

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported) **August 12, 2022**

3M COMPANY

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation)

File No. 1-3285
(Commission File Number)

41-0417775
(IRS Employer Identification No.)

3M Center, St. Paul, Minnesota
(Address of Principal Executive Offices)

55144-1000
(Zip Code)

(Registrant's Telephone Number, Including Area Code) **(651) 733-1110**

Not Applicable
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, Par Value \$.01 Per Share	MMM	New York Stock Exchange
	MMM	Chicago Stock Exchange, Inc.
0.950% Notes due 2023	MMM23	New York Stock Exchange
1.500% Notes due 2026	MMM26	New York Stock Exchange
1.750% Notes due 2030	MMM30	New York Stock Exchange
1.500% Notes due 2031	MMM31	New York Stock Exchange

Note: The common stock of the Registrant is also traded on the SWX Swiss Exchange.

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

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

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

Item 7.01. Regulation FD

As previously disclosed, on December 13, 2021, 3M Company (“3M”), Garden SpinCo Corporation, currently a wholly owned subsidiary of 3M (“SpinCo”), Neogen Corporation (“Neogen”) and Nova RMT Sub, Inc., a wholly owned subsidiary of Neogen, entered into certain definitive agreements providing for the combination of 3M’s food safety business (the “Food Safety Business”) with Neogen in a Reverse Morris Trust transaction (the “proposed transaction”). On August 4, 2022, 3M commenced an exchange offer related to the proposed transaction. In connection with the proposed transaction, including the exchange offer, SpinCo filed a registration statement on Form S-4 and Form S-1 (Reg. No. 333-263669) (the “SpinCo Registration Statement”) with the Securities and Exchange Commission (the “SEC”) and Neogen filed a registration statement on Form S-4 (Reg. No. 333-263667) (the “Neogen Registration Statement”). Each of the SpinCo Registration Statement and the Neogen Registration Statement were declared effective by the Securities and Exchange Commission on August 4, 2022.

This Current Report on Form 8-K is being furnished to provide the unaudited interim combined financial statements of the Food Safety Business as of June 30, 2022 and for the three and six months ended June 30, 2022 and June 30, 2021 and the related Management’s Discussion and Analysis of Financial Condition and Results of Operations, which will be incorporated by reference into each of the SpinCo Registration Statement and the Neogen Registration Statement.

The unaudited interim combined financial statements of the Food Safety Business as of June 30, 2022 and for the three and six months ended June 30, 2022 and June 30, 2021, including Summary Historical Combined Financial Information of the Food Safety Business as of June 30, 2022 and for the six months ended June 30, 2022 and June 30, 2021 and the related Management’s Discussion and Analysis of Financial Condition and Results of Operations furnished on Exhibits 99.1, 99.2 and 99.3 to this Current Report on Form 8-K shall be deemed incorporated by reference into the SpinCo Registration Statement and the Neogen Registration Statement. To the extent that information in this Current Report on Form 8-K differs from or updates information contained in the SpinCo Registration Statement or the Neogen Registration Statement, the information in this Current Report on Form 8-K shall supersede or supplement the information in the SpinCo Registration Statement or the Neogen Registration Statement, as applicable.

Cautionary Note on Forward-Looking Statements

This communication includes “forward-looking statements” as that term is defined in Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended by the Private Securities Litigation Reform Act of 1995, including statements regarding the proposed transaction between Neogen, 3M and SpinCo. These forward-looking statements generally are identified by the words “believe,” “project,” “expect,” “anticipate,” “estimate,” “forecast,” “outlook,” “target,” “endeavor,” “seek,” “predict,” “intend,” “strategy,” “plan,” “may,” “could,” “should,” “will,” “would,” “will be,” “will continue,” “will likely result,” or the negative thereof or variations thereon or similar terminology generally intended to identify forward-looking statements. All statements, other than historical facts, including, but not limited to, statements regarding the expected timing and structure of the proposed transaction, the ability of the parties to complete the proposed transaction, the expected benefits of the proposed transaction, including future financial and operating results and strategic benefits, the tax consequences of the proposed transaction, and the combined Neogen-SpinCo company’s plans, objectives, expectations and intentions, legal, economic and regulatory conditions, and any assumptions underlying any of the foregoing, are forward-looking statements.

These forward-looking statements are based on Neogen and 3M’s current expectations and are subject to risks and uncertainties, which may cause actual results to differ materially from Neogen and 3M’s current expectations. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those indicated or anticipated by such forward-looking statements. The inclusion of such statements should not be regarded as a representation that such plans, estimates or expectations will be achieved. Important factors that could cause actual results to differ materially from such plans, estimates or expectations include, among others, (1) that one or more closing conditions to the proposed transaction may not be satisfied or waived, on a timely basis or otherwise, including that the required approval by the shareholders of Neogen may not be obtained; (2) the risk that the proposed transaction may not be completed on the terms or in the expected by Neogen, 3M and SpinCo, or at all; (3) unexpected costs, charges or expenses resulting from the proposed transaction; (4) uncertainty of the expected financial performance of the combined company following completion of the proposed transaction; (5) failure to realize the anticipated benefits of the proposed transaction, including as a result of delay in completing the proposed transaction or integrating the business of Neogen and the Food Safety Business, on the expected or at all; (6) the ability of the combined company to implement its business strategy; (7) difficulties and delays in the combined company achieving revenue and cost synergies; (8) inability of the combined company to retain and hire key personnel; (9) the occurrence of any event that could give rise to termination of the proposed transaction; (10) the risk that stockholder litigation in connection with the proposed transaction or other litigation, settlements or investigations may affect the timing or occurrence of the proposed transaction or result in significant costs of defense, indemnification and liability; (11) evolving legal, regulatory and tax regimes; (12) changes in general economic and/or industry specific conditions; (13) actions by third parties, including government agencies; (14) the risks that the anticipated tax treatment of the proposed transaction is not obtained; (15) the risk of greater than expected difficulty in separating the Food Safety Business from the other businesses of 3M; (16) risks related to the disruption of management time from ongoing business operations due to the pendency of the proposed transaction, or other effects of the pendency of the proposed transaction on the relationship of any of the parties to the proposed transaction with their employees, customers, suppliers, or other counterparties; and (17) risk factors detailed from time to time in Neogen’s and 3M’s reports filed with the SEC, including Neogen’s and 3M’s annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and other documents filed with the SEC, including the Neogen Registration Statement, which was declared effective by the SEC on August 4, 2022, Neogen’s definitive proxy statement on Schedule 14A with respect to the special meeting of Neogen shareholders in connection with the proposed transaction filed with the SEC on July 18, 2022, as amended and supplemented (the “Proxy Statement”) and the SpinCo Registration Statement, which was declared effective by the SEC on August 4, 2022. The foregoing list of important factors is not exclusive.

Any forward-looking statements speak only as of the date of this communication. None of Neogen, 3M or SpinCo undertakes, and each party expressly disclaims, any obligation to update any forward-looking statements, whether as a result of new information or development, future events or otherwise, except as required by law. Readers are cautioned not to place undue reliance on any of these forward-looking statements.

Important Information About the Transaction and Where to Find It

In connection with the proposed transaction, SpinCo filed the SpinCo Registration Statement and Neogen filed the Neogen Registration Statement and the Proxy Statement. In addition, 3M filed with the SEC on August 4, 2022 a Schedule TO (as may be amended and supplemented, the "3M Schedule TO") in connection with the proposed transaction. INVESTORS AND SECURITY HOLDERS ARE URGED TO READ THE SPINCO REGISTRATION STATEMENT, NEOGEN REGISTRATION STATEMENT, PROXY STATEMENT, 3M SCHEDULE TO AND ANY OTHER RELEVANT DOCUMENTS THAT ARE MADE AVAILABLE BECAUSE THEY CONTAIN IMPORTANT INFORMATION ABOUT NEOGEN, 3M, SPINCO AND THE PROPOSED TRANSACTION. The SpinCo Registration Statement, Neogen Registration Statement, Proxy Statement, 3M Schedule TO and other documents relating to the proposed transaction (as they become available) can also be obtained free of charge from the SEC's website at www.sec.gov. The SpinCo Registration Statement, Neogen Registration Statement, Proxy Statement, 3M Schedule TO and other documents (as they become available) can also be obtained free of charge from 3M upon written request to 3M Investor Relations Department, Bldg. 224-1 W-02, St. Paul, MN 55144, or by e-mailing investorrelations@3M.com or upon written request to Neogen's Investor Relations, 620 Leshar Place, Lansing, Michigan 48912 or by e-mailing ir@neogen.com.

