

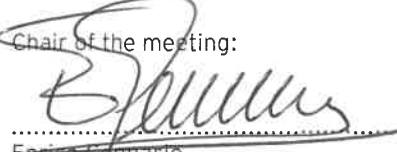
Dunlop Hiflex A/S

Kokbjerg 1A, 6000 Kolding

CVR no. 69 80 02 11

Annual report 2024

Approved at the Company's annual general meeting on 30 June 2025

Chair of the meeting:

.....
Enrico Gemmasio

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Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of Dunlop Hiflex A/S for the financial year 1 January - 31 December 2024.

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

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2024 and of the results of the Company's operations for the financial year 1 January - 31 December 2024.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

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

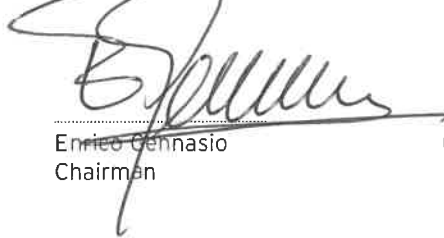
Kolding, 30 June 2025

Executive Board:



Magnus Andersson

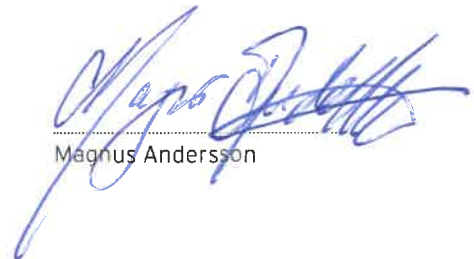
Board of Directors:



Enrico Gennasio
Chairman



Guido Gennasio



Magnus Andersson

Independent auditor's report

To the shareholder of Dunlop Hiflex A/S

Opinion

We have audited the financial statements of Dunlop Hiflex A/S for the financial year 1 January - 31 December 2024, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2024 and of the results of the Company's operations for the financial year 1 January - 31 December 2024 in accordance with the Danish Financial Statements Act.

Basis for opinion

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

Independence

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the 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 in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- ▶ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

Independent auditor's report

- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- ▶ Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on the Management's review

Management is responsible for the Management's review.

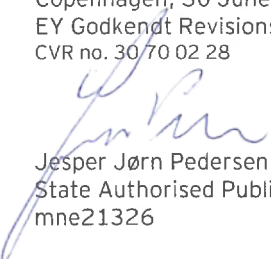
Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 30 June 2025
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28



Jesper Jørn Pedersen
State Authorised Public Accountant
mne21326

Management's review

Company details

Name	Dunlop Hiflex A/S
Address, Postal code, City	Kokbjerg 1A, 6000 Kolding
CVR no.	69 80 02 11
Established	16 November 1982
Registered office	Kolding
Financial year	1 January - 31 December
Telephone	+45 43 25 40 00
Board of Directors	Enrico Gennasio, Chairman Guido Gennasio Magnus Andersson
Executive Board	Magnus Andersson
Auditors	EY Godkendt Revisionspartnerselskab Dirch Passers Allé 36, P.O. Box 250, 2000 Frederiksberg, Denmark

Management's review

Management commentary

Principal activities

The purpose of the company is to conduct business within trade and industry and other related companies and to act as a holding company for Danish and foreign production and trading companies.

Development in activities and financial matters

The income statement for 2024 shows a loss of DKK 1,482 thousand against a loss of DKK 1,224 thousand last year, and the balance sheet at 31 December 2024 shows equity of DKK 24,109 thousand. Management do not consider the Company's financial performance in the year satisfactory.

During 2024, Denmark continued its journey of transformation and stabilization. Despite a slight decline in sales compared to budget, operations were kept stable, with full-year revenue close to previous year levels.

With an ongoing focus on pricing, sourcing and production optimization, efforts continue to safeguard and gradually improve profitability. Operationally, 2024 marked the full-year effect of the workforce restructuring initiated in 2023. Additional savings were realized through optimized freight and fuel expenses, along with leaner processes in administration and support.

