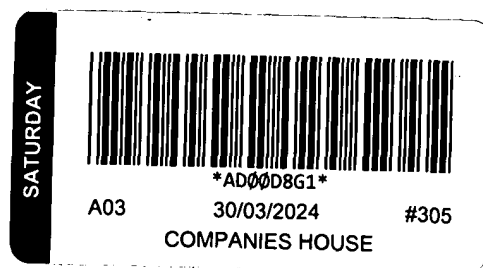


AMOT UK Holdings Limited  
(formerly Roper Industries Limited)  
Annual report and financial statements  
for the year ended 31 December 2022

Registered Number: 02509935



# **AMOT UK Holdings Limited (formerly Roper Industries Limited)**

## **Annual report and financial statements for the year ended 31**

**December 2022**

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# **AMOT UK Holdings Limited (formerly Roper Industries Limited)**

## **Annual report and financial statements for the year ended 31 December 2022**

### **Officers and advisers**

#### **Directors**

N Leverett  
J Petkovich  
W D Wright

#### **Secretary**

Squire Patton Boggs Secretarial Services Limited

#### **Registered Office**

Squire Patton Boggs (Uk) Llp (Ref:Csu)  
Rutland House  
148 Edmund Street  
Birmingham  
B3 2JR

#### **Company Number**

02509935

#### **Independent Auditors**

BDO LLP  
First Floor  
Franciscan House  
51 Princes Street  
Ipswich  
IP1 1UR

# **AMOT UK Holdings Limited (formerly Roper Industries Limited)**

## **Strategic report for the year ended 31 December 2022**

The directors present their Strategic Report for the year ended 31 December 2022.

### **Principal activities**

The Company is principally engaged in the manufacture of monitoring systems, including thermostatic valves, mechanical and electronic safety controls, and special purpose control systems.

### **Review of the business and future developments**

The trading results for the year are shown in the profit and loss account. The company's turnover for the year was £28,679,000 (2021: £23,224,000), operating profit for the financial year was £11,278,000 (2021: £9,054,000); and the net asset position £9,300,000 (2021: £3,719,000). Movement in turnover reflects continued recovery from the 2020 COVID 19 situation with stability returning to the supply chain and the net asset position impacted by £1,172,000 increase in inventories, £1,682,000 increase in debtors and £2,592,000 decrease in creditors (£3,839,000 decrease in amount owed to group to £108,000).

The Directors of the company are satisfied with the operating performance for the year as such and continue to drive efficiencies to maintain profits in these tough economic times.

### **Significant events during the year**

On 31 March 2022, Roper Technologies announced that all business units no longer accept any orders or pursue any opportunities for sales of goods or services which will be delivered directly or indirectly to Russia or Belarus.

On 1 June 2022 Roper Technologies, Inc announced that it had agreed to sell a majority stake in its industrial businesses, of which Amot UK Holdings Limited (formerly Roper Industries Limited) is part of, to affiliates of Indicor, LLC.

In November 2022 Amot UK Holding Limited received a dividend of £11,910,000 from subsidiary Roper Industries Manufacturing (Shanghai) Ltd.

In November 2022 Amot UK Holdings Limited paid a dividend of £16,175,000 to immediate parent company RIL Holding Limited.

On 22 November 2022 Roper Technologies, Inc completed the sale of a majority equity interest stake to Indicor, LLC. Within this report further reference of the "Group" infers the group headed up by Indicor, LLC, as described in note 22.

### **Future developments**

The directors of the company are striving to continue to be a world leading designer and manufacturer of energy control valves, safety, and monitoring products for engines, compressors, turbines, and other rotating equipment. The directors do not expect any changes to the business strategy in near future. We continue to build long term relationships with our customers and invest in product development to expand the existing technology platforms.

### **Principal risks and uncertainties**

The principal risks and uncertainties relate to company operational performance.

The conflict in the Ukraine continues to drive economic uncertainty and the escalation of the events in Gaza can add further inflationary pressures. The conflicts have disrupted supply chain reliability, this has been managed through additional stocking of key product lines and reduced reliance on specific geographical areas.

## **AMOT UK Holdings Limited (formerly Roper Industries Limited)**

### **Strategic report for the year ended 31 December 2022 (continued)**

#### **Principal risks and uncertainties (continued)**

The company also has a principal market risk of obsolescence with the energy generation market transforming away from fossil fuels, this is mitigated through future development and the business strategy to continue to build long term relationships with our customers and invest in product development to expand the existing technology platforms.

#### **Key performance indicators (KPIs)**

The company is financially focused, monitoring of financial performance provides insight into the health and progress of the business and promote accountability. A financial key performance indicator for the company includes operating margin with a business aim to maintain and strengthen; in 2021 operating margin was 38.99%, 2022 delivered 39.32% a result of increased annual turnover on a stable cost base enabling additional profit to flow through operating margin.

#### **Financial risk management**

Due to the size of the company, all aspects of financial risk management are directly in the hands of the board, which utilises the services of the parent Group, headed by Indicor, LLC as necessary. These financial risks include, but are not limited to, currency risk, liquidity risk, credit risk and interest rate risk.

##### *Currency risk*

The company operates internationally, giving rise to exposures to changes in foreign exchange rates between a number of currencies. The company does not take out hedging instruments to mitigate the risk.

##### *Liquidity risk*

Liquidity risk occurs when a business cannot meet its short-term obligations. To mitigate the risk, the company retains sufficient cash and has access to funding from Indicor, LLC to ensure it has sufficient funds for operations.

##### *Credit risk*

Credit risk, this is the risk of loss due to a consumer's failure or inability to pay (default) for the goods bought on credit or the financial institutions failing to repay the company's deposits. The company has policies in place to perform credit checks on potential customers before sales commence and cash is held only with institutions of specified credit ratings.

##### *Interest rate risk*

Interest risk, risk of rising/falling interest rates placed on group loan notes. The loan notes have fixed interest charged that is determined at with reference to prevailing market rates.

Approved by the Board of Directors on 27 March 2024 and signed on behalf of the Board.



**N Leverett**

**Director of AMOT UK Holdings Limited (formerly Roper Industries Limited)**

## **AMOT UK Holdings Limited (formerly Roper Industries Limited)**

### **Directors' report for the year ended 31 December 2022**

The directors' present their annual report on the affairs of the company, together with the audited financial statements and independent auditors' report, for the year ended 31 December 2022.

The financial statements have been prepared under FRS 102.

#### **Directors**

The directors of the company who were in office during the year and up to date of signing the financial statements were:

J K Stipancich (resigned 23 November 2022)  
J P Conley (resigned 23 November 2022)  
R C Crisci (resigned 23 November 2022)  
S K Krull (appointed 23 November 2022 and resigned 26 May 2023)  
H Monsted (appointed 23 November 2022 and resigned 26 May 2023)  
J Stroup (appointed 23 November 2022 and resigned 26 May 2023)  
N Leverett (appointed 26 May 2023)  
J Petkovich (appointed 26 May 2023)  
W D Wright (appointed 26 May 2023)

#### **Information included in the Strategic report**

Information on financial risk management and future developments is disclosed in the Strategic report.

#### **Dividend**

A dividend of £30.15 per £1 ordinary share was declared and paid during 2022 (2021: £Nil); no further dividend is recommended. Information regarding other distributions to owners in 2021 are detailed in note 18.

#### **Research and development**

The company has a programme of continuous investment in its product development activities relating to the principal activities of the business. During the year the company incurred £715,000 (2021: £571,000) of research and development expenditure.

#### **Political Donations**

The company has not made any political donation during the financial year (2021: £Nil).

#### **Third Party Indemnity**

The directors did not at any time in the financial year take third party indemnity provision (2021: none).

## **AMOT UK Holdings Limited (formerly Roper Industries Limited)**

### **Directors' report for the year ended 31 December 2022 (continued)**

#### **Statement of Directors' Responsibilities in respect of the financial statements**

The directors are responsible for preparing the Strategic report, the Directors' report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **Statement of disclosure of information to auditors**

In the case of each director in office at the date the Directors' report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

#### **Independent auditors**

The auditors, BDO LLP, were appointed in 2023 and have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the Annual General Meeting.

Approved by the board of directors on 27 March 2024 and signed on behalf on the board of directors.



**N Leverett**  
**Director of Amot UK Holdings Limited (formerly Roper Industries Limited)**

## **AMOT UK Holdings Limited (formerly Roper Industries Limited)**

### **Independent auditor's report to the members of AMOT UK Holdings Limited**

#### **Qualified opinion on the financial statements**

In our opinion, except for the possible effects of the matter described in the basis for qualified opinion section of our report, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of AMOT UK Holdings Limited (formerly Roper Industries Limited) ("the Company") for the year ended 31 December 2022 which comprise the Profit and loss account, the Statement of changes in equity, the Statement of financial position and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

#### **Basis for qualified opinion**

We were not appointed as auditor of the company until after 31 December 2022 and thus did not observe the counting of physical inventories at the end of the year. We were unable to satisfy ourselves by alternative means concerning the inventory quantities held at 31 December 2022, which are included in the balance sheet at £4,233,000, by using other audit procedures. Consequently, we were unable to determine whether any adjustment to this amount was necessary or whether there was any consequential adjustment to cost of sales or related balances. In addition, were any adjustment to the inventory balance be required, the strategic report would also need to be amended.

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

#### **Independence**

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

#### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

## **AMOT UK Holdings Limited (formerly Roper Industries Limited)**

### **Independent auditor's report to the members of AMOT UK Holdings Limited (Continued)**

#### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the Annual report and financial statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

As described in the basis for qualified opinion section of our report, we were unable to satisfy ourselves concerning the inventory quantities held at 31 December 2022. We have concluded that where the other information refers to the inventory balance or related balances such as cost of sales, it may be materially misstated for the same reason.

#### **Other Companies Act 2006 reporting**

Except for the possible effects of the matter described in the basis for qualified opinion section of our report, in our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

Except for the possible effects of the matter described in the basis for qualified opinion section of our report, in the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.

Arising solely from the limitation on the scope of our work relating to inventory, referred to above:

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit; and
- we were unable to determine whether adequate accounting records have been kept.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made.

#### **Responsibilities of Directors**

As explained more fully in the Statement of Directors' Responsibilities, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

## AMOT UK Holdings Limited (formerly Roper Industries Limited)

### Independent auditor's report to the members of AMOT UK Holdings Limited (Continued)

#### **Auditor's responsibilities for the audit of the financial statements**

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

#### *Extent to which the audit was capable of detecting irregularities, including fraud*

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

#### *Non-compliance with laws and regulations*

Based on:

- Our understanding of the Company and the industry in which it operates;
- Discussion with management and those charged with governance; and
- Obtaining an understanding of the Company's policies and procedures regarding compliance with laws and regulations.

We considered the significant laws and regulations to be the applicable accounting framework United Kingdom Generally Accepted Accounting Practice, and UK tax legislation.

The Company is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be the health and safety legislation, UK employment laws, UK tax and transfer pricing legislation, and the Company's Act 2006.

Our procedures in respect of the above included:

- Review of minutes of meeting of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of correspondence with tax authorities for any instances of non-compliance with laws and regulations;
- Review of financial statement disclosures and agreeing to supporting documentation;
- Involvement of tax specialists in the audit; and
- Review of legal expenditure accounts to understand the nature of expenditure incurred.

#### *Fraud*

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Company's policies and procedures relating to:
  - Detecting and responding to the risks of fraud; and
  - Internal controls established to mitigate risks related to fraud.
- Review of minutes of meeting of those charged with governance for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements; and
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.

Based on our risk assessment, we considered the areas most susceptible to fraud to be revenue recognition and management override of controls.

## AMOT UK Holdings Limited (formerly Roper Industries Limited)

### Independent auditor's report to the members of AMOT UK Holdings Limited (Continued)

#### *Fraud (continued)*

Our procedures in respect of the above included:

- Testing a sample of journal entries throughout the year, which met a defined risk criteria, by agreeing to supporting documentation;
- Assessing significant estimates made by management for bias in particular, in relation to impairment of assets, we tested assets carrying value against their value in use or realisable value;
- Reviewing the revenue recognition policy for consistency with the prior year and ensuring the adopted policy was in line with UK GAAP requirements, we tested the application of this policy throughout our substantive audit procedures over revenue. We performed procedures assessing the appropriate recording of revenue transactions in the correct period in accordance with terms of sale around the year end, as well as review and testing of journal entries posted to revenue with unusual account combinations; and
- Evaluating the business rational of any significant transactions that were unusual or outside the normal course of business.

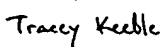
We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members who were all deemed to have appropriate competence and capabilities and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it. In addition, the extent to which the audit was capable of detecting irregularities, including fraud was limited by the matter described in the basis for qualified opinion section of our report.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

#### **Use of our report**

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:  
  
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**Tracey Keeble** (Senior Statutory Auditor)  
For and on behalf of BDO LLP, Statutory Auditor  
Ipswich, UK  
27 March 2024

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

## AMOT UK Holdings Limited (formerly Roper Industries Limited)

### Profit and loss account for the year ended 31 December 2022

	Note	2022 £'000	2021 £'000 (as restated see note 3)
<b>Turnover</b>	<b>4</b>	<b>28,679</b>	23,224
Cost of sales		(14,587)	(11,466)
<b>Gross profit</b>		<b>14,092</b>	11,758
Distribution costs		(1,037)	(856)
Administrative expenses		(2,688)	(3,290)
Other operating income		911	1,442
<b>Operating profit</b>		<b>11,278</b>	9,054
Income from shares in group undertakings	12	11,910	-
Other interest payable and similar expense	5	(41)	(951)
<b>Profit before taxation</b>	<b>6</b>	<b>23,147</b>	<b>8,103</b>
Tax on profit	9	(1,391)	(9,355)
<b>Profit / (loss) for the financial year</b>		<b>21,756</b>	<b>(1,252)</b>

The 2022 and 2021 results above relate to continuing operations. There is no other comprehensive income in either 2022 or 2021.