Participants in the Solicitation

This communication is not a solicitation of a proxy from any investor or security holder. However, Neogen, 3M and certain of their respective directors, executive officers and other members of management and employees may be deemed to be participants in the solicitation of proxies from shareholders of Neogen in connection with the proposed transaction under the rules of the SEC. Information regarding the persons who are, under the rules of the SEC, participants in the solicitation of the shareholders of Neogen in connection with the proposed transaction, including a description of their direct or indirect interests, by security holdings or otherwise, are set forth in SpinCo Registration Statement, Neogen Registration Statement and Proxy Statement referenced above that were filed with the SEC. Information about the directors and executive officers of Neogen may also be found in Neogen's Annual Report on Form 10-K filed with the SEC on July 27, 2022, and its definitive proxy statement relating to its 2021 Annual Meeting of Shareholders filed with the SEC on August 31, 2021. Information about the directors and executive officers of 3M may be found in its Annual Report on Form 10-K filed with the SEC on February 9, 2022, and its definitive proxy statement relating to its 2022 Annual Meeting of Stockholders filed with the SEC on March 23, 2022. These documents can be obtained free of charge from the sources indicated above. Other information regarding the participants in the proxy solicitation and a description of their direct and indirect interests, by security holdings or otherwise, are contained in the SpinCo Registration Statement, Neogen Registration Statement and Proxy Statement filed with the SEC.

No Offer or Solicitation

This communication is not intended to and shall not constitute an offer to sell or the solicitation of an offer to sell or the solicitation of an offer to buy any securities or a solicitation of any vote of approval, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

Item 9.01. Financial Statements and Exhibits

(d) Exhibits.

The following exhibits are furnished pursuant to Item 7.01 of Form 8-K and should not be deemed to be “filed” under the Securities Exchange Act of 1934.

(d) Exhibits

Exhibit Number	Description
99.1	Summary Historical Combined Financial Information of the Food Safety Business (furnished pursuant to Item 7.01 hereof).
99.2	Unaudited interim combined financial statements of the Food Safety Businesses of June 30, 2022 and for the three and six months ended June 30, 2022 and June 30, 2021 (furnished pursuant to Item 7.01 hereof).
99.3	Management’s Discussion and Analysis of Financial Condition and Results of Operations of the Food Safety Business for the three and six months ended June 30, 2022 (furnished pursuant to Item 7.01 hereof).
104	Cover Page Interactive Data File (the cover page XBRL tags are embedded in the Inline XBRL document).

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

3M COMPANY

By: /s/ Michael M. Dai
Michael M. Dai,
Vice President, Associate General Counsel & Secretary

Dated: August 12, 2022

SUMMARY HISTORICAL FINANCIAL INFORMATION

On December 13, 2021, 3M Company (“3M”), Garden SpinCo Corporation (“Garden SpinCo”), currently a wholly owned subsidiary of 3M, Neogen Corporation (“Neogen”) and Nova RMT Sub, Inc., a wholly owned subsidiary of Neogen (“Merger Sub”), entered into the Agreement and Plan of Merger, dated as of December 13, 2021, by and among 3M, Neogen, Garden SpinCo and Merger Sub, and 3M, Garden SpinCo and Neogen entered into the Separation and Distribution Agreement, dated as of December 13, 2021, by and among 3M, Garden SpinCo and Neogen, pursuant to which, among other things, the Food Safety Business (defined below) will combine with Neogen in a Reverse Morris Trust transaction (the “Transactions”). The following summary combined financial information of the Food Safety Business is being provided to help you in your analysis of the financial aspects of the Transactions.

As used in this document, the “Food Safety Business” refers to the business conducted by the Food Safety department of 3M and its subsidiaries. The Food Safety Business includes the manufacturing, marketing, distributing, selling and servicing products or services designed or marketed for (i) detecting, enumerating and culturing (or collecting or holding for the purpose of detecting, enumerating, and culturing) microorganisms or food allergens in commercial food safety applications (except where solely performed to assess the need for or to evaluate the efficacy of filtration and separation products of the 3M Separation and Purification Sciences Division) and (ii) detecting adenosine triphosphate to determine the hygienic status of surfaces, products or environments, in each case in commercial food safety applications.

Summary Historical Combined Financial Information of the Food Safety Business

The following table presents summary historical combined financial information of the Food Safety Business. The summary historical combined financial information of the Food Safety Business for each of the six months ended June 30, 2022 and 2021 and the summary historical balance sheet data as of June 30, 2022 have been derived from the interim combined financial statements of the Food Safety Business included in Exhibit 99.2 to the current report on Form 8-K to which this document is attached as an exhibit. The summary historical combined financial information of the Food Safety Business for the years ended December 31, 2021, 2020 and 2019 and as of December 31, 2021 and 2020 have been derived from the annual combined financial statements of the Food Safety Business included in Garden SpinCo’s Registration Statement on Form S-4 and Form S-1 (Registration No. 333-263669) (as amended, the “Registration Statement”). The summary historical combined financial information includes costs of the Food Safety Business, which include the allocation of certain corporate expenses from 3M. The management of the Food Safety Business believes that these allocations were made on a reasonable basis. The summary historical annual and interim combined financial information may not be indicative of the future performance of the Food Safety Business. The summary historical combined financial information should be read in conjunction with the historical combined financial statements of the Food Safety Business and accompanying notes and “Management’s Discussion and Analysis of Financial Condition and Results of Operations of the Food Safety Business,” included in the Registration Statement and Exhibits 99.2 and 99.3 to the current report on Form 8-K to which this document is attached as an exhibit.

In addition, the following table contains certain summary unaudited financial information of the Food Safety Business for the twelve months ended March 31, 2022, which has been calculated by adding the relevant financial information for the three months ended March 31, 2022 to the relevant financial information for the fiscal year ended December 31, 2021, and subtracting the relevant financial information for the three months ended March 31, 2021. As the Food Safety Business's fiscal year ends on December 31, the presentation of this twelve months ended March 31, 2022 information is not made in accordance with U.S. generally accepted accounting principles ("GAAP"). These twelve months ended March 31, 2022 results are for illustrative purposes only. This data is presented as it is the basis for certain ratios and as adjusted financial information included in this document that we believe is useful as supplemental measures for stockholders in assessing the impact of the Transactions. This twelve months ended March 31, 2022 data is not indicative of the results that may be expected for any fiscal year, and should not be used as the basis for, or prediction of, an annualized calculation. See "Non-GAAP Financial Measures" below.

(In thousands of U.S. dollars, except as specified)	Years Ended December 31,			Six Months Ended June 30,		Twelve Months Ended March 31,
	2021	2020	2019	2022	2021	2022
Statement of Income Data:						
Net sales	\$ 368,388	\$ 336,764	\$ 337,088	\$ 180,973	\$ 178,958	\$ 374,492
Cost of sales	143,348	127,027	121,302	74,707	66,382	147,461
Selling, general and administrative expenses	82,403	71,698	78,776	42,846	40,345	84,550
Research, development and related expenses	25,185	20,830	20,727	12,372	12,233	25,484
Total operating expenses	250,936	219,555	220,805	129,925	118,960	257,495
Income before income taxes	117,452	117,209	116,283	51,048	59,998	116,997
Provision for income taxes	23,720	25,237	24,505	10,447	12,508	23,812
Net income	\$ 93,732	\$ 91,972	\$ 91,778	\$ 40,601	\$ 47,490	\$ 93,185
Net income margin ^(a)	25.4%	27.3%	27.2%	22.4%	26.5%	24.9%

(a) Management of the Food Safety Business defines net income margin as net income as a percentage of net sales.

