximately [•]% per annum.

(e) Reflects the tax effect of transaction pro forma adjustments using the respective statutory combined state and federal tax rate of [•]% for the year ended December 31, 2024. This represents our U.S. statutory tax rate during the period, which differs from our effective tax rate as the adjustments to pro forma earnings before tax will be taxable in the U.S. The pro forma taxes have not been adjusted to reflect any change in our effective tax rate subsequent to the distribution.

(f) The number of [NEWCO] shares used to compute pro forma basic and diluted earnings per share is based on the number of shares of [NEWCO] common stock assumed to be outstanding, based on the number of Parent common shares used for determination of Parent's basic and diluted earnings per share for the year ended December 31, 2024, assuming a distribution ratio of [•] shares of [NEWCO] common stock for every [•] shares of Parent common stock outstanding. This calculation does not take into account the dilutive effect that will result from the issuance of [NEWCO] stock-based compensation awards in connection with the adjustment of outstanding Parent stock-based compensation awards held by [NEWCO] employees or the grant of new stock-based compensation awards. The number of dilutive shares of [NEWCO] common stock underlying stock-based compensation awards issued in connection with the adjustment of outstanding Parent stock-based compensation awards will not be determined until after the distribution date.

Autonomous Entity Adjustments:

(g) Reflects the impact of new lease agreements for certain facilities and the net impact of new compensation agreements for current executives of [NEWCO]. The lease adjustment recognizes operating lease assets and liabilities of $[•] million based on the estimated present value of the lease payments over the lease term and incremental rent expense for the year ended December 31, 2024. The compensation adjustment relates primarily to increases in salary and bonus and stock-based compensation for the year ended December 31, 2024.

(h) Reflects the impact of the transition services agreement, which results in incremental corporate and administrative costs not included in the Company's historical combined financial statements. An adjustment of $[•] million to increase Selling, general and administrative expense were recorded in the Unaudited Pro Forma Combined Statement of Operations for the year ended December 31, 2024.

(i) Reflects the income tax impact of the autonomous entity pro forma adjustments for the year ended December 31, 2024. This adjustment was calculated by applying the statutory federal income tax rate and state income tax rate to the pre-tax pro forma adjustments. The applicable tax rates could be impacted (either higher or lower) depending on certain factors subsequent to the separation including the legal entity structure implemented and may be materially different from the pro forma results.

Management Adjustments:

The Company has elected to present management adjustments to the pro forma financial information and included all adjustments necessary for a fair statement of such information. As a separate public company, [NEWCO] expects to incur incremental costs within certain corporate functions including accounting and finance, tax, legal, human resources and other general and administrative related functions. The Company received the benefit of economies of scale as a segment within the Parent, however, in establishing these functions independently, the expenses will be higher than the prior corporate allocation from Parent.

As a separate public company, [NEWCO] expects to incur certain costs in addition to those reflected in the autonomous entity adjustments and described above, including employee related costs, IT system costs, corporate governance costs, including board of director compensation and expenses, audit and other professional services fees, annual report and proxy statement costs, SEC filing fees, transfer agent fees, consulting and legal fees and stock exchange listing fees. The Company expects to begin recognizing recurring costs at the date of the spin-off and one-time costs are expected to be incurred over a period of 12 to 24 months post-separation.

The Company estimated that it would incur approximately $[•] million of total incremental expenses (including one-time expenses of approximately $[•] million and estimated recurring expenses of $[•] million) for the year ended December 31, 2024, as if the separation had occurred on January 1, 2024.

We estimated these additional recurring and one-time expenses by assessing the resources and associated recurring costs each function (e.g., finance, information technology, human resources, etc.) will require to stand up and operate as part of a separate publicly traded company. We expect to address any required resources incremental to the services provided by Fortive under the transition services agreement through additional hiring or incremental vendor and other third-party services spend.

The additional expenses have been estimated based on assumptions that our management believes are reasonable. However, actual additional costs that will be incurred could differ from these estimates and would depend on several factors, including the economic environment, results of contractual negotiations with third party vendors, ability to execute on proposed separation plans and strategic decisions made in areas such as manufacturing, selling and marketing, research and development, information technology and infrastructures. In addition, adverse effects and limitations including those discussed in the section entitled "Risk Factors" to this document may impact actual costs incurred. We may also decide to increase or reduce resources or invest more heavily in certain areas in the future, which may result in further differences between management's estimates and actual costs incurred in the future.

These management adjustments include forward-looking information that is subject to the safe harbor protections of the Exchange Act. Please see "Cautionary Note Regarding Forward-Looking Statements". The tax effect has been determined by applying the respective statutory tax rates to the aforementioned adjustments in jurisdictions where valuation allowances were not required.

For the year ended December 31, 2024:

	Net income	Basic earnings per share	Diluted earnings per share[2]
($ in millions except per share amounts)			
Unaudited pro forma combined net earnings[1]	$[•]	$[•]	$[•]
Management adjustments	[•]	[•]	[•]
Tax effect	[•]	[•]	[•]
Unaudited pro forma combined net earnings after management adjustments	$[•]	$[•]	$[•]
Weighted average number of common shares outstanding			
Basic	[•]		
Diluted	[•]		

(1) As shown in the unaudited pro forma combined statement of earnings.

(2) Net earnings per share amounts do not sum due to rounding.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Unless the context otherwise requires, references in this Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") to [NEWCO] or the Company ("we", "us", or "our") shall mean the businesses comprising Fortive's Precision Technologies segment. [NEWCO] has engaged in no business activities to date and has no assets or liabilities of any kind, other than those incident to its formation.

MD&A is designed to provide material information relevant to an assessment of the Company's financial condition and results of operations, including an evaluation of the amounts and certainty of cash flows from operations and from outside sources. The MD&A is designed to focus specifically on material events and uncertainties known to management that are reasonably likely to cause reported financial information not to be necessarily indicative of future operating results or of future financial condition. This includes descriptions and amounts of matters that have had a material impact on reported operations, as well as matters that are reasonably likely based on management's assessment to have a material impact on future operations. You should read the following discussion in conjunction with the "Unaudited Pro Forma Combined Financial Statements," the Company's Combined Financial Statements and notes thereto and the section entitled "Business" included in this information statement.

This MD&A contains forward-looking statements. The matters discussed in these forward-looking statements are subject to risk, uncertainties, and other factors that could cause actual results to differ materially from those projected or implied in the forward-looking statements. Please see "Risk Factors" and "Cautionary Note Regarding Forward-Looking Statements" for a discussion of the uncertainties, risks and assumptions associated with these statements.

The Company's MD&A is divided into seven sections:

- Basis of Presentation
- Overview
- Results of Operations
- Risk Management
- Liquidity and Capital Resources
- Critical Accounting Estimates
- New Accounting Standards

BASIS OF PRESENTATION

The accompanying Combined Financial Statements present the historical financial position, results of operations, changes in Fortive's equity and cash flows of the Company in accordance with accounting principles generally accepted in the United States of America ("GAAP") for the preparation of carved-out Combined Financial Statements.

The Company has historically operated as part of Fortive and not as a stand-alone company. The financial statements have been derived from Fortive's historical accounting records and are presented on a carve-out basis. All revenues and costs, as well as assets and liabilities, directly associated with the business activity of the Company are included as a component of the financial statements. The financial statements also include allocations of certain general, administrative, and sales and marketing expenses from Fortive's corporate office and from other Fortive businesses to the Company. The allocations have been determined on a reasonable basis; however, the amounts are not necessarily representative of the amounts that would have been reflected in the financial statements had the Company been an entity that operated independently of Fortive. Related party allocations, including the method for such allocation, are discussed further in Note 14 of the Notes to the audited Combined Financial Statements.

As part of Fortive, the Company is dependent upon Fortive for all of its working capital and financing requirements as Fortive uses a centralized approach to cash management and financing of its operations. Financial transactions relating to the Company are accounted for through the Company's Net Parent investment account. Accordingly, none of Fortive's cash, cash equivalents or debt at the corporate level has been assigned to the Company in the financial statements.

The Company's business consists of two segments: [Test and Measurement] and [Sensors and Safety Systems]. For additional details regarding these businesses, please refer to the section titled "Business" included in this information statement.

Segment Realignment and Divestiture

In January 2024, Fortive realigned Invetech from the Advanced Healthcare Solutions ("AHS") segment to the Precision Technologies ("PT") segment (the "Segment Realignment"). In June 2024, Fortive divested and transferred ownership of Invetech, excluding the Dover Motion Business, to its management team (the "Invetech Divestiture"). The results of the divested businesses are included in all periods presented, however, they are excluded from core results, as defined below.

OVERVIEW

General

Please see the "Business" section in the Information Statement Summary for a discussion of our products, customer base, and strategy. We are a global technology company with businesses that design, develop, manufacture and service precision instruments and highly engineered products. We empower engineers with precision technologies essential for breakthrough innovation in an electrified and digital world, enabling our customers to bring advanced technologies to market faster and more efficiently. Our strategic segments — [Test and Measurement] and [Sensors and Safety Systems] — include well-known brands with leading positions across a range of attractive end-markets.

[NEWCO] is a multinational business with global operations with approximately 47% of our 2023 sales derived from customers outside the United States, including high-growth markets. We define high-growth markets as developing markets of the world experiencing extended periods of accelerated growth in gross domestic product and infrastructure which include Eastern Europe, the Middle East, Africa, Latin America, and Asia with the exception of Japan and Australia.

As a company with global operations, our businesses are affected by worldwide, regional, and industry-specific economic and political factors. Our geographic and industry diversity, as well as our broad product and service offerings, typically limits the impact of any single industry or the economy of any single country (except for the United States) on our operating results. Given the broad range of our offerings and the geographies served, we do not use any indices other than general economic trends to predict the overall outlook for the Company. We monitor key competitors and customers, including their sales to the extent possible, to gauge relative performance and the outlook for the markets within which we compete.

We operate in a highly competitive business environment and our long-term growth and profitability will depend, in particular, on our ability to execute across geographies and end markets, develop innovative and differentiated new product offerings, continue to reduce costs, improve operating efficiency and attract, retain and develop an empowered workforce. We make and expect to continue to make investments in research and development, customer-facing resources, our work force and our manufacturing capabilities and capacity to meet the needs of our customers.

Non-GAAP Measures

In this report, references to sales from existing businesses ("core revenue") refer to sales from operations calculated according to generally accepted accounting principles in the United States ("GAAP") but excluding (1) the impact from acquired and divested businesses and (2) the impact of currency translation. References to sales attributable to acquisitions or acquired businesses refer to GAAP sales from acquired businesses recorded prior to the first anniversary of the acquisition, less the amount of sales attributable to certain businesses or product lines that, at the time of reporting, have been divested or are pending divestiture, but are not, and will not be, considered discontinued operations prior to the first anniversary of the divestiture. The portion of sales attributable to the impact of currency translation is calculated as the difference between (a) the period-to-period change in sales (excluding sales impact from acquired businesses) and (b) the period-to-period change in sales (excluding sales impact from acquired businesses) after applying the current period foreign exchange rates to the prior year period. Core revenue should be considered in addition to, and not as a replacement for or superior to, sales, and may not be comparable to similarly titled measures reported by other companies.

Management believes that reporting the non-GAAP financial measure of core revenue provides useful information to investors by helping identify underlying growth trends in our business and facilitating comparisons of our sales performance with our performance in prior and future periods and to our peers. We exclude the effect of acquisition and divestiture related items because the nature, size, and number of such transactions can vary dramatically from period to period and between us and our peers. We exclude the effect of currency translation from core revenue because the impact of currency translation is not under management's control and is subject to volatility. Management believes the exclusion of the effect of acquisitions and divestitures and currency translation may facilitate the assessment of underlying business trends and may assist in comparisons of long-term performance. References to sales volume from existing businesses refer to the impact of both price and unit sales.

Business Performance

Business Performance During the Year Ended 2023

During 2023, year-over-year sales increased 3.2%, primarily driven by core revenue which increased year over year by 4.5%, partially offset by a 0.9% decrease at Invetech, which is excluded from core given its subsequent divestment, and a 0.4% decrease due to unfavorable currency translation. The increase in core revenue was comprised of favorable pricing of 5.5% partially offset by a volume decline of 0.9%.

Geographically, year-over-year core revenue in developed markets increased by mid-single-digits, driven by mid-single-digit growth in North America, low single-digit growth Western Europe, and mid-teens growth in Japan. Year-over-year core revenue in high growth markets increased slightly, driven by high-twenties growth in the Middle East, low-twenties growth in Eastern Europe, offset by a low single-digit decline in Asia, largely driven by China which decreased by low single-digits.

[NEWCO] initiated a discrete restructuring plan in the first quarter of 2023 that was completed during the fourth quarter of 2023, consisting primarily of targeted workforce reductions in response to overall macroeconomic and other external conditions. [NEWCO] incurred these costs to position itself to provide superior products and services to customers in a cost-efficient manner, while taking into consideration the impact of broad economic uncertainties. During the year ended December 31, 2023, [NEWCO] incurred charges of $20 million. These charges are recorded within Cost of sales and Selling, general, and administrative expenses in the Combined Statements of Earnings.

RESULTS OF OPERATIONS

Selected Financial Data

($ in millions)	For the Year Ended December 31, 2023	2022
Sales	$2,155.7	$2,089.7
Operating profit	511.8	473.8
Depreciation	27.1	24.8
Amortization	3.6	13.5
Operating profit as a % of sales	23.7%	22.7%
Depreciation as a % of sales	1.3%	1.2%
Amortization as a % of sales	0.2%	0.6%

Components of Sales Growth

	2023 vs. 2022
Total revenue growth (GAAP)	**3.2%**
Core (Non-GAAP)	4.5%
Acquisitions and divestitures (Non-GAAP)	(0.9)%
Currency exchange rates (Non-GAAP)	(0.4)%

Refer to [Test and Measurement], and [Sensors and Safety Systems] sections below for further discussion of year-over-year sales growth.

Operating Profit Margins

2023 Compared to 2022

Operating profit margins were 23.7% for the year ended December 31, 2023, an increase of 100 basis points as compared to 22.7% in 2022 with year-over-year operating profit margin comparisons impacted by:

- Year-over-year increase in price across both segments, volume increase in test and measurement, and gains from productivity measures, all partially offset by reductions in volume in [sensors and safety systems], higher employee compensation, and unfavorable changes in foreign currency exchange rates — favorable 150 basis points
- The year-over-year effect of amortization from existing businesses — favorable 45 basis points
- The year-over-year net effect of acquisition and divestiture-related transaction expenses incurred in 2023 — unfavorable 10 basis points
- The year-over-year effect of costs relating to the discrete restructuring plan in 2023 — unfavorable 95 basis points
- Russia exit and wind down costs that were incurred during 2022 — favorable 10 basis points

Business Segments and Geographic Area Results

Sales by business segment and geographic area for the year ended December 31 are as follows ($ in millions):

	Year Ended December 31,	
	2023	2022
Segments		
[Test and measurement]	$ 941.3	$ 868.9
[Sensors and safety systems]	1,214.4	1,220.8
Total	$2,155.7	$2,089.7
Geographic area		
United States	$1,132.9	$1,076.4
China	359.2	376.6
All other	663.6	636.7
Total	$2,155.7	$2,089.7

[TEST AND MEASUREMENT]

Our [test and measurement] segment provides critical precision test and measurement instruments, systems, software, and services. Through our portfolio of industry leading solutions, including oscilloscopes, probes, source measuring units, semiconductor test systems, high-power bi-directional power supplies, and measurement analysis software packages, we empower scientists, engineers and technicians to create and realize technological advances with ever greater efficiency, speed and accuracy.

[Test and Measurement] Selected Financial Data

	For the Year Ended December 31,	
($ in millions)	2023	2022
Sales	$941.3	$868.9
Operating profit	191.1	142.0
Depreciation	14.4	12.7
Amortization	0.7	9.7
Operating profit as a % of sales	20.3%	16.3%
Depreciation as a % of sales	1.5%	1.5%
Amortization as a % of sales	0.1%	1.1%

Components of Sales Growth

	2023 vs. 2022
Total revenue growth (GAAP)	**8.3%**
Core (Non-GAAP)	9.2%
Currency exchange rates (Non-GAAP)	(0.9)%

2023 Compared to 2022

The sales result for 2023 was driven by overall price and volume increases across the segment, primarily driven by oscilloscopes, related accessories and precision instruments.

Geographically, year-over-year core revenue in developed markets increased by high-teens, driven by high-teens growth in North America, low double-digit growth in Western Europe, and mid-teens growth in Japan. Year-over-year core revenue in high growth markets was essentially flat, driven by a low single-digit decline in Asia, where China decreased by mid-single-digits, partially offset by mid-thirties growth in the Middle East.

Year-over-year price increases in the segment contributed 7.1% to sales growth in 2023, as compared to 2022, and is reflected as a component of the change in core revenue.

Operating profit margin was 20.3% for the year ended December 31, 2023, an increase of 400 basis points as compared to 16.3% in 2022 with year-over-year operating profit margin comparisons impacted by:

- Year-over-year increase in price and volume from existing businesses and gains from productivity measures, all partially offset by higher employee compensation — favorable 400 basis points
- The year-over-year effect of amortization from existing businesses — favorable 105 basis points
- The year-over-year net effect of acquisition-related transaction expenses incurred in 2023 — unfavorable 20 basis points
- The year-over-year effect of costs relating to the discrete restructuring plan in 2023 — unfavorable 85 basis points

[SENSORS AND SAFETY SYSTEMS]

Our [sensors and safety systems] segment provides leading power grid monitoring solutions, safety systems for mission critical aero, defense, and space applications, and sensing solutions for critical environments where uptime, precision and reliability are essential. We provide advanced monitoring, protection, and diagnostic solutions for high-voltage electrical assets in power generation, transmission, and distribution. Our energetic materials, ignition safety systems, and precision pyrotechnic devices are used in mission-critical applications such as satellite deployment, rocket propulsion initiation, aerial vehicle safety systems, and military defense systems. We also provide premium sensing products encompassing liquid level, flow, and pressure sensors, motion sensors and components, and hygienic sensors.

[Sensors and Safety Systems] Selected Financial Data

	For the Year Ended December 31,	
($ in millions)	**2023**	**2022**
Sales	$1,214.4	$1,220.8
Operating profit	320.7	334.1
Depreciation	12.7	12.1
Amortization	2.9	3.8
Operating profit as a % of sales	26.4%	27.4%
Depreciation as a % of sales	1.0%	1.0%
Amortization as a % of sales	0.2%	0.3%

Components of Sales Growth

	2023 vs. 2022
Total revenue growth (GAAP)	**(0.5)%**
Core (Non-GAAP)	1.2%
Acquisitions and divestitures (Non-GAAP)	(1.5)%
Currency exchange rates (Non-GAAP)	(0.2)%

2023 Compared to 2022

The sales result for 2023 was primarily driven by price increases across the segment and volume increases from utility solutions and energetic materials, offset by volume decreases in certain end markets for liquid and air sensors and automaton & control applications. Additionally, declines at Invetech, which is excluded from core given its subsequent divestment, resulted in a 1.5% unfavorable impact.

Geographically, year-over-year core revenue in developed markets increased by low single-digits, driven by low single-digit growth in North America, partially offset by a low single-digit decline in Western Europe.

Year-over-year core revenue in high growth markets increased by low single-digits, driven by high-twenties growth in the Middle East, mid-thirties growth in Eastern Europe, offset by a mid-single-digit decline in Asia, despite mid-single-digit growth in China.

Year-over-year price increases in our [sensors and safety systems] segment contributed 4.3% to sales growth in 2023, as compared to 2022, and is reflected as a component of the change in core revenue.

Operating profit margins were 26.4% for the year ended December 31, 2023, a decrease of 100 basis points as compared to 27.4% in 2022 with year-over-year operating profit margin comparisons impacted by:

- Year-over-year increase in price from existing businesses and gains from productivity measures, partially offset by reductions in volume and unfavorable changes in foreign currency exchange rates — unfavorable 10 basis points
- The year-over-year effect of amortization from existing businesses — favorable 5 basis points
- The year-over-year net effect of changes in certain Invetech businesses that were subsequently divested — favorable 5 basis points
- The year-over-year effect of costs relating to the discrete restructuring plan in 2023 — unfavorable 100 basis point

COST OF SALES AND GROSS PROFIT

	For the Year Ended December 31,	
($ in millions)	2023	2022
Sales	$ 2,155.7	$ 2,089.7
Cost of sales	(1,036.0)	(1,041.5)
Gross profit	1,119.7	1,048.2
Gross profit margin	51.9%	50.2%

The year-over-year increase in gross profit is due to year-over-year increases in price in both segments, volume increases in [Test and Measurement], productivity measures and improvement initiatives, all partially offset by volume declines in core and divested products in [Sensors and Safety Systems], higher employee compensation costs, restructuring charges, and unfavorable foreign exchange rates.

OPERATING EXPENSES

	For the Year Ended December 31,	
($ in millions)	2023	2022
Sales	$2,155.7	$2,089.7
Selling, general, and administrative (“SG&A”)	446.4	419.3
Research and development (“R&D”)	161.5	155.1
SG&A as a % of sales	20.7%	20.1%
R&D as a % of sales	7.5%	7.4%

SG&A expenses increased due to increased employee compensation expenses, facility costs, and restructuring costs.

R&D expenses, consisting principally of internal and contract engineering personnel costs, increased during 2023 as compared to 2022 due to higher compensation costs and timing of project expenditures.

INCOME TAXES

General

Our operating results were included in Fortive’s consolidated U.S. federal and certain state income tax returns, as well as certain non-U.S. returns. We account for income taxes under the separate return method.

Under this approach, income tax expense and deferred tax assets and liabilities are determined as if we were filing separate returns. Income tax expense and deferred tax assets and liabilities reflect management's assessment of future taxes expected to be paid on items reflected in our financial statements. We record the tax effect of discrete items and items that are reported net of tax effects in the period in which they occur.

Our effective tax rate can be affected by, among others, changes in the mix of earnings in countries with differing statutory tax rates (including as a result of business acquisitions and dispositions), changes in the valuation of deferred tax assets and liabilities, accruals related to contingent tax liabilities and period-to-period changes in such accruals, the results of audits and examinations of previously filed tax returns (as discussed below), the expiration of statutes of limitations, the implementation of tax planning strategies, tax rulings, court decisions, settlements with tax authorities, and changes in tax laws.

As part of Fortive, the amount of income taxes we pay is subject to ongoing audits by federal, state and foreign tax authorities, which often result in proposed assessments. We perform a comprehensive review of our global tax positions on a quarterly basis. Based on these reviews, the results of discussions and resolutions of matters with certain tax authorities, tax rulings and court decisions, and the expiration of statutes of limitations, reserves for contingent tax liabilities are accrued or adjusted as necessary.

We are subject to income, transaction and other taxes in the United States and in multiple foreign jurisdictions. Our future income tax rates could be volatile and difficult to predict due to changes in business profit by jurisdiction, changes in the amount and recognition of deferred tax assets and liabilities, or by changes in tax laws, regulations, or accounting principles. For example, the Organisation for Economic Co-operation and Development continues to advance proposals for modernizing international tax rules, including the introduction of global minimum tax standards. We closely monitor changes to tax laws, regulations, accounting principles, and global tax standards; and at the time of a change, the related expense or benefit recorded may be material to the quarter and year of change.

For a discussion of risks related to these and other tax matters, please refer to "Risk Factors."

Comparison of the Years Ended December 31, 2023 and 2022

Our effective tax rate for the years ended December 31, 2023 and 2022 was 18.2% and 21.4%, respectively.

NEWCO's estimated effective tax rate for 2023 and 2022 differs from the U.S. federal statutory rate of 21% due primarily to the positive and negative effects of the Tax Cuts and Jobs Act ("TCJA"), U.S. federal permanent differences, the impacts of credits and deductions provided by law, including those associated with state income taxes.

COMPREHENSIVE INCOME

Comprehensive income increased by $61.9 million in 2023 as compared to 2022, primarily due to an increase in net income of $46.1 million and favorable changes in foreign currency translation adjustments of $43.3 million, partially offset by unfavorable changes in pension benefit adjustments of $27.5 million.

RISK MANAGEMENT

We are exposed to market risk from changes in interest rates, foreign currency exchange rates, credit risk and commodity prices, each of which could impact our financial statements. We generally address our exposure to these risks through our normal operating and financing activities. In addition, our broad-based business activities help to reduce the impact that volatility in any particular area or related areas may have on our operating profit as a whole.

Foreign Currency Exchange Rate Risk

We face transactional exchange rate risk from transactions with customers in countries outside of the United States and from intercompany transactions between affiliates. Transactional exchange rate risk arises from the purchase and sale of goods and services in currencies other than our functional currency or the functional currency of an applicable subsidiary. We also face translational exchange rate risk related to the translation of financial statements of our foreign operations into U.S. dollars, our functional currency. Costs incurred and sales recorded by subsidiaries operating outside of the United States are translated into U.S. dollars using exchange rates effective during the respective period. As a result, we are exposed to movements in the exchange rates of various currencies against the U.S. dollar. The effect of a change in currency exchange rates on our net investment in international subsidiaries is reflected in the accumulated other comprehensive income (loss) (“AOCI”) component of equity. A 10% depreciation in major currencies relative to the U.S. dollar as of December 31, 2023 would have resulted in a reduction of foreign currency-denominated net assets and parent’s equity of approximately $52 million.

Currency exchange rates unfavorably impacted 2023 reported sales by 0.4% as compared to 2022, as the U.S. dollar was, on average, stronger against most major currencies during 2023 as compared to exchange rate levels during 2022.

In the fourth quarter of 2023, the U.S. dollar was, on average, weaker against most major currencies. If the exchange rates in effect as of December 31, 2023 were to prevail throughout 2024, currency exchange rates would positively impact 2024 estimated sales by approximately 0.4% relative to our performance in 2023. In general, additional strengthening of the U.S. dollar against other major currencies would further negatively impact our sales and results of operations on an overall basis.

We have generally accepted the exposure to exchange rate movements without using derivative financial instruments to manage this risk. Both positive and negative movements in currency exchange rates against the U.S. dollar will therefore continue to affect the reported amount of sales, profit, and assets and liabilities in our consolidated financial statements.

Credit Risk

We are exposed to potential credit losses in the event of nonperformance by counterparties to our financial instruments. Financial instruments that potentially subject us to credit risk consist of receivables from customers. In addition, concentrations of credit risk arising from receivables from customers are limited due to the diversity of our customers. Our businesses perform credit evaluations of their customers’ financial conditions as appropriate and also obtain collateral or other security when appropriate.

Commodity Price Risk

For a discussion of risks relating to commodity prices, refer to “Risk Factors.”

LIQUIDITY AND CAPITAL RESOURCES

As part of Fortive, we are dependent upon Fortive for all our working capital and financing requirements as Fortive uses a centralized approach to cash management and financing of our operations. Financial transactions relating to us are accounted for through our Net Parent investment account. Accordingly, none of Fortive’s cash, cash equivalents or debt at the Fortive corporate level has been assigned to us in the accompanying financial statements. During the years ended December 31, 2023 and 2022, we generated sufficient cash from operating activities to fund our capital spending.

We assess our liquidity in terms of our ability to generate cash to fund our operating and investing activities. We generate substantial cash from operating activities and believe that our operating cash flow and other sources of liquidity, will, after giving effect to any dividend payments and debt servicing obligations, be sufficient to allow us to continue investing in our existing businesses, consummate strategic acquisitions, fulfill our contractual obligations, and manage our capital structure on a short and long-term basis.

However, we cannot assure you that our net cash provided by operating activities, [cash and equivalents or cash available under our credit facilities] will be sufficient to meet our future needs. If we are unable to generate sufficient cash flows from operations in the future [and if availability under our credit facilities is not sufficient, we may have to obtain additional financing]. If we obtain additional capital by issuing equity, the interests of our existing stockholders will be diluted. If we incur additional indebtedness, that indebtedness may contain financial and other covenants that may significantly restrict our operations. We cannot assure you that we could obtain refinancing or additional financing on favorable terms or at all. See “Risk Factors — Risks Related to the Separation and Our Relationship with Fortive — We may not be able to generate sufficient cash to service all of our indebtedness and may be forced to take other actions to satisfy our obligations under our indebtedness, which may not be successful.”

Overview of Cash Flows and Liquidity

Following is an overview of our cash flows and liquidity:

	Year Ended December 31,	
($ in millions)	**2023**	**2022**
Net cash provided by operating activities	$ 461.8	$ 391.7
Purchase of property, plant and equipment	$ (29.2)	$ (30.8)
Proceeds from sale of property	6.8	—
All other investing activities	—	(1.4)
Net cash used in investing activities	$ (22.4)	$ (32.2)
Net transfers to Parent	$(431.7)	$(341.0)
Net cash used in financing activities	$(431.7)	$(341.0)

2023 Compared to 2022

Operating Activities

Operating cash flows can fluctuate significantly from period-to-period as working capital needs and the timing of payments for pension funding, and other items impact reported cash flows.