The notes on pages 13 to 31 are an integral part of these financial statements.

# AMOT UK Holdings Limited (formerly Roper Industries Limited)

## Statement of changes in equity for the year ended 31 December 2022

	Note	Called up share capital £'000	Retained Earnings £'000	Total equity £'000
<b>Balance as at 1 January 2021 (as previously stated)</b>		<b>536</b>	<b>28,669</b>	<b>29,205</b>
<i>Comprehensive loss for the year:</i>				
Loss for the year (as restated - note 3)	3	-	(1,252)	(1,252)
<b>Total comprehensive loss for the year (as restated)</b>		<b>-</b>	<b>(1,252)</b>	<b>(1,252)</b>
<i>Contributions and distributions to owners:</i>				
Other distributions to owners (as restated – note 3)	18	-	(24,234)	(24,234)
<b>Total contributions and distributions to owners</b>		<b>-</b>	<b>(24,234)</b>	<b>(24,234)</b>
<b>Balance as at 31 December 2021 and 1 January 2022 (as previously stated)</b>		<b>536</b>	<b>3,183</b>	<b>3,719</b>
<i>Comprehensive income for the year:</i>				
Profit for the year		-	21,756	21,756
<b>Total comprehensive income for the year</b>		<b>-</b>	<b>21,756</b>	<b>21,756</b>
<i>Contributions and distributions to owners:</i>				
Dividend paid	18	-	(16,175)	(16,175)
<b>Total contributions and distributions to owners</b>		<b>-</b>	<b>(16,175)</b>	<b>(16,175)</b>
<b>Balance as at 31 December 2022</b>		<b>536</b>	<b>8,764</b>	<b>9,300</b>

The notes on pages 13 to 31 are an integral part of these financial statements.

# AMOT UK Holdings Limited (formerly Roper Industries Limited)

## Statement of financial position as at 31 December 2022

	Note	2022 £'000	2021 £'000
<b>Fixed assets</b>			
Intangible assets	10	-	-
Property, plant and equipment	11	1,693	1,341
Investments	12	124	124
		<b>1,817</b>	<b>1,465</b>
<b>Current assets</b>			
Inventories	13	4,233	3,061
Debtors	14	6,109	4,427
Cash at bank and in hand		2,272	2,445
		<b>12,614</b>	<b>9,933</b>
<b>Creditors: amounts falling due within one year</b>	15	<b>(5,057)</b>	<b>(7,649)</b>
<b>Net current assets</b>		<b>7,557</b>	<b>2,284</b>
<b>Total assets less current liabilities</b>		<b>9,374</b>	<b>3,749</b>
<b>Provisions for liabilities</b>	16	<b>(74)</b>	<b>(30)</b>
<b>Net assets</b>		<b>9,300</b>	<b>3,719</b>
<b>Capital and reserves</b>			
Called up share capital	17	536	536
Retained earnings		8,764	3,183
<b>Total shareholders' funds</b>		<b>9,300</b>	<b>3,719</b>

The notes on pages 13 to 31 are an integral part of these financial statements.

The financial statements of AMOT UK Holdings Limited (formerly Roper Industries Limited), registered number 02509935, were approved by the Board of Directors on 27 March 2024 and were signed on its behalf by:



N Leverett

Director of AMOT UK Holdings Limited (formerly Roper Industries Limited).

# **AMOT UK Holdings Limited (formerly Roper Industries Limited)**

## **Notes to the financial statements for the year ended 31 December 2022**

### **1 General Information**

AMOT UK Holdings Limited (formerly Roper Industries Limited) is a private company, limited by shares, incorporated, and domiciled in England, United Kingdom, registration number 02509935. The registered office is Squire Patton Boggs (UK) LLP (Ref: Csu) Rutland House, 148 Edmund Street, Birmingham, England, B3 2JR.

### **2 Summary of significant accounting policies**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### **Basis of Preparation**

These financial statements have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006. The financial statements are presented in Sterling (£) and all values are rounded to the nearest thousand pounds (£'000) except where otherwise indicated.

#### **Going concern**

The directors have prepared budgets and forecasts taking into account ongoing uncertainties which show the company has sufficient financial resources to meet the company's needs for the foreseeable future (at least 12 months from the date of signing that these financial statements) and that the going concern basis is an appropriate basis on which to prepare the financial statements. The company meets its day-to-day working capital requirements through its bank facilities and share facilities with its parent Group. After making enquiries with the parent Group, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Forecasts prepared do not indicate any funding requirements are needed from the parent Group. The company therefore continues to adopt the going concern basis in preparing its financial statements. The principal risks and uncertainties around the trade of the company has been discussed and evaluated in the Strategic Report.

#### **Consolidation**

The financial statements contain information about Amot UK Holdings Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company has taken advantage of the exemption conferred by s401 of the Companies Act 2006 not to produce group financial statements. The financial statements of the company are consolidated into the financial statements of Indicor LLC, the ultimate parent of AMOT UK Holdings Limited, registered in the U.S., and are available from Indicor LLC, 2015 Ayrsley Town Blvd, Suite 202, Charlotte, NC 28273, USA.

#### **Exemptions for qualifying entities under FRS 102**

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with, including notification of, and no objection to, the use of exemptions by the company's shareholders. The company has taken advantage of the following disclosure exemptions available to qualifying entities:

- the requirement to prepare a statement of cash flows as required by Section 7 of FRS 102 and para 3.17(d);
- certain financial instrument disclosures providing equivalent disclosures are included in the consolidated financial statements of the Group in which the entity is consolidated as required by FRS 102 paras 11.39 – 11.48A, 12.26 – 12.29; and
- the requirement to present key management personal compensation in accordance with FRS 102 para 33.7.

#### **Turnover**

Revenue is recognised to the extent that the company obtains the right to consideration in exchange for its performance. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, VAT and other sales taxes or duty. The following criteria must also be met before revenue is recognised:

## AMOT UK Holdings Limited (formerly Roper Industries Limited)

### Notes to the financial statements for the year ended 31 December 2022 (continued)

#### 2 Summary of significant accounting policies (continued)

##### Turnover (continued)

###### *Sale of goods*

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, depending upon sales terms, the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Goods are sold on the following sales terms:

- Free Carrier (FCA) or Carriage paid to (CPT). Revenue is recognised upon collection of goods by customers;
- Delivered at place (DAP). Revenue is recognised upon delivery of goods at a destination agreed with the customer; and
- Cash against document (CAD) or Letter of credit (LC). Revenue is recognised upon collection of goods by the customer.

##### **Other operating income**

Costs associated with persons employed by the company that are subcontracted out to group companies are recharged in the month incurred. This is recognised under other operating income on the profit and loss account, with the corresponding costs recognised in administrative expenses.

##### **Income from shares in group undertakings**

Income from shares in group undertakings relates to dividend income received from subsidiaries. Dividend income is recognised when the right to receive payment is established.

##### **Research and development**

Expenditure on research and development is written off against profits in the year in which it is incurred.

##### **Goodwill**

Goodwill arising on the acquisition of businesses, representing any excess of the fair value of the consideration given over the fair value of the identifiable assets and liabilities acquired, is capitalised and written off on a straight-line basis over its estimated useful economic life. Provision is made for any impairment where deemed necessary. Goodwill is amortised over a 10-year period.

##### **Property, plant and equipment**

Property, plant and equipment are shown at cost net of depreciation and any provision for impairment. The company does not capitalise finance costs.

Depreciation has been computed to write off the cost of tangible fixed assets over their expected useful lives using the following rates:

Freehold land	No depreciation
Freehold buildings	20-30 years
Plant and machinery	8-12 years
Fixtures, fittings, tools and equipment and motor vehicles	2-5 years

##### **Investments in subsidiaries**

Investment in subsidiary is shown at cost less provision for impairment. Income from investment is included in the year in which it is receivable and is recorded within 'Income from shares in group undertakings' line in the profit and loss account.

# **AMOT UK Holdings Limited (formerly Roper Industries Limited)**

## **Notes to the financial statements for the year ended 31 December 2022 (continued)**

### **2 Summary of significant accounting policies (continued)**

#### **Inventories**

Inventories are stated at the lower of cost, using standard costing method, and estimated selling price less costs to sell.

Cost incurred in bringing each product to its present location and condition is based on:

Raw materials	-	purchase cost on a first-in first-out basis, including transport costs.
Work in progress and finished goods	-	cost of direct material and labour, plus a reasonable proportion of manufacturing overheads based on normal levels of activity.

Provision is made for obsolete or slow-moving items where appropriate.

#### **Financial Instruments**

The company applies Sections 11 and 12 of FRS 102 in respect of financial instruments.

#### **Financial assets**

Basic financial assets, including trade and other receivables, loans to fellow group companies, cash and bank balances are recognised at transaction price, unless the arrangement constitutes a financing transaction where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled; or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party; or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

#### **Financial liabilities**

Basic financial liabilities, including trade and other payables are initially recognised at transaction prices, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

## **AMOT UK Holdings Limited (formerly Roper Industries Limited)**

### **Notes to the financial statements for the year ended 31 December 2022 (continued)**

#### **2 Summary of significant accounting policies (continued)**

##### **Financial liabilities (continued)**

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled, or expires.

##### **Current and deferred taxation**

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated based on tax rates and laws that have been enacted or substantively enacted by the period end.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate based on amounts expected to be paid to the tax authorities.

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements.

Deferred tax is recognised on all timing differences at the reporting date except for certain exceptions. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

##### **Employee Benefits**

The company provides pension arrangements to the majority of full-time employees through the Roper Industries Limited Group personal pension scheme, which is a defined contribution scheme. The amount charged to the profit and loss account in respect of pension costs is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the statement of financial position.

##### **Holiday pay accrual**

A liability is recognised to the extent of any unused holiday pay entitlement which has accrued at the balance sheet date and carried forward to future periods. This is measured at the undiscounted salary costs of the future holiday entitlement so accrued at the balance sheet date.

##### **Reserves**

Called up share capital represents the nominal value of the shares listed. Retained earnings represents cumulative profits or losses, net of dividends paid and other adjustments.

## **AMOT UK Holdings Limited (formerly Roper Industries Limited)**

### **Notes to the financial statements for the year ended 31 December 2022 (continued)**

#### **2 Summary of significant accounting policies (continued)**

##### **Foreign currencies**

Transactions denominated in foreign currencies are recorded in the local currency at actual exchange rates as at the date of transaction. Monetary assets and liabilities denominated in foreign currencies at the year-end are reported at the rates of exchange prevailing at that date. Any gain or loss arising from a change in exchange rate subsequent to the date of the transaction is included as an exchange gain or loss in the profit and loss account.

##### **Leases**

Rentals payable under operating leases are charged to the profit and loss account on a straight-line basis over the period of the lease. The company has no finance leases during the year or in the comparative period.

##### **Warranty provision**

The warranty provision includes the expected cost of dealing with known claims relating to sales made during the year as well as an estimate, based on past experience, to cover any other issues that may arise in relation to sales made in the year.

##### **Share Capital**

Ordinary shares are classified as equity.

##### **Distributions to equity holders**

Dividends and other distributions to the company's shareholders are recognised as a liability in the financial statements in the period in which the dividends and other distributions are approved by the shareholders. These amounts are recognised in the statement of changes in equity.

##### **Critical estimates and judgements in applying the entity's accounting policies**

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The directors do not consider there to be any critical estimates or judgements.

The company's key accounting estimates and assumptions are as follows:

- (i) Impairment of assets - The company considers whether assets are impaired annually. Where an indication of impairment is identified the estimation of recoverable value requires estimation of the recoverable value of the cash generating units (CGUs). This requires estimation of the future cash flows from the CGUs and also selection of appropriate discount rates in order to calculate the net present value of those cash flows.
- (ii) Provision for debtors - The company reviews the recoverability of debtors on a regular basis. Where there is an indication that full recovery may be at risk then an appropriate provision is made using a combination of existing guidelines, based on the age of debt and the period outstanding.
- (iii) Provision for inventories - The company reviews the value of inventory on a regular basis. Where there is an indication that there is an impairment then an appropriate provision is made using a combination of existing guidelines, based on historical usage figures and future demand.
- (iv) Tax - The company has uncertain tax activities in relation to group transfer pricing and group tax relief. These tax obligations are initially recognised at an estimated amount where the consideration is probable and can be measured reliably. Where the company is subject to tax enquiries, amounts are recorded as a liability or disclosed as a contingent liability when the outcome can be reasonably foreseen and is reliably measurable.