(In thousands of U.S. dollars)	As of December 31,		As of June 30,
	2021	2020	2022
Balance Sheet Data:			
Total assets	\$ 202,516	\$ 195,853	\$ 208,211
Total equity	185,017	180,012	189,586

(In thousands of U.S. dollars)	Years Ended December 31,			Six Months Ended June 30,	
	2021	2020	2019	2022	2021
Statement of Cash Flow Data:					
Net cash provided by operating activities	\$ 89,780	\$ 100,417	\$ 100,044	\$ 34,280	\$ 40,665
Purchases of property, plant and equipment (PP&E)	(5,088)	(4,359)	(4,125)	(1,918)	(2,963)
Net cash used in investing activities	(5,088)	(4,359)	(4,125)	(1,918)	(2,963)
Net cash used in financing activities	(84,692)	(96,058)	(95,919)	(32,362)	(37,702)

The following table also presents certain non-GAAP financial information of the Food Safety Business. See “Non-GAAP Financial Measures” below for further details.

(In thousands of U.S. dollars, except as specified)	Years Ended December 31,			Six Months Ended June 30,		Twelve Months Ended March 31,
	2021	2020	2019	2022	2021	2022
	Other Financial Information:					
EBITDA ⁽¹⁾	\$ 122,091	\$ 121,746	\$ 120,496	\$ 54,238	\$ 62,856	\$ 121,931
Adjusted EBITDA ⁽¹⁾	123,274	122,968	121,782	55,272	63,666	123,254
Adjusted EBITDA margin (%) ⁽¹⁾	33.5%	36.5%	36.1%	30.5%	35.6%	32.9%
Free cash flow ⁽²⁾	84,692	96,058	95,919	32,362	37,702	83,601
Free cash flow conversion (%) ⁽²⁾	94.3%	95.7%	95.9%	94.4%	92.7%	94.7%

- (1) Management of the Food Safety Business defines EBITDA as net income before interest expense, income taxes, and depreciation and amortization. Management of the Food Safety Business defines Adjusted EBITDA as EBITDA, adjusted for stock-based compensation. A reconciliation between net income, on one hand, and EBITDA and Adjusted EBITDA, on the other hand, is as follows:

(In thousands of U.S. dollars, except as specified)	Years Ended December 31,			Six Months Ended June 30,		Twelve Months Ended March 31,
	2021	2020	2019	2022	2021	2022
	Net income	\$ 93,732	\$ 91,972	\$ 91,778	\$ 40,601	\$ 47,490
Net income margin (%) ^(a)	25.4%	27.3%	27.2%	22.4%	26.5%	24.9%
Provision for income taxes	23,720	25,237	24,505	10,447	12,508	23,813
Interest expenses	—	—	—	—	—	—
Depreciation and amortization	4,639	4,537	4,213	3,190	2,858	4,934
EBITDA	122,091	121,746	120,496	54,238	62,856	121,931
Stock-based compensation ^(b)	1,183	1,222	1,286	1,034	810	1,323
Adjusted EBITDA	\$ 123,274	\$ 122,968	\$ 121,782	\$ 55,272	\$ 63,666	\$ 123,254
Adjusted EBITDA margin (%) ^(c)	33.5%	36.5%	36.1%	30.5%	35.6%	32.9%

- (a) Management of the Food Safety Business defines net income margin as net income as a percentage of net sales.
(b) The Food Safety Business’s stock-based compensation expense is reflected in cost of sales, selling, general and administrative expense and research, development and related expenses in its combined statements of income.
(c) Management of the Food Safety Business defines Adjusted EBITDA margin as Adjusted EBITDA as a percentage of net sales.

- (2) Management of the Food Safety Business defines free cash flow as net cash provided by operating activities less purchases of property, plant and equipment provided by (PP&E). Management of the Food Safety Business defines free cash flow conversion as free cash flow as a percentage of net cash provided by operating activities. A reconciliation between net cash flow provided by operating activities and free cash flow, and the calculation of free cash flow conversion, is as follows:

(In thousands of U.S. dollars, except as specified)	Years Ended December 31,			Six Months Ended June 30,		Twelve Months Ended March 31,
	2021	2020	2019	2022	2021	2022
Net cash provided by operating activities	\$ 89,780	\$ 100,417	\$ 100,044	\$ 34,280	\$ 40,665	\$ 88,270
Purchases of property, plant and equipment (PP&E)	(5,088)	(4,359)	(4,125)	(1,918)	(2,963)	(4,669)
Free cash flow	\$ 84,692	\$ 96,058	\$ 95,919	\$ 32,362	\$ 37,702	\$ 83,601
Free cash flow conversion (%)	94.3%	95.7%	95.9%	94.4%	92.7%	94.7%

Non-GAAP Financial Measures

This document includes certain financial information of the Food Safety Business that differs from what is reported in accordance with GAAP. These non-GAAP financial measures consist of EBITDA, Adjusted EBITDA, Adjusted EBITDA margin, free cash flow, and free cash flow conversion. These non-GAAP financial measures are included in this document because management of the Food Safety Business believes that they provide investors with additional useful information to measure the performance or liquidity of the Food Safety Business, and because these non-GAAP financial measures are frequently used by securities analysts, investors and other interested parties as common performance measures to compare results or liquidity or estimate valuations across companies in the Food Safety Business's industry. In particular:

- Management of the Food Safety Business defines EBITDA as net income before interest expense, income taxes, and depreciation and amortization. Management the Food Safety Business presents EBITDA as a performance measure because it may allow for a comparison of results across periods and results across companies in the industry in which the Food Safety Business operates on a consistent basis, by removing the effects on operating performance of (a) capital structure (such as the varying levels of interest expense and interest income), (b) asset base and capital investment cycle (such as depreciation and amortization) and (c) items largely outside the control of management (such as income taxes). EBITDA also forms the basis for the measurement of Adjusted EBITDA (discussed below).
- Management of the Food Safety Business defines Adjusted EBITDA as a performance measure, as EBITDA, adjusted for stock-based compensation. Management of the Food Safety Business presents Adjusted EBITDA because it provides an understanding of underlying business performance by excluding the following:
 - *Stock-based compensation.* Management of the Food Safety Business believes it is useful to exclude stock-based compensation in order to better understand the long-term performance of the core business and to facilitate comparison with the results of peer companies.

In addition, Adjusted EBITDA (and measures derived therefrom) will form the basis for calculations to determine the combined company's compliance with certain covenants in the Permanent Financing (as defined in the Registration Statement).

- Management of the Food Safety Business defines Adjusted EBITDA margin as Adjusted EBITDA as a percentage of net sales. Management of the Food Safety Business presents Adjusted EBITDA margin as a performance measure to analyze the level of Adjusted EBITDA generated from total revenue and net sales.
- Management of the Food Safety Business define free cash flow as net cash provided by operating activities less purchases of property, plant and equipment. Management of the Food Safety Business believes that free cash flow provides supplemental information to assist management and investors in analyzing the Food Safety Business's, and, going forward, the combined company's ability to generate liquidity from its operating activities to fund discretionary capital expenditures and service debt.
- Management of the Food Safety Business defines free cash flow conversion as free cash flow as a percentage of net cash provided by operating activities. Management of the Food Safety Business presents free cash flow conversion as a liquidity measure to analyze the level of free cash flow generated from net cash from operating activities.

These non-GAAP financial measures are presented for informational purposes only. EBITDA, Adjusted EBITDA, Adjusted EBITDA margin, free cash flow, and free cash flow conversion are not recognized terms under GAAP and should not be considered in isolation or as a substitute for, or superior to, net income (loss), operating income, cash flow from operating activities or other measures of financial performance or with respect to free cash flow and free cash flow conversion, liquidity derived in accordance with GAAP or any other generally accepted accounting principles. This information does not purport to represent the results the Food Safety Business would have achieved had any of the transactions for which an adjustment is made occurred at the beginning of the periods presented or as of the dates indicated. This information is inherently subject to risks and uncertainties. It may not give an accurate or complete picture of the Food Safety Business's financial condition or results of operations for the periods presented and should not be relied upon when making an investment decision.