Operating cash flows were approximately $461.8 million in 2023, representing an increase of $70.1 million, or approximately 18%, as compared to 2022, and primarily attributable to the following factors:

- Year-over-year increases of $43.2 million in Operating cash flow from net earnings, net of non-cash items (Amortization, Depreciation, and Stock-based compensation).
- The aggregate changes in accounts receivable, inventories, and trade accounts payable used $19 million of cash during 2023 compared to using $35 million of cash during 2022. The amount of cash flow generated from or used by the aggregate of accounts receivable, inventories, and trade accounts payable depends upon how effectively we manage the cash conversion cycle, which generally represents the number of days that elapse from the day we pay for the purchase of raw materials and components to the collection of cash from our customers, and can be significantly impacted by the timing of collections and payments in a period.
- The aggregate change in prepaid expenses and other assets, accrued expenses and other liabilities, and changes in deferred income taxes generated $8 million of cash in 2023 as compared to using $3 million in 2022. The year-over-year changes were driven by timing differences related to employee compensation and benefits, contract assets, and contract liabilities.

Investing Activities

Net cash used in investing activities decreased by $10 million during 2023 as compared to 2022 primarily due to proceeds from sale of property and a decrease in cash paid for capital expenditures.

Capital expenditures are made primarily for increasing production capacity, replacing aged equipment, supporting product development initiatives for product offerings, and improving information technology systems. Capital expenditures totaled $29 million in 2023 and $31 million in 2022.

Financing Activities

Net cash used in financing activities reflects net cash returned to Fortive.

Cash Requirements

For a description of the Company’s operating lease obligations, commitments and litigation and contingencies, refer to Note 7 and Note 11 to the audited Combined Financial Statements.

Legal Proceedings

Refer to Note 11 in the accompanying audited combined financial statements for information regarding legal proceedings and contingencies. For a discussion of risks related to legal proceedings and contingencies, refer to the section entitled “Risk Factors” above.

CRITICAL ACCOUNTING ESTIMATES

Management's discussion and analysis of our financial condition and results of operations is based upon our consolidated financial statements, which have been prepared in accordance with GAAP. The preparation of these financial statements requires management to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosure of contingent assets and liabilities. We base these estimates and judgments on historical experience, the current economic environment, and on various other assumptions that are believed to be reasonable under the circumstances. Actual results may differ materially from these estimates and judgments.

We believe the following accounting estimates are most critical to an understanding of our financial statements. Estimates are considered to be critical if they meet both of the following criteria: (1) the estimate requires assumptions about material matters that are uncertain at the time the estimate is made, and (2) material changes in the estimate are reasonably likely from period to period. For a detailed discussion on the application of these and other accounting estimates, refer to Note 2 to the consolidated financial statements.

Acquired Intangibles and Goodwill: Our business acquisitions typically result in the recognition of goodwill, developed technology, and other intangible assets, which affect the amount of future period amortization expense and possible impairment charges that we may incur. Refer to Note 2 and 4 to the combined financial statements for a description of our policies relating to goodwill, acquired intangibles, and acquisitions.

In performing our goodwill impairment testing, we estimate the fair value of our reporting units primarily using a market based approach. We estimate fair value based on multiples of earnings before interest, taxes, depreciation, and amortization ("EBITDA") determined by current trading market multiples of earnings for companies operating in businesses similar to each of our reporting units, in addition to recent market available sale transactions of comparable businesses. In evaluating the estimates derived by the market based approach, we make judgments about the relevance and reliability of the multiples by considering factors unique to our reporting units, including operating results, business plans, economic projections, anticipated future cash flows, and transactions and marketplace data as well as judgments about the comparability of the market proxies selected. In certain circumstances we also evaluate other factors including results of the estimated fair value utilizing a discounted cash flow analysis (i.e., an income approach), market positions of the businesses, comparability of market sales transactions, and financial and operating performance in order to validate the results of the market approach. The discounted cash flow model requires judgmental assumptions about projected revenue growth, future operating margins, discount rates, and terminal values. There are inherent uncertainties related to these assumptions and management's judgment in applying them to the analysis of goodwill impairment.

In 2023, we performed goodwill impairment testing for our reporting units. Reporting units that include recent acquisitions generally present the highest risk of impairment. We believe the impairment risk associated with these reporting units generally decreases as we integrate these businesses and better position them for potential future earnings growth. Our annual goodwill impairment analysis in 2023 indicated that, in all instances, the fair values of our reporting units exceeded their carrying values and consequently did not result in an impairment charge.

The excess of the estimated fair value over carrying value (expressed as a percentage of carrying value for the respective reporting unit) for each of our reporting units as of the annual testing date ranged from approximately 255% to approximately 797%. In order to evaluate the sensitivity of the fair value calculations used in the goodwill impairment test, we applied a hypothetical 10% decrease to the fair values of each reporting unit and compared those hypothetical values to the reporting unit carrying values. Based on this hypothetical 10% decrease, the excess of the estimated fair value over carrying value (expressed as a percentage of carrying value for the respective reporting unit) for each of our reporting units ranged from approximately 219% to approximately 707%. We evaluated other factors relating to the fair value of the reporting units, including, as applicable, results of the estimated fair value using an income approach, market positions of the businesses, comparability of market sales transactions and financial and operating performance, and concluded no impairment charges were required.

We review identified intangible assets for impairment whenever events or changes in circumstances indicate that the related carrying amounts may not be recoverable. Determining whether an impairment loss occurred for intangible assets with definite lives requires a comparison of the carrying amount to the sum of undiscounted cash flows expected to be generated by the asset. We also test intangible assets with indefinite lives at least annually for impairment. These analyses require management to make judgments and estimates about future revenues, expenses, market conditions, and discount rates related to these assets. We evaluated events or circumstances that may indicate the carrying value of our intangible assets may not be fully recoverable during the year ended December 31, 2023, and recorded no material impairments.

If actual results are not consistent with management's estimates and assumptions, goodwill and other intangible assets may be overstated and a charge would need to be taken against net earnings which would adversely affect our financial statements.

Income Taxes: For a description of our income tax accounting policies, refer to Note 2 and Note 10 to the accompanying audited combined financial statements.

Our domestic and foreign operating results are included in the income tax returns of Parent. We account for income taxes under the separate return method. Under this approach, we determine our deferred tax assets and liabilities and related tax expense as if we were filing separate tax returns. The accompanying Combined Balance Sheets do not contain current taxes payable or other long-term taxes payable liabilities, with the exception of certain unrecognized tax benefits which will remain with us, as such amounts are deemed settled with Fortive when due and therefore are included in Parent's equity. In accordance with GAAP, deferred tax assets and liabilities are determined based on the difference between the financial statement and tax basis of assets and liabilities using enacted rates expected to be in effect during the year in which the differences reverse. Deferred tax assets generally represent items that can be used as a tax deduction or credit in our tax return in future years for which the tax benefit has already been reflected in our Consolidated Statements of Earnings. Deferred tax liabilities generally represent items that have already been taken as a deduction on our tax return but have not yet been recognized as an expense in our Consolidated Statements of Earnings. The effect on deferred tax assets and liabilities due to a change in tax rates is recognized in income tax expense in the period that includes the enactment date.

We recognize tax benefits from uncertain tax positions only if, in our assessment, it is more likely than not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position. The tax benefits recognized in the financial statements from such positions are measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. Judgment is required in evaluating tax positions and determining income tax provisions. We re-evaluate the technical merits of our tax positions and may recognize an uncertain tax benefit in certain circumstances, including when: (i) a tax audit is completed; (ii) applicable tax laws change, including a tax case ruling or legislative guidance; or (iii) the applicable statute of limitations expires. We recognize potential accrued interest and penalties with unrecognized tax positions in income tax expense.

Our deferred tax assets are reduced by a valuation allowance if, based on the weight of available evidence, it is more likely than not (a likelihood of more than 50 percent) that some portion or all of the deferred tax assets will not be realized. We evaluate the realizability of deferred income tax assets for each of the jurisdictions in which we operate. If we experience cumulative pretax income in a particular jurisdiction in the three-year period including the current and prior two years, we normally conclude that the deferred income tax assets will more likely than not be realizable and no valuation allowance is recognized, unless known or planned operating developments would lead management to conclude otherwise. However, if we experience cumulative pretax losses in a particular jurisdiction in the three-year period including the current and prior two years, we then consider a series of factors in the determination of whether the deferred income tax assets can be realized. These factors include historical operating results, known or planned operating developments, the period of time over which certain temporary differences will reverse, consideration of the utilization of certain deferred income tax liabilities, tax law carryback capability in the particular country, and prudent and feasible tax planning strategies. After evaluation of these factors, if the deferred income tax assets are expected to be realized within the tax carryforward period allowed for that specific country, we would conclude that no valuation allowance would be required. To the extent that the deferred income tax assets exceed the amount that is expected to be realized within the tax carryforward period for a particular jurisdiction, we establish a valuation allowance.

NEW ACCOUNTING STANDARDS

For a discussion of new accounting standards relevant to our businesses, refer to Note 2 to the accompanying combined financial statements.

BUSINESS

Our Company

We are a global technology company with businesses that design, develop, manufacture, and service precision instruments and highly engineered products. We empower engineers with precision technologies essential for breakthrough innovation in an electrified and digital world, enabling our customers to bring advanced technologies to the market faster and more efficiently.

Our strategic segments — Test and Measurement and Sensors and Safety Systems — include well-known brands with leading positions across a range of attractive end-markets. Our solutions are used in more than 90 countries by over 90,000 customers.

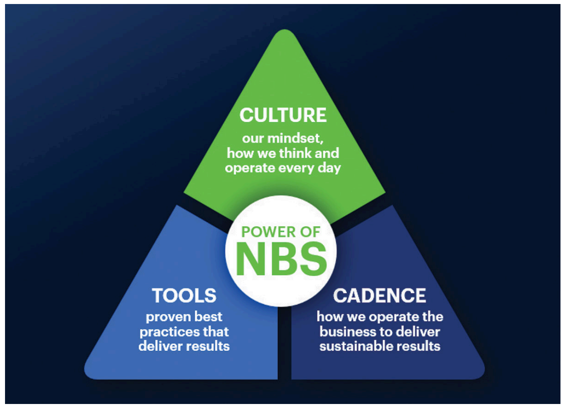
[NewCo] has decades of domain expertise in delivering high precision innovative solutions, extensive proprietary assets that include our portfolio of over 2,100 active patents, and the trust of our diverse customers. Our customers include engineers at industry leading companies, research institutions, and governments, across semiconductor, datacenter, consumer electronics, automotive, energy storage, aero, defense and space, utilities, industrial manufacturing, and other industries. Our team of over 1,400 engineers across the globe enables our unique 'engineer to engineer' approach, which allows us to build enduring trust, credibility, and partnerships with customers across both Fortune 1000 companies and next generation start-up enterprises.

[NewCo] is a Delaware corporation and was incorporated in 2024 in preparation for the separation of [NewCo] from Fortive. Our headquarters are located in [Raleigh, North Carolina].

[NewCo] Business System

The [NewCo] Business System ("NBS") consists of a philosophy and a comprehensive set of processes and tools, which originated from Danaher Corporation, and have been rigorously applied and evolved at Fortive Corporation. Lean, Growth and Innovation, and Leadership principles of NBS guide all our actions and our approach to creating value for our people, customers, and shareholders. NBS is central to our commitment to drive innovation and our culture of relentless execution and continuous improvement. NBS principles, embedded throughout the organization, identify and minimize inefficiencies, define a structured way to solve problems, and drive consistent execution. NBS, embodied in our mindset and our culture, is consistently and rigorously applied across our business operations, including initiatives in manufacturing, supply chain, product development, commercialization, and customer centric innovation.

Application of NBS at [NewCo] enables disciplined operational execution (improved quality, delivery, yield), accelerates our innovation velocity, enhances commercial productivity, and drives strong free cash flow performance that empowers us to reinvest in our business and return cash to shareholders.



Segments

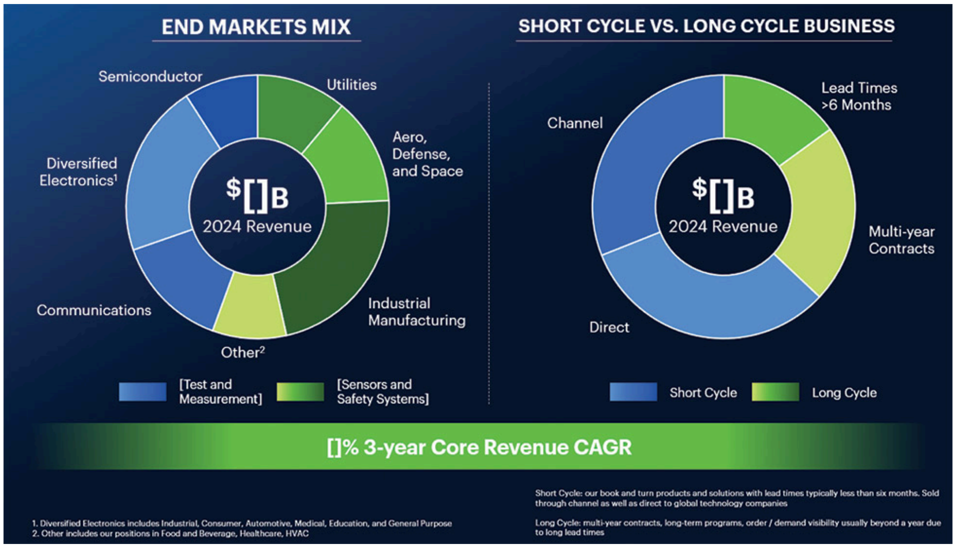
We are organized in two strategic segments: Test and Measurement and Sensors and Safety Systems.

- *Test and Measurement.* Our Test and Measurement businesses go to market under the following brands: Tektronix, Keithley Instruments, Sonix, and EA Elektro-Automatik.
- *Sensors and Safety Systems.* Our Sensors and Safety Systems businesses go to market under the following brands: Qualitrol, Gems Sensors, Setra Systems, Hengstler Dynapar, Anderson-Negele, Dover Motion, Specialty Product Technologies (SPT), and Pacific Scientific Energetic Materials Company.

The table below describes the percentage of our total annual revenues attributable to each of the two segments over each of the last three years ended December 31. For additional information regarding sales, operating profit and identifiable assets by segment, please refer to Note [•] to the audited Combined Financial Statements for the year ending December 31, 2024 included in this Information Statement.

	2024	2023	2022
Test and Measurement	[•]%	[44]%	[42]%
Sensors and Safety Systems	[•]%	[56]%	[58]%

Attractive End Markets Mix and Diversified Contract Types



[Test and Measurement]

We are the measurement insight company committed to performance and compelled by possibilities to define the future of electronics. Through our [Test and Measurement] segment, we provide precision test and measurement instruments, systems, software, and services. Our ‘By Engineers For Engineers’ approach enables us to be a trusted partner to customers for their most complex innovation challenges. Our portfolio of industry leading solutions, including oscilloscopes, probes, source measuring units, semiconductor test systems, high-power bi-directional power supplies, and measurement analysis software packages, empowers scientists, engineers, and technicians to create and realize technological advances with ever greater efficiency, speed, and accuracy.

Primary applications enabled by our comprehensive solutions include:

- *Research and development of high-power electronics* for semiconductors, e-mobility, industrials, and renewable energy applications;
- *Testing communications protocols* for artificial intelligence, quantum computing, internet of things (IoT) and, cybersecurity;
- *Testing automation software* to accelerate innovation and time to market for our customers;
- *Analysis of advanced materials* to create next generation semiconductor devices; and
- *Premier quality repair, calibration, and other value add services* for customer lifecycle engagement.

Our invention of the first time-based triggered oscilloscope in 1947 significantly accelerated the advancement of the digital age. Since then, every day, we continue to eliminate the barriers between inspiration and realization of world changing technologies. Our solutions have supported many of mankind’s greatest advances in electronics over the past more than 70 years. Some of the historical breakthrough innovations enabled by our solutions include next-generation technologies fueling AI, datacenters, electrification, and advanced defense and space communications.

[Sensors and Safety Systems]

Through our [Sensors and Safety Systems] segment, we provide (i) leading power grid monitoring solutions, (ii) safety systems for aero, defense and space applications, and (iii) sensing solutions for critical environments where uptime, precision, and reliability are essential.

We provide [Sensors and Safety Systems] solutions across the following primary areas:

- *Intelligent Energy Infrastructure Solutions:* We provide advanced monitoring, protection, and diagnostic solutions for high-voltage electrical assets in power generation, transmission, and distribution. Customers globally rely on our solutions to ensure their energy grid stability. As global electrification and the energy transition accelerate, particularly with the integration of renewable energy and distributed energy resources, our grid monitoring solutions will be increasingly essential for maintaining grid stability and asset reliability. We have installed more than 4,000,000 advanced grid monitoring solutions on critical power assets to keep the power flowing reliably around the globe for the last 75 years. With the wide coverage of transformer failure modes, we enjoy a leading position in monitoring transmission transformers and sub-stations.
- *High-Precision Electronics Safety Systems*: Our energetic materials, ignition safety systems, and precision pyrotechnic devices are used in mission-critical applications such as satellite deployment, rocket propulsion initiation, aerial vehicle safety systems, and military defense systems. The modernization of defense systems and increasing space exploration require advanced electronics such as electronic propulsion systems, driving the need for our high voltage safety ignition systems to support increased safety and reliability needs. Our solutions have 99.99% reliability and have enabled over 1,500 successful, life-saving emergency egress escape system initiations.
- *Sensing Solutions:* Our sensing and monitoring technologies cater to a diverse customer base with leading positions in multiple niche markets. We provide premium sensing products encompassing liquid level, flow, and pressure sensors, motion sensors and components, and hygienic sensors. We serve a wide range of critical environments and end markets such as healthcare, food and beverage, datacenters, HVAC systems and industrial automation. With more than 300 years of combined domain expertise, and an installed base of more than 10 million sensors, our sensing solutions serve many of the world's leading companies in critical applications. We rank consistently as the leader for control solutions for industrial automation and hygienic instrumentation for food and beverage processing, and have industry leading expertise in the monitoring of critical environments with our pressure and level sensing solutions.

Industry Overview

We primarily operate in the following end markets: Semiconductor, Diversified Electronics, Communications, Utilities, Aero, Defense and Space, and Industrial Manufacturing and Other. These end markets are large, diverse and poised for growth from sustained tailwinds in electrification and digitization. Our focus on continuous innovation and our extensive product portfolio will position us as a key enabler of technologies necessary to drive electrification and digitization. With key application expertise and solutions for engineers to enable advancements, we are positioned to benefit from these secular tailwinds. Based on [NewCo] management's estimates as of December 2024, the serviceable addressable market is approximately [$16 billion] within a total addressable market of approximately [$26 billion], with favorable secular growth trends.

The following are the key trends and drivers of our primary end markets:

Semiconductor:

- Next generation semiconductors with higher power density, efficiency, and high-performance computing capability are required to support electrification and digitization across a wide range of end markets, which provides demand for our industry leading power test and measurement solutions as well as high-performance communications interface test and measurement solutions.

Diversified Electronics:

- Electrification of mobility, DC factories, connected homes, smart buildings, and digital health are creating new sustained demand for our electronic test and measurement solutions tailored for high performance electronics.

Communications:

- Exponential growth in data from next generation computing and networking technologies (AI/ML, Quantum Computing, Edge Computing, Silicon Photonics) creates the need for our communications test and measurement solutions to ensure compliance with new communications protocols.

Utilities:

- The growing need for power and efficient energy management in diverse industries (AI data centers, electric mobility and DC factories), increasing adoption of renewables (wind, solar and hydrogen), bi-directional flow of power in the grid and distributed energy resource management (DERM) are driving grid complexity and capacity expansion, thereby creating demand for our grid monitoring solutions.

Aero, Defense, and Space:

- Increasing use of advanced electronics to support defense modernization and space exploration, and rise of electric propulsion systems for satellites and spacecrafts, act as strong tailwinds for our precise safety ignition systems and energetic materials in launch and deployment mechanisms.

Industrial Manufacturing and Other:

- The rise of industrial automation and the increasing digitization of manufacturing workflows are accelerating global investment in precision sensing technologies.
- Safety and regulatory needs are becoming increasingly complex, and the cost of failure is rising rapidly for critical environments monitoring such as food and beverage as well as healthcare.

Our Competitive Strengths

Our differentiation is rooted in enduring trust and long-standing relationships with innovation leaders. Engineers depend on our deep expertise in precision as well as our reliability to advance next-generation technologies and safeguard mission-critical applications. Some of our competitive strengths include:

- *Long-standing global reputation as a trusted innovation partner to engineers.* We are a team of passionate engineers serving engineers. Our ability to understand and address unique challenges faced by engineers positions us as a trusted ally and preferred innovation partner. We operate as a global company with diverse channels, regional manufacturing footprints and product development teams designed to best meet local needs, with the scale advantage and credibility of a global solutions provider. A wide range of customers trust our precision technology expertise, with no customer making up more than [ ]% of our 2024 revenue and our top 10 accounting for less than [ ]% of our sales in 2024.
- *World-class precision technology expertise and intellectual property.* Our ability to harness decades of domain expertise and customer application know-how positions us to deliver unrivaled precision, accuracy and reliability for cutting edge technologies and mission critical applications. This leadership is shown through our leading positions in power electronics testing, high performance data communications interface testing, energy storage systems testing, transmission transformer health monitoring, electronic ignition safety systems, and sensing solutions for monitoring critical environments.
- *The NewCo Business System.* Our team has been united by the Fortive Business System (FBS), which has been consistently and rigorously applied across our businesses, leveraging Lean, Growth and Innovation, and Leadership principles. This has resulted in higher through-cycle core growth, significant margin expansion, and industry-leading free cash flow generation. Through the evolution of FBS into NBS, we will drive continuous improvement, measured by metrics such as quality, delivery, cost, growth and innovation.
- *Industry leading partner ecosystem.* Our people are our key strategic advantage. Through decades of cultivation, we have built an extensive eco-system of loyal partners that enable our scale and reach

and accelerate expansion to new markets. These partners are deeply engaged, committed to our high-performance culture, and are empowered to deliver customer value.

Our Business Strategy

We have identified the following key drivers of value creation that underpin our business strategy:

- *Empower winning teams.* We start with people — building a workforce, leadership team, and loyal partner community that is deeply engaged, inspired, and committed to driving a high-performance culture. This culture is centered on a growth mindset, continuous improvement, and the belief that empowered individuals lead to stronger results. By investing in our employees' growth, we foster a sense of ownership, accountability, and innovation that permeates the entire organization. This focus on building winning teams fuels sustainable growth, strengthens our competitive position, and ensures that we make a lasting impact in the mission-critical industries we serve worldwide.
- *Culture of continuous improvement.* We will continue to rigorously apply the NBS across all areas of the business — to drive operational efficiency, reduce waste, and accelerate new product development efficiently. Our history of continuous improvement has resulted in operational efficiencies, allowing us to generate more consistent earnings and free cash flow to reinvest for growth with the goal of creating sustainable long-term value for our shareholders.
- *Target key secular growth industries by being at the forefront of electrification and digitization.* We are strategically targeting large and diverse end markets with multi-year growth tailwinds from electrification and digitization. This includes prioritizing technological advancements in semiconductors, power electronics (electric vehicle and mobility, DC factories, and renewable energy), communications (datacenter, networking, modern defense communications), utility grid modernization, and aero, defense, and space industries. Our ability to drive higher growth and market outperformance in these end markets is a proof point of our business strategy. In addition to organic growth, we also intend to pursue expansion through focused M&A in high growth areas aligned with our core competencies.
- *Deliver customer-centric innovation*. Our commitment to customer-centric innovation, grounded in our domain expertise in precision and reliability, has enabled us to build enduring trust and credibility with our customers. We aim to continue our legacy by leveraging our platform approach to innovation. Our focus on customer-centric innovation, supported by the strength of our platform approach and systematic NBS process to dream, develop, and deliver new products, is designed to drive organic growth.
- *Focus on returns and capital deployment.* We intend to leverage our industry-leading free cash flow generation to deliver strong returns to shareholders. We also intend to selectively pursue organic growth investments and acquisition opportunities aligned to our core domain expertise and secular growth strategy to enhance our leadership across industries. Through innovation and disciplined execution, we have delivered [ ] compound annual core revenue growth over the last three years. Our value creation model anchored in NBS has enabled strategic reinvestments in innovation and growth, laying a strong foundation for future returns.

Materials

Our manufacturing operations employ a wide variety of raw materials, including electronic components, steel, plastics and other petroleum-based products, aluminum, and copper. Prices of oil and gas affect our costs for freight and utilities. We purchase raw materials from a large number of independent sources around the world. Tariffs affect our costs for impacted materials or components we import into the United States and other countries. Based on allocation of annual spend among our various suppliers, no single supplier is material. However, some components that require particular specifications or qualifications are dependent on a single supplier or a limited number of suppliers that can readily provide such components. We utilize a number of techniques to address potential disruption in and other risks relating to our supply chain, including in certain cases the use of safety stock, alternative materials that meet the quality and regulatory requirements, and qualification of multiple supply sources. While external events such as natural disasters, geopolitical events, and hostilities have raised material and shipping costs in certain markets, our supply chain was responsive to these dynamics, as we have implemented solutions to effectively support our operations and to help countermeasure production material shortages and distribution limitations. For a further discussion of risks related to the materials and components required for our operations, please refer to “Risk Factors.”

Intellectual Property

We own numerous patents, trademarks, copyrights, and trade secrets and hold licenses to use intellectual property owned by others. Although in the aggregate our intellectual property is critical to our operations, we do not consider any single patent, trademark, copyright, trade secret, or license to be of material importance to any segment or to the business as a whole. From time to time, we engage in litigation to protect our intellectual property rights. For a discussion of risks related to our intellectual property, please refer to “Risk Factors.” All capitalized brands and product names throughout this document are, or will be, trademarks owned by, or licensed to, [NewCo].

Competition

Our businesses generally operate in highly competitive markets, and we believe that we are a leader across many of our products and industry verticals. Because of the range of the products and services we sell and the variety of industries we serve, we encounter a wide variety of competitors, including larger companies or divisions of larger companies with substantial sales, marketing, research, and financial capabilities, as well as well-established competitors who are more specialized than we are in particular geographic markets or industry verticals. We also face increased competition as a result of the entry of competitors, including those with lower cost manufacturing locations, and increasing consolidation and scaling of some of our competitors. The number of competitors varies by product and service line. Key competitive factors vary among our businesses and product and service lines, but include the specific factors noted above with respect to each particular business and typically also include price, quality, performance, delivery speed, applications expertise, distribution channel access, service and support, technology and innovation, breadth of product, service and software offerings, and brand name recognition. For a discussion of risks related to competition, please refer to “Risk Factors.”

Seasonal Nature of Business

General economic conditions impact our business and financial results, and certain of our businesses experience seasonal and other trends related to the industries and end markets that they serve. For example, sales of capital equipment are often stronger in the fourth calendar quarter and sales to OEMs are often stronger immediately preceding and following the launch of new products. However, as a whole, we are not subject to material seasonality.

People Strategy (Human Capital)

We are a global team of approximately 7,000 employees, energized by a powerful shared purpose.

Our people strategy centers on empowering inclusive teams working together to solve problems no one could solve alone. We intentionally seek out different skills, backgrounds, and voices to deliver results for our customers. Our people strategy is defined by our inclusive growth culture and is advanced through our career development and reward systems. We continually measure, review, and refine our strategy through measured employee experience processes. These key elements enable us to accelerate progress for our customers, our teams, and the world.

Business, Career Development, and Reward Systems

At [NewCo], we believe that growing the business is deeply connected to each individual’s personal and professional success. As we expand, we create more opportunities for employees to take on new challenges, develop their skills, and advance in their careers. A culture of continuous improvement underpins everything we do; we encourage employees to innovate, refine processes, and pursue excellence in every task. This commitment to improvement is woven into our development programs and daily practices, providing each team member with the tools and support to grow alongside [NewCo]. By aligning our strategic goals with personal growth and continuous improvement, we foster an environment where employees are empowered to contribute to [NewCo]'s success while advancing their own career aspirations.

Our total rewards system is designed to reflect our commitment to growth and continuous improvement. We believe that recognizing and rewarding employees for their contributions reinforces a high-performance culture where everyone is motivated to innovate, improve, and drive success. Through a combination of competitive compensation, performance-based incentives, and development opportunities, our rewards are closely aligned with the impact employees have on our growth trajectory. At [NewCo], rewards are more than recognition — they are an investment in each employee's journey, encouraging ongoing improvement and supporting long-term career progression as we build our future together.

Employee Experience and Communication

Our leaders at all levels of the organization actively seek feedback from our employees and other stakeholders to strengthen our culture. Our employee experience surveys are one of the many ways we actively solicit input.

Our employee experience survey approach continues to mature through quarterly touchpoints and leader accountability. Our results inform both management and our Board of Directors on appropriate actions to enhance our employee experience.

Government Contracts

Although the substantial majority of our revenue in 2024 was from customers other than governmental entities, each of our segments has agreements relating to the sale of products and services to government entities. As a result, we are subject to various statutes and regulations that apply to companies doing business with governments and government-owned entities. For a discussion of risks related to government contracting requirements, please refer to "Risk Factors."

Regulatory Matters

We face extensive government regulation both within and outside the United States relating to the development, manufacture, marketing, sale, and distribution of our products, software, and services. The following sections describe certain significant regulations that we are subject to. These are not the only regulations that our businesses must comply with. For a description of the risks related to the regulations that our businesses are subject to, please refer to "Risk Factors."