## AMOT UK Holdings Limited (formerly Roper Industries Limited)

### Notes to the financial statements for the year ended 31 December 2022 (continued)

#### 3 Prior year adjustment

##### Profit and loss account

	Year ended 31 December 2021		
	Previously stated £'000	Prior year adjustment £'000	As restated £'000
Turnover *	21,796	1,428	23,224
Cost of sales *	(10,038)	(1,428)	(11,466)
Administrative expenses **	(1,848)	(1,442)	(3,290)
Other operating income **	-	1,442	1,442
Exceptional item – promissory note discharge ***	(24,234)	24,234	-
<b>Loss for the financial year</b>	<b>(25,486)</b>	<b>24,234</b>	<b>(1,252)</b>

##### Statement of changes in equity

	Year ended 31 December 2021		
	Previously stated £'000	Prior year adjustment £'000	As restated £'000
<b>Total shareholders funds as at 31 December 2020</b>	<b>29,205</b>	<b>-</b>	<b>29,205</b>
Loss for the year ***	(25,486)	24,234	(1,252)
Other distributions to owners ***	-	(24,234)	(24,234)
<b>Total shareholders funds as at 31 December 2021</b>	<b>3,719</b>	<b>-</b>	<b>3,719</b>

**\* Restatement of group transfer pricing entries to be treated as a variable adjustment to turnover not cost of sales** - The company records adjustments for sales and purchases to/from other group companies in respect of annual transfer pricing adjustments. In the prior year, adjustments relating to the fair value of the receivable of sales related transactions were recorded net within cost of sales, which is not in accordance with UK GAAP, the adjustments should have been recorded within turnover. An adjustment has been made to restate these adjustments within turnover. The impact on the 2021 year results is that turnover and cost of sales have both increased by £1,428,000, with nil impact on profit or net assets.

**\*\* Restatement of employee costs and recharges** - In the prior year, staff costs recorded in Note 7 were presented net of recharge income for staff who were employed and under contract of service with the company, but were subsequently subcontracted out to other group companies. The corresponding costs were recharged, inclusive of a profit margin, and presented as an agent based transaction with the costs offset against recharge income within administrative costs. This has the following impact:

## **AMOT UK Holdings Limited (formerly Roper Industries Limited)**

### **Notes to the financial statements for the year ended 31 December 2022 (continued)**

#### **3 Prior year adjustment (continued)**

- In accordance with UK GAAP, the terms of the arrangements where employees were subcontracted to other group companies were principal in nature, therefore the costs and respective recharge income should have been on a gross basis shown separately within the profit and loss account. The impact of the prior year adjustment is that other operating income and administrative costs have increased by £1,442,000 reflecting the value of wages and salaries for 2021 recovered from group, inclusive of a profit margin applied. This adjustment had no impact on profit or net assets.
- Under the Companies Act, staff costs recorded in Note 7 should include all costs for persons under a contract of service. Note 7 has been restated accordingly to reflect the cost of all persons who were under a contract of service with the company and their related employment costs. The impact is that 2021 staff cost increased from £4,044,000 to £5,318,000, with wages and salaries having increased by £1,105,000 to £4,632,000, social security costs having increased by £138,000 to £484,000, and other pension costs increasing by £50,000 to £202,000. Accordingly, the average number of persons disclosed as employed by the company in 2021 increased from 91 to 94.

**\*\*\* Restatement of exceptional item promissory note discharge to statement of changes in equity from profit and loss account** - In the prior year certain group loan receivables were waived and the resulting charge was included as an exceptional item within the profit and loss account. In accordance with Companies Act, a waiver of intercompany receivable for no consideration represents a form of distribution and under UK GAAP, should have been recorded within equity as a distribution. As a result, the prior year charge to the profit and loss account of £24,234,000 has been restated to be presented within the statement of changes in equity as an other distribution to owners.

# AMOT UK Holdings Limited (formerly Roper Industries Limited)

## Notes to the financial statements for the year ended 31 December 2022 (continued)

### 4 Turnover

Analysis by class of business:

	2022 £'000	2021 £'000 (as restated – see note 3)
Monitoring systems, valves, safety controls and systems	28,679	23,224
	<b>28,679</b>	<b>23,224</b>

Analysis of turnover by country of destination:

	2022 £'000	2021 £'000 (as restated – see note 3)
United Kingdom	4,844	3,912
Other European countries	16,404	13,427
Asia	2,107	1,796
North America	3,132	2,037
Rest of the World	2,192	2,052
	<b>28,679</b>	<b>23,224</b>

Prior year adjustment (see note 3 – Other European countries from £12,922,000 and North America from £1,114,000).

Analysis of turnover by type:

	2022 £'000	2021 £'000 (as restated – see note 3)
Goods	28,679	23,224
	<b>28,679</b>	<b>23,224</b>

## AMOT UK Holdings Limited (formerly Roper Industries Limited)

### Notes to the financial statements for the year ended 31 December 2022 (continued)

#### 5 Other interest payable and similar expense

	2022 £'000	2021 £'000
Bank interest income / (charge)	1	(3)
Corporation tax interest – prior years *	-	(1,343)
Accrued interest on intercompany loan – (payable) / receivable	(42)	395
	(41)	(951)

\* Interest payment of £1,343,000 was made to HMRC in relation short tax payments for periods FY12-15, this was as a result of a reassessment of Roper UK Ltd group relief available to surrender being reduced. The matter has been agreed in full, settled and closed by HMRC.

#### 6 Profit before taxation

Profit before taxation is stated after charging / (crediting):

	2022 £'000	2021 £'000 (as restated – see note 3)
Depreciation of property, plant and equipment	76	137
Impairment / (reversals) of impairment of trade debtors	47	(9)
Impairment of inventory (included in 'cost of sales')	85	35
Auditors' remuneration		
- fees payable to the company's auditors for the audit of the company's financial statements	90	63
Operating leases		
- plant & machinery	23	22
Research and development	715	571
Defined contribution pension cost	193	202
Foreign exchange (gains)/losses	(219)	164

## **AMOT UK Holdings Limited (formerly Roper Industries Limited)**

### **Notes to the financial statements for the year ended 31 December 2022 (continued)**

#### **7 Staff costs**

Particulars of employees (including executive directors) are shown below:

	<b>2022</b> <b>£'000</b>	<b>2021</b> <b>£'000</b> (as restated - see note 3)
Wages and salaries	<b>4,462</b>	4,632
Social security costs	<b>503</b>	484
Other pension costs	<b>193</b>	202
	<b>5,158</b>	5,318

The average monthly number of persons employed by the company during the year was as follows:

	<b>2022</b> <b>Number</b>	<b>2021</b> <b>Number</b> (as restated - see note 3)
Sales, distribution, and administration	<b>41</b>	40
Production	<b>58</b>	54
	<b>99</b>	94

#### **8 Directors' remuneration**

Directors are remunerated by other group companies for their services to the group as a whole. None of their remuneration relates specifically to qualifying services in respect of AMOT UK Holdings Limited (Formerly Roper Industries Limited) during the years ended 31 December 2021 and 31 December 2022.

# AMOT UK Holdings Limited (formerly Roper Industries Limited)

## Notes to the financial statements for the year ended 31 December 2022 (continued)

### 9 Tax on profit

The tax charge comprises:

	2022 £'000	2021 £'000
<b>Corporation tax</b>		
Current year	2,129	1,803
Adjustment in respect of prior years' FY12-FY15 *	-	6,933
Adjustment in respect of previous periods **	(1,435)	651
Foreign tax relief/other relief	(4)	(3)
Foreign tax suffered	600	4
<b>Total current tax</b>	<b>1,290</b>	<b>9,388</b>
<b>Deferred taxation</b>		
Origination and reversal of timing differences	63	(3)
Adjustment in respect of prior years	18	(1)
Effect of changes in tax rates	20	(29)
<b>Total deferred tax</b>	<b>101</b>	<b>(33)</b>
<b>Tax on profit</b>	<b>1,391</b>	<b>9,355</b>

The tax assessed for the year is lower (2021: higher) than the effective standard rate of corporation tax in the UK of 19.00% (2021: 19.00%).

## AMOT UK Holdings Limited (formerly Roper Industries Limited)

### Notes to the financial statements for the year ended 31 December 2022 (continued)

#### 9 Tax on profit (continued)

The tax charge for the year reconciled to the standard rate of taxation in the UK of 19.00% (2021: 19.00%) as follows:

	2022 £'000	2021 £'000 (as restated)
Profit before taxation ***	23,147	8,103
Corporation tax charge at 19.00% (2021: 19.00%)	4,398	1,540
Adjustment in respect of prior years' FY12-FY15 *	-	6,933
Adjustment in respect of prior years **	(1,417)	650
Expenses not deductible ***	61	264
Effects of overseas tax rates	597	-
Income not taxable	(2,268)	(3)
Tax rate changes	20	(29)
<b>Tax charge for the year</b>	<b>1,391</b>	<b>9,355</b>

\* Adjustment in respect of prior years' FY12-FY15; Additional tax payment of £6,932,523 was made to HMRC for periods FY12-15, this was result of a reassessment of Roper UK Ltd group relief available to surrender being reduced. The matter was agreed in full, settled and closed by HMRC in 2021.

\*\* Adjustment in respect of previous periods; £1,435,000 relates to a group relief adjustment from FY21 a result of Roper Group returns being finalised. In accordance with FRS 102, changes in estimates on group relief arrangements are recognised in the year and not through restatement of comparative information.

\*\*\* Adjustment in respect of waiver of amounts receivable from group; In relation to the prior year adjustment detailed in note 3 in respect of the treatment of a £24,234,000 waiver of amounts owed from receivable that was incorrectly included in the profit and loss account rather than in equity, profit before tax has increased to £8,103,000 from a loss before tax of £16,131,000. Accordingly, the expenses not deductible has decreased by £4,605,000, from £4,869,000 to £264,000. There was no impact on tax charge or net assets for the year.

# AMOT UK Holdings Limited (formerly Roper Industries Limited)

## Notes to the financial statements for the year ended 31 December 2022 (continued)

### 9 Tax on profit (continued)

#### Deferred tax asset / (liability)

	Accelerated capital allowances	Short term timing differences	Total
	£'000	£'000	£'000
As at 01 January 2021	22	65	87
Adjustment in respect of prior years	(8)	10	2
Deferred tax charge in profit and loss account	5	27	32
<b>As at 31 December 2021 and 01 January 2022</b>	<b>19</b>	<b>102</b>	<b>121</b>
Adjustment in respect of prior years	(18)	-	(18)
Deferred tax charge in profit and loss account	(118)	34	(84)
<b>As at 31 December 2022</b>	<b>(117)</b>	<b>136</b>	<b>19</b>

#### Tax rate

The Finance Act 2021 was substantively enacted in May 2021 and increased the corporation tax rate from 19% to 25% with effect from 1 April 2023. The deferred taxation balances have been measured using the rates expected to apply in the reporting periods when the timing differences reverse.

The company is within the scope of the OECD Pillar Two model rules. Pillar Two legislation was enacted in England the jurisdiction in which the company is incorporated and will come into effect from 1 January 2025. Since the Pillar Two legislation was not effective at the reporting date, the entity has no related current tax exposure. The company is in the process of assessing its exposure to the Pillar Two legislation for when it comes into effect.

### 10 Intangible assets

	Goodwill £'000	Patents £'000	Total £'000
<b>Cost</b>			
At 1 January 2022 and 31 December 2022	9,278	25	9,303
<b>Accumulated amortisation</b>			
At 1 January 2022 and 31 December 2022	9,278	25	9,303
<b>Net Book Value</b>			
At 31 December 2021 and 31 December 2022	-	-	-

The goodwill in relation to Chalwyn Limited was amortised in equal instalments over its estimated useful life of 10 years, from the date that the assets and trade were transferred. The entire goodwill balance was fully amortised on 30 June 2018.

**AMOT UK Holdings Limited (formerly Roper Industries Limited)**

**Notes to the financial statements  
for the year ended 31 December 2022 (continued)**

**11 Property, plant and equipment**

	<b>Freehold land £'000</b>	<b>Freehold Buildings £'000</b>	<b>Plant and machinery £'000</b>	<b>Fixtures, fittings, tools and equipment, motor vehicles £'000</b>	<b>Total £'000</b>
<b>Cost</b>					
At 1 January 2022	360	1,492	1,064	1,393	4,309
Additions	-	298	69	64	431
Transfer	-	230	261	(491)	-
Disposals	-	-	(11)	(1)	(12)
Other changes	-	-	74	1	75
<b>At 31 December 2022</b>	<b>360</b>	<b>2,020</b>	<b>1,457</b>	<b>966</b>	<b>4,803</b>
<b>Accumulated depreciation</b>					
At 1 January 2022	-	1,345	773	850	2,968
Charge for the year	-	12	44	20	76
Transfer	-	-	65	(65)	-
Disposals	-	-	(7)	(1)	(8)
Other changes	-	(1)	76	(1)	74
<b>At 31 December 2022</b>	<b>-</b>	<b>1,356</b>	<b>951</b>	<b>803</b>	<b>3,110</b>
<b>Net book value</b>					
<b>At 31 December 2022</b>	<b>360</b>	<b>664</b>	<b>506</b>	<b>163</b>	<b>1,693</b>
At 31 December 2021	360	147	291	543	1,341

## AMOT UK Holdings Limited (formerly Roper Industries Limited)

### Notes to the financial statements for the year ended 31 December 2022 (continued)

#### 12 Investments

	£'000
<b>Cost</b>	
At 1 January 2022 and 31 December 2022	124
<b>Amounts provided</b>	
At 1 January 2022 and 31 December 2022	-
<b>Carrying amount</b>	
At 31 December 2021 and 31 December 2022	124

The company holds 100.00% (2021: 100.00%) of the issued share capital of the following subsidiary undertaking:

Company	Address of the registered office	Principal activity
Roper Industries Manufacturing (Shanghai) Limited	41/F No 1468 West Nanjing Road, Shanghai, 200040, China	Manufacturing

During the year the company received dividends totalling £11,910,000 from Roper Industries Manufacturing (Shanghai) Limited (2021: £Nil).