The use of the terms EBITDA, Adjusted EBITDA, Adjusted EBITDA margin, free cash flow and free cash flow conversion may not be comparable to similarly titled measures used by other companies or persons due to potential differences in the method of calculation. Additionally, the non-GAAP financial measures of Neogen and the Food Safety Business may not be directly comparable to each other, as each company defines certain of these measures differently from each other as further explained above, or to future non-GAAP financial measures that may be used by the combined company.

These non-GAAP financial measures have limitations as analytical tools. For example, for EBITDA-based metrics:

- they do not reflect changes in, or cash requirements for the Food Safety Business's working capital needs;
- they do not reflect the Food Safety Business's interest expense or cash requirements necessary to service interest or principal payments on its indebtedness;
- they do not reflect the Food Safety Business's tax expense or the cash requirements to pay its taxes;
- they do not reflect the historical cash expenditures or future requirements for capital expenditures or contractual commitments;
- they do not reflect the effect on earnings or changes resulting from matters the Food Safety Business considers not to be indicative of its future operations;
- they do not reflect any cash requirements for future replacements of assets that are being depreciated and amortized; and
- they may be calculated differently from other companies in the Food Safety Business's industry limiting their usefulness as comparative measures.

For example, for free cash flow-based metrics:

- the definition of free cash flow is limited and does not represent residual cash flows available for discretionary expenditures; and
- the measure of free cash flow does not take into consideration mandatory principal payments on the combined company's long-term debt.

You should compensate for these limitations by relying primarily on the financial statements of the Food Safety Business that are included or incorporated by reference in the Registration Statement or included in the current report on Form 8-K to which this document is attached, and using these non-GAAP financial measures only as a supplement to evaluate the respective performance of the Food Safety Business.

In addition, this document contains certain unaudited financial information under the heading "Twelve Months Ended March 31, 2022," calculated for the twelve months ended March 31, 2022, by adding the relevant financial information for the three months ended March 31, 2022 to the relevant financial information for the year ended December 31, 2021, and subtracting the relevant financial information for the three months ended March 31, 2021. As the Food Safety Business's financial year ends on December 31, the presentation of this information is not made in accordance with GAAP. These results are for illustrative purposes only. We present this data as it is the basis for certain ratios and as adjusted financial information included in this prospectus that we believe is useful as supplemental measures for stockholders in assessing the impact of the Transactions and was provided to investors in connection with the offering of the 8.625% Senior Notes due 2030 issued by Garden SpinCo. This data is not indicative of the results that may be expected for any fiscal year end, and should not be used as the basis for, or prediction of, an annualized calculation.

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Food Safety Business of 3M Company
Combined Statement of Income
(Unaudited)

(In thousands of U.S. dollars)	Three months ended June 30,		Six months ended June 30,	
	2022	2021	2022	2021
Net sales	\$ 89,352	\$ 93,441	\$ 180,973	\$ 178,958
Operating expenses				
Cost of sales	38,478	34,267	74,707	66,382
Selling, general and administrative expenses	20,736	20,380	42,846	40,345
Research, development and related expenses	6,037	6,197	12,372	12,233
Total operating expenses	65,251	60,844	129,925	118,960
Income before income taxes	24,101	32,597	51,048	59,998
Provision for income taxes	4,797	6,950	10,447	12,508
Net income	\$ 19,304	\$ 25,647	\$ 40,601	\$ 47,490

The accompanying Notes to Combined Financial Statements are an integral part of these statements.

Food Safety Business of 3M Company
Combined Statement of Comprehensive Income
(Unaudited)

(In thousands of U.S. dollars)	Three months ended June 30,		Six months ended June 30,	
	2022	2021	2022	2021
Net income	\$ 19,304	\$ 25,647	\$ 40,601	\$ 47,490
Other comprehensive income (loss), net of tax:				
Cumulative translation adjustment	(4,760)	1,369	(4,494)	(1,298)
Total other comprehensive income (loss), net of tax	(4,760)	1,369	(4,494)	(1,298)
Comprehensive income (loss)	\$ 14,544	\$ 27,016	\$ 36,107	\$ 46,192

The accompanying Notes to Combined Financial Statements are an integral part of these statements.

Food Safety Business of 3M Company
Combined Balance Sheet
(Unaudited)

(In thousands of U.S. dollars)

	<u>June 30,</u> <u>2022</u>	<u>December 31,</u> <u>2021</u>
Assets		
Current assets		
Cash	\$ —	\$ —
Accounts receivable — net of allowances of \$921 and \$882	51,686	47,781
Inventories		
Finished goods	21,508	21,632
Work in process	7,454	5,614
Raw materials and supplies	8,741	7,876
Total inventories	37,703	35,122
Other current assets	5,206	5,227
Total current assets	94,595	88,130
Property, plant and equipment	53,060	54,594
Less: Accumulated depreciation	(31,299)	(31,032)
Property, plant and equipment — net	21,761	23,562
Operating lease right of use assets	1,012	1,403
Goodwill	79,983	81,046
Intangible assets — net	2,934	3,250
Deferred tax assets — non-current	6,645	3,836
Other assets	1,281	1,289
Total assets	<u>\$ 208,211</u>	<u>\$ 202,516</u>
Liabilities		
Current liabilities		
Accounts payable	\$ 12,083	\$ 8,497
Accrued payroll	1,609	3,641
Operating lease liabilities — current	287	357
Other current liabilities	3,930	3,979
Total current liabilities	17,909	16,474
Operating lease liabilities — non-current	708	1,017
Deferred income taxes — non-current	8	8
Total liabilities	<u>\$ 18,625</u>	<u>\$ 17,499</u>
Commitments and contingencies (Note 7)		
Equity		
3M net investment	\$ 237,984	\$ 228,921
Accumulated other comprehensive income (loss)	(48,398)	(43,904)
Total equity	<u>\$ 189,586</u>	<u>\$ 185,017</u>
Total liabilities and equity	<u>\$ 208,211</u>	<u>\$ 202,516</u>

The accompanying Notes to Combined Financial Statements are an integral part of these statements.

Food Safety Business of 3M Company
Combined Statement of Cash Flows
(Unaudited)

(In thousands of U.S. dollars)	Six months ended	
	June 30,	
	2022	2021
Cash Flows from Operating Activities		
Net income	\$ 40,601	\$ 47,490
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization	3,190	2,858
Stock-based compensation expense	1,034	810
Deferred income taxes	(2,808)	-
Changes in operating assets and liabilities		
Accounts receivable	(5,653)	(2,677)
Inventories	(3,588)	(10,784)
Accounts payable	4,290	3,315
Accrued payroll	(1,972)	(88)
Other — net	(814)	(259)
Net cash provided by (used in) operating activities	\$ 34,280	\$ 40,665
Cash Flows from Investing Activities		
Purchases of property, plant and equipment	(1,918)	(2,963)
Net cash provided by (used in) investing activities	\$ (1,918)	\$ (2,963)
Cash Flows from Financing Activities		
Net transfers to 3M	(32,572)	(37,483)
Other — net	210	(219)
Net cash provided by (used in) financing activities	\$ (32,362)	\$ (37,702)
Net increase (decrease) in cash and cash equivalents	—	—

The accompanying Notes to Combined Financial Statements are an integral part of these statements.