Anti-Bribery and Anti-Corruption Laws

Given the international scope of operation, we are subject to various U.S. and non-U.S. laws outlawing bribes, kickbacks, payoffs, and other improper payments. In particular, the U.S. Foreign Corrupt Practices Act ("FCPA"), the UK Bribery Act, and other similar laws in other jurisdictions prohibit companies, their officers and employees, and their intermediaries from making improper payments to public officials to influence those officials or secure an improper advantage in order to obtain or retain business. In the past several years, there has been a substantial increase in the enforcement of these global anti-bribery and anti-corruption laws. Our operations throughout the world, including in developing countries with heightened risks of corruption, and interactions with individuals who are considered public officials under these laws expose us to the risk of violating these laws. Violations of these laws or even allegations of violations of these laws could pose reputational risks, subject us to investigations and related litigation, cause disruptions to our business, and result in monetary fines and damages and other sanctions.

Data Privacy and Security Laws

As a global organization, we are subject to data privacy and security laws, regulations, and customer-imposed controls in numerous jurisdictions as a result of having access to and processing confidential, personal, and/or sensitive data in the course of our business.

Data privacy and security laws are rapidly evolving. In particular, a broad privacy law in California, the California Consumer Privacy Act ("CCPA"), which came into effect in January 2020 and was amended by the California Privacy Rights Act effective January 2023, has some of the same features as the GDPR (discussed below) and has prompted several other states to enact or consider similar legislation.

Across the European Economic Area, the General Data Protection Regulation (“GDPR”), and similar laws in the United Kingdom and Switzerland impose strict requirements on how we process personal data, including, among other things, in certain circumstances a requirement for prompt notification of data breaches to supervisory authorities and/or to data subjects, with the risk of significant fines for non-compliance. Regulators throughout Europe also require additional safeguards to facilitate the transfer of personal information outside of Europe.

Several other countries in which we operate, such as China, Russia, and Brazil, have passed, and other countries are considering passing, laws that meaningfully expand the compliance requirements around confidential, personal, and/or sensitive data that we may have access to or process in the course of our business. In China and Russia, privacy and security laws may require a copy of personal data relating to citizens to be maintained on local servers and impose additional data transfer restrictions. Brazil’s Lei Geral de Proteção de Dados (“LGPD”) increases compliance requirements related to privacy, data protection, and information security for businesses that are located or do business within Brazil. Although the LGPD shares similarities with the GDPR, it also contains a number of unique features, including specific legal bases not found in the GDPR that allow an organization to process personal data and requirements for the role or appointment of a data protection officer. In these countries and elsewhere, the laws applicable to data privacy and security may require changes to business practices or additional investment for compliance purposes.

Environmental Laws and Regulations

Our operations and properties are subject to laws and regulations relating to environmental protection, including those governing air emissions, water discharges and waste management, and workplace health and safety. For a discussion of the environmental laws and regulations that our operations, products, and services are subject to and other environmental contingencies, please refer to Note 14 to the combined financial statements. For a discussion of risks related to compliance with environmental and health and safety laws and risks related to past or future releases of, or exposures to, hazardous substances, please refer to “Risk Factors.”

Export/Import Regulations

We sell products and services to customers all over the world and are required to comply with various U.S. export/import control and economic sanctions laws, such as:

- the International Traffic in Arms Regulations administered by the U.S. Department of State, Directorate of Defense Trade Controls, which, among other things, impose license requirements on the export from the United States of defense articles and defense services listed on the United States Munitions List;
- the Export Administration Regulations administered by the U.S. Department of Commerce, Bureau of Industry and Security, which, among other things, impose licensing requirements on the export, in-country transfer, and re-export of certain dual-use goods, technology, and software (which are items that have both commercial and military or proliferation applications);
- the regulations administered by the U.S. Department of Treasury, Office of Foreign Assets Control, which implement economic sanctions imposed against designated countries, governments, and persons based on United States foreign policy and national security considerations; and
- the import regulations administered by U.S. Customs and Border Protection.

Other nations’ governments have implemented similar export/import control and economic sanction regulations, which may affect our operations or transactions subject to their jurisdictions. These controls and regulations may impose licensing requirements on exports of certain technology and software from the United States and may impact our ability to transact business in certain countries or with certain customers. We have developed compliance programs and training to prevent violations of these programs and regulations, and we regularly monitor changes in the law and regulations. Changes in these or other import or export laws and regulations may restrict or further restrict our ability to sell certain products and solutions and may require us to develop additional compliance programs and training. For a discussion of risks related to export/import control and economic sanctions laws, please refer to “Risk Factors.”

Competition Laws

Our global operations are subject to complex and changing antitrust and competition laws and regulations, including conflicting laws and regulations in the jurisdictions in which we operate that have increased the cost of conducting our global operations. We have implemented policies and procedures designed to ensure compliance with applicable global laws and regulations, but there can be no assurance of complete and consistent compliance with all laws and regulations given the complex and evolving policies implemented by governments around the world. If we are found to have violated laws and regulations, it could materially adversely affect our business, reputation, results of operations and financial condition. For a discussion of risks related to changes in governmental laws and regulations and how that may reduce demand for our products or services or increase our expenses, please refer to “Risk Factors.”

Whistleblower Laws

We operate in jurisdictions, such as the United States and the European Union, that provide significant legal protection for whistleblowers who make compliance reports about potential violations internally and to government authorities. Non-compliance with the Whistleblower Directive can result in fines and other penalties against entities. In the United States, the SEC and the Department of Justice can provide monetary awards to whistleblowers who report violations that are subsequently pursued. In addition, the False Claims Act permits whistleblowers to bring a lawsuit on behalf of the government and share in any monetary recovery, even if the government decides not to intervene in the case.

International Operations

Our products and services are available in markets worldwide, and our principal markets outside the United States are in Europe and Asia. We also have operations around the world, and this geographic diversity allows us to draw on the skills of a worldwide workforce, provides greater stability to our operations, allows us to drive economies of scale, provides revenue streams that may help offset economic trends that are specific to individual economies, and offers us an opportunity to access new markets for products. In addition, we believe that our future growth depends in part on our ability to continue developing products and sales models that successfully target high-growth markets outside of the United States.

The manner in which our products and services are sold outside the United States differs by business and by region. Most of our sales in non-U.S. markets are made by our subsidiaries located outside the United States, though we also sell directly from the United States into non-U.S. markets through various representatives and distributors and, in some cases, directly. In countries with low sales volumes, we generally sell through representatives and distributors.

Properties

Our corporate headquarters will be located in in a facility that we . As of December 31, 2023, our facilities included approximately 28 significant facilities, which are used for manufacturing, distribution, warehousing, research and development, general administrative, and/or sales functions. Approximately 15 of these facilities are located in the United States in 10 states and approximately 13 are located outside the United States in 9 countries. Particularly outside the United States, facilities may serve more than one business segment and may be used for multiple purposes, such as administration, sales, manufacturing, warehousing, and/or distribution. The approximate number of facilities by business segment is: [Test and Measurement] 6 and [Sensors and Safety Systems] 22.

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. We believe our properties and equipment have been well-maintained. Please refer to Note 7 to the audited combined financial statements for additional information with respect to our lease commitments.

Legal Proceedings

We are, from time to time, subject to a variety of litigation and other legal and regulatory proceedings and claims incidental to our business. Based upon our experience, current information, and applicable law, we do not believe that these proceedings and claims will have a material effect on our financial position, results of operations or cash flows. Please refer to Note 11 to the audited combined financial statements for information regarding legal proceedings and contingencies, and for a discussion of risks related to legal proceedings and contingencies, refer to "Risk Factors."

MANAGEMENT

Executive Officers

The following table sets forth information, as of , 2025, with respect to the individuals who serve as our executive officers, including their positions, and is followed by a biography of each such individual.

Name	Age	Position
Tamara S. Newcombe	58	President and Chief Executive Officer; Director Nominee
Karen M. Bick	54	Senior Vice President — Chief People Officer

Prior to the separation of [NewCo] from Fortive, Tamara S. Newcombe has served as President and CEO of the Precision Technologies segment of Fortive since January 2022 and President and CEO of the Advanced Healthcare Solutions segment of Fortive since June 2023. Prior to January 2022, Ms. Newcombe was Group President of Fortive from May 2021 to December 2021, President of Tektronix from April 2019 to December 2021, and Commercial President of Tektronix from February 2017 to April 2019. Prior to joining Tektronix, Ms. Newcombe was Vice President of Sales at Cisco Systems, Inc. from November 2009 to February 2017.

Prior to the separation of [NewCo] from Fortive, Karen M. Bick has served as Vice President of Human Resources for the Precision Technologies and the Advanced Healthcare Solutions segments of Fortive since March 2024 and as Vice President of Human Resources for the Advanced Healthcare Solutions segment of Fortive from August 2020 to March 2024. Prior to joining Fortive, Ms. Bick was Vice President of Human Resources at Stryker Corporation from November 2017 to December 2019. Prior to joining Stryker Corporation, Ms. Bick served in various roles at Bristol-Myers Squibb from January 2003 to November 2017, including as an Executive Director of Human Resources.

Board Structure and Directors Following the Distribution

Our amended and restated certificate of incorporation will provide for a classified board of directors, divided into three classes denominated as Class I, Class II and Class III, with members of each class serving staggered three-year terms. We will have directors in Class I, whose terms will expire at the first annual meeting of our shareholders following the completion of the distribution; directors in Class II, whose terms will expire at the second annual meeting of our shareholders following the completion of the distribution; and directors in Class III, whose terms will expire at the third annual meeting of our shareholders following the completion of the distribution. Any additional directorships resulting from an increase in the number of directors will be distributed among the three classes so that, as nearly as possible, each class will consist of one-third of the directors.

The following table sets forth information, as of , 2025, with respect to the individuals who are expected, as of the date of this information statement, to serve on the Board following the completion of the distribution, and is followed by a biography of each such individual. Additional directors of the Company will be identified prior to completion of the distribution, and the names and biographies of such additional persons will be provided in subsequent amendments to this information statement.

Name	Age	Position	Class
Tamara Newcombe	58	President and Chief Executive Officer; Director Nominee	

The biography of Tamara Newcombe is set forth under the section entitled “Management — Executive Officers.”

Majority Voting Standard

Upon completion of the distribution, our amended and restated bylaws are expected to provide for majority voting in uncontested director elections, and the Board is expected to adopt a director resignation policy. Under the policy, our Board would not appoint or nominate for election to the Board any person who has not tendered in advance an irrevocable resignation effective in such circumstances where the individual does not receive a majority of the votes cast in an uncontested election and such resignation is accepted by the Board. If an incumbent director is not elected by a majority of the votes cast in an uncontested election, our Nominating and Governance Committee would submit for prompt consideration by the Board a recommendation whether to accept or reject the director's resignation. The Board would expect the director whose resignation is under consideration to abstain from participating in any decision regarding that resignation. At any meeting of shareholders for which the number of nominees for director standing for election at such meeting exceeds the number of directors to be elected at such meeting, the directors would be elected by a plurality of the votes cast. This means that the nominees who receive the most affirmative votes would be elected to serve as directors. In the event that a director nominee fails to receive a majority of the votes cast in an election where the number of nominees is less than or equal to the number of directors to be elected, the Board, within its powers, may take any appropriate action, including decreasing the number of directors or filling a vacancy.

Director Independence

The Board has determined that , and are independent directors under the applicable rules of the NYSE.

The Board will assess on a regular basis, and at least annually, the independence of directors and, based on the recommendation of the Nominating and Governance Committee, will make a determination as to which members are independent.

Committees of the Board of Directors

Effective immediately prior to the commencement of "when issued" trading of shares of common stock on the NYSE, the Board will have a standing Audit Committee, and effective upon the completion of the separation, the Board will have a standing Compensation Committee and a standing Nominating and Governance Committee.

Audit Committee. The initial members of the Audit Committee will be and and , and will serve as chair of the Audit Committee. The Board has determined that is an "audit committee financial expert" for purposes of the rules of the SEC. In addition, the Board has determined that and and are independent, as defined by the rules of the NYSE and Section 10A(m)(3) of the Exchange Act. Rule 10A-3 of the Exchange Act and the NYSE rules require that our Audit Committee have at least one independent member upon the listing of our common stock, have a majority of independent members within 90 days of the date of this information statement and be composed entirely of independent members within one year of the date of this information statement. The Audit Committee typically meets in executive session, without the presence of management, at each regularly scheduled meeting, and reports to the Board on its actions and recommendations at each regularly scheduled Board meeting. The Audit Committee will meet at least quarterly and will assist the Board in:

- assessing the qualifications and independence of our independent auditors;
- appointing, compensating, retaining, and evaluating our independent auditors;
- overseeing the quality and integrity of our financial statements and making a recommendation to the Board regarding the inclusion of the audited financial statements in our Annual Report on Form 10-K;
- overseeing our internal auditing processes;
- overseeing management's assessment of the effectiveness of our internal control over financial reporting;
- overseeing management's assessment of the effectiveness of our disclosure controls and procedures;
- overseeing risks related to financial controls, legal and compliance risks and major financial, privacy, security and business continuity risks;
- overseeing our risk assessment and risk management policies;

- overseeing our compliance with legal and regulatory requirements;
- overseeing our cybersecurity risk management and risk controls; and
- overseeing swap and derivative transactions and related policies and procedures.

Compensation Committee. The initial members of the Compensation Committee will be and , and will serve as the Chair of the Compensation Committee. The Board has determined that and are independent, as defined by the rules of the NYSE and Section 10C(a) of the Exchange Act. In addition, we expect that and will qualify as “non-employee directors” for purposes of Rule 16b-3 under the Exchange Act. The Compensation Committee will discharge the Board’s responsibilities relating to the compensation of our executive officers, including setting goals and objectives for, evaluating the performance of, and approving the compensation paid to, our executive officers. The Compensation Committee is also responsible for:

- determining and approving the form and amount of annual compensation of the CEO and our other executive officers, including evaluating the performance of, and approving the compensation paid to, our CEO and other executive officers;
- reviewing and making recommendations to the Board with respect to the adoption, amendment and termination of all executive incentive compensation plans and all equity compensation plans, and exercising all authority with respect to the administration of such plans;
- reviewing and making recommendations to the Board with respect to the form and amounts of director compensation;
- overseeing and monitoring compliance by directors and executive officers with our stock ownership requirements;
- overseeing risks associated with our compensation policies and practices; and
- overseeing our engagement with shareholders and proxy advisory firms regarding executive compensation matters.

Nominating and Governance Committee. The initial members of the Nominating and Governance Committee will be , and will serve as the Chair of the Nominating and Governance Committee. The Board has determined that is independent, as defined by the rules of the NYSE. The Nominating and Governance Committee is responsible for:

- reviewing and making recommendations to the Board regarding the size, classification and composition of the Board;
- assisting the Board in identifying individuals qualified to become Board members;
- assisting the Board in identifying characteristics, skills, and experiences for the Board with the objective of having a Board with diverse backgrounds, experiences, skills, and perspectives;
- proposing to the Board the director nominees for election by our shareholders at each annual meeting;
- assisting the Board in determining the independence and qualifications of the Board and Committee members and making recommendations to the Board regarding committee membership;
- developing and making recommendations to the Board regarding a set of corporate governance guidelines and reviewing such guidelines on an annual basis;
- overseeing compliance with the corporate governance guidelines;
- overseeing our corporate social responsibility reporting;
- assisting the Board and the Board committees in engaging in annual self-assessment of their performance;
- overseeing the education and orientation process for newly elected members of the Board and continuing director education; and

- administering our Related Person Transactions Policy.

The Board is expected to adopt a written charter for each of the Audit Committee, the Compensation Committee and the Nominating and Governance Committee. These charters will be posted on our website in connection with the separation.

Compensation Committee Interlocks and Insider Participation

During our fiscal year ended December 31, 2024, we were not a separate or independent company and did not have a Compensation Committee or any other committee serving a similar function. Decisions as to the compensation for that fiscal year of those who will serve as our executive officers were made by Fortive, as described in the section of this information statement captioned "Executive and Director Compensation."

Corporate Governance

Shareholder Recommendations for Director Nominees

Our amended and restated bylaws will contain provisions that address the process by which a shareholder may nominate an individual to stand for election to the Board. We expect that the Board will adopt a policy concerning the evaluation of shareholder recommendations of Board candidates by the Nominating and Governance Committee.

Corporate Governance Guidelines

The Board is expected to adopt a set of Corporate Governance Guidelines in connection with the separation to assist it in guiding our governance practices. These practices will be regularly reevaluated by the Nominating and Governance Committee in light of changing circumstances and best practices to ensure the Guidelines continue to serve our best interests and the best interests of our shareholders. These guidelines will cover a number of areas, including the role of the Board of Directors, Board composition, director independence, director selection, qualification and election, director compensation, executive sessions, key Board responsibilities, CEO evaluation, succession planning, risk management, Board leadership and operations, conflicts of interest, annual Board assessments, Board committees, director orientation and continuing education, Board agenda, materials, information and presentations, director access to management and independent advisers, and Board communication with shareholders and others. A copy of our corporate governance guidelines will be posted on our website.

Director Qualification Standards

Our Corporate Governance Guidelines will provide that the Nominating and Governance Committee is responsible for reviewing with the Board the appropriate skills and characteristics required of board members in the context of the makeup of the Board and developing criteria for identifying and evaluating board candidates. We believe that it is important that our directors possess and demonstrate:

- personal and professional integrity and character;
- prominence and reputation in his or her profession;
- skills, knowledge and expertise (including business or other relevant experience) that in aggregate are useful and appropriate in overseeing and providing strategic direction with respect to our business and serving the long-term interests of our shareholders;
- the capacity and desire to represent the interests of the shareholders as a whole; and
- ability to devote sufficient time to overseeing the affairs of [NewCo].

The Nominating and Governance Committee will be responsible for recommending to the Board a slate of nominees for election at each annual meeting of shareholders. Nominees may be suggested by directors, members of management, shareholders or, in some cases, by a third-party search firm. The Nominating and Governance Committee will consider a wide range of factors when assessing potential director nominees. This includes consideration of the current composition of the Board, any perceived need for one or more particular areas of expertise, the balance of management and independent directors, the need for committee-specific expertise, the evaluations of other prospective nominees and the qualifications of each potential nominee relative to the attributes, skills and experience described above. The Board does not expect to have a formal or informal policy with respect to diversity but believes that the Board, taken as a whole, should embody a diverse set of skills, knowledge, experiences and backgrounds appropriate in light of our needs, and in this regard expects to subjectively take into consideration the diversity (with respect to race, gender and national origin) of the Board when considering director nominees. The Board does not expect to make any particular weighting of diversity or any other characteristic in evaluating nominees and directors.

A shareholder who wishes to recommend a prospective nominee for the Board should notify the Nominating and Governance Committee in writing using the procedures described under "— Corporate Governance — Shareholder Recommendations for Director Nominees" with whatever supporting material the shareholder considers appropriate. If a prospective nominee has been identified other than in connection with a director search process initiated by the Nominating and Governance Committee, the Nominating and Governance Committee will make an initial determination as to whether to conduct a full evaluation of the candidate. The Nominating and Governance Committee's determination of whether to conduct a full evaluation will be based primarily on the Nominating and Governance Committee's view as to whether a new or additional Board member is necessary or appropriate at such time, the likelihood that the prospective nominee can satisfy the evaluation factors described above and any other factors as the Nominating and Governance Committee may deem appropriate. The Nominating and Governance Committee will take into account whatever information is provided to the Nominating and Governance Committee with the recommendation of the prospective candidate and any additional inquiries the Nominating and Governance Committee may in its discretion conduct or have conducted with respect to such prospective nominee.

Board's Role in Risk Oversight

Our management will have day-to-day responsibility for assessing and managing our risk exposure and the Board and its committees will oversee those efforts, with particular emphasis on the most significant risks facing us. Each committee will report to the full Board on a regular basis, including as appropriate with respect to the committee's risk oversight activities.

BOARD/COMMITTEE	PRIMARY AREAS OF RISK OVERSIGHT
Full Board	Risks associated with our strategic plan, acquisition and capital allocation program, capital structure, liquidity, organizational structure and other significant risks, and overall risk assessment and risk management policies.
Audit Committee	Risks related to financial controls, legal and compliance risks and major financial, privacy, security and business continuity risks, cybersecurity risk management and risk controls.
Compensation Committee	Risks associated with compensation policies and practices and human capital management.
Nominating and Governance Committee	Risks related to corporate governance and board management, succession planning for the CEO and other executive officers, and sustainability.

Policies on Business Ethics

In connection with the separation, we will adopt Standards of Conduct that require all of our business activities to be conducted in compliance with applicable laws and regulations and ethical principles and values. All of our directors, officers and employees will be required to read, understand and abide by the requirements of the Standards of Conduct.

These documents will be accessible on our website. Any waiver of the Standards of Conduct for directors or executive officers may be made only by the Board or a committee of the Board. We will disclose any amendment to, or waiver from, a provision of the Standards of Conduct for the principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions, on our website within four business days following the date of the amendment or waiver. In addition, we will disclose any waiver from the Standards of Conduct for our other executive officers and our directors on our website. Our website, and the information contained therein, or connected thereto, is not incorporated by reference into this information statement.

Procedures for Treatment of Complaints Regarding Accounting, Internal Accounting Controls and Auditing Matters

In accordance with the Sarbanes-Oxley Act, we expect that our Audit Committee will adopt procedures for the receipt, retention and treatment of complaints regarding accounting, internal accounting controls and auditing matters and to allow for the confidential, anonymous submission by employees and others of concerns regarding questionable accounting or auditing matters.

Website Disclosure

We may provide disclosure in the "Investors — Corporate Governance" section of our corporate website, http://www.[ ].com, of any of the following: (1) the identity of the presiding director at meetings of non-management or independent directors, or the method of selecting the presiding director if such director changes from meeting to meeting; (2) the method for interested parties to communicate directly with the Board or with individual directors or the non-management or independent directors as a group; (3) the identity of any member of our Audit Committee who also serves on the audit committees of more than three public companies and a determination by the Board that such simultaneous service will not impair the ability of such member to effectively serve on our Audit Committee; and (4) contributions by the Company to a tax exempt organization in which any non-management or independent director serves as an executive officer if, within the preceding three years, contributions in any single fiscal year exceeded the greater of $1 million or 2% of such tax exempt organization's consolidated gross revenues. We also intend to disclose any amendment to the Code of Conduct that relates to any element of the code of ethics definition enumerated in Item 406(b) of Regulation S-K, and any waiver from a provision of the Code of Conduct granted to any of our directors, principal executive officer, principal financial officer, principal accounting officer or controller, or any other executive officer, in the "Investors — Corporate Governance" section of our corporate website, http://www.[ ].com, within four business days following the date of such amendment or waiver.

EXECUTIVE AND DIRECTOR COMPENSATION

Prior to the effectiveness of the registration statement of which this information statement forms a part, executive and director compensation disclosure will be included in an amendment to this information statement.

[NEWCO] CORPORATION 2025 STOCK INCENTIVE PLAN

Prior to the effectiveness of the registration statement of which this information statement forms a part, information regarding the long-term incentive plan to be adopted by [NewCo] in connection with the separation will be included in an amendment to this information statement.

TREATMENT OF OUTSTANDING EQUITY AWARDS AT THE TIME OF THE DISTRIBUTION

We expect that Fortive equity awards outstanding at the time of the distribution will be adjusted using the following principles:

- For each award recipient, the intent is to maintain the intrinsic value of those awards as measured immediately before and immediately after the distribution date, subject to rounding.
- The terms of the equity awards, such as vesting date, will generally continue unchanged.
- For Company employees at the time of distribution, the awards will be converted into Company equity awards and denominated in shares of our common stock.
- For Fortive employees, the awards will remain Fortive equity awards.

The following table provides additional information regarding the adjustments expected to be made to each type of Fortive equity award. As a result of the adjustments to such awards in connection with the separation, the precise number of shares of our common stock or Fortive common stock, as applicable, to which the adjusted awards will relate will not be known until the distribution date or shortly thereafter.

Type of Award	Company Employees	Fortive Employees
Stock Options	Fortive stock options will be converted into options to purchase our common stock.	Continue to hold Fortive stock options, equitably adjusted as necessary to reflect the distribution.
RSUs	Fortive RSUs will be converted into RSUs relating to our common stock.	Continue to hold Fortive RSUs, equitably adjusted as necessary to reflect the distribution.
PSUs	Prior to the effectiveness of the registration statement of which this information statement forms a part, information regarding the treatment of outstanding Fortive PSUs held by our employees in connection with the separation will be included in an amendment to this information statement.	Prior to the effectiveness of the registration statement of which this information statement forms a part, information regarding the treatment of outstanding Fortive PSUs held by Fortive employees in connection with the separation will be included in an amendment to this information statement.

CERTAIN RELATIONSHIPS AND RELATED PERSON TRANSACTIONS

Agreements with Fortive

Following the separation and distribution, we and Fortive will operate separately, each as a public company. We will enter into a separation and distribution agreement with Fortive, which is referred to in this information statement as the "separation agreement." In connection with the separation, we will also enter into various other agreements to effect the separation and provide a framework for our relationship with Fortive after the separation, including a transition services agreement, an employee matters agreement, a tax matters agreement, an intellectual property matters agreement, and an FBS license agreement. These agreements will provide for the allocation between us and Fortive of the assets, employees, services, liabilities and obligations (including investments, property and employee benefits and tax-related assets and liabilities) of Fortive and its subsidiaries attributable to periods prior to, at and after our separation from Fortive and will govern certain relationships between us and Fortive after the separation.

The following summaries of each of the agreements listed above are qualified in their entireties by reference to the full text of the applicable agreements, forms of which are filed as exhibits to this information statement. When used in this section, "distribution date" refers to the date on which Fortive commences distribution of our common stock to the holders of shares of Fortive common stock.

The Separation Agreement

We intend to enter into a separation agreement with Fortive immediately prior to the distribution of our common stock to Fortive shareholders. The separation agreement will set forth our agreements with Fortive regarding the principal actions to be taken in connection with the separation. It will also set forth other agreements that govern certain aspects of our relationship with Fortive following the separation and distribution. This summary of the separation agreement is qualified in its entirety by reference to the full text of the agreement, which is incorporated by reference into this information statement.

Transfer of Assets and Assumption of Liabilities

The separation agreement will identify assets to be transferred, liabilities to be assumed and contracts to be allocated to each of Fortive and us as part of the internal reorganization described herein, and will describe when and how these transfers, assumptions and assignments will occur, though many of the transfers, assumptions and assignments will have already occurred prior to the parties' entering into the separation agreement. The separation agreement will provide for those transfers of assets and assumptions of liabilities that are necessary in connection with the separation so that we and Fortive retain the assets necessary to operate our respective businesses and retain or assume the liabilities allocated in accordance with the separation. The separation agreement will also provide for the settlement or extinguishment of certain liabilities and other obligations between us and Fortive. In particular, the separation agreement will provide that, subject to the terms and conditions contained in the separation agreement:

- "[NewCo] Assets" (as defined in the separation agreement), including, but not limited to, the equity interests of our subsidiaries, assets reflected on our pro forma balance sheet and assets primarily (or in the case of intellectual property, exclusively) relating to our business, will be retained by or transferred to us or one of our subsidiaries, except as set forth in the separation agreement or one of the other agreements described below;
- "[NewCo] Liabilities" (as defined in the separation agreement), including, but not limited to, the following will be retained by or transferred to us or one of our subsidiaries:
  - all of the liabilities (whether accrued, contingent or otherwise, and subject to certain exceptions) to the extent related to, arising out of or resulting from our business;
  - any and all "[NewCo] Environmental Liabilities" (as defined in the separation agreement);
  - liabilities (whether accrued, contingent or otherwise) reflected on our pro forma balance sheet;
  - liabilities (whether accrued, contingent or otherwise) relating to, arising out of, or resulting from, any infringement, misappropriation or other violation of any intellectual property of any other person related to the conduct of our business;

- any product liability claims or other claims of third parties to the extent relating to, arising out of or resulting from any product developed, manufactured, marketed, distributed, leased or sold by our business;
- liabilities relating to, arising out of, or resulting from any indebtedness of any subsidiary of ours or any indebtedness secured exclusively by any of our assets;
- liabilities (whether accrued, contingent or otherwise) relating to, arising out of or resulting from any form, registration statement, schedule or similar disclosure document filed or furnished with the SEC, to the extent the liability arising therefrom related to matters related to our business;
- all other liabilities (whether accrued, contingent or otherwise) relating to, arising out of or resulting from disclosure documents filed or furnished with the SEC that are related to the separation (including the Form 10 registration statement of which this information statement is a part, and this information statement); and
- all assets and liabilities (whether accrued, contingent or otherwise) of Fortive will be retained by or transferred to Fortive or one of its subsidiaries (other than us or one of our subsidiaries), except as set forth in the separation agreement or one of the other agreements described below and except for other limited exceptions that will result in us retaining or assuming certain other specified liabilities.

The allocation of liabilities with respect to taxes, except for payroll taxes and reporting and other tax matters expressly covered by the employee matters agreement, is solely covered by the tax matters agreement.

Except as expressly set forth in the separation agreement or any ancillary agreement, all assets will be transferred on an “as is,” “where is” basis and the respective transferees will bear the economic and legal risks that any conveyance will prove to be insufficient to vest in the transferee good title, free and clear of any security interest, that any necessary consents or governmental approvals are not obtained and that any requirements of laws or judgments are not complied with. In general, neither we nor Fortive will make any representations or warranties regarding any assets or liabilities transferred or assumed, any consents or approvals that may be required in connection with such transfers or assumptions, or any other matters.