The directors believe that the carrying value of the investments is supported by their underlying net assets and future cash flows.

#### 13 Inventories

	2022 £'000	2021 £'000
Raw materials and consumables	2,958	2,004
Work in progress	402	285
Finished goods	873	772
	4,233	3,061

In the opinion of the directors any difference between book value and replacement cost of stock would be immaterial. Inventories are stated after provisions for impairment of £422,000 (2021: £310,000).

## AMOT UK Holdings Limited (formerly Roper Industries Limited)

### Notes to the financial statements for the year ended 31 December 2022 (continued)

#### 14 Debtors

	2022 £'000	2021 £'000
Trade debtors	3,502	2,691
Amounts owed by group undertakings	2,346	1,462
Other debtors	159	53
Deferred tax (note 9)	19	121
Prepayments and accrued income	83	100
	<b>6,109</b>	<b>4,427</b>

Trade debtors are stated after provisions for impairment of £57,000 (2021: £9,000).

Other amounts owed by group undertakings are trading balances interest free, unsecured and settled as per the sales terms.

#### 15 Creditors: amounts falling due within one year

	2022 £'000	2021 £'000
Trade creditors	1,722	1,729
Amounts owed to group undertaking	108	3,947
Taxation and social security	128	-
Corporation tax	1,665	971
Accruals and deferred income	1,434	1,002
	<b>5,057</b>	<b>7,649</b>

Included in the amounts owed to group undertaking in 2021 was one short term promissory note due from Roper Technologies, Inc, (the previous ultimate parent entity, as detailed in note 22) the balance comprised of the following unsecured amounts:

- At 31 December 2021 Promissory note Principal amount £4,130,000 and £6,201 accrued interest. Carries interest at 2.61% and is repayable 10 December 2031. This promissory note was repaid in full on 16 May 2022 for the principal amount of £4,130,000 and £48,496 accrued interest.

Other amounts owed to group undertakings are trading balances interest free, unsecured and settled as per the sales terms.

# AMOT UK Holdings Limited (formerly Roper Industries Limited)

## Notes to the financial statements for the year ended 31 December 2022 (continued)

### 16 Provisions for liabilities

	Warranty provision £'000
<b>At 1 January 2022</b>	<b>30</b>
Additions during the period	82
Amounts charged against expense	(38)
<b>At 31 December 2022</b>	<b>74</b>

The warranty provision is expected to unwind over a maximum period of three years.

### 17 Called up share capital

	2022 £'000	2021 £'000
<b>Authorised</b>		
1,000,000 (2021: 1,000,000) ordinary of £1 each	1,000	1,000
<b>Allotted, called up and fully paid</b>		
536,481 (2021: 536,481) ordinary shares of £1 each	536	536

There is a single class of ordinary shares.

### 18 Dividends and other distributions

	2022 £'000	2021 £'000
<b>Equity Ordinary</b>		
Equity Ordinary		
Interim paid £30.15 (2021 £Nil) per £1 share	16,175	-
	<b>16,175</b>	<b>-</b>

In the prior year, the directors of the company released and discharged Roper UK, Ltd (parent entity up in the Group structure) with effect from 30 June 2021, from the following intra-group promissory notes receivables:

1. Promissory note granted 21 May 2020 of £3,342,389 (comprising the principal amount of £3,216,468 together with £125,921 of accrued interest) owed by Roper UK, Ltd to the company.
2. Promissory note granted 20 September 2019 £6,327,661 (comprising the principal amount of £5,900,000 together with £427,661 of accrued interest) owed by Roper UK, Ltd to the company.
3. Promissory note granted 20 December 2019 of £8,490,370 (comprising the principal amount of £7,995,394 together with £494,976 of accrued interest) owed by Roper UK, Ltd to the company.  
Promissory note granted 24 March 2021 of £6,073,543 (comprising the principal amount of £6,017,000 together with £56,543 of accrued interest) owed by Roper UK, Ltd to the company.

The release is reflected in the 2021 statement of change in equity as other distributions to owners of £24,234,000 (as restated – see note 3).

## **AMOT UK Holdings Limited (formerly Roper Industries Limited)**

### **Notes to the financial statements for the year ended 31 December 2022 (continued)**

#### **19 Financial commitments**

##### **Lease commitments**

The company had the following future minimum lease payments under non-cancellable operating leases for each period as follows:

	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
Payments due:		
- not later than one year	<b>20</b>	10
- later than one year and not later than five years	<b>70</b>	-
	<b>90</b>	10

##### **Pension commitments**

The company provides pension arrangements to the majority of full-time employees through the AMOT UK Holdings Limited (formerly Roper Industries Limited) Group personal pension scheme, which is a defined contribution scheme. The pension cost and charges for the year amounted to £193,000 (2021: £202,000 (as restated)). As at 31 December 2022, contributions of £Nil (2021: £Nil) were outstanding and included within accruals.

#### **20 Related party transactions**

In line with FRS 102 para 33.1A, the company is exempt from disclosing related party transactions which are with other companies that are wholly owned within the group (at the time of the transaction). See note 22 for details of the changes in group and ownership during the period. There are no other related party transactions.

#### **21 Post balance sheet events**

During 2023 and the beginning of 2024, Indicor LLC, the ultimate parent entity, has conducted a cash repatriation program totalling £22,363,000. Of these amounts, £21,222,000 have been converted into inter-company loan notes receivable by AMOT UK Holdings Limited, with interest rates within the range 4.41% to 5.17% for a period of 7 years. A further £1,141,000 has been loaned to Indicor LLC in March 2024 with no terms yet formalised.

On 28 Aug 2023, Roper Industries Manufacturing (Shanghai) Limited issued a dividend payment to the company totalling £3,363,000.

## **AMOT UK Holdings Limited (formerly Roper Industries Limited)**

### **Notes to the financial statements for the year ended 31 December 2022 (continued)**

#### **22 Parent and ultimate parent undertaking**

The company's immediate parent is RIL Holding Limited, a company incorporated and registered in United Kingdom.

The ultimate controlling party is affiliates of Clayton, Dubilier & Rice, LLC. The ultimate parent entity is Indicor LLC, a company registered in the United States of America. Indicor LLC is the parent undertaking of the largest and smallest group of undertaking to consolidate these financial statements at 31 December 2022. The consolidated financial statement of Indicor LLC are available at its offices at 2015 Ayrley Town Blvd, Suite 202, Charlotte, NC 28273, USA, and are prepared in accordance with US Generally Accepted Accounting Principles, which are considered accounting standards equivalent to United Kingdom adopted international accounting standards.

In the prior year Roper Technologies, Inc, a company incorporated in the USA was the ultimate controlling party and ultimate parent entity. As noted in the strategic report, Roper Technologies Inc., sold its majority stake in its industrial businesses, of which AMOT UK Holdings Limited was a part of, to Clayton, Dubilier & Rice, LLC in November 2022.

**Indicor, LLC and Subsidiaries  
Consolidated Financial Statements**

**For the period from November 22, 2022 through December 31, 2022 (Successor) and**

**Roper Industrial Products Business (comprised of the Process Technologies Segment and the Industrial businesses  
within the Measurement and Analytical Solutions Segment of Roper Technologies, Inc.)**

**Combined Financial Statements**

**For the period from January 1, 2022 through November 21, 2022 (Predecessor)**

## **Index to Consolidated and Combined Financial Statements**

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## **Report of Independent Auditors**

To the Management of Roper Technologies, Inc.

### ***Opinion***

We have audited the accompanying combined statements of earnings and comprehensive income (loss), of changes in parent equity and of cash flows of the Roper Industrial Products Business (Predecessor) (the "Company"), comprised of the Process Technologies segment and the Industrial businesses within the Measurement and Analytical Solutions segment of Roper Technologies, Inc., for the period from January 1, 2022 to November 21, 2022, including the related notes (collectively referred to as the "combined financial statements").

In our opinion, the accompanying combined financial statements present fairly, in all material respects, the results of operations and cash flows of the Company for the period from January 1, 2022 to November 21, 2022 in accordance with accounting principles generally accepted in the United States of America.

### ***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (US GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Combined Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Responsibilities of Management for the Combined Financial Statements***

Management is responsible for the preparation and fair presentation of the combined financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of combined financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the combined financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after the date the combined financial statements are available to be issued.



### ***Auditors' Responsibilities for the Audit of the Combined Financial Statements***

Our objectives are to obtain reasonable assurance about whether the combined financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the combined financial statements.

In performing an audit in accordance with US GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the combined financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the combined financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the combined financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

*PricewaterhouseCoopers L.L.P.*

Tampa, Florida  
May 25, 2023



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GRANT THORNTON LLP  
1100 Peachtree Street, N.E.  
Suite 1400  
Atlanta, GA 30309

D +1 404 330 2000  
F +1 404 475 0107

## REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Board of Directors  
Indicor, LLC and Subsidiaries

### Opinion

We have audited the consolidated financial statements of Indicor, LLC (a Delaware Limited Liability Company) and subsidiaries (the "Company"), which comprise the consolidated balance sheet as of December 31, 2022 and the related consolidated statements of earnings (loss) and comprehensive income (loss) (Successor), changes in equity (Successor), and cash flows (Successor) for the period from November 22, 2022 through December 31, 2022, and the related notes to the financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022, and the results of its operations and its cash flows for the period from November 22, 2022 through December 31, 2022 in accordance with accounting principles generally accepted in the United States of America.

### Basis for opinion

We conducted our audit of the consolidated financial statements in accordance with auditing standards generally accepted in the United States of America (US GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after the date the financial statements are available to be issued.



**Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with US GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

*Grant Thornton LLP*

Atlanta, Georgia  
May 25, 2023

**Indicor, LLC**  
**Consolidated Balance Sheet**  
(in thousands)

	<u>Successor</u>
	<u>December 31, 2022</u>
<b>ASSETS:</b>	
Cash and cash equivalents	\$ 120,851
Accounts receivable, net	182,221
Inventories, net	173,631
Unbilled receivables, net	20,981
Prepaid income taxes	15,652
Prepays and other current assets	<u>10,368</u>
Total current assets	523,704
Property, plant and equipment, net	35,814
Goodwill	1,583,089
Intangible assets, net	1,441,305
Right-of-use asset	42,118
Deferred tax assets	10,378
Other assets	<u>10,367</u>
Total assets	<u>\$ 3,646,775</u>
<b>LIABILITIES AND MEMBER'S EQUITY:</b>	
Accounts payable	\$ 78,467
Accrued compensation	45,501
Deferred revenue	21,510
Accrued expenses and other current liabilities	58,553
Due to related party - current	5,976
Income taxes payable	12,150
Current portion of operating lease liabilities	14,430
Current portion of long-term debt	<u>11,619</u>
Total current liabilities	248,206
Deferred tax liabilities	130,548
Long-term deferred revenue	7,377
Long-term debt, net	1,473,856
Related-party term loan, net	436,931
Operating lease liabilities, net	27,936
Due to related party - noncurrent	3,539
Other liabilities	<u>10,480</u>
Total liabilities	2,338,873
<b>Contingencies (Note 9)</b>	
Member's equity	1,292,368
Accumulated other comprehensive income	<u>15,534</u>
Total member's equity	1,307,902
Total liabilities and member's equity	<u>\$ 3,646,775</u>

See accompanying notes to Consolidated and Combined Financial Statements.

**Indicor, LLC****Consolidated Statement of Earnings and Comprehensive Income (Loss) (Successor) and  
Combined Statement of Earnings and Comprehensive Income (Loss) (Predecessor)**  
(in thousands)

	<u>Successor</u>	<u>Predecessor</u>
	<u>Period from November 22, 2022 to December 31, 2022</u>	<u>Period from January 1, 2022 to November 21, 2022</u>
Net revenues	\$ 140,194	\$ 916,119
Cost of sales	<u>69,311</u>	<u>433,934</u>
Gross profit	70,883	482,185
Selling, general and administrative expenses	<u>44,643</u>	<u>262,999</u>
Income from operations	26,240	219,186
Interest expense (income), net	24,360	(235)
Other expense (income), net	<u>13,411</u>	<u>(212)</u>
(Loss) Earnings before income taxes	(11,531)	219,633
Income taxes	<u>44,513</u>	<u>42,781</u>
Net (loss) earnings	<u>\$ (56,044)</u>	<u>\$ 176,852</u>
Other comprehensive income (loss), net of tax:		
Foreign currency translation adjustments	<u>15,534</u>	<u>(81,549)</u>
Total other comprehensive income (loss), net of tax	15,534	(81,549)
Comprehensive (loss) income	<u>\$ (40,510)</u>	<u>\$ 95,303</u>

See accompanying notes to Consolidated and Combined Financial Statements.