Significant strategic investments were also made during the year. A new pipe production and kitting area was established at the centralized facility in Kolding, further strengthening future capacity, customer offering and competitiveness. While this development contributed to a temporary increase in stock levels during the second half of 2024, it positions the business strongly for scalable growth moving into 2025.

The reorganization carried out in 2022 and 2023—centered around consolidating operations into a single national hub in Kolding—continues to deliver clear benefits. By centralizing logistics, production, sales, and customer support, Denmark is now able to provide faster, more coordinated and customer-focused service nationwide. Overnight shipments to customers across the country have become the standard, contributing to improved customer satisfaction and loyalty.

The digital journey also progressed during 2024. The webstore, launched in 2023, has gained strong traction and positive feedback from customers. It provides access to an expanding product portfolio, detailed product information and the convenience of 24/7 ordering—an appreciated service that aligns well with evolving customer expectations.

Thanks to the operational focus, structural changes, and strategic investments, Denmark is well-positioned already shows a positive EBITDA in Q1 2025. Continued cost discipline, enhanced service levels, and a strengthened product offering will remain in focus to ensure sustainable and profitable growth.

Events after the balance sheet date

No events materially affecting the Company's financial position have occurred subsequent to the financial year-end.

Financial statements 1 January - 31 December

Income statement

Note	DKK	2024	2023
	Revenue	89,795,144	87,279,504
	Cost of sales	-61,507,102	-58,719,413
	Other external expenses	-6,492,253	-7,423,076
	Gross profit	21,795,789	21,137,015
2	Staff costs	-22,949,889	-21,632,258
	Amortisation/depreciation and impairment of intangible assets and property, plant and equipment	-1,007,144	-906,209
	Other operating expenses	-7,874	0
	Profit/loss before net financials	-2,169,118	-1,401,452
	Financial income	1,378,675	317,125
	Financial expenses	-1,105,032	-480,860
	Profit/loss before tax	-1,895,475	-1,565,187
3	Tax for the year	413,765	340,692
	Profit/loss for the year	-1,481,710	-1,224,495
	Recommended appropriation of profit/loss		
	Retained earnings/accumulated loss	-1,481,710	-1,224,495
		-1,481,710	-1,224,495

Financial statements 1 January - 31 December

Balance sheet

Note	DKK	2024	2023
	ASSETS		
	Fixed assets		
4	Intangible assets		
	Acquired intangible assets	93,047	119,899
		<u>93,047</u>	<u>119,899</u>
5	Property, plant and equipment		
	Plant and machinery	2,112,084	2,295,364
	Fixtures and fittings, other plant and equipment	489,947	597,531
	Leasehold improvements	658,282	755,513
		<u>3,260,313</u>	<u>3,648,408</u>
6	Investments		
	Deposits, investments	583,068	591,568
		<u>583,068</u>	<u>591,568</u>
	Total fixed assets	<u>3,936,428</u>	<u>4,359,875</u>
	Non-fixed assets		
	Inventories		
	Finished goods and goods for resale	10,078,074	6,766,009
		<u>10,078,074</u>	<u>6,766,009</u>
	Receivables		
	Trade receivables	22,303,138	19,190,435
	Receivables from group enterprises	4,289,818	15,169,584
	Deferred tax assets	1,040,500	626,735
	Corporation tax receivable	306,000	434,000
	Other receivables	1,109,812	1,337,723
	Prepayments	52,720	49,806
		<u>29,101,988</u>	<u>36,808,283</u>
	Cash	<u>6,038,000</u>	<u>7,227,113</u>
	Total non-fixed assets	<u>45,218,062</u>	<u>50,801,405</u>
	TOTAL ASSETS	<u>49,154,490</u>	<u>55,161,280</u>