Information in this information statement with respect to the assets and liabilities of the parties following the separation is presented based on the allocation of such assets and liabilities pursuant to the separation agreement, unless the context otherwise requires. Certain of the liabilities and obligations to be assumed by one party or for which one party will have an indemnification obligation under the separation agreement and the other agreements relating to the separation are, and following the separation may continue to be, the legal or contractual liabilities or obligations of another party. Each such party that continues to be subject to such legal or contractual liability or obligation will rely on the applicable party that assumed the liability or obligation or the applicable party that undertook an indemnification obligation with respect to the liability or obligation, as applicable, under the separation agreement, to satisfy the performance and payment obligations or indemnification obligations with respect to such legal or contractual liability or obligation.

Cash Adjustments

The separation agreement will contain cash adjustment provisions, with payment of such adjustments to be made within 5 business days of the determination of the applicable final cash balance. Pursuant to the adjustment provisions, if our aggregate cash balance at the time of the separation, excluding any cash in certain restricted jurisdictions, is determined to have been greater than the reference cash balance of $, we will pay Fortive the excess and if our aggregate cash balance at the time of the separation, excluding any cash in certain restricted jurisdictions, is determined to have been less than the reference cash balance of $, Fortive will pay us the shortfall. In addition, pursuant to the adjustment provisions, if our aggregate cash balance in a restricted jurisdiction at the time of the separation is determined to have been less than the reference cash balance for such restricted jurisdiction, Fortive will pay us the shortfall, as applicable, for each such applicable restricted jurisdiction. The reference cash balance amounts for all restricted jurisdictions in the aggregate is equal to $.

Further Assurances; Separation of Guarantees

To the extent that any transfers of assets or assumptions of liabilities contemplated by the separation agreement have not been consummated on or prior to the date of the distribution, the parties will agree to cooperate with each other to effect such transfers or assumptions while holding such assets or liabilities for the benefit of the appropriate party so that all the benefits and burdens relating to such asset or liability inure to the party entitled to receive or assume such asset or liability. Each party will agree to use commercially reasonable efforts to take or to cause to be taken all actions, and to do, or to cause to be done, all things reasonably necessary under applicable law or contractual obligations to consummate and make effective the transactions contemplated by the separation agreement and other transaction agreements. Additionally, we and Fortive will use commercially reasonable efforts to remove us and our subsidiaries as a guarantor of liabilities (including surety bonds) retained by Fortive and its subsidiaries and to remove Fortive and its subsidiaries as a guarantor of liabilities (including surety bonds) to be assumed by us.

Shared Contracts

Certain shared contracts are to be assigned or amended to facilitate the separation of our business from Fortive. If such contracts cannot be assigned or amended, the parties are required to take reasonable actions to cause the appropriate party to receive the benefit of the contract for a specified period of time after the separation is complete.

Release of Claims and Indemnification

Except as otherwise provided in the separation agreement or any ancillary agreement, each party will release and forever discharge the other party and its subsidiaries and affiliates from all liabilities existing or arising from any acts or events occurring or failing to occur or alleged to have occurred or to have failed to occur or any conditions existing or alleged to have existed on or before the separation. The releases will not extend to obligations or liabilities under any agreements between the parties that remain in effect following the separation pursuant to the separation agreement or any ancillary agreement. These releases will be subject to certain exceptions set forth in the separation agreement.

The separation agreement will provide for cross-indemnities that, except as otherwise provided in the separation agreement, are principally designed to place financial responsibility for the obligations and liabilities allocated to us under the separation agreement with us and financial responsibility for the obligations and liabilities allocated to Fortive under the separation agreement with Fortive. Specifically, each party will indemnify, defend and hold harmless the other party, its affiliates and subsidiaries and each of its officers, directors, employees and agents for any losses arising out of or due to:

- the liabilities or alleged liabilities the indemnifying party assumed or retained pursuant to the separation agreement;
- the assets the indemnifying party assumed or retained pursuant to the separation agreement;
- the operation of the indemnifying party’s business, whether prior to, at, or after the distribution; and
- any breach by the indemnifying party of any provision of the separation agreement or any other agreement unless such other agreement expressly provides for separate indemnification therein.

Each party’s aforementioned indemnification obligations will be uncapped; provided that the amount of each party’s indemnification obligations will be subject to reduction by any insurance proceeds (net of premium increases) received by the party being indemnified. The separation agreement will also specify procedures with respect to claims subject to indemnification and related matters. Indemnification with respect to taxes will be governed by the tax matters agreement.

Legal Matters

Except as otherwise set forth in the separation agreement or any ancillary agreement (or as otherwise described above), each party to the separation agreement will assume the liability for, and control of, all pending, threatened and future legal matters related to its own business or its assumed or retained liabilities and will indemnify the other party for any liability arising out of or resulting from such legal matters.

Insurance

Following the separation, we will be responsible for obtaining and maintaining at our own cost our own insurance coverage. Additionally, with respect to certain claims arising prior to the distribution, we may, at the sole discretion of Fortive, seek coverage under Fortive third-party insurance policies to the extent that coverage may be available thereunder.

No Restriction on Competition

None of the provisions of the separation agreement includes any non-competition or other similar restrictive arrangements with respect to the range of business activities which may be conducted by either party.

Dispute Resolution

If a dispute arises between us and Fortive under the separation agreement, the general counsels of the parties and such other representatives as the parties may designate will negotiate to resolve any disputes for a reasonable period of time. If the parties are unable to resolve the dispute in this manner, then, unless otherwise agreed by the parties and except as otherwise set forth in the separation agreement, the dispute will be resolved through binding confidential arbitration.

Term/Termination

Prior to the distribution, Fortive has the unilateral right to terminate or modify the terms of the separation agreement and related agreements. After the distribution, the term of the separation agreement is indefinite and it may only be terminated with the prior written consent of both Fortive and us.

Separation Costs

All costs with respect to the separation incurred prior to the separation will be borne and paid by Fortive, except as provided in any of the ancillary agreements and except that certain costs related to certain services listed on a schedule to the separation agreement are not deemed separation costs and will be borne and paid by us.

All costs with respect to the separation incurred after the separation will be borne and paid by us except to the extent such fees and expenses were incurred in connection with services expressly requested by Fortive in writing. In addition, we will bear responsibility for all other services provided to or for the benefit of us, whether provided before or after the separation.

Any costs or expenses incurred in obtaining consents or novation from a third party will be borne by the entity to which such contract is being assigned. Transaction taxes with respect to the separation will be borne equally by us and Fortive.

Treatment of Intercompany Loans and Advances

Upon completion of the separation, all loans and advances between Fortive or any subsidiary of Fortive (other than us and our subsidiaries), on the one hand, and us or any of our subsidiaries, on the other hand, will be terminated.

Other Matters Governed by the Separation Agreement

Other matters governed by the separation agreement include confidentiality, access to and provision of records and treatment of outstanding guarantees and similar credit support.

Transition Services Agreement

We and Fortive will enter into a transition services agreement that will be effective upon the distribution, pursuant to which Fortive and its subsidiaries and we and our subsidiaries will provide to each other, for an interim, transitional period, various services on an arm’s length basis in order to help ensure an orderly transition following the separation and the distribution. The cost of these services will be negotiated between us and Fortive as set forth in the transition services agreement.

The transition services agreement will terminate on the expiration of the term of the last service provided under it, unless earlier terminated by either party under certain circumstances, not limited to, in the event of any uncured material breach by the other party or its applicable affiliates. If no term period is provided for a specified service, then such service is to terminate on the second anniversary of the effective date of the transition services agreement. The recipient of a particular service generally can terminate that service prior to the scheduled expiration date, subject to a minimum notice period equal to 30 days.

We and Fortive have agreed to perform our respective services in a manner that is substantially consistent with that provided immediately prior to the distribution.

The transition services agreement will generally provide that the applicable service recipient indemnifies the applicable service provider for liabilities that such service provider incurs arising from the provision of services other than liabilities arising from such service provider's gross negligence or intentional misconduct, and that the applicable service provider indemnifies the applicable service recipient for liabilities that such service recipient incurs arising from such service provider's gross negligence or intentional misconduct. Subject to certain exceptions, the liabilities of each party providing services under the transition services agreement will generally be limited to the aggregate charges received by the parties in the preceding three months as of the time of calculation. The transition services agreement also will provide that the provider of a service will not be liable to the recipient of such service for any special, indirect, incidental, punitive or consequential or similar damages.

Tax Matters Agreement

In connection with the separation, we and Fortive will enter into a tax matters agreement that will govern the parties' respective rights, responsibilities and obligations with respect to taxes, including responsibility for tax liabilities, entitlement to tax refunds and other tax benefits, allocation of tax attributes, preparation and filing of tax returns, control of audits and other tax proceedings and other matters relating to taxes.

In general, and subject to certain exceptions (including with respect to certain transaction taxes triggered by the separation), we will be responsible for any U.S. federal, state, local or foreign taxes (and any related interest, penalties or audit adjustments) imposed with respect to tax returns that include only us and/or any of our subsidiaries. We will generally be responsible for preparing and filing any such tax returns, and will generally have the authority to control tax contests with respect thereto.

In addition, the tax matters agreement will impose certain restrictions on us and our subsidiaries that will be designed to preserve the tax-free status of the distribution and certain related transactions, as well as certain transactions entered into pursuant to the internal restructuring. We (and our subsidiaries) will be barred from taking any action, or failing to take any action, if such action or failure to act would adversely affect, or could reasonably be expected to adversely affect, the tax-free status of these transactions. In addition, for the two-year period following the distribution, we (and our subsidiaries) will be subject to specific restrictions on our ability to enter into certain capital-raising, strategic or other corporate transactions, including restrictions on: (i) mergers and other acquisition or sale transactions involving our stock, (ii) any corporate transaction which would cause us to undergo a 50% or greater change in our stock ownership (as determined for purposes of Section 355(e)), (iii) redemptions or repurchases of our stock, (iv) liquidation transactions, (v) discontinuing the active conduct of our trade or business, (vi) issuance or sale of our stock or other securities (including securities convertible into our stock, but excluding certain compensatory arrangements), (vii) sales of assets outside of the ordinary course of business, and (viii) amendments to our certificate of incorporation (or other organizational documents) or other actions affecting the voting rights of our common stock.

The tax matters agreement will provide special rules that allocate tax liabilities in the event the distribution, together with certain related transactions, as well as any transaction entered into pursuant to the internal reorganization that is intended to be tax-free for applicable tax law purposes, is not tax-free. In general, under the tax matters agreement, each party is expected to be responsible for any taxes, whether imposed on us or Fortive, that arise from (1) the failure of the distribution, together with certain related transactions, to qualify for tax-free treatment under the Code or (2) the failure of certain related transactions to qualify for their intended tax treatment, in each case, to the extent that the failure to so qualify is attributable to post-distribution actions by such party or transactions with respect to such party's stock, or to a breach of certain representations or covenants made by that party in the tax matters agreement or in any documents relating to the IRS ruling or opinions of tax advisors obtained in connection with the distribution, certain related transactions or the internal restructuring.

Employee Matters Agreement

We and Fortive will enter into an employee matters agreement that will govern our and Fortive's compensation and employee benefit obligations with respect to the employees and other service providers of each company, and generally will allocate liabilities and responsibilities relating to employment matters and employee compensation and benefit plans and programs.

Treatment of outstanding Fortive equity awards

The employee matters agreement will provide that each Fortive equity award held by our employees that is outstanding immediately prior to the completion of the distribution will be assumed by us and converted into a [NewCo] equity award denominated in shares of [NewCo] common stock with a comparable value, based on an equity award adjustment ratio to be adopted by Fortive for purposes of making equitable adjustments to the Fortive equity awards held by our employees. For each equity award holder, the intent is to maintain the intrinsic value of the equity awards as measured immediately before and immediately after the completion of the distribution, subject to rounding. The terms of the equity awards, such as the award period, exercisability and vesting schedule, as applicable, will generally continue unchanged. As a result of the adjustments to such equity awards, the precise number of shares of [NewCo] common stock to which the adjusted equity awards will relate will not be known until the completion of the distribution or shortly thereafter. See "Treatment of Outstanding Equity Awards at the Time of the Distribution."

Treatment of Fortive benefit plans

The employee matters agreement will provide that, following the completion of the distribution, our employees generally will no longer participate in benefit plans sponsored or maintained by Fortive and will commence participation in our benefit plans, which are expected to be generally similar to the existing Fortive benefit plans.

No Hire and No Solicitation

Prior to the effectiveness of the registration statement of which this information statement forms a part, information regarding the no hire and nonsolicitation covenants to be included in the Employee Matters Agreement will be included in an amendment to this information statement.

General matters

The employee matters agreement also will set forth the general principles relating to employee matters, including with respect to the assignment and transfer of employees, the assumption and retention of liabilities and related assets, workers' compensation, payroll taxes, regulatory filings, leaves of absence, the provision of comparable benefits, employee service credit, the sharing of employee information, and the duplication or acceleration of benefits.

Term and termination

The term of the employee matters agreement is indefinite and may only be terminated or amended with the prior written consent of both Fortive and us.

Intellectual Property Matters Agreement

We and Fortive will enter into an intellectual property matters agreement pursuant to which Fortive will grant to us a non-exclusive, royalty-free, fully paid-up, irrevocable, sublicensable (subject to the restrictions below) license to use certain intellectual property rights retained by Fortive. We will be able to sublicense our rights in connection with activities relating to our and our affiliates' business but not for independent use by third parties.

We will also grant back to Fortive a non-exclusive, royalty-free, fully paid-up, irrevocable, sublicensable (subject to the restrictions below) license to continue to use certain intellectual property rights owned by or transferred to us. Fortive will be able to sublicense its rights in connection with activities relating to Fortive's and its affiliates' retained business but not for independent use by third parties. This license-back will permit Fortive to continue to use certain of our intellectual property rights in the conduct of its remaining businesses. We believe that the license-back will have little impact on our businesses because Fortive's use of our intellectual property rights is generally limited to products and services that are not part of our businesses. The term of the intellectual property matters agreement is perpetual.

The intellectual property matters agreement is intended to provide freedom to operate in the event that any of Fortive's retained trade secrets (excluding FBS), copyrights or patented technology is used in any of our businesses, and, as such, applies to all portions of our businesses. However, we believe there may be relatively little use of such retained trade secrets, copyrights or patented technology in our businesses, and as a result, we do not believe that the intellectual property matters agreement has a material impact on any of our businesses.

FBS License Agreement

We and Fortive will enter into an FBS license agreement pursuant to which Fortive will grant us a perpetual, non-exclusive, worldwide, and non-transferable license to use FBS solely in support of our business. We will be able to sublicense such license to direct and indirect, wholly-owned subsidiaries (but only as long as such entities remain direct and indirect, wholly-owned subsidiaries). In addition, we and Fortive will each license to each other improvements made by such party to FBS during the first two years of the term period of the FBS license agreement.

We anticipate that FBS, which will be rebranded as [NewCo] Business System as used by us following the distribution, will be used by our various businesses and functions to continuously improve performance.

The term of the FBS license agreement is perpetual, with the license to us continuing unless there is an uncured material breach by us. Upon a change of control of us, our rights to receive services under the FBS license agreement will terminate, but we will be permitted to continue to use the FBS license even after we undergo a change of control.

Procedures for Approval of Related Person Transactions

The Board is expected to adopt a written policy on related person transactions. This policy does not apply to the transactions described above. Each of the agreements between us and Fortive and its subsidiaries that have been entered into prior to the distribution, and any transactions contemplated thereby, will be deemed to be approved and not subject to the terms of such policy. Under this written related person transactions policy, the Nominating and Governance Committee of the Board is expected to be required to review and if appropriate approve all related person transactions, prior to consummation. If advance approval of a related person transaction is not practicable under the circumstances or if our management becomes aware of a related person transaction that has not been previously approved or ratified, the transaction is submitted to the Nominating and Governance Committee at the Nominating and Governance Committee's next meeting. The Nominating and Governance Committee is required to review and consider all relevant information available to it about each related person transaction, and a transaction is considered approved or ratified under the policy if the Nominating and Governance Committee authorizes it according to the terms of the policy after full disclosure of the related person's interests in the transaction. Pursuant to the policy, the Nominating and Governance Committee is required to evaluate each potential related person transaction, including, subject to certain exceptions, any transaction, arrangement or relationship or series of similar transactions, arrangements or relationships in which the Company was or is to be a participant, the amount involved exceeds $120,000 and a related person had or will have a direct or indirect material interest. The Nominating and Governance Committee will approve only those transactions that, in light of known circumstances, are deemed to be in our best interests. Related person transactions of an ongoing nature are reviewed annually by the Nominating and Governance Committee. The definition of "related person transactions" for purposes of the policy covers the transactions that are required to be disclosed under Item 404(a) of Regulation S-K promulgated under the Exchange Act.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

Before the distribution, all of the outstanding shares of our common stock will be owned beneficially and of record by Fortive. The following tables set forth information with respect to the expected beneficial ownership of our common stock by: (1) each person expected to beneficially own more than five percent of our common stock, (2) each expected director and named executive officer, and (3) all of our expected directors and executive officers as a group based upon the distribution ratio. We based the share amounts on each person's beneficial ownership of Fortive common stock as of , 2025, assuming a distribution ratio of share[s] of our common stock for every share[s] of common stock of Fortive. Solely for the purposes of this table, we assumed that of our shares of common stock were issued and outstanding as of , 2025 based on Fortive common stock outstanding as of such date and the distribution ratio. The actual number of shares of our common stock to be outstanding following the distribution will be determined on the record date for the distribution. Except as indicated, the address of each director and executive officer shown in the table below is c/o [NewCo], [NewCo address].

	Common stock beneficially owned before the distribution		Common stock beneficially owned after the distribution	
Name and address of Beneficial Owner	**Number**	**%**	**Number**	**%**
5% Beneficial Owner				
	[ ]	[ ]	[ ]	[ ]
Directors and Executive Officers				
	[ ]	[ ]	[ ]	[ ]
	[ ]	[ ]	[ ]	[ ]
	[ ]	[ ]	[ ]	[ ]
	[ ]	[ ]	[ ]	[ ]
	[ ]	[ ]	[ ]	[ ]
	[ ]	[ ]	[ ]	[ ]
	[ ]	[ ]	[ ]	[ ]
	[ ]	[ ]	[ ]	[ ]
	[ ]	[ ]	[ ]	[ ]
All Directors and Executive Officers as a Group (nine persons)	[ ]	[ ]	[ ]	[ ]

* Represents less than 1%.

THE SEPARATION AND DISTRIBUTION

Background

On September 4, 2024, Fortive announced its intention to separate its Precision Technologies business from the remainder of its businesses.

In connection with the distribution, we expect that Fortive will complete an internal reorganization as a result of which [NewCo] will become the parent company of the Fortive operations comprising, and the entities that will conduct, the Precision Technologies business. It is expected that the Fortive board of directors, or a duly authorized committee thereof, will approve the distribution of 100% of the issued and outstanding shares of our common stock on the basis of share[s] of our common stock for every share[s] of Fortive common stock held as of the close of business on the record date of , 2025.

At [ ] [a.m.], Eastern Time, on , 2025, the distribution date, each Fortive shareholder will receive share[s] of our common stock for every share[s] of Fortive common stock held at the close of business on the record date for the distribution, as described below. Fortive shareholders will receive cash in lieu of any fractional shares of our common stock that they would have received after application of this ratio. You will not be required to make any payment, surrender or exchange your Fortive common stock or take any other action to receive your shares of our common stock in the distribution. The distribution of our common stock as described in this information statement is subject to the satisfaction or waiver of certain conditions. For a more detailed description of these conditions, see this section under "— Conditions to the Distribution."

Reasons for the Separation

The Fortive board of directors determined that the separation of Fortive's Precision Technologies business from the remainder of its businesses would be in the best interests of Fortive and its shareholders and approved the plan of separation. A wide variety of factors were considered by the Fortive board of directors in evaluating the separation. The Fortive board of directors considered the following potential benefits of the separation:

- *Enhanced Strategic and Management Focus, with Improved Operational Agility.* The separation will allow each company to more effectively pursue its distinct operating priorities and strategies with increased flexibility and enable its respective boards and management teams to better focus on strengthening its core businesses and operations, to more effectively address its singular operating and other needs, and to focus exclusively on its unique opportunities for long-term growth and profitability, all with a continued strong culture of continuous improvement, better positioning each for long-term success. Our board and management will be able to focus exclusively on the Precision Technologies business, while the board and management of Fortive will remain dedicated to its remaining businesses.
- *Separate Capital Structures and Tailored Capital Allocation Strategies.* The separation will give each business the ability to create its own optimal capital structure and allow it to manage capital allocation and capital return strategies with greater agility and focus in response to changes in the operating environment and industry landscape. The separation will also permit each company to concentrate its financial resources solely on its own operations without having to compete with each other for investment capital, providing each company with greater flexibility to invest capital in its business in a time and manner appropriate for its distinct objectives, strategy and business needs. This will facilitate a more efficient allocation of capital based on each company's profitability, cash flow and growth opportunities, allowing each company to make company-specific investment decisions to drive innovation and enhance growth and returns.
- *Creation of Independent Equity Structures and Greater Access to Unique Strategic Opportunities.* The separation will create independent equity structures for Fortive and [NewCo], aligned with each company's respective industry and providing each with an enhanced ability to capitalize on unique growth opportunities. In addition, each company will be able to directly access the capital markets and will have more flexibility to pursue growth through selective M&A opportunities that are more closely aligned with each company's core strategy.

- *Enhanced Talent Management, Recruitment and Retention and Alignment of Management Incentives and Performance*. The separation will permit each company to more effectively attract, retain and motivate team members, and to offer stock-based incentive compensation to its employees and executives that is more closely aligned with the business model and growth strategy of its business.
- *Distinct, Compelling Investment Profiles*. The separation will allow investors to more clearly understand the separate business models, financial profiles and investment identities of each company and to separately value each company based on its distinct investment identity. Our businesses differ from Fortive's other businesses in several respects, such as the market for products and services, manufacturing processes and R&D capabilities. The separation will enable investors to evaluate the merits, performance and future prospects of each company's respective businesses and to invest in each company separately based on a better appreciation of these characteristics. This will provide each company with better and more efficient access to the capital markets.

The Fortive board of directors also considered the following potentially negative factors in evaluating the separation:

- *Loss of Joint Purchasing Power and Increased Costs*. As a current part of Fortive, the Precision Technologies business that will become our business benefits from Fortive's size and purchasing power in procuring certain goods, services and technologies. After the separation, as a separate, independent entity, we may be unable to obtain these goods, services and technologies at prices or on terms as favorable as those Fortive obtained prior to the separation. We may also incur costs for certain functions previously performed by Fortive, such as accounting, tax, legal, human resources and other general administrative functions, that are higher than the amounts reflected in our historical financial statements, which could cause our profitability to decrease.
- *Disruptions to the Business as a Result of the Separation*. The actions required to separate our and Fortive's respective businesses could disrupt our and Fortive's operations after the separation.
- *Increased Significance of Certain Costs and Liabilities*. Certain costs and liabilities that were otherwise less significant to Fortive as a whole will be more significant for us and Fortive, after the separation, as stand-alone companies.
- *One-time Costs of the Separation*. We (and prior to the separation, Fortive) will incur costs in connection with the transition to being a stand-alone public company that may include accounting, tax, legal and other professional services costs, recruiting and relocation costs associated with hiring or reassigning our personnel, costs related to establishing a new brand identity in the marketplace and costs to separate information systems.
- *Risk of Failure to Realize Anticipated Benefits of the Separation*. We may not achieve the anticipated benefits of the separation for a variety of reasons, including, among others: (i) the separation will require significant amounts of management's time and effort, which may divert management's attention from operating and growing our businesses; (ii) following the separation, we may be more susceptible to market fluctuations and other adverse events than if we were still a part of Fortive; and (iii) following the separation, we may be more susceptible to market fluctuations, and other events may be more disadvantageous for us than if we were still part of Fortive, because our businesses will be less diversified than Fortive's businesses prior to the separation.
- *Limitations on Strategic Transactions*. Under the terms of the tax matters agreement that we will enter into with Fortive, we will be restricted from taking certain actions that could cause the distribution or certain related transactions (including certain transactions undertaken as part of the internal reorganization) to fail to qualify as tax-free for U.S. federal income tax purposes or other applicable law. These restrictions may limit our ability to pursue certain strategic transactions or engage in other transactions that might increase the value of our businesses.

While all of the bullets above are considered to be potentially negative factors to us, only the second, third and fourth bullets above are considered to be potentially negative factors to Fortive.

The Fortive board of directors concluded that the potential benefits of the separation outweighed these factors.

Formation of a New Company Prior to the Distribution

We were incorporated in Delaware on September 26, 2024 for the purpose of holding Fortive's Precision Technologies business. As part of the plan to separate these businesses from the remainder of its businesses, in connection with the internal reorganization, Fortive plans to transfer the equity interests of certain entities that operate the Precision Technologies business and the assets and liabilities of the Precision Technologies business to us, as set forth in the separation agreement.

Internal Reorganization

As part of the separation, and prior to the distribution, Fortive and its subsidiaries expect to complete an internal reorganization in order to transfer to [NewCo] the Precision Technologies business that it will hold following the separation. Among other things and subject to limited exceptions, the internal reorganization is expected to result in [NewCo] owning, directly or indirectly, the operations comprising, and the entities that conduct, the Precision Technologies business.

The internal reorganization is expected to include various restructuring transactions pursuant to which (i) the operations, assets and liabilities of Fortive and its subsidiaries used to conduct the Precision Technologies business will be separated from the operations, assets and liabilities of Fortive and its subsidiaries used to conduct Fortive's other businesses and (ii) such Precision Technologies business' operations, assets and liabilities will be contributed, transferred or otherwise allocated to [NewCo] or one of its direct or indirect subsidiaries. These restructuring transactions may take the form of asset transfers, mergers, demergers, dividends, contributions and similar transactions, and may involve the formation of new subsidiaries in U.S. and non-U.S. jurisdictions to own and operate the Precision Technologies business in such jurisdictions.

As part of this internal reorganization, Fortive will contribute to [NewCo] certain liabilities and certain assets, including equity interests in entities that are expected to conduct the Precision Technologies business.

Following the completion of the internal reorganization and immediately prior to the distribution, [NewCo] will be the parent company of the entities that are expected to conduct the Precision Technologies business and Fortive will remain the parent company of the entities that currently conduct all of Fortive's operations except the Precision Technologies business.

When and How You Will Receive the Distribution

With the assistance of Computershare, Fortive expects to distribute our common stock at [ ] [a.m.], Eastern Time, on [ ], 2025, the distribution date, to all holders of outstanding shares of Fortive common stock as of the close of business on [ ], 2025, the record date for the distribution. Computershare, which currently serves as the transfer agent and registrar for shares of Fortive common stock, will serve as the settlement and distribution agent in connection with the distribution and the transfer agent and registrar for our common stock.

If you own shares of Fortive common stock as of the close of business on the record date for the distribution, our common stock that you are entitled to receive in the distribution will be issued electronically, as of the distribution date, to you in direct registration form or to your bank or brokerage firm on your behalf. If you are a registered holder, Computershare will then mail you a direct registration account statement that reflects your shares of our common stock. If you hold your shares through a bank or brokerage firm, your bank or brokerage firm will credit your account for the shares. Direct registration form refers to a method of recording share ownership when no physical share certificates are issued to shareholders, as is the case in the distribution. If you sell shares of Fortive common stock in the "regular-way" market up to and including the distribution date, you will be selling your right to receive shares of our common stock in the distribution.

Commencing on or shortly after the distribution date, if you hold physical share certificates that represent your shares of Fortive common stock and you are the registered holder of the shares represented by those certificates, the distribution agent will mail to you an account statement that indicates the number of shares of our common stock that have been registered in book-entry form in your name.

Most Fortive shareholders hold their common shares through a bank or brokerage firm. In such cases, the bank or brokerage firm would be said to hold the shares in "street name" and ownership would be recorded on the bank or brokerage firm's books. If you hold your shares of Fortive common stock through a bank or brokerage firm, your bank or brokerage firm will credit your account for the shares of our common stock that you are entitled to receive in the distribution. If you have any questions concerning the mechanics of having shares held in "street name," please contact your bank or brokerage firm.

Transferability of Shares You Receive

Shares of our common stock distributed to holders in connection with the distribution will be transferable without registration under the Securities Act, except for shares received by persons who may be deemed to be our affiliates. Persons who may be deemed to be our affiliates after the distribution generally include individuals or entities that control, are controlled by or are under common control with the Company which may include certain Company executive officers, directors or principal shareholders. Securities held by our affiliates will be subject to resale restrictions under the Securities Act. Our affiliates will be permitted to sell shares of our common stock only pursuant to an effective registration statement or an exemption from the registration requirements of the Securities Act, such as the exemption afforded by Rule 144 under the Securities Act.

Number of Shares of Our Common Stock You Will Receive

For every [ ] share[s] of Fortive common stock that you own at the close of business on [ ], 2025, the record date for the distribution, you will receive [ ] share[s] of our common stock on the distribution date.

Fortive will not distribute any fractional shares of our common stock to its shareholders. Instead, Computershare will aggregate fractional shares into whole shares, sell the whole shares in the open market at prevailing market prices and distribute the aggregate cash proceeds (net of discounts and commissions) of the sales pro rata (based on the fractional share such holder would otherwise be entitled to receive) to each holder who otherwise would have been entitled to receive a fractional share in the distribution. The transfer agent, in its sole discretion, without any influence by Fortive or us, will determine when, how, through which broker-dealer and at what price to sell the whole shares. Any broker-dealer used by the transfer agent will not be an affiliate of either Fortive or us. Neither we nor Fortive will be able to guarantee any minimum sale price in connection with the sale of these shares. Recipients of cash in lieu of fractional shares will not be entitled to any interest on the amounts of payment made in lieu of fractional shares.