**Indicor, LLC**  
**Consolidated Statement of Cash Flows (Successor) and**  
**Combined Statement of Cash Flows (Predecessor)**  
**(in thousands)**

	<b>Successor</b>	<b>Predecessor</b>
	<b>For the period from November 22, 2022 to December 31, 2022</b>	<b>For the period from January 1, 2022 to November 21, 2022</b>
Cash flows from operating activities:		
Net (loss) earnings	\$ (56,044)	\$ 176,852
Adjustments to reconcile net (loss) earnings to cash flows from operating activities:		
Depreciation of property, plant and equipment	515	5,513
Amortization of intangible assets	7,341	8,810
Stock-based compensation	1,064	-
Amortization of debt issuance costs	1,877	-
Non-cash inventory charges	8,352	-
Unrealized loss from foreign exchange	11,970	-
Income taxes	33,886	7,154
Non-cash corporate allocations	-	27,218
Changes in operating assets and liabilities:		
Accounts receivable	(16,598)	(18,409)
Unbilled receivables	(913)	(7,046)
Inventories	4,449	(61,996)
Prepays and other current assets	6,442	7,647
Accounts payable and accrued liabilities	40,115	1,094
Deferred revenue	(174)	1,412
Other, net	(204)	14,736
Cash provided by operating activities	42,078	162,985
Cash flows used in investing activities:		
Capital expenditures	(1,023)	(4,432)
Acquisition of a business, net of cash acquired	(2,605,008)	-
Cash used in investing activities	(2,606,031)	(4,432)
Cash flows used in financing activities:		
Proceeds from term loan	1,537,234	-
Proceeds from related party term loan	475,000	-
Proceeds from revolver	65,000	-
Debt issuance costs	(176,195)	-
Capital contributions	828,750	-
Distributions to member	(46,068)	-
Transfers to parent	-	(226,269)
Net cash resulting from parent settlement of intercompany	-	18,247
Cash provided by (used in) financing activities	2,683,721	(208,022)
Effect of foreign currency exchange rate changes on cash	1,083	(20,148)
Net increase (decrease) in cash and cash equivalents	120,851	(69,617)
Cash and cash equivalents, beginning of period	-	147,030
Cash and cash equivalents, end of period	\$ 120,851	\$ 77,413

See accompanying notes to Consolidated and Combined Financial Statements.

**Indicor, LLC**  
**Consolidated Statement of Cash Flows (Successor) and**  
**Combined Statement of Cash Flows (Predecessor)**  
**(in thousands)**

	<u>Successor</u>	<u>Predecessor</u>
	<u>For the period from November 22, 2022 to December 31, 2022</u>	<u>For the period from January 1, 2022 to November 21, 2022</u>
<b>Supplemental disclosure of cash flow:</b>		
Cash paid for interest	\$ -	\$ -
Cash paid for taxes	2,639	35,627
<b>Non-cash investing and financing activities:</b>		
Non-cash consideration business combination	\$ 571,300	\$ -
Precombination service business combination consideration	3,150	-
Working capital adjustment business combination consideration	5,227	-
Accrued deemed distributions	6,634	-

See accompanying notes to Consolidated and Combined Financial Statements.

**Indicor, LLC****Consolidated Statement of Changes in Member's Equity (Successor) and  
Combined Statement of Changes in Parent Equity (Predecessor)**  
(in thousands)

	<b>Predecessor</b>		
	<b>Net parent investment</b>	<b>Accumulated other comprehensive loss</b>	<b>Total parent equity</b>
Balances as of January 1, 2022	\$ 1,083,107	\$ (61,080)	\$ 1,022,027
Net earnings	176,852	-	176,852
Currency translation adjustments	-	(81,549)	(81,549)
Net transfers to parent	(146,099)	-	(146,099)
Balances as of November 21, 2022	<u>\$ 1,113,860</u>	<u>\$ (142,629)</u>	<u>\$ 971,231</u>

	<b>Successor</b>		
	<b>Member's Equity</b>	<b>Accumulated other comprehensive income</b>	<b>Total Member's equity</b>
Balances as of November 22, 2022	\$ -	\$ -	\$ -
Net loss	(56,044)	-	(56,044)
Capital contributions	1,400,050	-	1,400,050
Deemed distributions	(52,702)	-	(52,702)
Stock compensation	1,064	-	1,064
Currency translation adjustments	-	15,534	15,534
Balances as of December 31, 2022	<u>\$ 1,292,368</u>	<u>\$ 15,534</u>	<u>\$ 1,307,902</u>

See accompanying notes to Consolidated and Combined Financial Statements.

## **Indicor, LLC**

### **Notes to Consolidated Financial Statements (Successor) and Combined Financial Statements (Predecessor)**

**All currency amounts are in thousands, except per share amounts**

#### **1. Organization and Nature of Operations**

Indicor, LLC ("Indicor" and together with its subsidiaries, the "Company"), a Delaware limited liability company, was established as a subsidiary of Roper Technologies, Inc. ("Roper" or "Parent") and originally formed on May 11, 2022. Indicor, LLC had no activity in the period prior to November 22, 2022. The Company's subsidiaries previously operated as a part of the Process Technologies segment and the Industrial businesses within the Measurement and Analytical Solutions segment of Roper. Roper previously reported the combined results of the Company's subsidiaries on a carve-out basis under the name Roper Industrial Products Business until the Company was acquired by CD&R Tree Delaware Holdings, L.P. ("CD&R") on November 22, 2022, whereby CD&R acquired 51% and Roper retained 49% ownership of Indicor Equity LLC (f/k/a RIPIC Equity LLC) (the "Indicor Acquisition"). Indicor Equity LLC owns 100% of Indicor Holdings LLC, and the Company is wholly-owned by Indicor Holdings LLC. The Company operates companies in several geographic regions including North America, Europe, and Asia which design, manufacture and distribute specialty industrial controls, fluid handling and analytical instrumentation products, serving selected segments of a broad range of markets such as oil & gas, scientific research, medical diagnostics, semiconductor, microscopy, chemical and petrochemical processing, large diesel engine and turbine/compressor control applications, bulk-liquid trucking, power generation, and agricultural irrigation industries. The Company does not currently have a corporate headquarters but is expected to be headquartered in Charlotte, North Carolina.

#### **2. Basis of Presentation and Summary of Accounting Policies**

**Basis of Presentation "Successor"** – In the accompanying financial information, "Successor" refers to the consolidated financial statements of Indicor for the period beginning November 22, 2022 and ending December 31, 2022. The consolidated financial statements include the Company's accounts and the accounts of entities over which it has a controlling financial interest through its ownership, or the majority voting interests of the entity. The Company consolidates its activities under accounting principles generally accepted in the United States ("US GAAP"). All material intercompany balances and transactions have been eliminated.

**Basis of Presentation "Predecessor"** – The term "Predecessor" refers to the combined financial information of the Roper Industrial Products Business for the period beginning January 1, 2022 and ending November 21, 2022. The accompanying combined financial statements have been prepared in accordance with US GAAP from the consolidated financial statements and accounting records of Roper using the historical results of operations and historical cost basis of the assets and liabilities of Roper. The Predecessor financial statements have been prepared solely to demonstrate the historical results of operations and cash flows for the period under Roper management. All intercompany balances and transactions have been eliminated. Intercompany transactions between Indicor and Roper and its subsidiaries are reflected as related-party transactions.

The Predecessor has historically operated as part of Roper and not as a stand-alone company. Consequently, stand-alone financial statements have not historically been prepared for the Predecessor. The financial statements are a combination of separate legal entities. The financial statements have been derived from the Predecessor and Roper historical accounting records and are presented on a carve-out basis. The accompanying combined financial statements include the revenues and expenses that are directly attributable to the Predecessor. In addition, allocations of indirect costs deemed reasonable based on management's interpretation of SEC Staff Accounting Bulletin Topic 1-B have been included to present the results of operations, changes in equity and cash flows of the Predecessor on a stand-alone basis. The allocation methodologies and costs are described in Note 12.

The financial information included herein may not necessarily reflect the combined results of operations, changes in equity and cash flows of the Predecessor had the Predecessor been a separate, stand-alone entity during the periods presented.

The Predecessor utilized Parent's centralized processes and systems for cash management. The net results of these cash transactions between the Predecessor and Roper are reflected within the financing section of the Combined Statement of Cash

Flows and within Equity on the Combined Statement of Changes in Parent Equity. In addition, the total parent equity represents the Parent's interest in the recorded net assets of the Predecessor and represents the cumulative net investment by the Parent in the Predecessor through the date presented, inclusive of cumulative operating results.

**Recent Accounting Pronouncements** - The Financial Accounting Standards Board ("FASB") establishes changes to accounting principles under US GAAP in the form of accounting standards updates ("ASUs") to the FASB's Accounting Standards Codification ("ASC"). The Company considers the applicability and impact of all ASUs. Any recently adopted ASUs not listed below were assessed and determined to be either not applicable or are expected to have an immaterial impact on the Company's results of operations, financial position or cash flows.

In October 2021, the FASB issued Accounting Standards Update ("ASU") No. 2021-08 Business Combinations (Topic 805): Accounting for Contract Assets and Contract Liabilities from Contracts with Customers to improve the accounting for acquired revenue contracts with customers in a business combination by promoting consistency in the recognition of an acquired contract liability and the subsequent revenue recognized by the acquirer. The update is effective for fiscal years beginning after December 15, 2023, including interim periods within those fiscal years, with early adoption permitted. The Company early-adopted this update as of January 1, 2022.

**Cash and Cash Equivalents** - The cash presented on the consolidated balance sheet consists of cash deposited with financial institutions and highly liquid investments with a purchase date life to maturity of three months or less and are carried at cost, which approximates fair value due to their short-term maturities. The total cash balance is insured by the Federal Deposit Insurance Corporation ("FDIC") up to \$250 per commercial bank with respect to cash balances in the United States, at times the Company may exceed these FDIC limits.

**Contingencies** - Management continually assesses the probability of any adverse judgments or outcomes to its potential contingencies. Disclosure of the contingency is made if there is at least a reasonable possibility that a loss or an additional loss may have been incurred. In the assessment of contingencies as of December 31, 2022, management concluded that there were no matters for which there was a reasonable possibility of a material loss.

**Estimates** - The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the report periods. Actual results could differ from those estimates.

**Foreign Currency Translation and Transactions** - Assets and liabilities of subsidiaries whose functional currency is not the U.S. dollar were translated at the exchange rate in effect at the balance sheet date, and revenues and expenses were translated at average exchange rates for the period in which those entities were included in the Company's financial results. Translation adjustments are reflected as a component of other comprehensive income. Foreign currency transaction gains and losses are recorded within other expense (income), net. Foreign currency transaction gains and losses were not material in any periods presented.

**Goodwill and Other Intangibles** - The Company accounts for goodwill acquired in a business combination as the excess of the cost over the estimated fair value of net assets acquired. Business combinations can also result in other identifiable intangible assets being recognized. Amortization of intangible assets, if applicable, occurs over their estimated useful lives. Goodwill, which is not amortized, is tested for impairment on an annual basis (or an interim basis if an event occurs or circumstances change that would more likely than not reduce the fair value of a reporting unit below its carrying value). When testing goodwill for impairment, the Company has the option to first assess qualitative factors to determine whether the existence of events or circumstances leads to a determination that it is more likely than not that the estimated fair value of a reporting unit is less than its carrying amount. If the Company elects to perform a qualitative assessment and determines that an impairment is more likely than not, then performance of the quantitative impairment test is required. The quantitative process utilizes both an income approach (discounted cash flows) and a market approach (consisting of a comparable public company earnings multiples methodology) to estimate the fair value of a reporting unit. To determine the reasonableness of the estimated fair values, the Company reviews the assumptions to ensure that neither the income approach nor the market approach provides significantly

different valuations. If the estimated fair value exceeds the carrying value, no further work is required and no impairment loss is recognized. If the carrying value exceeds the estimated fair value, a non-cash impairment loss is recognized in the amount of that excess.

The assumptions that have the most significant effect on the fair value calculations are the projected revenue growth rates, future operating margins, discount rates, terminal values and earnings multiples. While the Company uses reasonable and timely information to prepare its discounted cash flow analysis, actual future cash flows or market conditions could differ significantly resulting in future impairment charges related to recorded goodwill balances.

As part of the Indicor Acquisition, the Company recorded goodwill and other intangible assets and eliminated any legacy goodwill and intangible assets. As such, the Company performed its annual impairment test as of December 31, 2022 for the Successor period. The Company conducted its analysis qualitatively and assessed whether it was more likely than not that the respective fair value of the reporting units were less than the carrying amounts. The Company determined that impairment of goodwill was not likely for any of its reporting units and thus was not required to perform a quantitative analysis. Further, the Company performed a similar assessment in the Predecessor period as of October 1, 2022, noting no impairment was considered necessary.

The following events or circumstances, although not comprehensive, would be considered to determine whether interim testing of goodwill would be required:

- a significant adverse change in legal factors or in the business climate;
- an adverse action or assessment by a regulator;
- unanticipated competition;
- a loss of key personnel;
- a more-likely-than-not expectation that a reporting unit or a significant portion of a reporting unit will be sold or otherwise disposed of;
- the testing for recoverability of a significant asset group within a reporting unit; and
- recognition of a goodwill impairment loss in the financial statements of a subsidiary that is a component of a reporting unit.