Financial statements 1 January - 31 December

Balance sheet

Note	DKK	2024	2023
	EQUITY AND LIABILITIES		
	Equity		
	Share capital	5,000,000	5,000,000
	Retained earnings	19,108,935	20,590,645
	Total equity	<u>24,108,935</u>	<u>25,590,645</u>
	Provisions		
	Other provisions	50,000	50,000
	Total provisions	<u>50,000</u>	<u>50,000</u>
	Liabilities other than provisions		
7	Non-current liabilities other than provisions		
	Other payables	1,876,334	1,819,917
		<u>1,876,334</u>	<u>1,819,917</u>
	Current liabilities other than provisions		
	Trade payables	2,057,394	2,285,988
	Payables to group enterprises	19,107,219	22,674,514
	Other payables	1,954,608	2,740,216
		<u>23,119,221</u>	<u>27,700,718</u>
	Total liabilities other than provisions	<u>24,995,555</u>	<u>29,520,635</u>
	TOTAL EQUITY AND LIABILITIES	<u>49,154,490</u>	<u>55,161,280</u>

- 1 Accounting policies
- 8 Contractual obligations and contingencies, etc.
- 9 Security and collateral
- 10 Related parties

Financial statements 1 January - 31 December

Statement of changes in equity

DKK	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity at 1 January 2023	5,000,000	21,815,140	26,815,140
Transfer through appropriation of loss	0	-1,224,495	-1,224,495
Equity at 1 January 2024	5,000,000	20,590,645	25,590,645
Transfer through appropriation of loss	0	-1,481,710	-1,481,710
Equity at 31 December 2024	5,000,000	19,108,935	24,108,935

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of Dunlop Hiflex A/S for 2024 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities and elective choice of certain provisions applying to reporting class C entities.

Reporting currency

The financial statements are presented in Danish kroner (DKK).

Foreign currency translation

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

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

Income statement

Revenue

The Company has chosen IAS 11/IAS 18 as interpretation for revenue recognition.

Income from the sale of goods for resale and finished goods, including sales of hoses and fittings for high and low pressure application to the OEM, MRO and Offshore market, is recognised in revenue when the most significant rewards and risks have been transferred to the buyer and provided the income can be measured reliably and payment is expected to be received. The date of the transfer of the most significant rewards and risks is based on standardised terms of delivery based on Incoterms® 2010.

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognised in revenue.

Other external expenses

Other external expenses include the year's expenses relating to the Company's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Staff costs

Staff costs comprise wages and salaries, including holiday allowance and pensions, and other social security costs, etc., for the Company's employees.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Amortisation/depreciation

The item comprises amortisation/depreciation of intangible assets and property, plant and equipment.

The basis of amortisation/depreciation, which is calculated as cost less any residual value, is amortised/depreciated on a straight line basis over the expected useful life. The expected useful lives of the assets are as follows:

Acquired intangible assets	5-10 years
Plant and machinery	5-10 years
Fixtures and fittings, other plant and equipment	1-5 years
Leasehold improvements	3-5 years

Other operating expenses

Other operating expenses comprise items of a secondary nature relative to the Company's core activities, including losses on the sale of fixed assets.

Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

Balance sheet

Intangible assets

Other intangible assets include development projects and other acquired intangible rights, including software licences, distribution rights and development projects.

Other intangible assets are measured at cost less accumulated amortisation and impairment losses.

Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

Gains or losses are calculated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses from the disposal of property, plant and equipment are recognised in the income statement as other operating income or other operating expenses.

Impairment of fixed assets

The carrying amount of intangible assets and property, plant and equipment is assessed for impairment on an annual basis.

Impairment tests are conducted on assets or groups of assets when there is evidence of impairment. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised impairment losses are reversed when the reason for recognition no longer exists.

Inventories

Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value. The net realisable value of inventories is calculated as the sales amount less costs of completion and expenses required to effect the sale and is determined taking into account marketability, obsolescence and development in the expected selling price.

Receivables

The Company has chosen IAS 39 as interpretation for impairment write-down of financial receivables.

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Receivables in respect of which there is no objective evidence of individual impairment are tested for objective evidence of impairment on a portfolio basis. The portfolios are primarily based on the debtors' domicile and credit ratings in line with the Company's risk management policy. The objective evidence applied to portfolios is determined based on historical loss experience.

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

Prepayments

Prepayments recognised under "Assets" comprise prepaid expenses regarding subsequent financial reporting years.

Equity

Proposed dividends

Dividend proposed for the year is recognised as a liability once adopted at the annual general meeting (declaration date). Dividends expected to be distributed for the financial year are presented as a separate item under "Equity".