We estimate that it will take approximately two weeks from the distribution date for the distribution agent to complete the distributions of the aggregate net cash proceeds. If you hold your shares of Fortive common stock through a bank or brokerage firm, your bank or brokerage firm will receive, on your behalf, your pro rata share of the aggregate net cash proceeds of the sales and will electronically credit your account for your share of such proceeds.

Results of the Distribution

After our separation from Fortive, we will be an independent, publicly traded company. The actual number of shares to be distributed will be determined at the close of business on [ ], 2025, the record date for the distribution. The distribution will not affect the number of outstanding shares of Fortive common stock or any rights of Fortive shareholders. Fortive will not distribute any fractional shares of our common stock.

We will enter into a separation agreement and other related agreements with Fortive to effect the separation and provide a framework for our relationship with Fortive after the separation. These agreements provide for the allocation between Fortive and us of the assets, employees, services, liabilities and obligations (including investments, property and employee benefits and tax-related assets and liabilities) of Fortive and its subsidiaries attributable to periods prior to, at and after our separation from Fortive and will govern certain relationships between Fortive and us after the separation. For a more detailed description of these agreements, please refer to the section entitled "Certain Relationships and Related Person Transactions."

Market for Our Common Stock

There is currently no public trading market for our common stock. We intend to apply to list our common stock on the NYSE under the symbol "[ ]." We have not and will not set the initial price of our common stock. The initial price will be established by the public markets.

We cannot predict the price at which our common stock will trade after the distribution. In fact, the combined trading prices of one share of Fortive common stock and share[s] of our common stock after the distribution (representing the number of shares of our common stock to be received per one share of Fortive common stock in the distribution) may not equal the "regular-way" trading price of a share of Fortive common stock immediately prior to the distribution. The price at which our common stock trades may fluctuate significantly, particularly until an orderly public market develops. Trading prices for our common stock will be determined in the public markets and may be influenced by many factors. Please refer to the section entitled "Risk Factors — Risks Related to Our Common Stock."

Trading Between the Record Date and Distribution Date

Beginning on or shortly before the record date for the distribution and continuing up to the distribution date, Fortive expects that there will be two markets in shares of Fortive common stock: a "regular-way" market and an "ex-distribution" market. Shares of Fortive common stock that trade on the "regular-way" market will trade with an entitlement to our common shares distributed pursuant to the distribution. Shares of Fortive common stock that trade on the "ex-distribution" market will trade without an entitlement to our common stock distributed pursuant to the distribution. Therefore, if you sell shares of Fortive common stock in the "regular-way" market up to and including through the distribution date, you will be selling your right to receive our common stock in the distribution. If you own shares of Fortive common stock at the close of business on the record date and sell those shares on the "ex-distribution" market up to and including through the distribution date, you will receive the shares of our common stock that you are entitled to receive pursuant to your ownership as of the record date of the shares of Fortive common stock.

Furthermore, beginning on or shortly before the record date for the distribution and continuing up to the distribution date, we expect that there will be a "when-issued" market in our common stock. "When-issued" trading refers to a sale or purchase made conditionally because the security has been authorized but not yet issued. The "when-issued" trading market will be a market for our common stock that will be distributed to holders of shares of Fortive common stock on the distribution date. If you owned shares of Fortive common stock at the close of business on the record date for the distribution, you would be entitled to our common stock distributed pursuant to the distribution. You may trade this entitlement to shares of our common stock, without the shares of Fortive common stock you own, on the "when-issued" market. On the first trading day following the distribution date, "when-issued" trading with respect to our common stock will end, and "regular-way" trading will begin.

"Ex-distribution" and "when-issued" trades are generally settled shortly after the distribution date, but if Fortive determines not to proceed with the distribution following the initiation of the "ex-distribution" and "when-issued" trading markets, trades in the "ex-distribution" and "when-issued" trading markets will be cancelled and, therefore, will not be settled.

Conditions to the Distribution

The distribution will be effective at [ ] a.m., Eastern Time, on , 2025, the distribution date, provided that the following conditions will have been satisfied (or waived by Fortive in its sole and absolute discretion):

- the transfer of assets and liabilities to us in accordance with the separation agreement will have been completed, other than assets and liabilities intended to transfer after the distribution;
- the receipt by Fortive and continuing validity of a private letter ruling from the IRS and an opinion of its outside tax counsel, in each case, satisfactory to the Fortive board of directors, regarding the qualification of the distribution, together with certain related transactions, as a "reorganization" within the meaning of Sections 368(a)(1)(D) and 355 of the Code, and which ruling and opinion shall not have been withdrawn, rescinded, or modified in any material respect;

- the SEC will have declared effective the registration statement of which this information statement forms a part, no stop order suspending the effectiveness of the registration statement will be in effect, no proceedings for such purpose will be pending before or threatened by the SEC and this information statement will have been made available to Fortive shareholders;
- all actions and filings necessary or appropriate under applicable U.S. federal, U.S. state or other securities laws will have been taken and, where applicable, will have become effective or been accepted by the applicable governmental authority;
- the transaction agreements relating to the separation will have been duly executed and delivered by the parties;
- no order, injunction or decree issued by any court of competent jurisdiction or other legal restraint or prohibition preventing the consummation of the separation, the distribution or any of the related transactions will be in effect;
- the shares of our common stock to be distributed will have been approved and accepted for listing on the NYSE, subject to official notice of distribution;
- an independent appraisal firm acceptable to the Fortive board of directors will have delivered one or more opinions to the Fortive board of directors confirming the solvency and financial viability of [NewCo] after completion of the distribution, in a form and substance acceptable to the Fortive board of directors in its sole and absolute discretion;
- the financing described under the section entitled “Description of Material Indebtedness” will have been completed; and
- no event or development will have occurred or exist that, in the judgment of Fortive’s board of directors, in its sole and absolute discretion, makes it inadvisable to effect the separation, the distribution or the other related transactions.

The satisfaction of the foregoing conditions does not create any obligations on Fortive’s part to effect the separation, and Fortive’s Board of Directors has reserved the right, in its sole and absolute discretion, to abandon, modify or change the terms of the separation, including by accelerating or delaying the timing of the consummation of all or part of the separation, at any time prior to the distribution date. To the extent that the Fortive board of directors determines that any modifications by Fortive materially change the material terms of the distribution, Fortive will notify Fortive shareholders in a manner reasonably calculated to inform them about the modification as may be required by law.

MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES

The following is a discussion of material U.S. federal income tax consequences of the distribution to "U.S. holders" (as defined below) of Fortive common stock. This discussion is based on the Code, U.S. Treasury Regulations promulgated thereunder, rulings and other administrative pronouncements issued by the IRS, and judicial decisions, in each case as in effect as of the date of this information statement and all of which are subject to differing interpretations and change at any time, possibly with retroactive effect. Any such change could affect the accuracy of the statements and conclusions set forth in this information statement. No assurance can be given that the IRS would not a assert, or that a court would not sustain, a position contrary to any of the tax consequences described below.

This discussion applies only to U.S. holders of shares of Fortive common stock who hold such shares as a capital asset within the meaning of Section 1221 of the Code (generally, property held for investment). This discussion is based upon the assumption that the separation and the distribution, together with certain related transactions, will be consummated in accordance with the separation and distribution agreement and the other agreements related to the separation and as described in this information statement.

This discussion is for general information purposes only and does not constitute tax advice or an opinion of counsel. This discussion does not address all aspects of U.S. federal income taxation that may be relevant to particular holders of Fortive common stock in light of their particular circumstances nor does it address tax considerations applicable to holders that are or may be subject to special treatment under the U.S. federal income tax laws, including, without limitation:

- broker-dealers;
- tax-exempt organizations;
- banks or other financial institutions;
- mutual funds, regulated investment companies or insurance companies;
- certain former U.S. citizens or long-term residents of the United States;
- partnerships (or entities or arrangements treated as partnerships for U.S. federal income tax purposes) or other pass-through entities or the owners thereof;
- traders in securities who elect a mark-to-market method of accounting;
- holders who acquired Fortive common stock upon the exercise of employee stock options or otherwise as compensation;
- holders who hold their Fortive common stock as part of a "hedge," "straddle," "conversion," "synthetic security," "integrated investment," "constructive sale transaction" or other integrated or risk reduction transaction;
- holders required to accelerate the recognition of any item of gross income as a result of such income being recognized on an applicable financial statement; or
- holders whose functional currency is not the U.S. Dollar.

This discussion also does not address any tax consequences arising under any alternative minimum tax, the unearned Medicare contribution tax pursuant to the Health Care and Education Reconciliation Act of 2010 or the Foreign Account Tax Compliance Act (including the Treasury Regulations promulgated thereunder and intergovernmental agreements entered into pursuant thereto or in connection therewith). In addition, no information is provided with respect to any tax considerations under state, local or non-U.S. laws or U.S. federal laws other than those pertaining to the U.S. federal income tax. This discussion does not address the tax consequences to any person who actually or constructively owns five percent or more of the outstanding shares of Fortive common stock.

If a partnership, or any entity or arrangement treated as a partnership for U.S. federal income tax purposes, holds Fortive common stock, the tax treatment of a partner in such partnership will generally depend on the status of the partner and the activities of the partnership. Holders of Fortive common stock that are partnerships and partners in such partnerships should consult their own tax advisors as to the consequences of the distribution.

For purposes of this discussion, a "U.S. holder" is a beneficial owner of Fortive common stock that is, for U.S. federal income tax purposes:

- an individual who is a citizen or a resident of the United States;
- a corporation (or any other entity or arrangement treated as a corporation) created or organized in or under the laws of the United States, any state thereof or the District of Columbia;
- an estate, the income of which is subject to U.S. federal income taxation regardless of its source; or
- a trust, if (1) a court within the United States is able to exercise primary supervision over its administration and one or more U.S. persons have the authority to control all of the substantial decisions of such trust or (2) it has a valid election in effect under applicable Treasury Regulations to be treated as a U.S. person.

THE FOLLOWING IS A GENERAL DISCUSSION OF MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES OF THE DISTRIBUTION UNDER CURRENT LAW AND IS FOR GENERAL INFORMATION PURPOSES ONLY. ALL HOLDERS SHOULD CONSULT THEIR OWN TAX ADVISORS AS TO THE PARTICULAR TAX CONSEQUENCES OF THE DISTRIBUTION TO THEM, INCLUDING THE APPLICABILITY AND EFFECT OF U.S. FEDERAL, STATE, LOCAL, NON-U.S. AND OTHER TAX LAWS.

It is a condition to the distribution that Fortive receive a private letter ruling from the IRS and an opinion of its outside tax counsel, in each case, satisfactory to the Fortive board of directors, regarding the qualification of the distribution, together with certain related transactions, as a "reorganization" within the meaning of Sections 368(a)(1)(D) and 355 of the Code, and which ruling and opinion shall not have been withdrawn, rescinded or modified in any material respect. The receipt and continued effectiveness of the IRS private letter ruling and the opinion of outside tax counsel are separate conditions to the distribution, either or all of which may be waived by the Fortive board of directors in its sole and absolute discretion. The IRS private letter ruling and the opinion of Fortive's outside tax counsel will be based upon and rely on, among other things, various facts and assumptions, as well as certain representations, statements and undertakings of Fortive and [NewCo], including facts, assumptions, representations, statements and undertakings relating to the past and future conduct of the companies' respective businesses and other matters. If any of these facts, assumptions, representations and statements are or become inaccurate or incomplete, or if any such undertaking is not complied with, Fortive may not be able to rely on the IRS private letter ruling and/or the opinion of Fortive's outside tax counsel, and the conclusions reached therein could be jeopardized.

Notwithstanding Fortive's receipt of the IRS private letter ruling and the opinion of its outside tax counsel, the IRS could determine on audit that the distribution or any related transaction is taxable for U.S. federal income tax purposes if it determines that any of the facts, assumptions, representations, statements or undertakings upon which the ruling or the opinion were based are not correct or have been violated, or if it disagrees with any of the conclusions in the opinion, or for other reasons, including as a result of certain changes in the stock ownership of Fortive or [NewCo] after the distribution or other post-distribution actions or transactions. Accordingly, notwithstanding Fortive's receipt of the IRS private letter ruling and the opinion of its outside tax counsel, there can be no assurance that the IRS will not assert that the distribution or any of the related transactions does not qualify for tax-free treatment for U.S. federal income tax purposes, or that a court would not sustain such a challenge. In the event the IRS were to prevail in any such challenge or if the distribution or any related transaction is otherwise determined to be taxable for U.S. federal income tax purposes, Fortive, [NewCo] and/or Fortive's shareholders could incur significant U.S. federal income tax liabilities. Please refer to "— Material U.S. Federal Income Tax Consequences if the Distribution is Taxable" below.

Material U.S. Federal Income Tax Consequences if the Distribution, Together with Certain Related Transactions, Qualifies as a Transaction That is Generally Tax-Free under Sections 355 and 368(a)(1)(D) of the Code.

If the distribution, together with certain related transactions, qualifies as a transaction that is generally tax-free for U.S. federal income tax purposes under Sections 355 and 368(a)(1)(D) of the Code, the U.S. federal income tax consequences of the distribution generally are as follows:

- no gain or loss will be recognized by (and no amount will be includible in the income of) Fortive as a result of the distribution, other than gain or income arising in connection with certain internal restructurings undertaken in connection with the separation and distribution (including with respect to any portion of the borrowing proceeds transferred to Fortive from [NewCo] that is not used for qualifying purposes) or with respect to any "excess loss account" or "intercompany transaction" required to be taken into account by Fortive under Treasury Regulations relating to consolidated federal income tax returns;
- no gain or loss will be recognized by (and no amount will be included in the income of) U.S. holders of Fortive common stock upon the receipt of [NewCo] common stock in the distribution, except with respect to any cash received in lieu of fractional shares of [NewCo] common stock (as described below);
- the aggregate tax basis of the Fortive common stock and the [NewCo] common stock received in the distribution (including any fractional share interest in [NewCo] common stock for which cash is received) in the hands of each U.S. holder of Fortive common stock immediately after the distribution will equal the aggregate basis of Fortive common stock held by such U.S. holder immediately before the distribution, allocated between the Fortive common stock and the [NewCo] common stock (including any fractional share interest in [NewCo] common stock for which cash is received) in proportion to the relative fair market value of each on the date of the distribution; and
- the holding period of the [NewCo] common stock received by each U.S. holder of Fortive common stock in the distribution (including any fractional share interest in [NewCo] common stock for which cash is received) will generally include the holding period at the time of the distribution for the Fortive common stock with respect to which the distribution is made.

A U.S. holder who receives cash in lieu of a fractional share of [NewCo] common stock in the distribution will generally be treated as having received such fractional share in the distribution and then having sold such fractional share for cash, and will recognize capital gain or loss in an amount equal to the difference between the amount of cash received and such U.S. holder's adjusted tax basis in such fractional share. Such gain or loss will be long-term capital gain or loss if the U.S. holder's holding period for its Fortive common stock exceeds one year at the time of the distribution.

If a U.S. holder of Fortive common stock holds different blocks of Fortive common stock (generally shares of Fortive common stock purchased or acquired on different dates or at different prices), such holder should consult its tax advisor regarding the determination of the basis and holding period of shares of [NewCo] common stock received in the distribution in respect of particular blocks of Fortive common stock.

Material U.S. Federal Income Tax Consequences if the Distribution is Taxable

As discussed above, notwithstanding receipt by Fortive of the private letter ruling from the IRS and the opinion of its outside tax counsel, in each case, regarding the qualification of the distribution, together with certain related transactions, as a "reorganization" within the meaning of Sections 368(a)(1)(D) and 355 of the Code, the IRS could assert that the distribution does not qualify for tax-free treatment for U.S. federal income tax purposes. If the IRS were successful in taking this position, some or all of the consequences described above would not apply, and Fortive, [NewCo] and Fortive shareholders could be subject to significant U.S. federal income tax liability. In addition, certain events that may or may not be within the control of Fortive or [NewCo] could cause the distribution and certain related transactions to not qualify for tax-free treatment for U.S. federal income tax purposes. Depending on these circumstances, [NewCo] may be required to indemnify Fortive for taxes (and certain related losses) resulting from the distribution and certain related transactions not qualifying as tax-free.

If the distribution, together with certain related transactions, were to fail to qualify as a transaction that is generally tax-free for U.S. federal income tax purposes under Sections 355 and 368(a)(1)(D) of the Code, in general, for U.S. federal income tax purposes, Fortive would recognize taxable gain as if it had sold the [NewCo] common stock in a taxable sale for its fair market value (unless Fortive and [NewCo] jointly make an election under Section 336(e) of the Code with respect to the distribution, in which case, in general, (1) the Fortive group would recognize taxable gain as if [NewCo] had sold all of its assets in a taxable sale in exchange for an amount equal to the fair market value of the [NewCo] common stock and the assumption of all of [NewCo]'s liabilities and (2) [NewCo] would obtain a related step up in the basis of its assets), and Fortive shareholders who receive [NewCo] common stock in the distribution would be subject to tax as if they had received a taxable distribution equal to the fair market value of such shares.

Even if the distribution, together with certain related transactions, were to otherwise qualify as a tax-free transaction under Sections 368(a)(1)(D) and 355 of the Code, it may result in taxable gain to Fortive (but not its shareholders) under Section 355(e) of the Code if the distribution were deemed to be part of a plan (or series of related transactions) pursuant to which one or more persons acquire, directly or indirectly, shares representing a 50% or greater interest (by vote or value) in Fortive or [NewCo]. For this purpose, any acquisitions of Fortive or [NewCo] shares within the period beginning two years before the distribution and ending two years after the distribution are presumed to be part of such a plan, although Fortive or [NewCo] may be able to rebut that presumption depending on the circumstances (including by qualifying for one or more safe harbors under applicable Treasury Regulations).

In connection with the distribution, Fortive and [NewCo] will enter into a tax matters agreement pursuant to which [NewCo] will be responsible for certain liabilities and obligations following the distribution. In general, under the terms of the tax matters agreement, if the distribution, together with certain related transactions, were to fail to qualify as a transaction that is generally tax-free for U.S. federal income tax purposes under Sections 355 and 368(a)(1)(D) of the Code (including as a result of Section 355(e) of the Code) or if certain related transactions were to fail to qualify as tax-free under applicable law, and if such failure were the result of actions taken after the distribution by Fortive or [NewCo], then the party responsible for such failure will be responsible for all taxes imposed on Fortive or [NewCo] to the extent such taxes result from such actions. However, if such failure was the result of any acquisition of [NewCo] shares, or of certain of [NewCo]'s representations, statements or undertakings being incorrect, incomplete or breached, then [NewCo] will generally be responsible for all taxes imposed a result of such acquisition or breach. For a discussion of the tax matters agreement, see "Certain Relationships and Related Person Transactions — Agreements with Fortive — Tax Matters Agreement." [NewCo]'s indemnification obligations to Fortive under the tax matters agreement are not expected to be limited in amount or subject to any cap. If [NewCo] is required to pay any taxes or indemnify Fortive and its subsidiaries and officers and directors under the circumstances set forth in the tax matters agreement, [NewCo] may be subject to substantial liabilities.

Information Reporting and Backup Withholding

Payments of cash to U.S. holders of Fortive common stock in lieu of fractional shares of [NewCo] common stock may be subject to information reporting and backup withholding (currently at a rate of 24%), unless such U.S. holder delivers a properly completed IRS Form W-9 certifying such U.S. holder's correct taxpayer identification number and certain other information, or otherwise establishes an exemption from backup withholding. Backup withholding is not an additional tax. Amounts withheld under the backup withholding rules may be refunded or credited against a U.S. holder's U.S. federal income tax liability, provided that the required information is timely furnished to the IRS.

THE FOREGOING DISCUSSION IS A GENERAL DISCUSSION OF MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES OF THE DISTRIBUTION UNDER CURRENT LAW. IT IS NOT A COMPLETE ANALYSIS OR DISCUSSION OF ALL POTENTIAL TAX CONSEQUENCES THAT MAY BE IMPORTANT TO PARTICULAR HOLDERS AND IT DOES NOT CONSTITUTE TAX ADVICE. ALL HOLDERS SHOULD CONSULT THEIR OWN TAX ADVISORS AS TO THE PARTICULAR TAX CONSEQUENCES OF THE DISTRIBUTION TO THEM, INCLUDING THE APPLICABILITY AND EFFECT OF U.S. FEDERAL, STATE, LOCAL, NON-U.S., AND OTHER TAX LAWS.

DESCRIPTION OF MATERIAL INDEBTEDNESS

[NewCo] intends to incur certain indebtedness prior to or concurrent with the separation. If we enter into arrangements for such indebtedness prior to the effectiveness of the registration statement of which this information statement forms a part, a description of such arrangements will be included in an amendment to this information statement.

DESCRIPTION OF CAPITAL STOCK

In connection with the distribution, we will amend and restate our certificate of incorporation and our bylaws. The following is a description of the material terms of, and is qualified in its entirety by, our amended and restated certificate of incorporation and amended and restated bylaws, each of which will be in effect upon the consummation of the distribution, the forms of which will be filed as exhibits to the registration statement of which this information statement forms a part. Because this is only a summary, it may not contain all the information that is important to you.

General

Our authorized capital stock consists of shares of common stock, par value $[0.01] per share, and shares of preferred stock, with no par value, all of which shares of preferred stock are undesignated. The Board may establish the rights and preferences of the preferred stock from time to time. Immediately following the distribution, we expect that approximately shares of our common stock will be issued and outstanding and that no shares of preferred stock will be issued and outstanding.

As of the date of this information statement, there are no shares of common stock subject to options or warrants to purchase, or securities convertible into, our common equity; however, as described in the section entitled "Treatment of Outstanding Equity Awards at the Time of the Distribution," we intend to issue certain equity-based awards upon the separation.

Common Stock

Holders of our common stock are entitled to the rights set forth below.

Voting Rights

Each holder of our common stock will be entitled to one vote for each share on all matters to be voted upon by shareholders. At each meeting of the shareholders, a majority in voting power of our shares issued and outstanding and entitled to vote at the meeting, present in person or represented by proxy, will constitute a quorum.

Directors will be elected by a majority of the votes cast at a meeting of shareholders, except that a plurality standard will apply in contested elections. Our shareholders will not have cumulative voting rights. Except as otherwise provided in our amended and restated certificate of incorporation or as required by law, any question brought before any meeting of shareholders, other than the election of directors, will be decided by the affirmative vote of the holders of a majority of the total number of votes of our shares represented at the meeting and entitled to vote on such question, voting as a single class.

Dividends

Subject to any preferential rights of any outstanding preferred stock, holders of our common stock will be entitled to receive ratably the dividends, if any, as may be declared from time to time by the Board out of funds legally available for that purpose. If there is a liquidation, dissolution or winding up of us, holders of our common stock would be entitled to ratable distribution of our remaining assets after the payment in full of liabilities and any preferential rights of any then-outstanding preferred stock.

No Preemptive or Similar Rights

Holders of our common stock will have no preemptive or conversion rights or other subscription rights, and there are no redemption or sinking fund provisions applicable to our common stock. After the distribution, all outstanding shares of our common stock will be fully paid and non-assessable.

Preferred Stock

Under the terms of our amended and restated certificate of incorporation, the Board will be authorized, subject to limitations prescribed by the DGCL and by our amended and restated certificate of incorporation, to issue up to shares of preferred stock in one or more series without further action by the holders of our common stock. The Board will have the discretion, subject to limitations prescribed by the DGCL and by our amended and restated certificate of incorporation, to determine the rights, preferences, privileges and restrictions, including voting rights, dividend rights, conversion rights, redemption privileges and liquidation preferences, of each series of preferred stock. The rights, preferences and privileges of the holders of our common stock are subject to, and may be adversely affected by, the rights of the holders of shares of any series of preferred stock that we may designate and issue in the future.

Anti-Takeover Effects of Various Provisions of Delaware Law and Our Certificate of Incorporation and Bylaws

Provisions of the DGCL and our amended and restated certificate of incorporation and amended and restated bylaws could make it more difficult to acquire us by means of a tender offer, a proxy contest or otherwise, or to remove incumbent officers and directors. These provisions, summarized below, are expected to discourage certain types of coercive takeover practices and takeover bids that the Board may consider inadequate and to encourage persons seeking to acquire control of us to first negotiate with the Board. We believe that the benefits of increased protection of our ability to negotiate with the proponent of an unfriendly or unsolicited proposal to acquire or restructure us outweigh the disadvantages of discouraging takeover or acquisition proposals because, among other things, negotiation of these proposals could result in an improvement of their terms.

Delaware Anti-Takeover Statute. We will be subject to Section 203 of the DGCL, an anti-takeover statute. In general, Section 203 of the DGCL prohibits a publicly held Delaware corporation from engaging in a “business combination” with an “interested stockholder” for a period of three years following the time the person became an interested stockholder, unless (i) prior to such time, the board of directors of such corporation approved either the business combination or the transaction that resulted in the stockholder becoming an interested stockholder; (ii) upon consummation of the transaction that resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of the voting stock of such corporation at the time the transaction commenced (excluding for purposes of determining the voting stock outstanding (but not the outstanding voting stock owned by the interested stockholder) the voting stock owned by directors who are also officers or held in employee benefit plans in which the employees do not have a confidential right to tender or vote stock held by the plan); or (iii) on or subsequent to such time the business combination is approved by the board of directors of such corporation and authorized at a meeting of stockholders by the affirmative vote of at least two-thirds of the outstanding voting stock of such corporation not owned by the interested stockholder. Generally, a “business combination” includes a merger, asset or stock sale, or other transaction resulting in a financial benefit to the interested stockholder. Generally, an “interested stockholder” is a person who, together with affiliates and associates, owns (or within three years prior to the determination of interested stockholder status did own) 15% or more of a corporation’s voting stock. The existence of this provision would be expected to have an anti-takeover effect with respect to transactions not approved in advance by the Board, including discouraging attempts that might result in a premium over the market price for the shares of our common stock held by our shareholders.

A Delaware corporation may “opt out” of Section 203 with an express provision in its original certificate of incorporation or an express provision in its certificate of incorporation or by-laws resulting from amendments approved by holders of at least a majority of the corporation’s outstanding voting shares. We will not elect to “opt out” of, and therefore will be subject to, Section 203.

Classified Board. Our amended and restated certificate of incorporation will provide that our Board will be divided into three classes. The directors designated as Class I directors will have terms expiring at the first annual meeting of shareholders following the distribution, which we expect will be held in 2026. The directors designated as Class II directors will have terms expiring at the following year’s annual meeting of shareholders, which we expect will be held in 2027, and the directors designated as Class III directors will have terms expiring at the following year’s annual meeting of shareholders, which we expect will be held in 2028.

Commencing with the first annual meeting of shareholders following the separation, directors for each class will be elected at the annual meeting of shareholders held in the year in which the term for that class expires and thereafter will serve for a term of three years. Under the classified board provisions, it would take at least two elections of directors for any individual or group to gain control of the Board. Accordingly, these provisions could discourage a third party from initiating a proxy contest, making a tender offer or otherwise attempting to gain control of us.

Removal of Directors. Our amended and restated bylaws will provide that shareholders may remove the Company's directors only for cause. Removal will require the affirmative vote of holders of at least the majority of our voting stock then outstanding.

Amendments to Certificate of Incorporation. Our amended and restated certificate of incorporation will provide that the affirmative vote of the holders of at least two-thirds of the voting power of our outstanding shares entitled to vote thereon, voting as a single class, is required to amend certain provisions relating to the number, term, classification, removal and filling of vacancies with respect to the Board, the advance notice to be given for nominations for elections of directors, the calling of special meetings of shareholders, cumulative voting, shareholder action by written consent, certain relationships and transactions with Fortive, the ability to amend the bylaws, the elimination of liability of directors to the extent permitted by Delaware law, director and officer indemnification and any provision relating to the amendment of any of these provisions.

Amendments to Bylaws. Our amended and restated certificate of incorporation and amended and restated bylaws will provide that our amended and restated bylaws may only be amended by the Board or by the affirmative vote of holders of at least two-thirds of the total voting power of our outstanding shares entitled to vote thereon, voting as a single class.

Size of Board and Vacancies. Our amended and restated bylaws will provide that the Board will consist of not less than [ ] nor greater than [ ] directors, the exact number of which will be fixed exclusively by the Board. Any vacancies created in the Board resulting from any increase in the authorized number of directors or the death, resignation, retirement, disqualification, removal from office or other cause will be filled by a majority of the directors then in office, even if less than a quorum is present, or by a sole remaining director. Any director appointed to fill a vacancy on the Board will hold office until the earlier of the expiration of the term of office of the director whom he or she has replaced, a successor is duly elected and qualified or the earlier of such director's death, resignation or removal.

Special Shareholder Meetings. Our amended and restated certificate of incorporation will provide that special meetings of shareholders may be called only by the secretary of the Company upon a written request delivered to the secretary by (a) the Board pursuant to a resolution adopted by a majority of the entire Board, (b) the chair of the Board or (c) the chief executive officer of the Company. Shareholders may not call special shareholder meetings.

Shareholder Action by Written Consent. Our amended and restated certificate of incorporation will expressly eliminate the right of our shareholders to act by written consent. Shareholder action must take place at the annual or a special meeting of our shareholders.