Trade names that are determined to have indefinite useful economic lives are not amortized, but separately tested for impairment during the fourth quarter of the fiscal year or on an interim basis if an event occurs that indicates the fair value is more likely than not below the carrying value. The Company first qualitatively assesses whether the existence of events or circumstances leads to a determination that it is more likely than not that the estimated fair value of an indefinite-lived trade name is less than its carrying amount. If necessary, the Company conducts a quantitative review using the relief-from-royalty method. This methodology assumes that, in lieu of ownership, a third party would be willing to pay a royalty in order to exploit the related benefits of these assets. The assumptions that have the most significant effect on the fair value calculations are the royalty rates, projected revenue growth rates, discount rates and terminal values. Each royalty rate is determined based on the profitability of the trade name to which it relates and observed market royalty rates. Revenue growth rates are determined after considering current and future economic conditions, recent sales trends, discussions with customers, planned timing of new product launches or other variables. The assessment of fair value for impairment purposes requires significant judgments to be made by management. Although forecasts are based on assumptions that are considered reasonable by management and consistent with the plans and estimates management uses to operate the underlying businesses, there is significant judgment in estimating future operating results. Changes in estimates or the application of alternative assumptions could produce significantly different results. The Company conducted its analysis qualitatively and no impairment resulted from the annual testing performed as of December 31, 2022 (Successor). Further, the Company performed a similar assessment in the Predecessor period as of October 1, 2022, noting no impairment to indefinite-lived intangible assets.

All intangible assets of the Company other than goodwill and trade names are subject to amortization. The cost of such intangible assets is amortized on a straight-line basis over the asset's estimated economic life. Amortizable intangibles are reviewed whenever events or changes in circumstances indicate that the related carrying amounts may not be recoverable. In these circumstances, intangible assets are tested for impairment based on undiscounted cash flows and, if impaired, written down to

the fair value based on either discounted cash flows or appraised values. No impairment was recognized on the Company's long-lived assets for the periods ended December 31, 2022 and November 21, 2022.

**Income Taxes** – The Company recognizes in the consolidated financial statements only those tax positions determined to be “more likely than not” of being sustained upon examination based on the technical merits of the positions. Interest and penalties related to unrecognized tax benefits are classified as a component of income tax expense.

Certain assets and liabilities have different basis for financial reporting and income tax purposes. Deferred income taxes have been provided for these differences at the enacted tax rates expected to be paid.

The Company records a valuation allowance to reduce its deferred tax assets if, based on the weight of available evidence, both positive and negative, for each respective tax jurisdiction, it is more likely than not that some portion or all of such deferred tax assets will not be realized. Available evidence which is considered in determining the amount of valuation allowance required includes, but is not limited to, the Company's estimate of future taxable income and any applicable tax planning strategies.

The Company (Predecessor) is included in the combined U.S. federal, foreign and state income tax returns of Roper, where eligible. However, the Company (Predecessor) determines its current and deferred taxes based on the separate return method as if the Company were a taxpayer separate from Roper. All income taxes due to or due from Roper that have not been settled or recovered by the end of the period have been deemed settled and reflected in Net parent investment. Any differences between actual amounts paid or received by the Company and taxes accrued under the separate return method have been reflected in Net parent investment.

See Note 4 for information regarding income taxes.

**Inventories** - Inventories are valued at the lower of cost or net realizable value. Cost is determined using the first-in, first-out method for manufacturing inventory and the average cost method for spare parts inventories. The Company writes down its inventory for estimated obsolescence or excess inventory equal to the difference between the cost of inventory and the estimated net realizable value based upon assumptions about future demand and market conditions.

**Property, Plant and Equipment and Depreciation and Amortization** - Property, plant and equipment is stated at cost less accumulated depreciation and amortization. Depreciation and amortization are provided for using principally the straight-line method over the estimated useful lives of the assets as follows:

Buildings and leasehold improvements	Shorter of lease term or 30 years
Machinery	8-12 years
Other equipment and software	3-5 years

The components of property, plant and equipment as of December 31 were as follows:

	Successor
	2022
Land	\$ 5,936
Buildings and leasehold improvements	15,333
Machinery and other equipment	9,653
Computer equipment	1,460
Software	1,184
Construction in progress	2,763
	36,329
Accumulated depreciation	(515)
Total property, plant and equipment	\$ 35,814

Depreciation expense related to property, plant and equipment was \$515 and \$5,513 for the periods ended December 31, 2022 ("Successor") and November 21, 2022 ("Predecessor"), respectively.

**Research, Development and Engineering** - Research, development and engineering ("R,D&E") costs include salaries and benefits, rents, supplies, and other costs related to products under development or improvements to existing products. R,D&E costs are expensed as incurred and are included within selling, general and administrative expenses. R,D&E expenses totaled \$5,626 and \$41,200 for the periods ended December 31, 2022 ("Successor") and November 21, 2022 ("Predecessor"), respectively.

**Revenue Recognition** - The Company recognizes revenue under ASC Topic 606 Revenue from Contracts with Customers. The amount of revenue recognized reflects the consideration which the Company expects to be entitled to receive in exchange for these products and/or services. To achieve this principle, the Company applies the following five steps:

- identify the contract with the customer;
- identify the performance obligations in the contract;
- determine the transaction price;
- allocate the transaction price to performance obligations in the contract; and
- recognize revenue when or as the Company satisfies a performance obligation.

Revenue from product sales is recognized when control transfers to the customer, which is generally when the product is shipped.

Non-project-based installation and repair services are performed by certain of our businesses for which revenue is recognized upon completion.

Payment terms are generally 30 to 60 days from the transfer of control. Payment terms do not contain a significant financing component.

Preventative maintenance service revenues are recognized over time using the input method. If we determine our efforts or inputs are expended evenly throughout the performance period, we generally recognize revenue on a straight-line basis. Payment for preventative maintenance services is typically commensurate with milestones defined in the contract.

We offer customers return rights and other credits subject to certain restrictions. We estimate variable consideration generally based on historical experience to arrive at the transaction price, or the amount to which we ultimately expect to be entitled from the customer.

**Disaggregated Revenue** - We disaggregate our revenues into three categories: (i) products; (ii) services; and (iii) other. See details in the table below.

	<b>Successor</b>	<b>Predecessor</b>
	<b>Period from November 22, 2022 to December 31, 2022</b>	<b>Period from January 1, 2022 to November 21, 2022</b>
Products	\$ 121,251	\$ 782,025
Services	18,207	128,947
Other	736	5,147
Net revenues	<u>\$ 140,194</u>	<u>\$ 916,119</u>

Accounts receivable, net - Accounts receivable, net includes amounts billed and currently due from customers. The amounts due are stated at their net estimated realizable value. Accounts receivable are stated net of an allowance for doubtful accounts and sales returns and credits of \$393 as of December 31, 2022. The Company makes estimates of expected allowances based upon our assessment of various factors, including historical experience, the age of the accounts receivable balances, changes to customer creditworthiness and other factors that may affect our ability to collect from customers.

Unbilled receivables - Our unbilled receivables include unbilled amounts typically resulting from sales under project-based contracts when the input method of revenue recognition is utilized and revenue recognized exceeds the amount billed to the customer, and right to payment is not solely due to the passage of time. Amounts may not exceed their net realizable value.

Contract liabilities - The Company's contract liabilities consist of deferred revenue. The Company occasionally receives payment in advance of services being performed, typically for maintenance contracts that are billed annually or quarterly. This deferred revenue is recorded as a liability until the revenue is earned. Deferred revenue that is not expected to be earned within one year is recorded as a long term liability.

Remaining performance obligations - Remaining performance obligations represent the transaction price of firm orders for which work has not been performed and excludes unexercised contract options. As of December 31, 2022, the aggregate amount of the transaction price allocated to remaining performance obligations was \$306,808. We expect to recognize revenue on approximately 98% of our remaining performance obligations over the next 12 months and the remainder to be recognized thereafter.

Stock-Based Compensation - In connection with the Indicor Acquisition, employees that continued to be employed by Indicor retained their existing awards and continued to vest in Roper stock in accordance with the original issuance. These awards are treated as replacement awards under ASC Topic 718 Share-based payments and ASC 805 Business combinations, and modification accounting was applied. As such, these replacement awards were remeasured to fair value on the Indicor Acquisition date and will be expensed on a straight line basis over the remaining requisite service period. The awards consisted entirely of time-based vesting awards. The fair value of option awards is estimated using the Black-Scholes option valuation model. Refer to Note 11 and Note 12 for discussion on allocation of stock based compensation.

### 3. Indicor Acquisition

Indicor Acquisition (Successor) - On November 22, 2022, CD&R ("Acquirer") acquired 51% and a controlling interest in Indicor Equity LLC from Roper ("Seller"). The Company is a wholly-owned subsidiary of Indicor Equity LLC. This transaction was accounted for at fair value under the acquisition method of accounting in accordance with ASC Topic 805, and the Company has elected to apply pushdown accounting.

The acquisition was financed through a combination of debt and retained equity of the Seller. The debt used to finance the acquisition included term loans as well as a revolving line of credit. A transfer agent transferred the cash proceeds from the debt financing to the sellers and other third parties involved in the transaction. The total fair value of purchase consideration and non-controlling interest was \$3,262,098. Cash consideration transferred consisted of an equity contribution of \$828,750 paid by CD&R to Roper and other cash distributions of \$1,853,671 which consisted of new debt financing (see Note 8), acquisition of intercompany receivables, and repayment of certain transaction costs incurred by Roper. The Company recorded non-cash consideration of \$3,150 for the value of precombination services performed on share-based payment awards that were determined to be replacement awards as defined within ASC 718 and as described in Note 11. Further, the Acquirer incurred a liability of \$5,227 payable to Roper as a result of differences between the actual and estimated amounts of cash, assumed indebtedness, and working capital. The liability was contributed to the Company by the Acquirer, refer to Note 12 for further discussion of this amount. Roper retained a non-controlling interest of 49% in Indicor Equity LLC. The non-controlling interest had a fair value of \$571,300 on the closing date of the transaction and is used in the calculation of goodwill by CD&R that has been pushed down to the Company through the pushdown accounting election. The non-controlling interest was valued using an option pricing model which considered probability-weighted exit scenarios including an Initial Public Offering ("IPO") of the Company or a sale other than an IPO. Further, the valuation considered anticipated dilution of the minority interest associated with Roper's requirement to make quarterly payments to CD&R, either (i) in cash or (ii) in-kind through the transfer of Roper's equity interests

in Indicor Equity LLC to CD&R. The Company assumed that the quarterly payments would be made in-kind in its valuation of the minority interest over an expected investment horizon of five years. Over the five-year period, Roper would transfer approximately 1.7% of its ownership in Indicor Equity LLC to CD&R on an annual basis, such that at the end of the five-year period CD&R would own approximately 59.5% of Indicor Equity LLC. The table below illustrates the key inputs and assumptions used to measure the fair value of the non-controlling interest.

	<b>Successor</b>
	<b>November 22, 2022</b>
Company equity value	\$ 1,403,100
Risk-free interest rate (%)	3.89%
Time to liquidity event (Years)	5.00
Expected volatility (%)	65.00%
Dividend yield	0.00%

The fair value of acquired assets and liabilities assumed were determined primarily using the income method using level 3 inputs as defined in ASC Topic 820. The determination of fair value of acquired assets and liabilities assumed requires significant judgment, including estimates related to customer related intangibles, trade names, developed technology, the calculation of the fair value of property, plant, and equipment, and the fair value of inventory. Identified intangible assets acquired consist of customer relationships, trade names and developed technology. The customer relationships were valued using the Multi-period Excess Earnings Method which estimates the value of an intangible asset by quantifying the amount of residual (or excess) cash flows generated by the asset and discounting those cash flows to the present value. The method substantially resembles a traditional financial projection for a company, which includes revenues, costs of goods sold, operating expenses and taxes projected for the next several years based on reasonable assumptions. The customer relationships were determined to have useful lives ranging from 8 to 22 years. Trade names and developed technology were valued using the Relief From Royalty Method which assumes that, in lieu of ownership of an intangible asset, a company would be willing to pay a royalty to receive the benefits of the asset. Under this method, value is estimated by discounting the hypothetical royalty payments to their present value over the economic life of the asset. The trade names are considered indefinite-lived and not amortizable due to the expected long-term use of the associated trade names. The useful lives of developed technology for each of the Company's operating subsidiaries range from 5 to 20 years. The Company's inventory was valued under the Net Realizable Value Method which estimates the fair value of work-in-process and finished goods inventory based on the net retail value, less operating expenses and a reasonable profit allowance. The excess purchase price over those identified fair values was recorded as goodwill.

Provisional fair value measurements were made for acquired assets and liabilities, and adjustments to those measurements may be made in subsequent periods (up to one year from the acquisition date) as information necessary to complete the fair value analysis is obtained. The fair value measurements associated with working capital and the allocation of certain intangible assets are preliminary as of the date these financial statements are available to be issued.