Food Safety Business of 3M Company
Combined Statement of Changes in Equity
Three months ended June 30,
(Unaudited)

(In thousands of U.S. dollars)	3M Net Investment	Accumulated Other Comprehensive Income (Loss)	Total Equity
Balance at March 31, 2021	\$ 222,875	\$ (41,539)	\$ 181,336
Net income	25,647	—	25,647
Other comprehensive income (loss), net of tax	—	1,369	1,369
Stock-based compensation	187	—	187
Net transfers to 3M	(19,008)	—	(19,008)
Balance at June 30, 2021	<u>\$ 229,701</u>	<u>\$ (40,170)</u>	<u>\$ 189,531</u>
Balance at March 31, 2022	\$ 233,561	\$ (43,638)	\$ 189,923
Net income	19,304	—	19,304
Other comprehensive income (loss), net of tax	—	(4,760)	(4,760)
Stock-based compensation	271	—	271
Net transfers to 3M	(15,152)	—	(15,152)
Balance at June 30, 2022	<u>\$ 237,984</u>	<u>\$ (48,398)</u>	<u>\$ 189,586</u>

The accompanying Notes to Combined Financial Statements are an integral part of these statements.

Food Safety Business of 3M Company
Combined Statement of Changes in Equity
Six months ended June 30,
(Unaudited)

(In thousands of U.S. dollars)	3M Net Investment	Accumulated Other Comprehensive Income (Loss)	Total Equity
Balance at December 31, 2020	<u>\$ 218,884</u>	<u>\$ (38,872)</u>	<u>\$ 180,012</u>
Net income	47,490	—	47,490
Other comprehensive income (loss), net of tax	—	(1,298)	(1,298)
Stock-based compensation	810	—	810
Net transfers to 3M	(37,483)	—	(37,483)
Balance at June 30, 2021	<u>\$ 229,701</u>	<u>\$ (40,170)</u>	<u>\$ 189,531</u>
Balance at December 31, 2021	<u>\$ 228,921</u>	<u>\$ (43,904)</u>	<u>\$ 185,017</u>
Net income	40,601	—	40,601
Other comprehensive income (loss), net of tax	—	(4,494)	(4,494)
Stock-based compensation	1,034	—	1,034
Net transfers to 3M	(32,572)	—	(32,572)
Balance at June 30, 2022	<u>\$ 237,984</u>	<u>\$ (48,398)</u>	<u>\$ 189,586</u>

The accompanying Notes to Combined Financial Statements are an integral part of these statements.

Food Safety Business of 3M Company
Notes to Combined Financial Statements
(Unaudited)

Note 1 –Significant Accounting Policies

Basis of Presentation

The interim Combined Financial Statements have been derived from 3M Company (“3M”)’s accounting records as if the operations of the food safety department of 3M and its subsidiaries (the “Food Safety Business”) had been conducted independently from those of 3M and were prepared on a stand-alone basis in accordance with U.S. generally accepted accounting principles (“GAAP”) for interim reporting and pursuant to the rules and regulations of the U.S. Securities and Exchange Commission for interim reporting. For all periods presented, the Food Safety Business existed as part of several legal entities of 3M with no separate legal status. Garden SpinCo Corporation (“Garden SpinCo”), has not been included within these Combined Financial Statements as it was a separate legal entity that was recently created solely for the purpose of effecting the transactions contemplated by the Agreement and Plan of Merger, dated as of December 13, 2021, by and among 3M, Neogen Corporation (“Neogen”), Garden SpinCo and Nova RMT Sub, Inc. (as it may be amended from time to time), the Separation and Distribution Agreement, dated as of December 13, 2021, by and among 3M, Garden SpinCo and Neogen (as it may be amended from time to time), and the Asset Purchase Agreement, dated as of December 13, 2021, by and between 3M and Neogen, and has no relation to the historical operations of the Food Safety Business. The Combined Financial Statements may not be indicative of Food Safety’s future performance and do not necessarily reflect what the financial position, results of operations and cash flows would have been had it operated as an independent company during the periods presented.

These Combined Financial Statements include general corporate expenses and shared expenses of 3M that were historically incurred by or charged to the Food Safety Business for certain support functions that are provided on a centralized basis, such as expenses related to information technology, finance and controlling, human resources, sales and marketing, and use of shared assets. Additional information is included in Note 6. These expenses have been allocated to the Food Safety Business on the basis of revenue, headcount or other relevant measures. Management of the Food Safety Business considers these allocations to be an overall reasonable reflection of the utilization of services by, or the benefits provided to, the Food Safety Business, in the aggregate. The allocations may not, however, reflect the expenses the Food Safety Business would have incurred as a standalone company for the periods presented. All intercompany transactions and balances within the Food Safety Business have been eliminated and there are not material transactions between the Food Safety Business and other divisions of 3M.

The Food Safety Combined Balance Sheet includes 3M assets and liabilities that are specifically identifiable or otherwise attributable to the Food Safety Business. 3M manages cash and other treasury operations at a centralized level. Cash transfers to and from the cash management accounts of 3M are reflected in the Combined Statement of Cash Flows as “Net transfers to 3M.” External debt, including any interest expense, associated with the debt of 3M which is not directly attributable to the Food Safety Business has been excluded from the Combined Financial Statements.

The Food Safety Business’s operations are included in the consolidated U.S. federal and certain state, local and foreign income tax returns filed by 3M. Income tax expense and other income tax-related information contained in these Combined Financial Statements are presented following the separate return methodology as if the Food Safety Business filed its own income tax returns. The Food Safety Business’s income tax results as presented in the Combined Financial Statements may not be reflective of the results that the Food Safety Business would generate in the future. In jurisdictions where the Food Safety Business has been included in income tax returns filed by 3M, any income taxes payable resulting from the related income tax provision have been reflected within “3M net investment” on the Combined Balance Sheet.

The combined balance sheet as of December 31, 2021, included herein, was derived from the audited combined financial statements as of that date and these unaudited interim combined financial statements should be read in conjunction with the Food Safety Business’s audited combined financial statements and notes included in the in the registration statement on Form S-4 and Form S-1 (Registration No. 333-263669) of Garden SpinCo.

In the opinion of management, the accompanying unaudited interim combined financial statements reflect all adjustments, consisting of only normal recurring adjustments, necessary for the fair statement of the Food Safety Business’s financial position as of June 30, 2022, and its results of operations for the three and six month periods ended June 30, 2022 and 2021, and cash flows for the six months ended June 30, 2022. The results of operations and cash flows are not necessarily indicative of the results to be expected for any subsequent quarter, the fiscal year ending December 31, 2022, or any other period.

Note 2 – New Accounting Pronouncements

There are no new accounting standards material to the financial statements not yet adopted.

Note 3 – Revenues*Disaggregated revenue information:*

The Food Safety Business is organized, managed, and internally grouped as a single segment. The Food Safety Business's revenue primarily consists of sales of consumable products. The Food Safety Business views the following disaggregated disclosures as useful to understanding the composition of revenue recognized during the respective reporting periods.

Net sales (In thousands of U.S. dollars)	Three months ended June 30,		Six months ended June 30,	
	2022	2021	2022	2021
Indicator Testing	\$ 48,080	\$ 50,795	\$ 97,100	\$ 96,919
Hygiene Monitoring	14,354	16,174	28,768	30,575
Sample Handling	13,859	14,309	28,137	28,091
Pathogen Detection	11,279	10,410	23,448	19,791
Allergen Testing	1,780	1,753	3,520	3,582
Total Food Safety	<u>\$ 89,352</u>	<u>\$ 93,441</u>	<u>\$ 180,973</u>	<u>\$ 178,958</u>

On a geographic basis, sales are generally reported within the geographic area where the final sales to customers of the Food Safety Business are made.

Net sales (In thousands of U.S. dollars)	Three months ended June 30,		Six months ended June 30,	
	2022	2021	2022	2021
Americas	\$ 52,475	\$ 51,437	\$ 104,008	\$ 99,677
Asia Pacific	25,550	28,607	53,565	53,495
Europe, Middle East, and Africa	11,327	13,397	23,400	25,786
Total Food Safety	<u>\$ 89,352</u>	<u>\$ 93,441</u>	<u>\$ 180,973</u>	<u>\$ 178,958</u>

Americas included net sales to customers recognized in the United States of \$31,075 thousand and \$30,775 thousand for the three months ended June 30, 2022 and 2021, respectively, and \$60,688 thousand and \$59,624 thousand for the six months ended June 30, 2022 and 2021, respectively.