Requirements for Advance Notification of Shareholder Nominations and Proposals. Our amended and restated certificate of incorporation will mandate that shareholder nominations for the election of directors will be given in accordance with the bylaws. The amended and restated bylaws will establish advance notice procedures with respect to shareholder proposals and nomination of candidates for election as directors as well as minimum qualification requirements for shareholders making the proposals or nominations. Additionally, the bylaws will require that candidates for election as director disclose their qualifications and make certain representations.

No Cumulative Voting. The DGCL provides that shareholders are denied the right to cumulate votes in the election of directors unless the company's certificate of incorporation provides otherwise. Our amended and restated certificate of incorporation will not provide for cumulative voting.

Undesignated Preferred Stock. The authority that the Board will possess to issue preferred stock could potentially be used to discourage attempts by third parties to obtain control of us through a merger, tender offer, proxy contest or otherwise by making such attempts more difficult or more costly. The Board may be able to issue preferred stock with voting rights or conversion rights that, if exercised, could adversely affect the voting power of the holders of our common stock.

Conflicts of Interest; Corporate Opportunities

In order to address potential conflicts of interest between us and Fortive, our amended and restated certificate of incorporation will contain certain provisions regulating and defining the conduct of our affairs to the extent that they may involve Fortive and its directors, officers and/or employees and our rights, powers, duties and liabilities and those of our directors, officers, employees and shareholders in connection with our relationship with Fortive. In general, these provisions recognize that we and Fortive may engage in the same or similar business activities and lines of business or have an interest in the same areas of corporate opportunities and that we and Fortive will continue to have contractual and business relations with each other, including directors, officers and/or employees of Fortive serving as our directors, officers and/or employees.

Our amended and restated certificate of incorporation will provide that Fortive will have no duty to communicate information regarding a corporate opportunity to us or to refrain from engaging in the same or similar lines of business or doing business with any of our clients, customers or vendors.

Our amended and restated certificate of incorporation also will provide for special approval procedures that may be utilized if it is deemed desirable by Fortive, us, our affiliates or any other party, that we take action with specific regard to transactions or opportunities presenting potential conflicts of interest, out of an abundance of caution, to ensure that such transactions are not voidable, or that such an opportunity or opportunities are effectively disclaimed. Specifically, we may employ any of the following special procedures:

- the material facts of the transaction and the director's, officer's or employee's interest are disclosed or known to the Board or duly appointed committee of the Board and the Board or such committee authorizes, approves or ratifies the transaction by the affirmative vote or consent of a majority of the directors (or committee members) who have no direct or indirect interest in the transaction and, in any event, of at least two directors (or committee members); or
- the material facts of the transaction and the director's interest are disclosed or known to the shareholders entitled to vote and they authorize, approve or ratify such transaction.

Any person purchasing or otherwise acquiring any interest in any shares of our common stock will be deemed to have consented to these provisions of the amended and restated certificate of incorporation.

Limitations on Liability, Indemnification of Officers and Directors and Insurance

The DGCL authorizes corporations to limit or eliminate the personal liability of directors and officers to corporations and their shareholders for monetary damages for breaches of fiduciary duties, and our amended and restated certificate of incorporation will include such an exculpation provision. Our amended and restated certificate of incorporation and amended and restated bylaws will include provisions that indemnify, to the fullest extent allowable under the DGCL, the personal liability of directors and officers for monetary damages for actions taken as our director or officer, or for serving at our request as a director or officer or another position at another corporation or enterprise, as the case may be. Our amended and restated certificate of incorporation and amended and restated bylaws will also provide that we must indemnify and advance reasonable expenses to our directors and, subject to certain exceptions, officers, subject to our receipt of an undertaking from the indemnified party as may be required under the DGCL. Our amended and restated certificate of incorporation will expressly authorize us to carry directors' and officers' insurance to protect us, our directors, officers and certain employees for some liabilities.

The limitation of liability and indemnification provisions that will be in our amended and restated certificate of incorporation and amended and restated bylaws may discourage shareholders from bringing a lawsuit against our directors or officers for breach of their fiduciary duty. These provisions may also have the effect of reducing the likelihood of derivative litigation against our directors and officers, even though such an action, if successful, might otherwise benefit us and our shareholders. However, these provisions will not limit or eliminate our rights, or those of any shareholder, to seek non-monetary relief such as injunction or rescission in the event of a breach of a director's duty of care. The provisions will not alter the liability of directors under the federal securities laws. In addition, your investment may be adversely affected to the extent that, in a class action or direct suit, we pay the costs of settlement and damage awards against directors and officers pursuant to these indemnification provisions. There is currently no pending material litigation or proceeding against us or any of our directors, officers or employees for which indemnification is sought.

Exclusive Forum

Our amended and restated certificate of incorporation will provide that, unless the Board determines otherwise, the state courts in the State of Delaware or, if no state court located within the State of Delaware has jurisdiction, the federal court for the District of Delaware, will be the sole and exclusive forum for any derivative action or proceeding brought on behalf of our company, any action asserting a claim of breach of a fiduciary duty owed by any of our directors, officers, employees or shareholders to our company or our shareholders, any action asserting a claim against our company or any of our directors or officers arising pursuant to any provision of the DGCL or our amended and restated certificate of incorporation or amended and restated bylaws, or any action asserting a claim against our company or any of our directors or officers governed by the internal affairs doctrine.

Section 22 of the Securities Act creates concurrent jurisdiction for federal and state courts over all suits brought to enforce any duty or liability created by the Securities Act or the rules and regulations thereunder. Accordingly, both state and federal courts have jurisdiction to entertain such claims. To prevent having to litigate claims in multiple jurisdictions and the threat of inconsistent or contrary rulings by different courts, among other considerations, our amended and restated certificate of incorporation will further provide that, unless we consent otherwise, the federal district courts of the United States of America will be the sole and exclusive forum for resolving any complaint asserting a cause of action arising under the Securities Act. Section 27 of the Exchange Act creates exclusive federal jurisdiction over all suits brought to enforce any duty of liability created by the Exchange Act or the rules and regulations thereunder, and as a result, the exclusive forum provision does not apply to actions arising under the Exchange Act or the rules and regulations thereunder. While the Delaware Supreme Court ruled in March 2020 that federal forum selection provisions purporting to require claims under the Securities Act be brought in federal court are "facially valid" under Delaware law, there is uncertainty as to whether other courts will enforce our federal forum provision described above. Our shareholders will not be deemed to have waived compliance with the federal securities laws and the rules and regulations thereunder.

Authorized but Unissued Shares

Our authorized but unissued shares of common stock and preferred stock will be available for future issuance without shareholder approval. We may use additional shares for a variety of purposes, including future public offerings to raise additional capital, to fund acquisitions and as employee compensation. As noted above, the existence of authorized but unissued shares of common stock and preferred stock could also render more difficult or discourage an attempt to obtain control of us by means of a proxy contest, tender offer, merger or otherwise.

Listing

We intend to apply to have our shares of common stock listed on the NYSE under the symbol "[ ]."

Sale of Unregistered Securities

On September 26, 2024, we issued 1,000 shares of our common stock to Fortive pursuant to Section 4(a)(2) of the Securities Act. We did not register the issuance of the issued shares under the Securities Act because the issuance did not constitute a public offering.

Transfer Agent and Registrar

After the distribution, the transfer agent and registrar for shares of our common stock will be Computershare Trust Company, N.A.

WHERE YOU CAN FIND MORE INFORMATION

We have filed with the SEC a registration statement on Form 10 with respect to the shares of our common stock being distributed as contemplated by this information statement. This information statement is a part of, and does not contain all of the information set forth in, the registration statement and the exhibits and schedules to the registration statement. For further information with respect to us and our common stock, please refer to the registration statement, including its exhibits and schedules. Statements made in this information statement relating to any contract or other document are not necessarily complete, and you should refer to the exhibits attached to the registration statement for copies of the actual contract or document. The SEC maintains an Internet site that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC at www.sec.gov.

As a result of the distribution, we will become subject to the informational requirements of the Exchange Act and will be required to file periodic current reports, proxy statements and other information with the SEC. We intend to furnish our shareholders with annual reports containing financial statements audited by an independent accounting firm.

In addition, following the completion of the distribution, we will make the information filed with or furnished to the SEC available free of charge through our website (http://www.[   ].com) as soon as reasonably practicable after we electronically file such material with, or furnish it to, the SEC. The information contained in, or that can be accessed through, our website is not incorporated by reference and is not part of this information statement.

You should rely only on the information contained in this information statement or to which this information statement has referred you. We have not authorized any person to provide you with different information or to make any representation not contained in this information statement.

INDEX TO FINANCIAL STATEMENTS AND SCHEDULE

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholders and the Board of Directors of Fortive Corporation

Opinion on the Financial Statements

We have audited the accompanying combined balance sheet of NewCo. of Fortive Corporation (the Company) as of December 31, 2023, the related combined statements of earnings, comprehensive income, changes in Parent's equity and cash flows for each of the two years in the period ended December 31, 2023, and the related notes and Financial Statement Schedule II (collectively referred to as the "combined financial statements"). In our opinion, the combined financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2023, and the results of its operations and its cash flows for each of the two years in the period ended December 31, 2023, in conformity with U.S. generally accepted accounting principles.

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 audits. 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 audits 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

Critical audit matters 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. We determined that there are no critical audit matters.

/s/ Ernst & Young LLP

We have served as the Company's auditor since 2024.

Seattle, Washington

December 17, 2024

[NEWCO] OF FORTIVE CORPORATION

COMBINED BALANCE SHEET
($ IN MILLIONS)

	As of December 31, 2023
ASSETS	
Current assets:	
Accounts receivable less allowance for doubtful accounts of $16.3 million	$ 296.0
Inventories:	
Finished goods	62.3
Work in process	96.6
Raw materials	114.4
Inventories	273.3
Prepaid expenses and other current assets	43.1
Total current assets	612.4
Property, plant and equipment, net	207.2
Other assets	133.0
Goodwill	1,856.5
Other intangible assets, net	251.8
Total assets	$3,060.9
LIABILITIES AND EQUITY	
Current liabilities:	
Trade accounts payable	$ 233.2
Accrued expenses and other current liabilities	321.6
Total current liabilities	554.8
Other long-term liabilities	245.4
Commitment and Contingencies (Note 11)	
Parent's Equity:	
Net Parent investment	2,613.9
Accumulated other comprehensive loss	(353.2)
Total Parent's equity	2,260.7
Total liabilities and equity	$3,060.9

See the accompanying Notes to the Combined Financial Statements.

[NEWCO] OF FORTIVE CORPORATION

COMBINED STATEMENTS OF EARNINGS
($ IN MILLIONS)

	Year Ended December 31,	
	2023	2022
Sales	$ 2,155.7	$ 2,089.7
Cost of sales	(1,036.0)	(1,041.5)
Gross profit	1,119.7	1,048.2
Operating costs:		
Selling, general and administrative	(446.4)	(419.3)
Research and development	(161.5)	(155.1)
Operating profit	511.8	473.8
Other non-operating expenses, net	(2.0)	(1.9)
Earnings before income taxes	509.8	471.9
Income taxes	(93.0)	(101.2)
Net earnings	$ 416.8	$ 370.7

See the accompanying Notes to the Combined Financial Statements.

[NEWCO] OF FORTIVE CORPORATION

COMBINED STATEMENTS OF COMPREHENSIVE INCOME
($ IN MILLIONS)

	Year Ended December 31,	
	2023	2022
Net earnings	$416.8	$370.7
Other comprehensive income (loss), net of income taxes:		
Foreign currency translation adjustments	(5.5)	(48.8)
Pension and post-retirement plan benefit adjustments	(2.5)	25.0
Total other comprehensive income (loss), net of income taxes	(8.0)	(23.8)
Comprehensive income	$408.8	$346.9

See the accompanying Notes to the Combined Financial Statements.

[NEWCO] OF FORTIVE CORPORATION

COMBINED STATEMENTS OF CHANGES IN PARENT'S EQUITY
($ IN MILLIONS)

	Accumulated Other Comprehensive Loss	Net Parent Investment
Balance, December 31, 2021	$(321.4)	$2,553.8
Net earnings for the period	—	370.7
Net transfers to Parent	—	(341.0)
Other comprehensive income (loss)	(23.8)	—
Stock-based compensation	—	20.3
Balance, December 31, 2022	$(345.2)	$2,603.8
Net earnings for the period	—	416.8
Net transfers to Parent	—	(431.7)
Other comprehensive income (loss)	(8.0)	—
Stock-based compensation	—	25.0
Balance, December 31, 2023	$(353.2)	$2,613.9

See the accompanying Notes to the Combined Financial Statements.

[NEWCO] OF FORTIVE CORPORATION

COMBINED STATEMENTS OF CASH FLOWS
($ IN MILLIONS)

	Year Ended December 31,	
	2023	**2022**
Cash flows from operating activities:		
Net earnings	$ 416.8	$ 370.7
Noncash items:		
Amortization	3.6	13.5
Depreciation	27.1	24.8
Stock-based compensation	25.0	20.3
Change in deferred income taxes	(15.1)	(19.2)
Change in accounts receivable, net	9.3	(33.9)
Change in inventories	(10.3)	(28.9)
Change in trade accounts payable	(18.1)	28.2
Change in prepaid expenses and other assets	(20.1)	5.9
Change in accrued expenses and other liabilities	43.6	10.3
Net cash provided by operating activities	461.8	391.7
Cash flows from investing activities:		
Purchases of property, plant and equipment	(29.2)	(30.8)
Proceeds from sale of property	6.8	—
All other investing activities	—	(1.4)
Net cash used in investing activities	(22.4)	(32.2)
Cash flows from financing activities:		
Net transfers to Parent	(431.7)	(341.0)
Net cash used in financing activities	(431.7)	(341.0)
Effect of exchange rate changes on cash and equivalents	(7.7)	(18.5)
Net change in cash and equivalents	—	—
Beginning balance of cash and equivalents	—	—
Ending balance of cash and equivalents	$ —	$ —

See the accompanying Notes to the Combined Financial Statements.

[NEWCO] OF FORTIVE CORPORATION

NOTES TO THE COMBINED FINANCIAL STATEMENTS

NOTE 1. BUSINESS OVERVIEW AND BASIS FOR PRESENTATION

[NEWCO] ("[NEWCO]", the "Company", "we", "us", or "our") is a global technology company with businesses that design, develop, manufacture and service precision instruments and highly engineered products. We empower engineers with precision technologies essential for breakthrough innovation in an electrified and digital world, enabling our customers to bring advanced technologies to market faster and more efficiently. Our strategic segments — [Test and Measurement] and [Sensors and Safety Systems] — include well-known brands with leading positions across a range of attractive end-markets.

[NEWCO] operates through two reportable segments comprised of two operating segments (i) [test and measurement], which provides critical precision test and measurement instruments, systems, software, and services, and (ii) [sensors and safety systems], which provides leading power grid monitoring solutions, safety systems for mission critical aero, defense and space applications, and sensing solutions for critical environments where uptime, precision and reliability are essential. Historically, these businesses have operated as Fortive Corporation's ("Fortive" or "Parent") Precision Technologies operating segment.

While, subject to satisfaction of certain conditions, Fortive currently intends to effect the separation of [NEWCO] through a pro-rata distribution of all of the shares of [NEWCO] Corporation to the holders of the shares of Parent shareholders at the date of distribution, Fortive has no obligation to pursue or consummate any separation of [NEWCO], including dispositions of its ownership interest in [NEWCO] Corporation, by any specified date or at all. The conditions to the distribution may not be satisfied, Fortive may decide not to consummate the separation and the distribution even if the conditions are satisfied or Fortive may decide to waive one or more of these conditions and consummate the separation and distribution even if all of the conditions are not satisfied. There can be no assurance whether or when any such transaction will be consummated or as to the final terms of any such transaction.

Basis of Presentation

The accompanying combined financial statements present our historical financial position, results of operations, changes in Fortive's equity and cash flows of [NEWCO] in accordance with accounting principles generally accepted in the United States of America ("GAAP") for the preparation of carved-out combined financial statements.

[NEWCO] has historically operated as part of Fortive and not as a stand-alone company and has no separate legal status or existence. The accompanying combined carved-out financial statements represent the historical operations of Fortive's Precision Technologies operating segment and have been derived from Fortive's historical accounting records. All revenues and costs as well as assets and liabilities directly associated with the business activity of [NEWCO] are included as a component of the financial statements. The financial statements also include allocations of certain general, administrative, sales and marketing expenses and cost of sales from Fortive's corporate office and from other Fortive businesses to [NEWCO] and allocations of related assets, liabilities, and Parent investment, as applicable. The allocations have been determined on a reasonable basis; however, the amounts are not necessarily representative of the amounts that would have been reflected in the financial statements had [NEWCO] been an entity that operated independently of Fortive. Related party allocations are discussed further in Note 14.

As part of Fortive, [NEWCO] is dependent upon Fortive for all of its working capital and financing requirements as Fortive uses a centralized approach to cash management and financing of its operations. Financial transactions with Fortive relating to [NEWCO] are accounted for through the Net Parent investment account of [NEWCO]. Accordingly, none of Fortive's cash, cash equivalents or debt at the corporate level has been assigned to [NEWCO] in the accompanying combined financial statements.

Net Parent investment, which includes retained earnings, represents Fortive's interest in the recorded net assets of [NEWCO]. All significant transactions between [NEWCO] and Fortive have been included in the accompanying combined financial statements for the years ended December 31, 2023, and 2022.

Transactions with Fortive are reflected in the accompanying Combined Statements of Changes in Parent's Equity as "Net transfers to Parent" and in the accompanying Combined Balance Sheets within "Net Parent investment."

All significant intercompany accounts and transactions between the operations comprising [NEWCO] have been eliminated in the accompanying combined financial statements for the years ended December 31, 2023, and 2022.

The Combined Financial Statements may not be indicative of future performance and do not necessarily reflect what the Combined Statements of Earnings, Balance Sheets and Statements of Cash Flows would have been had the Company operated as a separate business during the periods presented.

Segment Realignment and Divestiture

In January 2024, Fortive realigned Invetech from the Advanced Healthcare Solutions ("AHS") segment to the Precision Technologies ("PT") segment (the "Segment Realignment"). In June 2024, Fortive divested and transferred ownership of Invetech, excluding the Dover Motion Business, to its management team (the "Invetech Divestiture"). In accordance with ASC 280, *Segment Reporting*, the results of the divested businesses are included in all periods presented.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Use of Estimates — The preparation of financial statements in conformity with GAAP requires management to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosure of contingent assets and liabilities. [NEWCO] bases these estimates on historical experience, the current economic environment, and on various other assumptions that are believed to be reasonable under the circumstances. However, uncertainties associated with these estimates exist and actual results may differ from these estimates.

Accounts Receivable and Allowances for Doubtful Accounts — the Company measures its allowance to reflect expected credit losses over the remaining contractual life of the asset. Expected credit losses for the pooled assets are estimated based on historical loss experience, credit quality, the durations of outstanding account receivables, and expectations of the future economic environment. Expected credit losses of the assets originating during the year and changes to expected losses in the same period are recognized in earnings.

All trade accounts and unbilled receivables are recorded within the Combined Balance Sheet, adjusted for any write-offs, and net of allowances for credit losses. The Company regularly performs detailed reviews of our portfolios to evaluate the collectability of receivables based on a combination of past, current, and future financial and qualitative factors that may affect customers' ability to pay. In circumstances where the Company is aware of a specific customer's inability to meet its financial obligations, a specific reserve is recorded against amounts due to reduce the recognized receivable to the amount reasonably expected to be collected. Amounts determined to be uncollectible are charged directly against the allowances, while amounts recovered on previously written-off accounts increase the allowances. [NEWCO] does not believe that accounts receivable represent significant concentrations of credit risk because of the diversified portfolio of individual customers and geographical areas. During the years ended December 31, 2023 and 2022, the allowance for doubtful accounts as well as the provision for credit losses, write-off activity and recoveries were immaterial.

Inventory Valuation — Inventories include the costs of material, labor, and overhead. Substantially all inventories are stated at the lower of cost or net realizable value using the first-in, first-out ("FIFO") method.

Property, Plant, and Equipment — Property, plant, and equipment are carried at cost. The provision for depreciation has been computed principally by the straight-line method based on the estimated useful lives of the depreciable assets as follows:

Category	Useful Life
Buildings	30 years
Leased assets and leasehold improvements	Amortized over the lesser of the economic life of the asset or the term of the lease
Machinery, equipment and other	3 – 10 years

Estimated useful lives are periodically reviewed and, when appropriate, changes to estimates are made prospectively.

Other Assets — Other assets principally include operating lease right-of-use assets, and deferred tax assets.

Fair Value of Financial Instruments — [NEWCO]'s financial instruments consist primarily of accounts receivable, nonqualified deferred compensation plans, and obligations under trade accounts payable. Due to their short-term nature, the carrying values for accounts receivable and trade accounts payable approximate fair value.

Goodwill and Other Intangible Assets — Goodwill and other intangible assets result from [NEWCO]'s business acquisitions. In accordance with accounting standards related to business combinations, goodwill and indefinite-lived intangible assets are not amortized; however, certain finite-lived identifiable intangible assets, primarily customer relationships and acquired technology, are amortized over their estimated useful lives. In-process research and development ("IPR&D") is initially capitalized at fair value and when the IPR&D project is complete, the asset is considered a finite-lived intangible asset and amortized over its estimated useful life. If an IPR&D project is abandoned, an impairment loss equal to the value of the intangible asset is recorded in the period of abandonment. The Company reviews identified intangible assets for impairment whenever events or changes in circumstances indicate that the related carrying amounts may not be recoverable. The Company also tests intangible assets with indefinite lives and goodwill at least annually for impairment. Refer to Note 4 for additional information about our goodwill and other intangible assets.

Revenue Recognition — [NEWCO] derives revenue primarily from the sale of products, with additional revenue from the sale of services. Revenue is recognized when control of promised products or services is transferred to customers in an amount that reflects the consideration we expect to be entitled to in exchange for those products or services.

Product sales include revenue from the sale of products and equipment. Service sales include revenues from extended warranties, maintenance contracts or services, and services related to previously sold products.

For revenue related to a product or service to qualify for recognition, [NEWCO] must have an enforceable contract with a customer that defines the goods or services to be transferred and the payment terms related to those goods or services. Further, collection of substantially all consideration for the goods or services transferred must be probable based on the customer's intent and ability to pay the promised consideration. [NEWCO] applies judgment in determining the customer's ability and intention to pay, which is based on a combination of financial and qualitative factors, including the customer's financial condition, collateral, debt-servicing ability, past payment experience, and credit bureau information.

Customer allowances and rebates, consisting primarily of volume discounts and other short-term incentive programs, are considered in determining the transaction price for the contract. These allowances and rebates are reflected as a reduction in the contract transaction price. Judgment is exercised in determining product returns, customer allowances, and rebates, and are estimated based on historical experience and known trends.

Most of [NEWCO]'s sales contracts contain standard terms and conditions. [NEWCO] evaluates contracts to identify distinct goods and services promised in the contract (performance obligations). Sometimes this evaluation involves judgment to determine whether the goods or services are highly dependent on or highly interrelated with one another, or whether such goods or services significantly modify or customize one another. Certain customer arrangements include multiple performance obligations, typically hardware, installation, training, consulting, and other services. Generally, these elements are delivered within the same reporting period, except services. [NEWCO] allocates the contract transaction price to each performance obligation on a relative standalone selling price basis. [NEWCO] estimates standalone selling price using the observable price that the good or service sells for separately in similar circumstances and to similar customers or, if observable price is not available, other methods. Allocating the transaction price to each performance obligation sometimes requires significant judgment.

Revenue from sales of hardware is recognized when control transfers to the customer, which is generally when the product is shipped. If any significant obligation to the customer with respect to a sales transaction remains to be fulfilled following shipment (typically installation, other services noted above, or acceptance by the customer), revenue recognition is deferred until such obligations have been fulfilled. Further, revenue related to separately priced extended warranty and product maintenance agreements is deferred when appropriate and recognized as revenue over the term of the agreement.

Shipping and Handling — Shipping and handling costs are included as a component of Cost of sales in the Combined Statements of Earnings. Revenue derived from shipping and handling costs billed to customers is included in Sales of products in the Combined Statements of Earnings.

Advertising — Advertising costs are expensed as incurred.

Research and Development — [NEWCO] conducts research and development activities for the purpose of developing new products, enhancing the functionality, effectiveness, ease of use, and reliability of our existing products, and expanding the applications for which uses of [NEWCO]'s products are appropriate. Research and development costs are expensed as incurred.

Restructuring — [NEWCO] periodically initiates restructuring activities to appropriately position [NEWCO]'s cost base relative to prevailing economic conditions and associated customer demand, as well as in connection with certain acquisitions. Costs associated with restructuring actions can include one-time termination benefits and related charges, in addition to facility closure, contract termination, and other related activities. [NEWCO] records the cost of the restructuring activities when the associated liability is incurred.

[NEWCO] initiated a discrete restructuring plan in the first quarter of 2023 that was completed during the fourth quarter of 2023, consisting primarily of targeted workforce reductions in response to overall macroeconomic and other external conditions. [NEWCO] incurred these costs to position itself to provide superior products and services to customers in a cost-efficient manner, while taking into consideration the impact of broad economic uncertainties. During the year ended December 31, 2023, [NEWCO] incurred charges of $20 million. These charges are recorded within Cost of sales and Selling, general, and administrative expenses in the Combined Statements of Earnings. Accrued restructuring costs were $14 million as of December 31, 2023, and are recorded within Accrued expenses and other current liabilities in the Combined Balance Sheets.

Foreign Currency Transaction and Translation — Exchange rate adjustments resulting from foreign currency transactions are recognized in Net earnings. Net foreign currency transaction losses were not material in any of the years presented. Assets and liabilities of subsidiaries operating outside the United States with a functional currency other than U.S. dollars are translated into U.S. dollars using year-end exchange rates and income statement accounts are translated at weighted average exchange rates. These foreign currency translation impacts are reflected as a component of accumulated other comprehensive income (loss) ("AOCI") within Parent' equity.

Accounting for Stock-Based Compensation — Certain employees of [NEWCO] participate in Fortive's share-based compensation plans, which include stock options, restricted stock units ("RSUs"), and performance stock units ("PSUs"). [NEWCO] accounts for stock-based compensation by measuring the cost of employee services received in exchange for all equity awards granted, including stock options, RSUs, and PSUs, based on the fair value of the award as of the grant date. Equity-based compensation expense is recognized net of an estimated forfeiture rate over the requisite service period. Generally, equity awards are subject to graded vesting and compensation expense is recognized separately over each vesting tranche of the award, resulting in an accelerated expense recognition pattern. Refer to Note 12 for additional information.

Income Taxes — [NEWCO]'s domestic and foreign operating results are included in the income tax returns of Fortive. [NEWCO] accounts for income taxes under the separate return method. Under this approach, [NEWCO] determines its deferred tax assets and liabilities and related tax expense as if it were filing a separate tax return. The accompanying Combined Balance Sheets do not contain current taxes payable or other long-term taxes payable liabilities, with the exception of certain unrecognized tax benefits which will remain with [NEWCO], as such amounts are deemed settled with Fortive when due and therefore are included in Parent's equity.

In accordance with GAAP, deferred tax assets and liabilities are determined based on the difference between the financial statement and tax basis of assets and liabilities using enacted rates expected to be in effect during the year in which the differences reverse. Deferred tax assets generally represent items that can be used as a tax deduction or credit in our tax return in future years for which the tax benefit has already been reflected on our Combined Statements of Earnings. Deferred tax liabilities generally represent items that have already been taken as a deduction on our tax return but have not yet been recognized as an expense in our Combined Statements of Earnings. The effect on deferred tax assets and liabilities due to a change in tax rates is recognized in income tax expense in the period that includes the enactment date.

[NEWCO]'s deferred tax assets are reduced by a valuation allowance if, based on the weight of available evidence, it is more likely than not (a likelihood of more than 50 percent) that some portion or all of the deferred tax assets will not be realized. [NEWCO] evaluates the realizability of deferred income tax assets for each of the jurisdictions in which we operate. If we experience cumulative pretax income in a particular jurisdiction in the three-year period including the current and prior two years, we normally conclude that the deferred income tax assets will more likely than not be realizable and no valuation allowance is recognized, unless known or planned operating developments would lead management to conclude otherwise. However, if [NEWCO] experiences cumulative pretax losses in a particular jurisdiction in the three-year period including the current and prior two years, [NEWCO] then considers a series of factors in the determination of whether the deferred income tax assets can be realized. These factors include historical operating results, known or planned operating developments, the period of time over which certain temporary differences will reverse, consideration of the utilization of certain deferred income tax liabilities, tax law carryback capability in the particular country, and prudent and feasible tax planning strategies. After evaluation of these factors, if the deferred income tax assets are expected to be realized within the tax carryforward period allowed for that specific country, [NEWCO] would conclude that no valuation allowance would be required. To the extent that the deferred income tax assets exceed the amount that is expected to be realized within the tax carryforward period for a particular jurisdiction, we establish a valuation allowance.

[NEWCO] recognizes tax benefits from uncertain tax positions only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position. The tax benefits recognized in the combined financial statements from such positions are measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. Judgment is required in evaluating tax positions and determining income tax provisions. [NEWCO] reevaluates the technical merits of our tax positions and may recognize an uncertain tax benefit in certain circumstances, including when: (1) a tax audit is completed; (2) applicable tax laws change, including a tax case ruling or legislative guidance; or (3) the applicable statute of limitations expires. [NEWCO] recognizes potential accrued interest and penalties associated with unrecognized tax positions in income tax expense. Refer to Note 10 for additional information.