The following table summarizes the fair values of the assets acquired and liabilities assumed at the acquisition date:

<b>Fair value of purchase consideration and non-controlling interest:</b>		
Total consideration	\$	2,690,798
Fair value of non-controlling interest		571,300
<b>Fair value of assets acquired and liabilities assumed:</b>		
Cash and cash equivalents		77,413
Accounts receivable		164,550
Inventories		185,330
Unbilled receivables		20,011
Property, plant and equipment		35,156
Identified intangible assets		1,443,200
Accounts payable		(62,823)
Accrued compensation		(46,552)
Other current assets and liabilities		(9,561)
Deferred revenue		(29,007)
Other assets and liabilities		2,703
Unrecognized tax benefit		(8,448)
Deferred taxes		(85,086)
Net identifiable assets acquired		1,686,886
Goodwill		1,575,212
Net assets acquired	\$	<u>3,262,098</u>

The goodwill recognized in the transaction primarily relates to expected operating efficiencies and expansion opportunities in the acquired business, coupled with the experienced workforce of the Company. The amount of goodwill which is deductible for tax purposes is \$119,047.

The Company has reported the liabilities associated with the debt financing on its consolidated balance sheet. As such, fees paid to the lenders and other third-parties of \$176,195 that were direct and incremental to the debt financings are recorded in accordance with ASC Topic 470.

The Acquirer incurred transaction costs of \$52,312 which included fees for advisory, legal, and other services. These services were incurred by the Acquirer for services performed prior to the acquisition. The service providers were paid with the proceeds of the debt financing, which is the liability of Indicor, either on or in the weeks following the acquisition date. As such, the Company did not recognize the transaction costs as expenses in either the Predecessor or Successor periods. The payments to the service providers were recorded as deemed distributions within the consolidated balance sheet in the Successor period.

#### 4. Income Taxes

The Predecessor tax provision was prepared on a separate return basis as if the Company (Predecessor) were a separate group of companies under common ownership. The operations have been combined as if the Company (Predecessor) were filing on a combined basis for U.S. Federal, U.S. state and non-U.S. income tax purposes, where allowable by law. The Company (Predecessor) is subject to income taxes in the U.S. (both Federal and state) and in few foreign jurisdictions. Changes in the tax laws or regulations in these jurisdictions, or changes in position by the relevant authority regarding their application, administration, or interpretation, may affect our tax liability, return on investments and business operations. To reflect the costs that would have been incurred in the ordinary course of business if the Company (Predecessor) operated as a stand-alone business, the combined financial statements include allocated expenses from the Parent. These costs were not specifically allocated to individual entities; accordingly, the tax effect of these charges was calculated by allocating the costs to the standalone parent company of the Company (Predecessor), and tax effected at their statutory rate.

(Loss) Earnings before income taxes for the periods ended December 31, 2022 (Successor) and November 21, 2022 (Predecessor) consisted of the following components:

	<b>Successor</b>	<b>Predecessor</b>
	<b>Period from November 22, 2022 to December 31, 2022</b>	<b>Period from January 1, 2022 to November 21, 2022</b>
United States	\$ (31,035)	\$ 114,704
Other	19,504	104,929
	<u>\$ (11,531)</u>	<u>\$ 219,633</u>

The components of income tax expense for the periods ended December 31, 2022 (Successor) and November 21, 2022 (Predecessor) were as follows:

	<b>Successor</b>	<b>Predecessor</b>
	<b>Period from November 22, 2022 to December 31, 2022</b>	<b>Period from January 1, 2022 to November 21, 2022</b>
Current:		
Federal	\$ 2,159	\$ 23,581
State	208	3,925
Foreign	7,210	19,368
Deferred:		
Federal	(289)	(3,500)
State	(61)	(213)
Foreign	35,286	(380)
	<u>\$ 44,513</u>	<u>\$ 42,781</u>

Reconciliations between the statutory federal income tax rate and the effective income tax rate for the periods ended December 31, 2022 (Successor) and November 21, 2022 (Predecessor) were as follows:

	<b>Successor</b>		<b>Predecessor</b>	
	<b>Period from November 22, 2022 to December 31, 2022</b>		<b>Period from January 1, 2022 to November 21, 2022</b>	
Federal statutory rate	21.0	%	21.0	%
Remove non-taxable jurisdictions(1)	(59.8)		-	
State taxes, net of federal benefit	(1.0)		1.3	
Foreign rate differential	(10.7)		(0.7)	
Permanent differences	(6.4)		-	
Stock-based compensation	-		(2.8)	
Uncertain tax positions	(0.7)		1.5	
Change in valuation allowance	(333.2)		-	
Tax credits	7.3		-	
Withholding tax on unremitted foreign earnings	(2.6)		-	
Provision to return adjustments	-		(0.6)	
Other, net	0.1		(0.2)	
	<u>(386.0)</u>	<u>%</u>	<u>19.5</u>	<u>%</u>

(1) Indicor, LLC and its wholly owned single-member LLCs are classified as partnerships for U.S. federal income tax purposes and therefore are not taxable entities. Accordingly, their pre-tax income (loss) is being excluded from the effective income tax rate.

The deferred income tax balance sheet accounts arise from temporary differences between the amount of assets and liabilities recognized for financial reporting and tax purposes.

Components of the deferred tax assets and liabilities as of December 31, 2022 were as follows:

	<b>Successor</b>	
	<b>December 31, 2022</b>	
<b>Deferred tax assets:</b>		
Reserves and accrued expenses	\$	19,695
Net operating loss carryforwards		47,609
Capital loss carryforwards		3,524
Foreign tax credit carryforwards		4,712
Interest expense limitation carryforwards		6,206
Capitalized R&E expenditures		207
Gross deferred tax assets		<u>81,953</u>
Less: valuation allowance		<u>(60,843)</u>
Total deferred tax assets	\$	<u>21,110</u>
<b>Deferred tax liabilities:</b>		
Reserves and accrued expenses		6,414
Property, plant and equipment		2,117
Goodwill and other intangible assets		120,112
Accrued tax on unremitted foreign earnings		<u>12,637</u>
Gross deferred tax liabilities		<u>141,280</u>
Net deferred tax liabilities	\$	<u>120,170</u>

As of December 31, 2022, the Company has \$47,609 of foreign net operating loss carryforwards. Some of these net operating loss carryforwards have an indefinite carryforward, and those that do not will begin to expire in 2023 if not utilized. Additionally, the Company has \$6,206 of interest expense limitation carryforwards which have an indefinite carryforward period.

As of December 31, 2022, the Company determined that a total valuation allowance of \$60,843 was necessary to reduce its foreign net deferred tax assets where it was more likely than not that all such deferred tax assets will not be realized. As of December 31, 2022, the Company believes it is more likely than not that the remaining net deferred tax assets will be realized based on the Company's estimates of future taxable income and any applicable tax-planning strategies within various tax jurisdictions.

The Company recognizes a tax benefit from an uncertain tax position only if it is more likely than not to be sustained upon examination based on the technical merits of the position. The amount of the accrual for which an exposure exists is measured as the largest amount of benefit determined on a cumulative probability basis that the Company believes is more likely than not to be realized upon ultimate settlement of the position. Components of the liability are classified as either a current or long-term liability in the consolidated balance sheet based on when the Company expects each of the items to be settled. A reconciliation of the beginning and ending amount of unrecognized tax benefits is as follows:

	<b>December 31, 2022</b>
Beginning balance as of November 22, 2022	\$ 17,150
Additions for tax positions of prior periods	295
Reductions attributable to settlements with taxing authorities	-
Ending balance	<u>\$ 17,445</u>

As of December 31, 2022, the total amount of unrecognized tax benefits that, if recognized, would impact the effective rate is \$17,445. Interest and penalties related to unrecognized tax benefits were \$50 in the Successor period and are classified as a component of income tax expense. Accrued interest and penalties were \$1,600 as of December 31, 2022. During the next twelve months, no changes to the unrecognized tax benefits are expected.

The Company and its subsidiaries are subject to examinations for U.S. federal income tax as well as income tax in various state, city and foreign jurisdictions. The Company's federal income tax returns for 2019 through the current period remain open to examination and the relevant state, city and foreign statutes vary. The Company does not expect the assessment of any significant additional tax in excess of amounts reserved.

The Company intends to distribute all historical unremitted foreign earnings up to the amount of excess foreign cash, as well as all future foreign earnings that can be repatriated without incremental U.S. federal tax cost. Any remaining outside basis differences relating to the Company's investment in foreign subsidiaries are not expected to be material and will be indefinitely reinvested.

## 5. Inventories

The components of inventory were as follows:

	<b>Successor</b>
	<b>December 31, 2022</b>
Raw materials and spare parts	\$ 125,819
Work in process	16,427
Finished products	31,518
Inventory reserves	(133)
	<u>\$ 173,631</u>

## 6. Goodwill and Other Intangible Assets

The carrying value of goodwill was \$1,583,089 as of December 31, 2022. The carrying value of goodwill increased by \$7,877 from November 22, 2022 to December 31, 2022 as a result of currency translation adjustments.

Other intangible assets were comprised of:

	Successor		
	Cost	Accumulated Amortization	Net Book Value
Assets subject to amortization			
Customer related intangibles	\$ 959,860	\$ (4,942)	\$ 954,918
Developed technology	365,930	(2,399)	363,531
Assets not subject to amortization			
Trade names	122,856	-	122,856
Balances at December 31, 2022	<u>\$ 1,448,646</u>	<u>\$ (7,341)</u>	<u>\$ 1,441,305</u>

Amortization expense of other intangible assets was \$7,341 and \$8,810 for the periods ended December 31, 2022 ("Successor") and November 21, 2022 ("Predecessor"), respectively, and is included within selling, general and administrative expenses. The weighted average amortization period as of December 31, 2022 is 17.5 years and 14.5 years for customer related intangibles and developed technology, respectively.

The following is a summary of the estimated amortization of intangible assets for the next five years and thereafter as of December 31, 2022:

Years ending December 31,	Successor
	Amount
2023	\$ 88,036
2024	88,036
2025	88,036
2026	88,036
2027	88,036
Thereafter	878,269
Total	<u>\$ 1,318,449</u>

## 7. Accrued expenses and other current liabilities

Accrued expenses and other current liabilities as of December 31, 2022 consisted of the following:

	Successor
	December 31, 2022
Accrued interest	\$ 22,605
Accrued commissions	4,524
Customer deposits	12,528
Warranty liability	4,865
Legal and other professional services	9,870
Other accrued expenses	4,161
Total	<u>\$ 58,553</u>

## 8. Long-term debt

### Successor

**First Lien Credit Facility** – In connection with the Indicor Acquisition, the Company entered into the First Lien Credit Facility on November 22, 2022. The facility includes a U.S. dollar term loan with an original principal balance of \$1,230,484, a Euro denominated term loan with an original principal balance of €300,000, and a revolving line of credit with a commitment balance of \$300,000. On November 22, 2022, \$65,000 of the revolver was drawn to finance the transaction, while the term loans were fully funded. The funds were primarily used to make payments to the Seller as well as various vendors on the acquisition date. Each loan tranche is syndicated among multiple lenders. Both the U.S. dollar and Euro denominated term loans mature on November 22, 2029, while the maturity date of the revolving line of credit is November 22, 2027. The first lien term loans amortize at 1% per year, with principal payments beginning on June 30, 2023. Interest is variable based on the Daily Simple Secured Overnight Financing Rate ("SOFR") plus an applicable margin of 5% with respect to the U.S. dollar term loan. Interest is variable based on the EURIBOR rate plus an applicable margin of 5.25% with respect to the Euro denominated term loan. Interest on the revolver is variable based on the Daily Simple SOFR plus an applicable margin of 4.25%. Interest on the first lien term loans and the revolving line of credit are due quarterly in arrears, with interest payments commencing on March 31, 2023.

As of December 31, 2022, net deferred financing costs allocated to the revolving line of credit of \$7,520 are included within "Other assets" on the consolidated balance sheet, while net discount and costs to issue the term loans of \$128,728 are presented as a deduction to the face amount of long-term debt on the consolidated balance sheet.

The following is a summary of long-term debt:

	Effective Interest Rate	<u>Successor</u> <u>December 31, 2022</u>
US dollar term loan	11.37%	\$ 1,230,483
Euro term loan	8.92%	318,720
Unamortized deferred financing costs		(128,728)
Term loans, net		<u>1,420,475</u>
Revolver	8.68%	65,000
Less: current portion of long-term debt		<u>(11,619)</u>
Total long-term debt, net		<u>\$ 1,473,856</u>

**Related-Party Term Loan** – On November 22, 2022, the Company entered into a Second Lien Term Loan with an original principal balance of \$475,000. The syndicated lenders of the Second Lien Term Loan are funds affiliated with CD&R and are related parties. The Second Lien Term Loan matures on November 22, 2030. The loan does not amortize, and the entire principal balance is due at maturity. Interest is variable and based on the Daily Simple SOFR plus an applicable margin of 8.75%. Interest payments are due quarterly in arrears beginning March 31, 2023.

As of December 31, 2022, the net discount and costs to issue of \$38,069 of the Second Lien Term Loan are presented as a direct deduction to the face amount of the "Related-party term loan, net" on the consolidated balance sheet. The following is a summary of the related-party term loan:

	Effective Interest Rate	Successor December 31, 2022
Related-party term loan	14.90%	\$ 475,000
Unamortized deferred financing costs		(38,069)
Total related-party term loan, net		<u>\$ 436,931</u>

**Principal Maturities** – The following is a summary of principal maturities of all debt outstanding, including third party and related party term loans and the revolver as of December 31, 2022:

Successor Years ending December 31:	
2023	\$ 11,619
2024	15,492
2025	15,492
2026	15,492
2027	80,492
Thereafter	<u>1,950,616</u>
Total	<u>\$ 2,089,203</u>

The Company was in compliance with all covenants and not in default on any of its outstanding borrowings as of December 31, 2022.