Note 4 – Property, Plant, and Equipment, Net

Property, plant and equipment, net consisted of the following as of the periods presented:

(In thousands of U.S. dollars)	June 30, 2022	December 31, 2021
Property, plant and equipment - at cost		
Buildings and leasehold improvements	\$ 4,790	\$ 5,108
Machinery and equipment	42,282	42,572
Construction in progress	2,966	3,515
Other fixed assets	<u>3,022</u>	<u>3,399</u>
Gross property, plant and equipment	53,060	54,594
Accumulated depreciation	<u>(31,299)</u>	<u>(31,032)</u>
Property, plant and equipment – net	<u>\$ 21,761</u>	<u>\$ 23,562</u>

Note 5 – Goodwill and Intangible Assets*Goodwill*

There was no goodwill recorded from acquisitions during the first six months of 2022. The amounts in the “Translation impact” row in the following table relates to changes in foreign currency exchange rates.

(In thousands of U.S. dollars)	
Balance at December 31, 2021	\$ 81,046
Translation impact	<u>(1,063)</u>
Balance at June 30, 2022	<u>\$ 79,983</u>

Acquired Intangible Assets

The carrying amount and accumulated amortization of acquired intangible assets as of the dates below, follow:

(In thousands of U.S. dollars)	June 30, 2022	December 31, 2021
Customer related intangible assets	\$ 3,070	\$ 3,070
Other technology-based intangible assets	2,373	2,373
Other amortizable intangible assets	<u>538</u>	<u>538</u>
Total gross carrying amount	<u>\$ 5,981</u>	<u>\$ 5,981</u>
Accumulated amortization — customer related	\$ (1,484)	\$ (1,330)
Accumulated amortization — other technology-based	(1,043)	(935)
Accumulated amortization — other	<u>(520)</u>	<u>(466)</u>
Total accumulated amortization	<u>(3,047)</u>	<u>\$ (2,731)</u>
Total intangible assets — net	<u>\$ 2,934</u>	<u>\$ 3,250</u>

Amortization expense for the three and six months ended June 30, 2022 and 2021 follows:

(In thousands of U.S. dollars)	Three months ended June 30,		Six months ended June 30,	
	2022	2021	2022	2021
Amortization expense	\$ 158	\$ 158	\$ 315	\$ 315

Expected amortization expense for acquired amortizable intangible assets recorded as of June 30, 2022 follows:

(In thousands of U.S. dollars)	Remainder of 2022	2023	2024	2025	2026	After 2026
Amortization expense	\$ 279	\$ 523	\$ 523	\$ 523	\$ 523	\$ 563

The preceding expected amortization expense is an estimate. Actual amounts of amortization expense may differ from estimated amounts due to additional intangible asset acquisitions, impairment of intangible assets, accelerated amortization of intangible assets and other events.

Note 6 – Related Party Transactions and Corporate Allocations

Related party transactions

The Food Safety Business has not entered into any related party transactions apart from those described below related to 3M. The Food Safety Business has not historically entered into material arrangements with other divisions of 3M.

Corporate allocations

The Combined Statement of Income includes general corporate expenses of 3M for services provided by 3M for certain corporate and shared service functions that are provided on a centralized basis, including the use of shared assets. As stated in the Basis of Presentation section of Note 1, these expenses have been allocated to the Food Safety Business on the basis of revenue, headcount or other relevant measures.

3M expense allocations were recorded in the Combined Statement of Income within the following captions:

(In thousands of U.S. dollars)	Three months ended June 30,		Six months ended June 30,	
	2022	2021	2022	2021
Cost of sales	\$ 224	\$ 243	\$ 453	\$ 585
Selling, general and administrative expenses	8,599	9,510	18,445	19,193
Research, development and related expenses	1,834	1,863	3,800	3,848
Total	\$ 10,657	\$ 11,616	\$ 22,698	\$ 23,626

Note 7 – Commitments and Contingencies

Legal Proceedings: The Food Safety Business is involved in certain claims and lawsuits including but not limited to product liability (involving products that the Food Safety Business now or formerly manufactured and sold), intellectual property, and environmental laws in the United States and other jurisdictions. From time to time, the Food Safety Business also receives subpoenas, investigative demands, or requests for information from various government agencies. Such requests can also lead to the assertion of claims or the commencement of administrative, civil or criminal legal proceedings against the Food Safety Business and others, as well as to settlements. The outcomes of legal proceedings and regulatory matters are often difficult to predict. Any determination that the Food Safety Business's operations or activities are not, or were not, in compliance with applicable laws or regulations could result in the imposition of fines, civil or criminal penalties, and equitable remedies, including disgorgement, suspension or debarment or injunctive relief. While uncertainty does exist, management and its counsel do not believe there are any significant matters as of June 30, 2022 that are probable or estimable, for which the outcome could have a material adverse impact on the Food Safety Business's combined results of operations and financial condition.

Note 8 – Subsequent Events

These Combined Financial Statements are derived from the Consolidated Financial Statements of 3M Company, which issued its interim financial statements for the fiscal quarter ended June 30, 2022 on July 27, 2022. Accordingly, the Food Safety Business has evaluated recognizable subsequent events through the date of July 27, 2022 and non-recognizable subsequent events through August 12, 2022, the date these financial statements were available for issuance. There were no material subsequent events other than described above.

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

This Management's Discussion and Analysis of Financial Condition and Results of Operations (this "MD&A") is designed to provide a reader of the financial statements of the Food Safety Business (defined below) with a narrative from the perspective of management. As used in this document, the "Food Safety Business" refers to the business conducted by the Food Safety department of 3M Company, a Delaware corporation ("3M"), and its subsidiaries. The Food Safety Business includes the manufacturing, marketing, distributing, selling and servicing products or services designed or marketed for (i) detecting, enumerating and culturing (or collecting or holding for the purpose of detecting, enumerating, and culturing) microorganisms or food allergens in commercial food safety applications (except where solely performed to assess the need for or to evaluate the efficacy of filtration and separation products of the 3M Separation and Purification Sciences Division) and (ii) detecting adenosine triphosphate to determine the hygienic status of surfaces, products or environments, in each case in commercial food safety applications.

This MD&A is presented in the following sections:

- Overview
- Results of Operations
- Financial Condition and Liquidity
- Quantitative and Qualitative Disclosures About Market Risk

This MD&A should be read in conjunction with the combined annual financial statements and accompanying notes of the Food Safety Business included in the registration statement on Form S-4 and Form S-1 (Registration No. 333-263669) (the "Registration Statement") of Garden SpinCo Corporation, a Delaware corporation ("Garden SpinCo"), and the interim financial statements and accompanying notes of the Food Safety Business included in Exhibit 99.2 to the Current Report on Form 8-K to which this document is included as Exhibit 99.3. This MD&A includes forward-looking statements that may involve risks and uncertainties that could cause results to differ materially from those projected. For additional information, refer to the section below entitled "Cautionary Statement Regarding Forward-Looking Statements" and the sections entitled "Cautionary Statement Regarding Forward-Looking Statements" and "Risk Factors" in the Registration Statement.

Overview

The Food Safety Business is a global leader in food safety solutions, protecting the health of consumers and the brands of its customers by providing cost-effective solutions in detecting food contamination in commercial food products.

The Food Safety Business has one operating and reportable segment and has been historically managed as part of 3M's Healthcare Business Group.

The management team of Food Safety Business believes the assumptions underlying the preparation of the combined financial statements of the Food Safety Business included in this Current Report on Form 8-K are reasonable. However, these financial statements may not necessarily reflect the Food Safety Business's results of operations, financial position and cash flows in the future or what they would have been had the Food Safety Business been a standalone company.