Accumulated Other Comprehensive Income (Loss) — AOCI refers to certain gains and losses that under U.S. GAAP are included in comprehensive income (loss) but are excluded from net earnings as these amounts are initially recorded as an adjustment to Parent's equity. Foreign currency translation adjustments are generally not adjusted for income taxes as they relate to indefinite investments in non-U.S. subsidiaries.

The changes in AOCI by component are summarized below ($ in millions):

	Foreign currency translation adjustments	Pension & post-retirement plan benefit adjustments[b]	Total
Balance, December 31, 2021	$(284.1)	$(37.3)	$(321.4)
Other comprehensive income (loss) before reclassifications:			
Increase (decrease)	(49.1)	30.7	(18.4)
Income tax impact	—	(7.3)	(7.3)
Other comprehensive income (loss) before reclassifications, net of income taxes	(49.1)	23.4	(25.7)
Amounts reclassified from AOCI into income:			
Increase (decrease)	0.3	2.1[a]	2.4
Income tax impact	—	(0.5)	(0.5)
Amounts reclassified from AOCI into income, net of income taxes:	0.3	1.6	1.9
Net current period other comprehensive income (loss):	(48.8)	25.0	(23.8)
Balance, December 31, 2022	$(332.9)	$(12.3)	$(345.2)
Other comprehensive income (loss) before reclassifications:			
Increase (decrease)	(5.5)	(3.5)	(9.0)
Income tax impact	—	0.6	0.6
Other comprehensive income (loss) before reclassifications, net of income taxes	(5.5)	(2.9)	(8.4)
Amounts reclassified from AOCI into income:			
Increase (decrease)	—	0.5[a]	0.5
Income tax impact	—	(0.1)	(0.1)
Amounts reclassified from AOCI into income, net of income taxes	—	0.4	0.4
Net current period other comprehensive income (loss)	(5.5)	(2.5)	(8.0)
Balance, December 31, 2023	$(338.4)	$(14.8)	$(353.2)

(a) This component of AOCI is included in the computation of net periodic pension cost (refer to Note 8).

(b) Includes balances relating to defined benefit plans, supplemental executive retirement plans, and other postretirement employee benefit plans.

Pension — [NEWCO] measures its pension assets and obligations to determine the funded status as of December 31st each year, and recognize an asset for an overfunded status or a liability for an underfunded status in its Combined Balance Sheets. Changes in the funded status of the pension plans are recognized in the year in which the changes occur and are recorded within Other comprehensive income (loss). [NEWCO] records all components of net periodic pension costs, with the exception of service costs, in Other non-operating expenses, net in the accompanying Combined Statements of Earnings. Service costs are recorded within Cost of sales and Selling, general and administrative expenses in the Combined Statements of Earnings according to the classification of the participant's compensation. Refer to Note 8 for additional information on our pension plans including a discussion of actuarial assumptions.

Recently Issued Accounting Standard

In November 2023, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2023-07, *Segment Reporting (Topic 280) — Improvements to Reportable Segment Disclosures*, which amends the disclosure requirements for reportable segments on the interim and annual basis. On January 1, 2024, we adopted ASU 2023-07 using a retrospective approach and updated the applicable annual disclosure to align with the new standard. The adoption of the standard did not impact our combined financial statements.

In December 2023, the FASB issued ASU 2023-09, *Income Taxes (Topic 740) — Improvements to Income Tax Disclosures*, which amends certain disclosure requirements related to income taxes on an annual basis. This standard is effective for fiscal year ending December 31, 2025. This standard should be applied on a prospective basis, with retrospective application permitted. The adoption of the standard will not impact our combined financial statements; however, we are currently evaluating the impact of the new disclosure requirements on the notes to the financial statements. We will update the applicable annual disclosures to align with the new standard.

In November 2024, the FASB issued ASU 2024-03, *Income Statement — Reporting Comprehensive Income — Expense Disaggregation Disclosures (Subtopic 220-40) — Disaggregation of Income Statement Expenses*, which amends the disclosure requirements related to certain costs and expenses on an interim and annual basis. This standard is effective for fiscal year ending December 31, 2027, and interim periods within fiscal year ending December 31, 2028. This standard should be applied either on a prospective basis or retrospective basis. The adoption of the standard will not impact our combined financial statements; however, we are currently evaluating the impact of the new disclosure requirements on the notes to the financial statements. Upon adoption, we will update the applicable interim and annual disclosures to align with the new standard.

NOTE 3. PROPERTY, PLANT AND EQUIPMENT

The classes of property, plant and equipment as of December 31 are summarized as follows ($ in millions):

	2023
Land and improvements	$ 45.2
Buildings and leasehold improvements	178.1
Machinery, equipment and other	443.2
Gross property, plant and equipment	666.5
Less: accumulated depreciation	(459.3)
Property, plant and equipment, net	$ 207.2

NOTE 4. GOODWILL AND OTHER INTANGIBLE ASSETS

Goodwill arises from the purchase price for acquired businesses exceeding the fair value of tangible and intangible assets acquired, less assumed liabilities. [NEWCO] assesses the goodwill of each of our reporting units for impairment at least annually as of the first day of the fourth quarter and as “triggering” events occur that indicate that it is more likely than not that an impairment exists. [NEWCO] performed both qualitative and quantitative impairment tests for reporting units, as determined to be appropriate.

The Company estimates the fair value of our reporting units primarily using a market approach, based on multiples of earnings before interest, taxes, depreciation, and amortization (“EBITDA”) determined by current trading market multiples of earnings for companies operating in businesses similar to each of our reporting units, in addition to recent market available sale transactions of comparable businesses. In certain circumstances we also evaluate other factors including results of the estimated fair value utilizing a discounted cash flow analysis (i.e., an income approach), market positions of the businesses, comparability of market sales transactions, and financial and operating performance in order to validate the results of the market approach. If the estimated fair value of the reporting unit is less than its carrying value, [NEWCO] will impair the goodwill for the amount of the carrying value in excess of the fair value.

[NEWCO] performed goodwill impairment testing for its reporting units, and no goodwill impairment charges were recorded for the years ended December 31, 2023 and 2022. [NEWCO] assessed all “triggering” events subsequent to the performance of the 2023 annual impairment test and, as a result, have not identified any impacts to goodwill. The factors used by management in its impairment analysis are inherently subject to uncertainty. If actual results are not consistent with management's estimates and assumptions, goodwill and other intangible assets may be overstated and a charge would need to be taken against net earnings.

The following is a rollforward of our goodwill by segment ($ in millions):

	[Test and Measurement]	[Sensors and Safety Systems]	Total
Balance, December 31, 2022	$1,088.9	$768.2	$1,857.1
Foreign currency translation and other	(2.2)	1.6	(0.6)
Balance, December 31, 2023	$1,086.7	$769.8	$1,856.5

Finite-lived intangible assets are amortized over the shorter of their legal or estimated useful lives. The following summarizes the gross carrying value and accumulated amortization for each major category of intangible asset as of December 31 ($ in millions):

	2023	
	Gross Carrying Amount	Accumulated Amortization
Finite-lived intangibles:		
Patents and technology	$219.3	$(216.1)
Customer relationships and other intangibles	370.3	(363.4)
Trademarks and trade names	3.6	(0.1)
Total finite-lived intangibles	593.2	(579.6)
Indefinite-lived intangibles:		
Trademarks and trade names	238.2	—
Total intangibles	$831.4	$(579.6)

Total intangible amortization expense in 2023, and 2022 was $3.6 million and $13.5 million, respectively.

NEWCO evaluated events or circumstances that may indicate the carrying value of our intangible assets may not be fully recoverable during the years ended December 31, 2023 and 2022, and recorded no impairments.

NOTE 5. FAIR VALUE MEASUREMENTS

Accounting standards define fair value based on an exit price model, establish a framework for measuring fair value for assets and liabilities required to be carried at fair value, and provide for certain disclosures related to the valuation methods used within the valuation hierarchy as established within the accounting standards. This hierarchy prioritizes the inputs into three broad levels as follows:

- Level 1 inputs are quoted prices (unadjusted) for identical assets or liabilities in active markets.
- Level 2 inputs are quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets in markets that are not active, or other observable characteristics for the asset or liability, including interest rates, yield curves and credit risks, or inputs that are derived principally from, or corroborated by, observable market data through correlation.
- Level 3 inputs are unobservable inputs based on our assumptions. A financial asset or liability's classification within the hierarchy is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

Financial assets and liabilities that are measured at fair value on a recurring basis were as follows ($ in millions):

	Quoted Prices in Active Market (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
December 31, 2023				
Deferred compensation liabilities	$—	$12.8	$—	$12.8

Certain management employees participate in our nonqualified deferred compensation programs that permit such employees to defer a portion of their compensation, on a pretax basis, until after their termination of employment. All amounts deferred under such plans are unfunded, unsecured obligations and are allocated to [NEWCO]. These amounts are recorded as a component of our compensation and other post-retirement benefits accruals within Other long-term liabilities in the accompanying Combined Balance Sheets. Participants may choose among alternative earning rates for the amounts they defer, which are primarily based on investment options within Fortive's defined contribution plans for the benefit of U.S. employees ("401(k) Programs") (except that the earnings rates for amounts contributed unilaterally by the Company are entirely based on changes in the value of Fortive common stock). Changes in the deferred compensation liability under these programs are recognized based on changes in the fair value of the participants' accounts and are recorded within Selling, general and administrative expenses in the Combined Statements of Earnings.

Non-recurring Fair Value Measurements

Certain non-financial assets that are not required to be measured at fair value on a recurring basis and are reported at carrying value. However, these assets are required to be assessed for impairment whenever events or circumstances indicate that their carrying value may not be fully recoverable. Refer to Note 2 for additional information about these assets.

Fair Value of Other Financial Instruments

Refer to Note 8 for information related to the fair value of the Company's defined benefit pension plan assets.

NOTE 6. ACCRUED EXPENSES AND OTHER LIABILITIES

Accrued expenses and other liabilities as of December 31 were as follows ($ in millions):

	2023	
	Current	Long-term
Deferred revenue	$161.1	$ 24.6
Compensation and other post-retirement benefits	83.9	23.6
Taxes, income and other	4.3	93.1
Operating lease liabilities	10.8	36.3
Pension obligations	3.5	56.3
Other	58.0	11.6
Total	$321.6	$245.5

Warranty

[NEWCO] generally accrues estimated warranty costs at the time of sale. In general, manufactured products are warranted against defects in material and workmanship when properly used for their intended purpose, installed correctly, and appropriately maintained. Warranty period terms depend on the nature of the product and range from 90 days up to the life of the product. The amount of the accrued warranty liability is determined based on historical information such as past experience, product failure rates or number of units repaired, estimated cost of material and labor, and, in certain instances, estimated property damage. The accrued warranty liability is reviewed on a quarterly basis and may be adjusted as additional information regarding expected warranty costs becomes known. Warranty related activity for the periods presented were immaterial.

NOTE 7. LEASES

[NEWCO] determines if an arrangement is or contains a lease at inception and recognizes a right-of-use ("ROU") asset and a lease liability for all leases with terms greater than 12 months. [NEWCO] has operating leases for office space, warehouses, distribution centers, research and development facilities, manufacturing locations, and certain equipment, primarily automobiles. Many leases include optional terms, ranging from options to terminate the lease in less than one year to options to extend the lease for up to 10 years. [NEWCO] includes optional periods as part of the lease term when [NEWCO] determines that it is reasonably certain to exercise the renewal option or it will not early terminate the lease. Reasonably certain is based on economic incentives and represents a high threshold. [NEWCO] has lease agreements with lease and non-lease components, and [NEWCO] has elected the practical expedient for all underlying asset classes to account for the lease and related non-lease component(s) as a single lease component.

Lease-related balances are recorded within the following three line items on the Combined Balance Sheet: (i) Other assets; (ii) Accrued expenses and Other current liabilities; and (iii) Other long-term liabilities.

Operating lease cost was $14 million and $17 million for the years ended December 31, 2023, and 2022, respectively, and are recorded within selling, generative, and administrative expenses in the Company's Combined Statement of Earnings.

During the year ended December 31, 2023 and 2022, cash paid for operating leases included in operating cash flows was $14 million and $15 million, respectively. Operating lease ROU assets obtained in exchange for operating lease liabilities were $18 million for the year ended December 31, 2023. Operating lease ROU assets were $46 million as of December 31, 2023. Operating lease liabilities were $47 million as of December 31, 2023.

The following table presents the maturities of our operating lease liabilities as of December 31, 2023 ($ in millions):

2024	$12.6
2025	10.0
2026	7.9
2027	5.3
2028	4.1
Thereafter	16.2
Total lease payments	56.1
Less: imputed interest	(9.0)
Total operating lease liabilities	$47.1

As of December 31, 2023, the weighted average lease term of [NEWCO]'s operating leases was 7 years, and the weighted average discount rate of [NEWCO]'s operating leases was 3.6%. [NEWCO] primarily uses its incremental borrowing rate as the discount rate for our operating leases, as we are generally unable to determine the interest rate implicit in the lease.

As of December 31, 2023, [NEWCO] did not enter into operating leases for which the lease term had not yet commenced.

NOTE 8. RETIREMENT BENEFIT PLANS

Certain of [NEWCO]'s employees participate in noncontributory defined benefit pension plans. In general, the Company's policy is to fund these plans based on considerations relating to legal requirements, underlying asset returns, the plan's funded status, the anticipated deductibility of the contribution, local practices, market conditions, interest rates, and other factors. [NEWCO]'s U.S. pension plans are frozen and there are no associated ongoing benefit accruals. As such, the U.S. pension plans are immaterial as of each period presented. The following describes our significant non-U.S. pension plans as of December 31, 2023.

The following sets forth the funded status of [NEWCO]'s non-U.S. plans and amounts recorded in Accumulated other comprehensive income (loss) as of the most recent actuarial valuations using measurement dates of December 31, 2023 ($ in millions):

Change in pension benefit obligation:	
Benefit obligation at beginning of year	$125.4
Service cost	0.3
Interest cost	5.2
Employee contributions	0.2
Benefits paid and other plan costs	(6.8)
Actuarial loss (gain)	3.1
Amendments, settlements and curtailments	(0.1)
Foreign exchange rate impact	5.5
Benefit obligation at end of year	132.8
Change in plan assets:	
Fair value of plan assets at beginning of year	75.2
Actual return on plan assets	4.3
Employer contributions	6.9
Employee contributions	0.2
Amendments and settlements	(0.1)
Benefits paid and other plan costs	(6.8)
Foreign exchange rate impact	4.2
Fair value of plan assets at end of year	83.9
Funded status	$ (48.9)

The difference between the accumulated benefit obligation and the projected benefit obligation as of December 31, 2023 is immaterial.

Amounts recorded in the Combined Balance Sheets as of December 31, 2023	
Other assets	$ 10.9
Accrued expenses and other current liabilities	(3.5)
Other long-term liabilities	(56.3)
Net amount	$(48.9)

Amounts recorded in AOCI as of December 31, 2023	
Prior service cost	$ (1.4)
Net gain (loss)	(17.2)
Total pre-tax amount	$(18.6)

Weighted average assumptions used to determine benefit obligations at date of measurement

	As of December 31, 2023
Discount rate	3.88%
Rate of compensation increase	2.95%

Components of net periodic pension cost

The following sets forth the components of net periodic pension cost for [NEWCO]'s non-U.S. plans for the years ended December 31 ($ in millions):

	2023	2022
Service cost	$ 0.3	$ 0.6
Interest cost	5.2	2.4
Expected return on plan assets	(3.9)	(2.7)
Amortization of net loss	0.3	2.0
Amortization of prior service cost	0.2	0.1
Net periodic pension cost	$ 2.1	$ 2.4

Weighted average assumptions used to determine net periodic pension cost at date of measurement

	2023	2022
Discount rate	4.33%	1.51%
Expected return on plan assets	5.07%	2.78%
Rate of compensation increase	3.10%	2.60%

The discount rates reflect the market rate on December 31 for high-quality fixed-income investments with maturities corresponding to our benefit obligations and are subject to change each year. Rates appropriate for each plan are determined based on investment grade instruments with maturities approximately equal to the average expected benefit payout under the plan.

The expected rates of return reflect the asset allocation of the plans and ranged from 1.5% to 5.5% in 2023, and 1.3% to 3.5% in 2022. The expected rates of return on asset assumptions for the non-U.S. plans were determined on a plan-by-plan basis based on the composition of assets.

Plan Assets

Plan assets are invested in various mutual funds, insurance contracts, and other private investments as determined by the administrator of each plan. Certain mutual funds and other private investments, are valued using the net asset value ("NAV") method as a practical expedient. The investments valued using the NAV method are allocated across a broad array of funds and diversify the portfolio. The value of the plan assets directly affects the funded status of our pension plans recorded in the financial statements.

The fair values of [NEWCO]'s pension plan assets as of December 31, 2023, by asset category were as follows ($ in millions):

	Quoted Prices in Active Market (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Cash and equivalents	$9.7	$ —	$ —	$ 9.7
Mutual funds	—	19.4	—	19.4
Insurance contracts	—	5.3	—	5.3
Total	$9.7	$24.7	$ —	$34.4

	Quoted Prices in Active Market (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Investments measured at NAV[a]:				
Mutual funds				22.6
Other private investments				26.9
Total assets at fair value				$83.9

(a) The fair value amounts presented in the table above are intended to permit reconciliation of the fair value hierarchy to the total fair value of plan assets.

Certain mutual funds are valued at the quoted closing price reported on the active market on which the individual securities are traded. Common stock, corporate bonds, and mutual funds that are not traded on an active market are valued at quoted prices reported by investment brokers and dealers based on the underlying terms of the security and comparison to similar securities traded on an active market.

Certain mutual funds and other private investments are valued using NAV based on the information provided by the asset fund managers, which reflects the plan's share of the fair value of the net assets of the investment.

Expected Contributions

During 2023, we contributed $6.9 million to our non-U.S. defined benefit pension plans. During 2024, our cash contribution requirements for our non-U.S. defined benefit pension plans are expected to be approximately $4.5 million.

The following sets forth benefit payments to participants, which reflect expected future service, as appropriate, expected to be paid by the plans in the periods indicated ($ in millions):

2024	$ 5.8
2025	5.2
2026	5.2
2027	5.1
2028	5.2
2029 – 2033	24.7

Defined Contribution Plans

Fortive administers and maintains 401(k) programs for the benefits of U.S. employees on behalf of [NEWCO]. Contributions are determined to the 401(k) programs are determined based on a percentage of compensation. The Company recognized compensation expense for our participating U.S. employees in the 401(k) programs totaling $22 million in 2023, and $21 million in 2022.

NOTE 9. SALES

[NEWCO] derives revenue primarily from the sale of products, with additional revenue from the sale of services. Revenue is recognized when control of promised products or services is transferred to customers in an amount that reflects the consideration we expect to be entitled to in exchange for those products or services.

Contract Liabilities — The Company's contract liabilities consist of deferred revenue generally related to customer deposits received in advance of performance under the contract, extended warranty sales and product maintenance agreements, where we generally receive up-front payment and recognize revenue over the service or support term. The Company classifies deferred revenue as current or noncurrent based on the timing of when it expects to recognize revenue. The current portion of the deferred revenue is recorded within Accrued expenses and other current liabilities and the non-current portion of deferred revenue is recorded within Other long-term liabilities in the accompanying Combined Balance Sheets.

Our contract liabilities as of December 31, 2023 consisted of the following ($ in millions):

Deferred revenue – current	$161.1
Deferred revenue – noncurrent	24.6
Total contract liabilities	$185.7

In the year ended December 31, 2023, we recognized $107 million of revenue related to our contract liabilities at January 1, 2023. The change in our contract liabilities from December 31, 2022 to December 31, 2023 was primarily due to revenue recognized as products were delivered to customers.

Remaining Performance Obligations — [NEWCO]'s remaining performance obligations represent the transaction price of firm, non-cancelable orders, for which work has not been performed. The Company has excluded performance obligations with an original expected duration of one year or less from the amounts below.

The aggregate remaining performance obligations attributable to each of the Company's segments as of December 31, 2023 is as follows ($ in millions):

[Test and measurement]	$57.2
[Sensors and safety systems]	22.9
Total remaining performance obligations	$80.1

The majority of remaining performance obligations are related to service and support contracts, which we expect to fulfill approximately 85 percent within the next two years, approximately 90 percent within the next three years, and substantially all within four years.

Disaggregation of Revenue

We disaggregate revenue from contracts with customers by geographic location, end market, and business cycle for each of our segments, as we believe it best depicts how the nature, amount, timing, and uncertainty of our revenue and cash flows are affected by economic factors. Our long cycle businesses include multi-year contracts, long term programs, and order or demand visibility usually extending beyond six months due to long lead times. Our short cycle businesses include our book and turn products and solutions with lead times typically less than six months, and are sold through channel as well as direct to global technology companies.

Disaggregation of revenue for the year ended December 31, 2023 is presented as follows ($ in millions):

	Total	[Test and Measurement]	[Sensors and Safety Systems]
Geographic:			
United States	$1,132.9	$357.8	$ 775.1
China	359.2	247.3	111.9
All other	663.6	336.2	327.4
Total	$2,155.7	$941.3	$1,214.4
End markets:			
Semiconductors	$ 184.3	$184.3	$ —
Diversified electronics	456.4	456.4	—
Communications	300.6	300.6	—
Utilities	233.1	—	233.1
Aero, defense and space	285.3	—	285.3

	Total	[Test and Measurement]	[Sensors and Safety Systems]
Industrial manufacturing	480.5	—	480.5
Other	215.5	—	215.5
Total	$2,155.7	$941.3	$1,214.4
Business Cycles:			
Long cycle	$ 673.5	$197.1	$ 476.4
Short cycle	1,482.2	744.2	738.0
Total	$2,155.7	$941.3	$1,214.4

Disaggregation of revenue for the year ended December 31, 2022 is presented as follows ($ in millions):

	Total	[Test and Measurement]	[Sensors and Safety Systems]
Geographic:			
United States	$1,076.4	$302.9	$ 773.5
China	376.6	266.8	109.8
All other	636.7	299.2	337.5
Total	$2,089.7	$868.9	$1,220.8
End markets:			
Semiconductors	$ 181.3	$181.3	$ —
Diversified electronics	436.0	436.0	—
Communications	251.6	251.6	—
Utilities	204.1	—	204.1
Aero, defense, and space	252.6	—	252.6
Industrial manufacturing	518.2	—	518.2
Other	245.9	—	245.9
Total	$2,089.7	$868.9	$1,220.8
Business cycles:			
Long cycle	$ 650.3	$186.3	$ 464.0
Short cycle	1,439.4	682.6	756.8
Total	$2,089.7	$868.9	$1,220.8

NOTE 10. INCOME TAXES

NEWCO's operating results were included in Fortive's various consolidated U.S. federal and certain state income tax returns, as well as certain non-U.S. returns. NEWCO's combined financial statements reflect income tax expense and deferred tax balances as if it had filed tax returns on a standalone basis separate from Fortive. The separate return method applies the accounting guidance for income taxes to the standalone financial statements as if NEWCO was a separate taxpayer and a standalone enterprise for all periods presented. The Parent's global tax model has been developed based on its entire portfolio of businesses. In addition, no third-party interest expense has been attributed to NEWCO in book income, which has a material impact on a number of components of the effective tax rate for the year ended December 31, 2022 and 2023. Accordingly, NEWCO's results as presented are not necessarily indicative of future performance and do not necessarily reflect the results had NEWCO been an independent, publicly traded company for the periods presented.

Earnings and Income Taxes

Earnings before income taxes for the years ended December 31 were as follows ($ in millions):

	2023	2022
United States	$407.6	$363.7
International	102.2	108.2
Total	$509.8	$471.9

The provision for income taxes for the years ended December 31 were as follows ($ in millions):

	2023	2022
Current:		
Federal U.S.	$ 67.4	$ 68.1
Non-U.S.	28.9	40.3
State and local	11.8	11.9
Deferred:		
Federal U.S.	(10.7)	(16.0)
Non-U.S.	(3.0)	(0.9)
State and local	(1.4)	(2.2)
Income tax provision	$ 93.0	$101.2

Effective Income Tax Rate

The effective income tax rate for the years ended December 31 varies from the U.S. statutory federal income tax rate as follows:

	Percentage of Pretax Earnings	
	2023	2022
Statutory federal income tax rate	21.0%	21.0%
Increase (decrease) in tax rate resulting from:		
State income taxes (net of federal income tax benefit)	1.6%	1.6%
Foreign income taxed at different rates than U.S. statutory rate	0.2%	3.0%
U.S. federal permanent differences related to the TCJA	(6.0)%	(5.6)%
Effect of change in tax rates enacted in the current period	(1.7)%	(0.1)%
Changes in valuation allowances	2.7%	0.4%
Other	0.4%	1.1%
Effective income tax rate	**18.2%**	**21.4%**

NEWCO’s estimated effective tax rate for 2023 and 2022 differs from the U.S. federal statutory rate of 21% due primarily to the positive and negative effects of the Tax Cuts and Jobs Act (“TCJA”), U.S. federal permanent differences, the impacts of credits and deductions provided by law, including those associated with state income taxes.

NEWCO conducts business globally, and, as part of their global business, NEWCO files numerous income tax returns in the U.S. federal, state and foreign jurisdictions both with Fortive and separately. NEWCO together and separately with Fortive are routinely examined by various domestic and international taxing authorities. The amount of income taxes NEWCO pays is subject to audit by federal, state, and foreign tax authorities, which may result in proposed assessments. Fortive is subject to examination in the United States, various states, and foreign jurisdictions for the tax years 2015 to 2023. NEWCO’s global tax positions are reviewed on a quarterly basis. Based on these reviews, the results of discussions and resolutions of matters with certain tax authorities, tax rulings and court decisions, and the expiration of statutes of limitations reserves for contingent tax liabilities are accrued or adjusted as necessary. Certain tax liabilities associated with NEWCO-only tax return filings will be retained by NEWCO. Tax liabilities arising from joint returns with both NEWCO and Fortive businesses will remain with Fortive after the distribution.

Deferred Tax Assets and Liabilities

All deferred tax assets and liabilities have been classified as noncurrent and are included in Other assets and Other long-term liabilities in the Combined Balance Sheets. Deferred income tax assets and liabilities as of December 31 were as follows ($ in millions):

	2023
Deferred Tax Assets:	
Operating lease liabilities	$ 11.7
Inventories	7.4
Pension benefits	7.7
Stock-based compensation expense	9.3
Capitalized expenses	88.4
Tax credit and loss carryforwards	24.0
Accruals, prepayments, and other	31.3
Valuation allowances	(27.3)
Total deferred tax assets	$ 152.5
Deferred Tax Liabilities:	
Property, plant and equipment	$ (20.8)
Operating lease right-of-use assets	(11.5)
Insurance, including self-insurance	(78.0)
Goodwill, other intangibles, and other	(102.9)
Total deferred tax liabilities	(213.2)
Net deferred tax liability	$ (60.7)

In accordance with GAAP, deferred tax assets and liabilities are determined based on the difference between the financial statement and tax basis of assets and liabilities using enacted rates expected to be in effect during the year in which the differences reverse. Deferred tax assets generally represent items that can be used as a tax deduction or credit in our tax return in future years for which the tax benefit has already been reflected in the accompanying Combined Statements of Earnings. Deferred tax liabilities generally represent items that have already been taken as a deduction on our tax return but have not yet been recognized as an expense in the accompanying Combined Statements of Earnings. The effect on deferred tax assets and liabilities due to a change in tax rates is recognized in income tax expense in the period that includes the enactment date.

NEWCO's deferred tax assets are reduced by a valuation allowance if, based on the weight of available evidence, it is more likely than not (a likelihood of more than 50 percent) that some portion or all of the deferred tax assets will not be realized. NEWCO evaluates the realizability of deferred income tax assets for each of the jurisdictions in which NEWCO operates. If NEWCO experiences cumulative pretax income in a particular jurisdiction in the three-year period including the current and prior two years, NEWCO normally concludes that the deferred income tax assets will more likely than not be realizable and no valuation allowance is recognized, unless known or planned operating developments would lead management to conclude otherwise. However, if NEWCO experiences cumulative pretax losses in a particular jurisdiction in the three-year period including the current and prior two years, NEWCO then considers a series of factors in the determination of whether the deferred income tax assets can be realized. These factors include historical operating results, known or planned operating developments, the period of time over which certain temporary differences will reverse, consideration of the utilization of certain deferred income tax liabilities, tax law carryback capability in the particular country, and prudent and feasible tax planning strategies. After evaluation of these factors, if the deferred income tax assets are expected to be realized within the tax carryforward period allowed for that specific country, NEWCO would conclude that no valuation allowance would be required. To the extent that the deferred income tax assets exceed the amount that is expected to be realized within the tax carryforward period for a particular jurisdiction, we establish a valuation allowance.

Applying the above methodology, valuation allowances have been established for certain deferred income tax assets to the extent they are not expected to be realized within the particular tax carryforward period.

NEWCO's separate return basis tax loss and tax credit carry backs may not reflect the tax positions taken or to be taken by Fortive. In many cases the tax losses and tax credits generated by NEWCO have been available for use by Fortive and may remain with Fortive after the distribution.