## 9. Contingencies

Indicor, in the ordinary course of business, is the subject of, or a party to, various pending or threatened legal actions, including product liability and employment practices that, in general, are based upon claims of the kind that have been customary over the past several years and which the Company is vigorously defending. After analyzing the Company's contingent liabilities on a gross basis and, based upon past experience with resolution of its product liability and employment practices claims and the limits of the primary, excess, and umbrella liability insurance coverages that are available with respect to pending claims, management believes that adequate provision has been made to cover any potential liability not covered by insurance, and that the ultimate liability, if any, arising from these actions should not have a material adverse effect on Indicor's financial position, results of operations or cash flows.

As of December 31, 2022, the Company had \$9,100 of letters of credit issued to guarantee its performance under certain services contracts or to support certain insurance programs.

## 10. Concentration of Risk

Financial instruments which potentially subject the Company to credit risk consist primarily of cash, trade receivables and unbilled receivables.

The Company maintains cash with various major financial institutions around the world. The Company limits the amount of credit exposure with any one financial institution and does not believe there to be a credit risk related any specific institution. However, the Company does have roughly 70% of its cash as of December 31, 2022 within foreign geographies. While the exposure is spread across various countries across the world, the significance of cash within foreign geographies and

denominations exposes the Company to some degree of credit risk and would require the Company to repatriate the cash to pay for any obligations within the US.

Trade and unbilled receivables subject the Company to the potential for credit risk with customers. To reduce credit risk, the Company performs ongoing evaluations of its customers' financial condition.

No customer accounted for 10% or more of net revenues for the periods ended December 31, 2022 ("Successor") and November 21, 2022 ("Predecessor"). As of December 31, 2022, no customer accounted for 10% or more of accounts receivable.

## **11. Stock Based Compensation and Employee Benefits**

The Roper Technologies, Inc. 2021 Incentive Plan (the "2021 Plan") has been used to grant incentive stock options, nonqualified stock options, restricted stock, stock appreciation rights or equivalent instruments to the Parent's employees, officers and directors. The 2021 Plan was approved by shareholders at Roper's Annual Meeting of Shareholders on June 14, 2021. The 2021 Plan replaced the Roper Technologies, Inc. Amended and Restated 2016 Incentive Plan ("2016 Plan"), and no additional grants will be made from the 2016 Plan.

### Successor

In connection with the Indicor Acquisition, employees of Indicor retained any outstanding equity awards that were granted under the existing Roper 2021 Plan. Existing awards consisted of time-based non-qualified stock options, restricted share awards and restricted unit awards.

Upon the completion of the Indicor Acquisition, certain of these awards were determined to be replacement awards because the Company agreed to reimburse Roper for such awards as discussed further in Note 12. The key terms to all awards retained were substantively unchanged and will continue to be settled by Roper. While the award itself and all of the terms were unchanged, the change in control triggered a modification of the award. As such, all awards were remeasured to fair value on the Indicor Acquisition date. The stock options were valued using a Black-Scholes valuation model and the restricted units and restricted shares were valued using the value of the Roper stock on the date of the Indicor Acquisition. Each of the awards will settle in shares of Roper stock or will be settled in cash by Roper (see Note 12 for further discussion of reimbursement for certain awards). The stock options and the restricted units are equity classified awards and will settle in shares of Roper common stock while the restricted shares are liability classified awards and will be settled in cash. Indicor will record expense based on the modification date fair value of the equity classified awards over the remaining requisite service period. Indicor will also record expense for the restricted shares over the requisite service period and will remeasure the expense based on the value of Roper's common stock trading price each period. To the extent the award was determined to be a replacement award, the Company has evaluated the precombination services rendered and recorded consideration for the value of any precombination services in accordance with ASC 805 with any remaining value to be recorded as expense over the remaining requisite service period. Refer to Note 3 for more information. Indicor recorded total share based compensation expense of \$1,064 within selling, general and administrative expense for the Successor period.

The Company estimated the fair value of the replacement option awards using the Black-Scholes option valuation model. The stock volatility for each grant was measured using the weighted-average of historical daily price changes of Roper's common stock over the most recent period equal to the expected life of the grant, less the service period already performed. The expected remaining term of options granted is derived from Roper historical data to estimate option exercises and employee forfeitures and represents the period of time that options granted are expected to be outstanding. The risk-free rate aligns with the expected life of the option and is based on the U.S. Treasury yield curve in effect at the time of grant. The weighted-average fair value of the replacement options granted was calculated using the following weighted-average assumptions:

	<u>Successor</u>
	<u>December 31, 2022</u>
Weighted-average fair value (\$)	\$147.98
Risk-free interest rate (%)	4.17%
Average expected option life (years)	3.36
Expected volatility (%)	29.41%
Expected dividend yield (%)	0.63%

There were no additional options granted, no options exercised and no options cancelled during the Successor period. The weighted average exercise price per option is \$357.20.

The Company maintains two defined contribution retirement plans under the provisions of Section 401(k) of the IRC covering substantially all U.S. employees. The Company partially matches employee contributions. Costs related to all such plans were \$713 for the period ended December 31, 2022 (Successor).

#### Predecessor

Stock compensation costs were allocated in their entirety for all direct Indicor employees and allocated using revenues of Indicor as a percentage of Roper revenues for employees associated with the Roper's corporate function (as further discussed in Note 12). The Company's (Predecessor) direct employee stock-based compensation expenses were \$7,931 for the Predecessor period. The allocated stock-based compensation expenses for Roper's corporate support functions were \$7,343 for the Predecessor period.

## **12. Related Party Transactions**

#### Successor

**Related-Party Term Loan** – The Company entered into a Second Lien Term Loan with funds affiliated with CD&R, the Company's primary investor. The Company makes quarterly interest only payments on the loan through the maturity date of November 22, 2030. Interest is variable and based on the Daily Simple SOFR plus an applicable margin of 8.75%. As of December 31, 2022, the remaining principal balance of the loan was \$475,000. Refer to Note 8 for further information.

**Transition Services Agreement ("TSA")** – On November, 22, 2022, in connection with the Indicor Acquisition, the Company entered into a TSA with Roper. Under the TSA, Roper will provide certain transitional services to the Company on an interim basis. These services are to be provided over varying time frames from the closing date of the Indicor Acquisition with services terminating as early as March 31, 2023 to as late as December 31, 2023. Services provided by Roper to the Company are invoiced on a monthly basis. In some cases, Roper may incur expenses to a third-party when administering the services. These costs are passed through to the Company in full without markup. As of December 31, 2022, amounts due to Roper were \$74 in connection with the TSA and \$31 were recorded within selling, general and administrative expenses within the Successor period. The services provided by Roper under the TSA are expected to terminate within the next twelve months.

From time to time, CD&R may invoice the Company for reimbursement of third-party services, travel costs, or other expenses incurred on behalf of the Company. As of December 31, 2022, amounts due to CD&R were \$675. Of this amount, \$104 was recorded within selling, general, and administrative expenses and \$560 were recorded as deemed distributions as they related to reimbursements for services performed prior to the close of the Indicor acquisition.

**Reimbursement of certain share based awards** – In accordance with the equity purchase agreement ("EPA") governing the Indicor Acquisition, Indicor is required to reimburse Roper for certain of the restricted shares and restricted units that are held by employees of Indicor. The Company has accounted for these awards as replacement awards as the substance is such that the Company has agreed to replace and reimburse these awards. The EPA dictates that Indicor reimburse Roper based on the share

price of Roper's common stock on the date of execution which was a price of \$442.48 on May 29, 2022. This price is only payable for restricted shares and restricted units that vest in 2024 and 2025 and will only be payable to the extent those awards vest on the respective vesting date within those years. These awards will settle in either cash or in shares of Roper stock and will subsequently be reimbursed by Indicor based on the stated price. The total potential reimbursement is \$12,835 as of December 31, 2022. Indicor has a long term related party liability of \$3,539 related to the passage of time for the time-based vesting awards and will continue to accrete the liability each period to correspond to the expense recognition for the awards each month. The accretion of this amount is recorded as a deemed distribution. The Company has calculated the amount that relates to pre-combination vesting (purchase price) to be \$3,150 and the portion that relates to post-combination stock compensation expense to be \$10,896.

Also, in connection with the Indicor Acquisition, the Company has recorded a liability of \$5,227 to Roper which is included in the consideration transferred in the transaction. This amount was determined by the Acquirer and represents the difference in the actual amounts of cash, assumed indebtedness, and working capital and the estimated amounts of such items at the acquisition date. The Company expects to pay this amount to Roper in the second quarter of 2023. Therefore, this amount is included within due to related party – current on the Consolidated Balance Sheet.

#### Predecessor

Allocated Expenses – The combined financial statements of the Predecessor include allocated expenses from Parent of \$27,218 for the period from January 1, 2022 through November 21, 2022. The stock-based compensation component of these amounts are shown in Note 11. The total allocated expenses from Roper are derived from shared corporate expenses and are presented within selling, general and administrative expenses on the Combined Statement of Earnings and Comprehensive Income (Loss). These expenses primarily relate to corporate general and administrative expenses, including legal, human resources, finance, executive management and other departmental corporate costs for activities that provide benefit to the Predecessor, as well as Roper's other business units; and the direct costs of Predecessor employees for stock-based compensation expense which has not historically been allocated down to the Predecessor. The costs associated with these services and support functions have been allocated to the Predecessor using the most meaningful respective allocation methodologies which were primarily based on proportionate level of revenue for the Predecessor as compared to Roper.

All of the Predecessor's transactions with Roper are considered to be financing transactions, which are presented as Transfers to parent and Net cash resulting from parent settlement of intercompany in the accompanying Combined Statement of Cash Flows.

#### **13. Leases**

The Company's operating leases are primarily for real property in support of our business operations. Although many of our leases contain renewal options, we generally are not reasonably certain to exercise these options at the commencement date. Accordingly, renewal options are generally not included in the lease term for determining the right-of-use asset and lease liability at commencement. Variable lease payments generally depend on an inflation-based index and such payments are not included in the original estimate of the lease liability. These variable lease payments are not material.

The Company recognized lease expense of \$1,707 and \$10,389 for the periods ended December 31, 2022 ("Successor") and November 21, 2022 ("Predecessor"), respectively.

The following table presents the supplemental cash flow information related to the Company's operating leases for the periods ended December 31, 2022 ("Successor") and November 21, 2022 ("Predecessor"):

	Successor	Predecessor
	Period from November 22, 2022 to December 31, 2022	Period from January 1, 2022 to November 21, 2022
Operating cash flows used for operating leases	\$ 922	\$ 10,312
Right-of-use assets obtained in exchange for operating lease obligations	-	15,536

Future minimum lease payments under non-cancellable operating leases were as follows:

	Successor Amount
2023	\$ 16,843
2024	9,808
2025	7,307
2026	5,237
2027	4,170
Thereafter	7,117
Total operating lease payments	50,482
Less: Imputed interest	8,116
Total operating lease liabilities	\$ 42,366

Weighted average remaining lease term - operating leases (years)	5
Weighted average discount rate (%)	8.3%

#### 14. Subsequent Events

**Debt modification** – On February 9, 2023, the Company entered into an amendment of the First Lien Credit Agreement. Under the amendment, the original syndicated lenders of the term loans were replaced with new syndicated lenders. In addition to the change in lenders, the interest rates and Original Issue Discount (“OID”) were adjusted with respect to the First Lien term loans. As a result of this amendment, the Company received cash totaling \$33,821 from the administrative agent as a return of OID. The applicable margin on the U.S. dollar term loan and revolver was reduced from 5% to 4.5%.

**Compressor Controls Corporation (“CCC”) Sale** – In December 2022, the Company began the process of preparing for a sale of one of its operating companies, CCC. As of December 31, 2022, that plan was in the early stages and the Company had not yet actively marketed the business, nor had it developed the formalized plan for the sale. Subsequent to year end, management developed the plan to sell, created an active program to locate buyers and marketed the business at a price that is reasonable compared to the current fair value of the business. On April 26, 2023, the Company formally announced its planned divestiture of CCC to Honeywell International Inc. for approximately \$670,000 of cash. The transaction is expected to close in the second half of 2023, subject to customary closing conditions.

**Issuance of share based awards** - On March 29, 2023, the Company’s Board of Directors voted to approve the Indicor Holdings, LLC Management Equity Program (“Indicor Plan”). The Indicor Plan includes the sale of Common Units, Profits Units, Restricted Common Units, Restricted Unit Awards and Unit Appreciation Rights (collectively, the “Awards”). The total available for grant as awards under the Plan is 1,911,764, and Common Units number available to be sold pursuant to the Plan is 955,882. On March 29, 2023, 36,470 Common Units, 365,125 Profit Units, and 147,000 Unit Appreciation Rights were issued.

Interest rate hedge – During the first quarter of 2023, the Company entered into a series of interest rate swaps to hedge against the variable interest component of \$1.2 billion of notional amount. The swaps provide a fixed interest rate in exchange for a specified premium. The Company is in the process of finalizing its accounting for the interest rate hedges; however, the Company expects these hedges to be effective.

The Company performed an evaluation of subsequent events through May 25, 2023, the date these consolidated and combined financial statements were available to be issued, and determined there were no recognized or unrecognized subsequent events that would require an adjustment or additional disclosure in the consolidated financial statements other than those included above.