Reverse Morris Trust Transaction

On December 13, 2021, 3M, Garden SpinCo, Neogen Corporation, a Michigan corporation (“Neogen”), and Nova RMT Sub, Inc., a Delaware corporation and wholly owned subsidiary of Neogen (“Merger Sub”), entered into certain definitive agreements, pursuant to which, among other things, the Food Safety Business will combine with Neogen in a Reverse Morris Trust transaction. For additional information, about the transactions contemplated by the Agreement and Plan of Merger, dated as of December 13, 2021, by and among 3M, Neogen, Garden SpinCo and Merger Sub (as it may be amended from time to time), the Separation and Distribution Agreement, dated as of December 13, 2021, by and among 3M, Garden SpinCo and Neogen (as it may be amended from time to time), the Asset Purchase Agreement, dated as of December 13, 2021, by and between 3M and Neogen (as it may be amended from time to time) and certain related transaction documents (collectively, the “Transactions”), refer to the sections entitled “The Transactions” and “The Transaction Agreements” in the Registration Statement.

Basis of presentation

The combined financial statements of the Food Safety Business discussed in this MD&A have been derived from 3M’s accounting records as if the Food Safety Business’s operations had been conducted independently from those of 3M and were prepared on a stand-alone basis in accordance with U.S. generally accepted accounting principles (“GAAP”) and pursuant to the rules and regulations of the U.S. Securities and Exchange Commission. For all periods presented, the Food Safety Business existed as part of several legal entities of 3M with no separate legal status. The financial statements include general corporate expenses and shared expenses of 3M that were historically incurred by or charged to the Food Safety Business for certain support functions that are provided on a centralized basis, such as expenses related to information technology, finance and controlling, human resources, sales and marketing, and use of shared assets. The financial statements may not be indicative of the Food Safety Business’s future performance and do not necessarily reflect what the financial position, results of operations and cash flows would have been had it operated as an independent company during the periods presented.

Prior to the closing of the Transactions, the Food Safety Business’s operating results have been included in 3M’s various consolidated U.S. federal and certain state income tax returns, as well as non-U.S. returns. The Food Safety Business combined financial statements reflect income taxes under the separate return method. Under this approach, income tax expense and deferred tax assets and liabilities are determined as if the Food Safety Business filed separate returns for the years presented.

For further descriptions of the Food Safety Business and the underlying basis of presentation, see the notes to the Food Safety Business’s combined annual financial statements and accompanying notes included in the Registration Statement and the Food Safety Business’s interim financial statements and accompanying notes included in Exhibit 99.2 to the Current Report on Form 8-K to which this document is included as Exhibit 99.3. You should read this discussion in conjunction with the historical consolidated financial statements of 3M.

Comparison of the Three Months and Six Months Ended June 30, 2022 to June 30, 2021

Net Sales

(In thousands of U.S. dollars)	Three months ended,			Six months ended,		
	June 30, 2022	June 30, 2021	Change	June 30, 2022	June 30, 2021	Change
Net sales	\$ 89,352	\$ 93,441	(4.4)%	\$ 180,973	\$ 178,958	1.1%

Net sales decreased during the three months ended June 30, 2022 as compared to the same period in 2021. The 4.4% decrease in net sales was largely driven by a corresponding 4.4% year-on-year decrease from currency translation impacts. Flat local currency growth was driven by growing demand for products in the Americas and Asia, offset by COVID-19 related lockdowns in China and 3M’s decision to suspend distribution of product in Russia.

Net sales increased during the six months ended June 30, 2022 as compared to the same period in 2021. The increase in net sales was driven by a recovery in demand for indicators and pathogen products aligning with the recovery of broader food markets, partially offset by the impact of COVID-19 related lockdowns in China and 3M’s decision to suspend distribution of product in Russia. The 1.1% increase in sales includes a year-on-year decrease of 3.7% from currency translation impacts.

Operating Expenses

(In thousands of U.S. dollars)	Three months ended,			Six months ended,		
	June 30, 2022	June 30, 2021	Change	June 30, 2022	June 30, 2021	Change
Cost of sales	\$ 38,478	\$ 34,267	12.3%	\$ 74,707	\$ 66,382	12.5%
Selling, general and administrative expenses (SG&A)	20,736	20,380	1.7%	42,846	40,345	6.2%
Research, development and related expenses (R&D)	6,037	6,197	(2.6)%	12,372	12,233	1.1%
Total operating expenses	\$ 65,251	\$ 60,844	7.2%	\$ 129,925	\$ 118,960	9.2%

Cost of Sales:

Cost of sales includes manufacturing, engineering and freight costs. Measured as percent to sales, cost of sales was 43.1% and 36.7% in the three months ended June 30, 2022 and 2021 respectively. Cost of sales, measured as a percent of sales, increased for the three months ended June 30, 2022 due to several inflationary impacts including higher raw material, labor, logistics and outsourced manufacturing costs. Further, global supply chain challenges have impacted productivity at manufacturing locations, including a temporary weather related shutdown at 3M's Brookings, South Dakota manufacturing facility during the second quarter of 2022.

Measured as a percent to sales, cost of sales was 41.3% and 37.1% for the six months ended June 30, 2022 and 2021, respectively. Cost of sales, measured as a percent of sales, increased for the six months ended June 30, 2022 due to several inflationary impacts including higher raw material, labor, logistics and outsourced manufacturing costs. Further, global supply chain challenges have impacted productivity at manufacturing locations.

Selling, General and Administrative:

SG&A costs increased slightly for the three months ended June 30, 2022 when compared to the same period in 2021. The increase was driven primarily by higher compensation and benefit costs.

SG&A costs increased for the six months ended June 30, 2022 when compared to the same period in 2021. The increase was driven primarily by higher compensation and benefit costs and additional resources added throughout 2021 as markets recovered and spending resumed on key growth initiatives.

Research, Development and Related Expenses:

R&D costs were relatively flat for both the three and six months ended June 30, 2022 when compared to the same periods in 2021. The Food Safety Business continued to invest in key initiatives, including R&D aimed at disruptive innovation programs in addition to expansion of customer-facing application engineers.

Operating Income

(In thousands of U.S. dollars)	Three months ended,			Six months ended,		
	June 30, 2022	June 30, 2021	Change	June 30, 2022	June 30, 2021	Change
Operating income	\$ 24,101	\$ 32,597	(26.1)%	\$ 51,048	\$ 59,998	(14.9)%

Operating income measured as percent to sales was 27.0% and 34.9% in the three months ended June 30, 2022 and 2021 respectively. Operating income measured as a percent of sales, decreased 790 basis points in the three months ended June 30, 2022 compared to the same period in 2021 primarily due to inflation and manufacturing productivity impacts due to global supply chain disruption, and the impact of changes in foreign currency.

Operating income measured as percent to sales was 28.2% and 33.5% in the six months ended June 30, 2022 and 2021 respectively. Operating income measured as a percent of sales, decreased 530 basis points in the six months ended June 30, 2022 compared to the same period in 2021 primarily due to inflation and manufacturing productivity impacts due to global supply chain disruption.

Provision for Income Taxes

(In thousands of U.S. dollars)	Three months ended,		Six months ended,	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
Effective tax rate	19.9%	21.3%	20.5%	20.8%

The effective tax rate for the three months ended June 30, 2022 was 19.9%, compared to 21.3% for the three months ended June 30, 2021, a decrease of 140 basis points, which is primarily due to the geographic mix of earnings with differing statutory tax rates.

The effective tax rate for the six months ended June 30, 2022 was 20.5%, compared to 20.8% for the six months ended June 30, 2021, a decrease of 30 basis points, which is primarily due to the geographic mix of earnings with differing statutory tax rates.

Financial Condition and Liquidity

Historically, the Food Safety Business's cash flow provided by operations has been transferred to 3M, and transfers from 3M have been the primary source of liquidity of the Food Safety Business. Transfers of cash to and from 3M's cash management system are reflected in "3M net investment" in the combined balance sheet, combined statement of cash flows and combined statement of changes in equity. The Food Safety Business has not reported cash or cash equivalents for the periods presented in the combined balance sheet. The Food Safety Business expects 3M to continue to fund the Food Safety Business's cash needs until the consummation of the Transactions.