Provisions

Provisions comprise anticipated expenses relating to warranty commitments, onerous contracts, restructurings, etc. Provisions are recognised when the Company has a legal or constructive obligation at the balance sheet date as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

Provisions are measured at net realisable value or at fair value if the obligation is expected to be settled far into the future.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Income taxes

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Deferred tax is measured according to the liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax assets are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

Liabilities

The Company has chosen IAS 39 as interpretation for liabilities.

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. On subsequent recognition, financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan. Financial liabilities also include the capitalised residual lease liability in respect of finance leases.

Other liabilities are measured at net realisable value.

DKK	2024	2023
2 Staff costs		
Wages/salaries	20,562,395	19,415,174
Pensions	1,679,313	1,457,020
Other social security costs	708,181	760,064
	<u>22,949,889</u>	<u>21,632,258</u>
Average number of full-time employees	<u>30</u>	<u>32</u>
3 Tax for the year		
Deferred tax adjustments in the year	<u>-413,765</u>	<u>-340,692</u>
	<u>-413,765</u>	<u>-340,692</u>

Financial statements 1 January - 31 December

Notes to the financial statements

4 Intangible assets

DKK	Acquired intangible assets
Cost at 1 January 2024	4,647,648
Additions	6,000
Cost at 31 December 2024	4,653,648
Impairment losses and amortisation at 1 January 2024	4,527,749
Amortisation for the year	32,852
Impairment losses and amortisation at 31 December 2024	4,560,601
Carrying amount at 31 December 2024	93,047
Amortised over	5-10 years

5 Property, plant and equipment

DKK	Plant and machinery	Fixtures and fittings, other plant and equipment	Leasehold improvements	Total
Cost at 1 January 2024	12,108,685	3,992,970	780,362	16,882,017
Additions	493,966	104,199	0	598,165
Disposals	0	-27,058	0	-27,058
Cost at 31 December 2024	12,602,651	4,070,111	780,362	17,453,124
Impairment losses and depreciation at 1 January 2024	9,813,321	3,395,439	24,849	13,233,609
Depreciation	677,246	199,815	97,231	974,292
Reversal of accumulated depreciation and impairment of assets disposed	0	-15,090	0	-15,090
Impairment losses and depreciation at 31 December 2024	10,490,567	3,580,164	122,080	14,192,811
Carrying amount at 31 December 2024	2,112,084	489,947	658,282	3,260,313
Depreciated over	5-10 years	1-5 years	3-5 years	

Financial statements 1 January - 31 December

Notes to the financial statements

6 Investments

DKK	Deposits, investments
Cost at 1 January 2024	676,778
Disposals	-8,500
Cost at 31 December 2024	668,278
Value adjustments at 1 January 2024	-85,210
Value adjustments at 31 December 2024	-85,210
Carrying amount at 31 December 2024	583,068

7 Non-current liabilities other than provisions

DKK	Total debt at 31/12 2024	Short-term portion	Long-term portion	Outstanding debt after 5 years
Other payables	1,876,334	0	1,876,334	1,876,334
	<u>1,876,334</u>	<u>0</u>	<u>1,876,334</u>	<u>1,876,334</u>

8 Contractual obligations and contingencies, etc.

Other financial obligations

Other rent and lease liabilities:

Rent and lease liabilities	<u>9,333,451</u>	<u>9,083,139</u>
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9 Security and collateral

As security for the Company's debt to certain creditors, the Company has provided bank payment guarantees for a total amount of DKK 448,630.

10 Related parties

Dunlop Hiflex A/S' related parties comprise the following:

Parties exercising control

Related party	Domicile	Basis for control
AlfaGamma SpA	Via Torri Bianchi 1, 20871 Vimercate, Monza Brianza, Italy	Participating interest

Information about consolidated financial statements

Parent	Domicile	Requisitioning of the parent company's consolidated financial statements
AlfaGamma SpA	Via Torri Bianchi 1, 20871 Vimercate, Monza Brianza, Italy	The consolidated financial statements may be obtained at the parent company's adress