Deferred taxes associated with U.S. entities consist of net deferred tax liabilities of approximately $79.4 million inclusive of valuation allowances of $7.8 million as of December 31, 2023. Deferred taxes associated with non-U.S. entities consist of net deferred tax assets of $18.7 million, inclusive of valuation allowances of $19.5 million, as of December 31, 2023. NEWCO's valuation allowance increased by $15.1 million during the years ended December 31, 2023, due primarily to foreign and state attributes.

As of December 31, 2023, NEWCO's U.S. and non-U.S. net operating loss carryforwards totaled $103.9 million, of which $10.1 million is related to federal net operating loss carryforwards, $31.1 million is related to state net operating loss carryforwards, and $62.7 million is related to non-U.S. net operating loss carryforwards. Certain of these losses can be carried forward indefinitely and others can be carried forward to various dates from 2024 through 2042. Recognition of some of these loss carryforwards is subject to an annual limit, which may cause them to expire before they are used.

As of December 31, 2023, NEWCO's U.S. and non-U.S. tax credit carryforwards totaled $6.5 million, which is primarily related to non-U.S. tax credit carryforwards. Certain of these credits can be carried forward indefinitely and other can be carried forward to various dates from 2024 through 2042.

Unrecognized Tax Benefits

NEWCO recognizes tax benefits from uncertain tax positions only if, in its assessment, it is more likely than not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position. The tax benefits recognized in the financial statements from such positions are measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. Judgment is required in evaluating tax positions and determining income tax provisions. NEWCO re-evaluates the technical merits of our tax positions and may recognize an uncertain tax benefit in certain circumstances, including when: (i) a tax audit is completed; (ii) applicable tax laws change, including a tax case ruling or legislative guidance; or (iii) the applicable statute of limitations expires. NEWCO recognizes potential accrued interest and penalties associated with unrecognized tax positions in income tax expense.

As of December 31, 2023, gross unrecognized tax benefits were $16.4 million ($13.3 million total, including $0.5 million associated with interest, and net of the impact of $3.6 million of indirect tax benefits). We recognized approximately $0.5 million in potential interest associated with uncertain tax positions during both 2023 and 2022. To the extent taxes are not assessed with respect to uncertain tax positions, substantially all amounts accrued (including interest and net of indirect offsets) will be reduced and reflected as a reduction of the overall income tax provision. Unrecognized tax benefits and associated accrued interest and penalties are included in our income tax provision.

The Company is subject to examination in the United States, various states, and foreign jurisdictions for the tax years 2015 to 2023. These examinations include filings of tax returns of enterprises no longer in our portfolio, and tax returns for pre-acquisition periods of enterprises added to our portfolio. Some examinations may conclude in the next twelve months and the unrecognized tax benefits recorded in relation to the audits may differ from actual settlement amounts. It is not practical to estimate the effect, if any, of any amount of such change during the next twelve months to previously recorded uncertain tax positions in connection with the audits. The Company does not anticipate that there will be a material increase or decrease in the total amount of unrecognized tax benefits in the next twelve months.

A reconciliation of the beginning and ending amount of unrecognized tax benefits, excluding amounts accrued for potential interest and penalties, is as follows ($ in millions):

	2023	2022
Unrecognized tax benefits, beginning of year	$16.3	$12.4
Additions based on tax positions related to the current year	0.9	3.9
Reductions for tax positions of prior years	(0.8)	—
Unrecognized tax benefits, end of year	$16.4	$16.3

Repatriation and Unremitted Earnings

As part of Fortive, NEWCO is dependent upon Fortive for all of its working capital and financing requirements as Fortive uses a centralized approach to cash management and financing of its operations. Financial transactions relating to NEWCO are accounted for through the Net Parent investment account of the Company. Accordingly, none of Fortive's cash, cash equivalents or debt at the corporate level has been assigned to NEWCO in the accompanying combined financial statements.

For most of Fortive's foreign operations, including operations of NEWCO, Fortive makes an assertion regarding the amount of earnings in excess of intended repatriation that are expected to be held for indefinite reinvestment. No provisions for foreign remittance taxes have been made with respect to earnings of NEWCO that are planned to be reinvested indefinitely. The amount of foreign remittance taxes that may be applicable to such earnings is not readily determinable given local law restrictions that may apply to a portion of such earnings, unknown changes in foreign tax law that may occur during the restriction period, and the various tax planning alternatives Fortive could employ on behalf of NEWCO if it repatriated these earnings.

NOTE 11. LITIGATION AND CONTINGENCIES

[NEWCO] is, from time to time, subject to a variety of litigation and other proceedings incidental to [NEWCO]'s business, including lawsuits involving claims for damages arising out of the use of our products and services, claims relating to intellectual property matters, employment matters, commercial disputes, and personal injury as well as regulatory investigations or enforcement. [NEWCO] may also become subject to lawsuits as a result of past or future acquisitions or as a result of liabilities retained from, or representations, warranties, or indemnities provided in connection with divested businesses. Some of these lawsuits may include claims for punitive and consequential as well as compensatory damages. Based upon [NEWCO]'s experience, current information and applicable law, [NEWCO] does not believe that these proceedings and claims will have a material adverse effect on [NEWCO]'s financial position, results of operations, or cash flows.

While Fortive maintains workers' compensation, property, cargo, automobile, crime, fiduciary, product, general, and directors' and officers' liability insurance (and have acquired rights under similar policies in connection with certain acquisitions) that cover a portion of these claims, this insurance may be insufficient or unavailable to cover such losses. In addition, while [NEWCO] believes it is entitled to indemnification from third parties for some of these claims, these rights may also be insufficient or unavailable to cover such losses. On behalf of [NEWCO], Fortive maintains third party insurance policies up to certain limits to cover certain liability costs in excess of predetermined retained amounts. For most insured risks, Fortive purchases outside insurance coverage on behalf of [NEWCO] only for severe losses (stop loss insurance) and reserves must be established and maintained with respect to amounts within the self-insured retention.

In accordance with accounting guidance, [NEWCO] records a liability in the combined financial statements for loss contingencies when a loss is known or considered probable and the amount can be reasonably estimated. If the reasonable estimate of a known or probable loss is a range, and no amount within the range is a better estimate than any other, the minimum amount of the range is accrued. If a loss does not meet the known or probable level but is reasonably possible and a loss or range of loss can be reasonably estimated, the estimated loss or range of loss is disclosed. These reserves consist of specific reserves for individual claims and additional amounts for anticipated developments of these claims as well as for incurred but not yet reported claims. The specific reserves for individual known claims are quantified with the assistance of legal counsel and outside risk insurance professionals where appropriate. In addition, outside risk insurance professionals may assist in the determination of reserves for incurred but not yet reported claims through evaluation of [NEWCO]'s specific loss history, actual claims reported, and industry trends among statistical and other factors. Reserve estimates are adjusted as additional information regarding a claim becomes known. While [NEWCO] actively pursue financial recoveries from insurance providers, [NEWCO] does not recognize any recoveries until realized or until such time as a sustained pattern of collections is established related to historical matters of a similar nature and magnitude. If risk insurance reserves [NEWCO] has established are inadequate, [NEWCO] would be required to incur an expense equal to the amount of the loss incurred in excess of the reserves, which would adversely affect our net earnings.

In addition, [NEWCO]'s operations, products, and services are subject to environmental laws and regulations in various jurisdictions, which impose limitations on the discharge of pollutants into the environment and establish standards for the generation, use, treatment, storage, and disposal of hazardous and non-hazardous wastes. A number of [NEWCO]'s operations involve the handling, manufacturing, use, or sale of substances that are or could be classified as hazardous materials within the meaning of applicable laws. [NEWCO] must also comply with various health and safety regulations in both the United States and abroad in connection with our operations. Compliance with these laws and regulations has not had and, based on current information and the applicable laws and regulations currently in effect, is not expected to have a material effect on our capital expenditures, earnings, or competitive position, and we do not anticipate material capital expenditures for environmental control facilities.

In addition to environmental compliance costs, from time to time, we incur costs related to alleged damages associated with past or current waste disposal practices or other hazardous materials handling practices. For example, generators of hazardous substances found in disposal sites at which environmental problems are alleged to exist, as well as the current and former owners of those sites and certain other classes of persons, are subject to claims brought by state and federal regulatory agencies pursuant to statutory authority. We have received notification from the United States Environmental Protection Agency, and from state and non-U.S. environmental agencies, that conditions at certain sites where we and others previously disposed of hazardous wastes and/or are or were property owners require clean-up and other possible remedial action, including sites where we have been identified as a potentially responsible party under United States federal and state environmental laws. We have projects underway at a number of current and former facilities, in both the United States and abroad, to investigate and remediate environmental contamination resulting from past operations. Remediation activities generally relate to soil and/or groundwater contamination and may include pre-remedial activities such as fact-finding and investigation, risk assessment, feasibility study and/or design, as well as remediation actions such as contaminant removal, monitoring and/or installation, operation and maintenance of longer-term remediation systems. From time to time we are also party to personal injury or other claims brought by private parties alleging injury due to the presence of, or exposure to, hazardous substances.

[NEWCO] has recorded a provision for environmental investigation and remediation and environmental-related claims with respect to sites [NEWCO] and its subsidiaries owned or formerly owned and third party sites where [NEWCO] has been determined to be a potentially responsible party. [NEWCO] generally makes an assessment of the costs involved for its remediation efforts based on environmental studies, as well as its prior experience with similar sites. The ultimate cost of site cleanup is difficult to predict given the uncertainties of [NEWCO]'s involvement in certain sites, uncertainties regarding the extent of the required cleanup, the availability of alternative cleanup methods, variations in the interpretation of applicable laws and regulations, the possibility of insurance recoveries with respect to certain sites and the fact that imposition of joint and several liability with right of contribution is possible under the Comprehensive Environmental Response, Compensation and Liability Act of 1980 and other environmental laws and regulations. If [NEWCO] determines that potential liability for a particular site or with respect to a personal injury claim is known or considered probable and reasonably estimable, [NEWCO] accrues the total estimated loss, including investigation and remediation costs, associated with the site or claim. As of December 31, 2023, we had reserves of $5.4 million, recorded within Accrued expenses and Other liabilities in the Combined Balance Sheets for environmental matters that are known or considered probable and reasonably estimable, which reflects our best estimate of the costs to be incurred with respect to such matters on an undiscounted basis.

All reserves for environmental liabilities have been recorded without giving effect to any possible future third party recoveries. While [NEWCO] actively pursues insurance recoveries, as well as recoveries from other potentially responsible parties, [NEWCO] does not recognize any insurance recoveries for environmental liability claims until realized or until such time as a sustained pattern of collections is established related to historical matters of a similar nature and magnitude.

As of December 31, 2023, [NEWCO] has approximately $26 million of guarantees consisting primarily of outstanding standby letters of credit, bank guarantees, and performance and bid bonds. These guarantees have been provided in connection with certain arrangements with vendors, customers, financing counterparties, and governmental entities to secure our obligations and/or performance requirements related to specific transactions. [NEWCO] believes that if the obligations under these instruments were triggered, they would not have a material effect on the combined financial statements.

[NEWCO] have entered into agreements to purchase goods or services that are enforceable and legally binding on us and that specify all significant terms, including fixed or minimum quantities to be purchased, fixed, minimum or variable price provisions and the approximate timing of the transaction. Purchase obligations exclude agreements that are cancellable at any time without penalty. As of December 31, 2023, the aggregate amount of our purchase obligations totaled $211 million, of which $164 million are expected to be settled within one year of December 31, 2023.

NOTE 12. STOCK-BASED COMPENSATION

[NEWCO] has no stock-based compensation plans; however, certain of its employee are eligible to participate in Fortive’s 2016 Stock Incentive Plan (the “Stock Plan”), which provides for the grant of stock appreciation rights, restricted stock units (“RSUs”) and performance stock units (“PSUs”) (collectively, “Stock Awards”), stock options, or any other stock-based award. All current grants of stock options, and Stock Awards are made under the Stock Plan.

Stock options under the Stock Plan generally vest pro rata over a four-year period and terminate 10 years from the grant date, though the specific terms of each grant are determined by the Compensation Committee of Fortive’s Board of Directors. [NEWCO]’s executive officers and certain other employees may be awarded stock options with different vesting criteria and stock options granted to non-employee directors are fully vested as of the grant date. Exercise prices for stock options granted under the Stock Plan were either equal to the closing price of Fortive’s common stock on the NYSE on the date of grant or priced to maintain their economic value.

RSUs granted under the Stock Plan provide for the issuance of common stock at no cost to the holder. RSUs granted to employees generally vest over four years, although certain other employees and non-employee directors may be awarded RSUs with different time-based vesting criteria. Certain members of [NEWCO]’s senior management are also awarded incremental RSUs subject to performance-based vesting criteria. Prior to vesting, RSUs do not have dividend equivalent rights, do not have voting rights, and the shares underlying the RSUs are not considered issued or outstanding.

PSUs granted under the Stock Plan provide for the issuance of a share of Fortive’s common stock at no cost to the holder and will vest at 0% to 200% of the target share amount based on achievement of performance targets. Grants made prior to 2022 are earned based on the Fortive’s total shareholder return ranking relative to the S&P 500 Index over a performance period of approximately three years. For grants made subsequent to 2022, the performance target is based on a mix of both achievement of an internal growth metric and Fortive’s total shareholder return ranking, both over a performance period of approximately three years. PSUs issued are subject to an additional holding period of up to two years and are entitled to dividend equivalent rights. The PSU dividend equivalent rights are subject to the same vesting and payment restrictions as the related shares, but do not have voting rights and the shares underlying the PSUs are not considered issued and outstanding.

Other than pursuant to any retirement benefits provided under our Stock Plan, the equity compensation awards granted by Fortive generally vest only if the employee is employed by Fortive (or in the case of directors, the director continues to serve on the Board) on the vesting date. To cover the exercise of stock options and vesting of RSUs and PSUs, Fortive generally issue shares authorized but previously unissued, although it may instead issue treasury shares; provided, however, that either type of issuance would equally reduce the number of shares available under the Stock Plan.

Fortive accounts for stock-based compensation by measuring the cost of employee services received in exchange for all equity awards granted based on the fair value of the award as of the grant date. Fortive recognizes the compensation expense over the requisite service period (which is generally the vesting period but may be shorter than the vesting period, for example, if the employee becomes retirement eligible before the end of the vesting period).

The expense associated with the employees of [NEWCO] who participate in the Stock Plan is allocated to [NEWCO] in the accompanying Combined Statements of Earnings as a component of Selling, general and administrative expenses. The amount of stock-based compensation expense recognized during a period was based on the grant date fair value of the award and the portion of the awards that are ultimately expected to vest at Fortive, and further allocated to [NEWCO]. Accordingly, the amounts presented for the years ended December 31, 2023 and 2022 may not be indicative of [NEWCO]'s results had it been a separate stand-alone entity throughout the periods presented.

The fair value of RSUs and performance based PSUs is calculated using the closing price of Fortive common stock on the date of grant. RSU's are further adjusted for the impact of RSUs not having dividend rights prior to vesting. The fair value of market-based PSUs is calculated using a Monte Carlo pricing model. The fair value of the stock options granted is calculated using a Black-Scholes Merton ("Black-Scholes") option pricing model. [NEWCO] recognizes compensation expense for these awards over the requisite service period (which is generally the vesting period but may be shorter than the vesting period, for example, if the employee becomes retirement eligible before the end of the vesting period), and estimates pre-vesting forfeitures at the time of grant by analyzing historical data, and revises those estimates in subsequent periods if actual forfeitures differ from those estimates. Ultimately, the total expense recognized over the vesting period will equal the grant date fair value of awards that actually vest.

The following summarizes the components of our stock-based compensation expense under the Stock Plan for the years ended December 31 ($ in millions):

	2023	2022
Stock Awards:		
Pretax compensation expense	$16.4	$12.0
Income tax benefit	(3.0)	(2.5)
Stock Award expense, net of income taxes	13.4	9.5
Stock options:		
Pretax compensation expense	8.6	8.3
Income tax benefit	(1.5)	(1.6)
Stock option expense, net of income taxes	7.1	6.7
Total stock-based compensation:		
Pretax compensation expense	25.0	20.3
Income tax benefit	(4.5)	(4.1)
Total stock-based compensation expense, net of income taxes	$20.5	$ 6.2

When stock options are exercised by the employee or Stock Awards vest, [NEWCO] derives a tax deduction measured by the excess of the market value on such date over the grant date price. Accordingly, [NEWCO] records the excess of the tax benefit related to the exercise of stock options and vesting of Stock Awards over the expense recorded for financial statement reporting purposes (the "Excess Tax Benefit") as a component of Income tax expense and as an operating cash inflow in the combined financial statements. During the years ended December 31, 2023, and 2022, [NEWCO] realized an Excess Tax Benefit of $3 million, and $2 million, respectively, related to stock options that were exercised and Stock Awards that vested.

The following summarizes the unrecognized compensation cost for the Stock Plan awards as of December 31, 2023. This compensation cost is expected to be recognized over a weighted average period of approximately 1.5 years, representing the remaining service period related to the awards. Future compensation amounts will be adjusted for any changes in estimated forfeitures ($ in millions):

Stock Awards	$ 9.2
Stock options	22.3
Total unrecognized compensation cost	$31.5

Stock Options

The following summarizes the assumptions used in the Black-Scholes model to value stock options granted under the Stock Plan during the years ended December 31:

	2023	2022
Risk-free interest rate	3.5% – 4.5%	1.7% – 3.9%
Volatility[(a)]	28.6%	29.3%
Dividend yield[(b)]	0.4%	0.4%
Expected years until exercise	5.5 – 8.0	5.5 – 8.0

(a) Expected volatility is based on a weighted average blend of the Parent’s historical stock price volatility from July 2, 2016 through the stock option grant date and the average historical stock price volatility of a group of peer companies for the expected term of the options.

(b) The dividend yield is calculated by dividing our annual dividend, based on the most recent quarterly dividend rate, by Fortive’s closing stock price on the grant date.

The following summarizes option activity under the Stock Plan (in millions, except price per share and numbers of years):

	Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term	Aggregate Intrinsic Value
Outstanding as of December 31, 2022	2.9	$57.10		
Granted	0.4	66.82		
Exercised	(0.4)	45.57		
Canceled/forfeited	(0.1)	66.02		
Outstanding as of December 31, 2023	2.8	59.76	6	$40.3
Vested and expected to vest as of December 31, 2023[(a)]	2.7	59.61	6	39.9
Exercisable as of December 31, 2023	1.6	55.12	4	31.4

(a) The “expected to vest” options are the net unvested options that remain after applying the forfeiture rate assumption to total unvested options.

The aggregate intrinsic values in the table above represent the total pretax intrinsic value (the difference between the closing stock price of Fortive common stock on the last trading day of 2023 and the exercise price, multiplied by the number of in-the-money options) that would have been received by the option holders had all option holders exercised their options on December 31, 2023. The amount of aggregate intrinsic value will change based on the price of Fortive’s common stock.

The following summarizes aggregate intrinsic value and cash receipts related to stock options that were exercised under the Stock Plan for the years ended December 31 ($ in millions):

	2023	2022
Aggregate intrinsic value of stock options exercised	$ 7.6	$3.8
Cash receipts from stock options exercised	$12.5	$3.6

Stock Awards

The following summarizes information related to Stock Award activity under the Stock Plan for the year ended December 31, 2023 (in millions; except price per share):

	Number of Stock Awards	Weighted Average Grant-Date Fair Value
Unvested as of December 31, 2022	0.6	$65.62
Granted	0.3	66.97
Vested	(0.1)	65.81
Forfeited	(0.1)	65.68
Unvested as of December 31, 2023	0.7	64.98

NOTE 13. SEGMENT INFORMATION

[NEWCO] reports its results in two separate business segments consisting of [test and measurement] and [sensors and safety systems]. [NEWCO]'s operating segments were determined based primarily on how the chief operating decision maker ("CODM") views and evaluates our operations and identification of segment managers. Other factors including products and services, end markets served, and business cycle were also considered in determining the formation of operating segments. The Company's CODM is the chief executive officer.

The CODM uses gross profit and operating profit at the segment level to assess performance and allocate resources, including merger and acquisition targets. The CODM also compares the actual results to expectations in assessing the performance of the segments. Gross profit represents total revenue less total cost of sales. Operating expenses generally include selling, general and administrative expenses, and research and development expenses. Depreciation expense is allocated between Cost of sales and Selling, general, and administrative expenses. Amortization expense is recorded within Selling, general, and administrative expenses. Operating profit represents gross profit less operating expenses. The identifiable assets by segment are those used in each segment's operations. Inter-segment amounts are not significant and are eliminated in the combined totals. Unallocated costs and other costs are not considered part of our evaluation of reportable segment operating performance.

Segment results for the year ended December 31, 2023 are shown below ($ in millions):

	Total	[Test and Measurement]	[Sensors and Safety Systems]	Unallocated Corporate Costs and Other
Sales	$ 2,155.7	$ 941.3	$1,214.4	$ —
Cost of sales	(1,036.0)	(366.3)	(669.7)	—
Gross profit	1,119.7	575.0	544.7	—
Operating expenses	(607.9)	(383.9)	(224.0)	—
Operating profit	511.8	191.1	320.7	—
Other non-operating expense, net	(2.0)	(0.9)	(1.1)	—
Earnings before income taxes	$ 509.8	$ 190.2	$ 319.6	$ —
Depreciation and amortization expenses	$ (30.7)	$ (15.1)	$ (15.6)	$ —
Capital expenditure	(29.2)	(16.3)	(12.9)	—

Segment results for the year ended December 31, 2022 are shown below ($ in millions):

	Total	[Test and Measurement]	[Sensors and Safety Systems]	Unallocated Corporate Costs and Other
Sales	$ 2,089.7	$ 868.9	$1,220.8	$ —
Cost of sales	(1,041.5)	(374.1)	(667.4)	—
Gross profit	1,048.2	494.8	553.4	—
Operating expenses[(a)]	(574.4)	(352.8)	(219.3)	(2.3)
Operating profit	473.8	142.0	334.1	(2.3)
Other non-operating expense, net	(1.9)	(0.9)	(1.0)	—
Earnings before income taxes	$ 471.9	$ 141.1	$ 333.1	$(2.3)
Depreciation and amortization expenses	$ (38.3)	$ (22.4)	$ (15.9)	$ —
Capital expenditure	(30.8)	(16.4)	(14.4)	—

(a) Amount in unallocated corporate costs and other was related to the pre-tax charges associated with the Company exiting business operations in Russia in the second quarter of 2022, as a result of broad economic sanctions being imposed on Russia for invasion of Ukraine.

Segment Assets:

($ in millions)	As of December 31, 2023
[Test and measurement]	$1,721.5
[Sensors and safety systems]	1,316.2
Total segment assets	3,037.7
Other[(a)]	23.2
Total assets	$3,060.9

(a) Other represents corporate assets which consist primarily of net deferred income tax assets.

Operations in Geographic Areas:

($ in millions)	As of December 31, 2023
Property, plant and equipment, net:	
United States	$183.3
All other	23.9
Total	$207.2

NOTE 14. RELATED-PARTY TRANSACTIONS

Allocations of Expenses Prior to the Distribution

[NEWCO] has historically operated as part of Fortive and not as a stand-alone company. Certain shared costs have been allocated to [NEWCO] by Fortive, and are reflected as expenses in these financial statements.

Management considers the allocation methodologies used to be reasonable and appropriate reflections of the related expenses attributable to [NEWCO] for purposes of the carved-out financial statements; however, the expenses reflected in the accompanying combined financial statements may not be indicative of the actual expenses that would have been incurred during the periods presented if [NEWCO] had operated as a separate stand-alone entity and the expenses that will be incurred in the future by [NEWCO].

Corporate Expenses

Certain corporate overhead and other shared expenses incurred by Fortive and its subsidiaries have been allocated to [NEWCO] and are reflected in the accompanying Combined Statements of Earnings. These amounts include, but are not limited to, items such as general management and executive oversight, costs to support Fortive information technology infrastructure, facilities, compliance, human resources, marketing, and legal functions and financial management and transaction processing, including public company reporting, consolidated tax filings and tax planning, Fortive benefit plan administration, risk management and consolidated treasury services, certain employee benefits and incentives, and stock-based compensation administration. These costs are allocated using a methodology that management believes is reasonable for the item being allocated. Allocation methodologies include [NEWCO]'s relative share of revenues, headcount, or functional spend as a percentage of the total.

Insurance Programs Administered by Fortive

In addition to the corporate allocations noted above, [NEWCO] was allocated expenses related to certain insurance programs Fortive administers on behalf of [NEWCO], including automobile liability, workers' compensation, general liability, product liability, director's and officer's liability, cargo, and property insurance. These amounts are allocated using various methodologies, as described below.

Included within the insurance cost allocation are amounts related to programs for which Fortive is self-insured up to a certain amount. For the self-insured component, costs are allocated to [NEWCO] based on incurred claims of [NEWCO]. Fortive has premium-based policies that cover amounts in excess of the self-insured retentions. [NEWCO] is allocated a portion of the total insurance cost incurred by Fortive based on its pro-rata portion of Fortive's total underlying exposure base. An estimated liability relating to [NEWCO]'s known and incurred but not reported claims has been allocated to [NEWCO] and reflected in the accompanying Combined Balance Sheets.

Medical Insurance Programs Administered by Fortive

In addition to the corporate allocations noted above, [NEWCO] was allocated expenses related to the medical insurance programs administered by Fortive on behalf of [NEWCO]. These amounts were allocated using actual medical claims incurred during the period for the employees attributable to [NEWCO].

Deferred Compensation Program Administered by Fortive

Certain employees of [NEWCO] participate in Fortive's nonqualified deferred compensation programs, which permit officers, directors and certain management employees to defer a portion of their compensation, on a pretax basis, until their termination of employment. Participants may choose among alternative earnings rates for the amounts they defer, which are primarily based on investment options within Fortive's 401(k) program (except that the earnings rates for amounts contributed unilaterally by [NEWCO] are entirely based on changes in the value of Fortive's common stock). All amounts deferred under this plan are unfunded, unsecured obligations of [NEWCO].

The amounts of related party expenses allocated to [NEWCO] from Fortive and its non-[NEWCO] subsidiaries for the years ended December 31 were as follows ($ in millions):

	2023	2022
Allocated corporate expenses	$ 37.9	$33.9
Directly attributable expenses:		
Insurance programs expenses	5.7	5.0
Medical insurance programs expenses	57.0	49.7
Deferred compensation program expenses	0.9	0.8
Total related party expenses	$101.5	$89.4

Revenue and Other Transactions Entered into in the Ordinary Course of Business

Certain of [NEWCO]'s revenue arrangements related to contracts entered into in the ordinary course of business with Fortive and its affiliates. [NEWCO]'s sales to and purchases from Fortive and its non-[NEWCO] subsidiaries were not material during the years ended December 31, 2023, and 2022.

Cash Management

The Company participates in centralized Fortive Treasury programs. This arrangement is not reflective of the manner in which the Company would have financed its operations had it been a stand-alone business separate from Fortive during the periods presented. Long-term intercompany financing, including strategic financing and centralized cash management arrangements, are used to fund expansion or certain working capital needs. All adjustments relating to certain transactions among the Company, Fortive and Fortive entities, which include the transfer of cash to Fortive, the transfer of cash held in centralized cash management arrangements to Fortive, the settlement of certain intercompany debt between the Company and Fortive or Fortive entities, and the pushdown of all costs of doing business that were paid on behalf of the Company by Fortive or Fortive entities, are excluded from the asset and liability balances in the Combined Statement of Financial Position and are reported within Net parent investment as a component of equity.

NOTE 15. SUBSEQUENT EVENTS

Acquisition

On January 3, 2024, we acquired EA Elektro-Automatik Holding GmbH ("EA"), a leading supplier of high-power electronic test solutions for energy storage, mobility, hydrogen, and renewable energy applications. The total consideration paid was approximately $1.72 billion, net of acquired cash. We funded this transaction with financing activities and available cash. We will record a preliminary purchase price allocation for the assets acquired and liabilities assumed in connection with the acquisition based on their estimated fair values as of the acquisition date. We expect to allocate a significant portion of the purchase to goodwill and intangible assets. We will assign the full amount of goodwill to our [Test and Measurement] segment. We do not expect the goodwill to be deductible for tax purposes.

We are currently in the process of finalizing the accounting for this transaction. The measurement period for the valuation of net assets acquired ends as soon as information on the facts and circumstances that existed as of the acquisition date becomes available, but not to exceed 12 months following the acquisition date. Adjustments in purchase price allocations may require a change in the amounts allocated to net assets acquired during the periods in which the adjustments are determined.

Property Sale

On March 14, 2024, we sold land and certain office buildings in our [Test and Measurement] segment for $90 million, for which we received $20 million in cash proceeds and a $70 million promissory note secured by a letter of credit, with principal received in August and November 2024. As a result, we recorded a gain on the sale of property of $63.1 million in 2024.

[NEWCO] OF FORTIVE CORPORATION AND SUBSIDIARIES
SCHEDULE II — VALUATION AND QUALIFYING ACCOUNTS
($ in millions)

Classification	Balance at Beginning of Period	Charged to Costs & Expenses	Impact of Currency	Charged to Other Accounts	Write Offs, Write Downs & Deductions	Balance at End of Period
Year Ended December 31, 2023:						
Allowances deducted from asset accounts						
Allowance for credit losses	$14.1	$3.0	$ 0.1	$0.4	$(1.3)	$16.3
Year Ended December 31, 2022:						
Allowances deducted from asset accounts						
Allowance for credit losses	$ 7.7	$8.4	$(0.3)	$ —	$(1.7)	$14.1