3M has been advised that following the consummation of the Transactions, Neogen expects to deploy its sources of liquidity and its capital resources to continue to provide support to the Food Safety Business.

Summary of Cash Flows

Cash flows from operating, investing and financing activities are provided in the tables that follow. Individual amounts in the combined statement of cash flows exclude the effects of exchange rate impacts on cash and cash equivalents, which are presented separately. Thus, the amounts presented in the following operating, investing and financing activities tables reflect changes in balances from period to period adjusted for these effects.

Cash Flows Summary Table:

(In thousands of U.S. dollars)	Six months ended June 30,	
	2022	2021
Net cash provided by (used in) operating activities	34,280	40,665
Net cash provided by (used in) investing activities	(1,918)	(2,963)
Net cash provided by (used in) financing activities	(32,362)	(37,702)

Operating cash flows decreased by approximately \$6,385 thousand during the six months ended June 30, 2022 as compared to the six months ended June 30, 2021 due primarily to lower net income and the cash impact from capitalization of R&D for U.S. tax purposes. Net cash used in investing activities decreased by approximately \$1,045 thousand during the six months ended June 30, 2022 as compared to the six months ended June 30, 2021 due to lower capital expenditures. Net cash used in financing activities decreased by approximately \$5,340 thousand during the six months ended June 30, 2022 as compared to the six months ended June 30, 2021 due to a decrease in net transfers to 3M.

Garden SpinCo Financing

In December 2021, Garden SpinCo entered into a \$1 billion debt financing commitment (the “bridge commitment”) related to the Transactions. The bridge commitment provided potential bridge financing (the “bridge facility”) for Garden SpinCo’s payment of approximately \$1 billion of consideration, subject to closing and other adjustments, to 3M under the terms of the Transactions.

In connection with Garden SpinCo’s entry into the Senior Secured Credit Agreement, on June 30, 2022 Garden SpinCo terminated \$650.0 million in aggregate principal amount of the commitments under the Bridge Facility. On July 20, 2022, the remaining commitments under the Bridge Facility in the aggregate principal amount of \$350.0 million were reduced on a dollar-for-dollar basis by the principal amount of the 8.625% Senior Notes due 2030 issued by Garden SpinCo.

Material Cash Requirements from Known Contractual and Other Obligations

The Food Safety Business does not have any material cash requirements from known contractual and other obligations (including lease obligations). The Food Safety Business has no debt attributable to the business and lease obligations do not represent a material cash requirement. The Food Safety Business purchases the majority of its materials and services as needed without material unconditional commitments.

Quantitative and Qualitative Disclosures About Market Risk

Foreign Currency Exchange Rate Risks

The Food Safety Business faces transactional exchange rate risk from transactions with customers in countries outside the United States and from intercompany transactions between 3M affiliates. Foreign currency exchange rates and fluctuations in those rates may cause fluctuations in cash flows related to foreign denominated transactions. The Food Safety Business is also exposed to the translation of foreign currency earnings to the U.S. dollar.

As part of 3M, the Food Safety Business has generally accepted the exposure to exchange rate movements without using derivative financial instruments to manage this risk. Both positive and negative movements in currency exchange rates against the U.S. dollar will therefore continue to affect the reported amount of sales, profit, and assets and liabilities in the Food Safety Business’s financial statements.

Concentration of Credit Risk

The Food Safety Business’s sales are not materially dependent on any single customer. For the interim and annual periods presented, no one individual customer or group of affiliated customers represented more than 10 percent of the Food Safety Business’s total sales or receivables. Credit risk associated with the Food Safety Business’s receivables is representative of the geographic, industry, and customer diversity associated with the Food Safety Business’s global businesses.

Commodity Prices Risk

The Food Safety Business manages commodity price risks through negotiated supply contracts and price protection agreements. The Food Safety Business does not participate in material hedging activity.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This document includes “forward-looking statements” as that term is defined in Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended by the Private Securities Litigation Reform Act of 1995, including statements regarding the proposed transaction between Neogen, 3M and Garden SpinCo. These forward-looking statements generally are identified by the words “believe,” “project,” “expect,” “anticipate,” “estimate,” “forecast,” “outlook,” “target,” “endeavor,” “seek,” “predict,” “intend,” “strategy,” “plan,” “may,” “could,” “should,” “will,” “would,” “will be,” “will continue,” “will likely result,” or the negative thereof or variations thereon or similar terminology generally intended to identify forward-looking statements. All statements, other than historical facts, including, but not limited to, statements regarding the expected timing and structure of the proposed transaction, the ability of the parties to complete the proposed transaction, the expected benefits of the proposed transaction, including future financial and operating results and strategic benefits, the tax consequences of the proposed transaction, and the combined Neogen-Garden SpinCo company’s plans, objectives, expectations and intentions, legal, economic and regulatory conditions, and any assumptions underlying any of the foregoing, are forward-looking statements.

These forward-looking statements are based on Neogen and 3M’s current expectations and are subject to risks and uncertainties, which may cause actual results to differ materially from Neogen and 3M’s current expectations. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those indicated or anticipated by such forward-looking statements. The inclusion of such statements should not be regarded as a representation that such plans, estimates or expectations will be achieved. Important factors that could cause actual results to differ materially from such plans, estimates or expectations include, among others, (1) that one or more closing conditions to the proposed transaction may not be satisfied or waived, on a timely basis or otherwise, including that the required approval by the shareholders of Neogen may not be obtained; (2) the risk that the proposed transaction may not be completed on the terms or in the timeframe expected by Neogen, 3M and Garden SpinCo, or at all; (3) unexpected costs, charges or expenses resulting from the proposed transaction; (4) uncertainty of the expected financial performance of the combined company following completion of the proposed transaction; (5) failure to realize the anticipated benefits of the proposed transaction, including as a result of delay in completing the proposed transaction or integrating the businesses of Neogen and the Food Safety Business, on the expected timeframe or at all; (6) the ability of the combined company to implement its business strategy; (7) difficulties and delays in the combined company achieving revenue and cost synergies; (8) inability of the combined company to retain and hire key personnel; (9) the occurrence of any event that could give rise to termination of the proposed transaction; (10) the risk that stockholder litigation in connection with the proposed transaction or other litigation, settlements or investigations may affect the timing or occurrence of the proposed transaction or result in significant costs of defense, indemnification and liability; (11) evolving legal, regulatory and tax regimes; (12) changes in general economic and/or industry specific conditions; (13) actions by third parties, including government agencies; (14) the risks that the anticipated tax treatment of the proposed transaction is not obtained; (15) the risk of greater than expected difficulty in separating the Food Safety Business from the other businesses of 3M; (16) risks related to the disruption of management time from ongoing business operations due to the pendency of the proposed transaction, or other effects of the pendency of the proposed transaction on the relationship of any of the parties to the proposed transaction with their employees, customers, suppliers, or other counterparties; and (17) risk factors detailed from time to time in Neogen’s and 3M’s reports filed with the U.S. Securities and Exchange Commission (the “SEC”), including Neogen’s and 3M’s annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and other documents filed with the SEC, including Neogen’s registration statement on Form S-4 (Reg. No. 333-263667), which was declared effective by the SEC on August 4, 2022, Neogen’s definitive proxy statement on Schedule 14A with respect to the special meeting of Neogen shareholders in connection with the proposed transaction, as amended and supplemented, filed with the SEC on July 18, 2022 and the Registration Statement, which was declared effective by the SEC on August 4, 2022, in each case, filed with the SEC in connection with the proposed transaction. The foregoing list of important factors is not exclusive.

Any forward-looking statements speak only as of the date of this document. None of Neogen, 3M or Garden SpinCo undertakes, and each party expressly disclaims, any obligation to update any forward-looking statements, whether as a result of new information or development, future events or otherwise, except as required by law. Readers are cautioned not to place undue reliance on any of these forward-looking statements.