



We are merging our North American operations

Continental and Hydreco Inc, both proud members of the Duplomatic Motion Solutions Group, announce the merge of our North American operations and legal entities, starting January 1st, 2021.

On December 31st, 2020, Continental Hydraulics Inc acquired Hydreco Inc through a stock purchase agreement. Continental Hydraulics Inc. will remain as the only active Corporation for the Group in North America, while Hydreco, will become a division of the same.

Both Continental Hydraulics and Hydreco brands and product lines will be fully maintained with their strong history and equity, respectively for the Industrial and the Mobile market, while we grow jointly our US' footprint format we will leverage the common engineering excellence, and the application know-how and ease to do business with, thanks to our experienced and caring teams.

Both business locations will remain in place, in Shakopee MN and Rock Hill SC respectively, as well as all existing commercial agreements. The two customer service teams will now work interactively and will be gradually interchangeable, so customers can contact either office for Hydreco product line.

Our strategy forward at this time is to maintain the two brands' channels separate as they are currently.



James Hill - Product & Project Manager

► History of mobile hydraulics

As Continental merges with Hydreco US, we get to know our new great colleagues. James Hill, possibly the most emblematic Manager in the team, with his over 30 years with the company working in the mobile industry.

**James, how long have you been with Hydreco?
In how many different functions?**

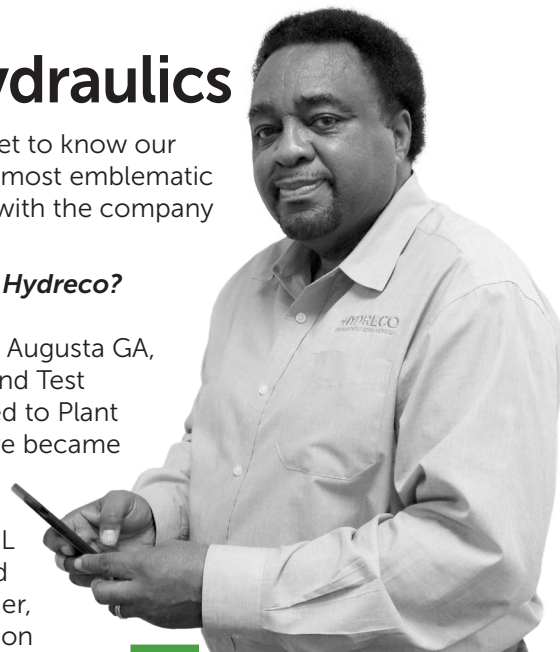
I started in production in 1987, in Augusta GA, as a young Pump Assembler and Test Supervisor, shortly promoted to Plant Superintendent. When we became Magna Power / Hydreco, I moved

to Franklin Park IL as Product and Quality Manager, title and function that I kept when we were David Brown / Hydreco. As we then became Cadillac Gauge Textron / David Brown Hydraulics, I was in Dayton OH as Product Manager. And under the new Maag Pump Systems Textron / David Brown Hydraulics name in Charlotte NC as General Manager and Product Manager. When we merged with Clyde and became David Brown Hydraulics / Clyde Blowers, located in both Charlotte NC and Rock Hill SC I was finally Product and Project Manager, responsibility that I keep to this day under Continental / Hydreco, still based out of Rock Hill.

How has the mobile market evolved in all these years?

We have seen and are still seeing a rapidly evolving market for Electric-Driven Machines, demand for higher pressures and duty cycles for our components, and a change in Drive-train technology: what moves the machine, how the mobile machine's tools are powered, with digital technologies to manage functionality and load sharing, sometimes referred to as "electronification".

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"My objective is to help drive the growth of the combined brands"

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Tell us a bit about Hydreco's current offer in North America. Our core lines in US are our "legacy" gear pumps and mono-bloc valve range, with the addition of Electrafluidics remote Control System and CAN-bus remote control systems, aka Joysticks. A full line of products and software to build hydraulic and digital control systems for mobile machinery. We are now also offering the newer and even more competitive high pressure pumps of European design, i.e. our QR, QX and WSP pump series (rated up to 5000 PSI), all available also with US sizes, ports and standards. And we are introducing a new, innovative aluminum pump line (expected Q3 of 2021).

What "crossover opportunities" do you see between Continental and Hydreco businesses? We have a number of distributors and OEMs on both sides that can now easily leverage the access to both Hydreco and Continental products at once, single contact point, preferred brand, etc. Several products like stack valves have a market across the two segments, industrial and mobile.

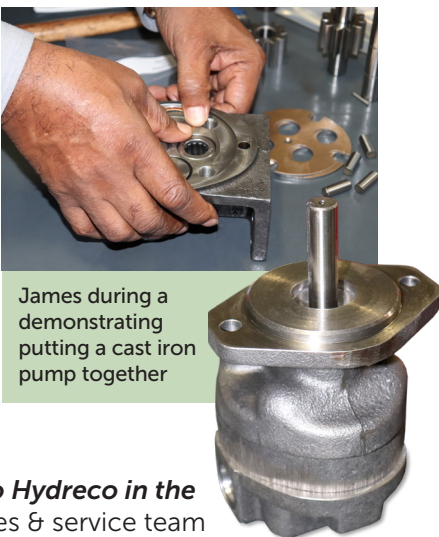
James, what else is this merge with Continental adding to Hydreco in the US, in your view? We now have a world class sales & service team

for the Hydreco line, and once again a fully internal manufacturing center, with engineering and quality departments, increasing our quality and optimizing costs and lead times. Together with the new products, that gives us great growth potential with the ability to much better serve our customer base and new OEMs and distributors we start working with.

To conclude, is there anything else we should know about you?

Yes, my dedication to and motivation, are still the same after so many years. I am committed to helping Continental / Hydreco become a major supplier to new OEMs, and still having fun!

Good luck James with this adventure.



James during a demonstrating putting a cast iron pump together

► Double the value Monitored valves and kits



- TÜV Certification
- Safety components in accordance with EN 692, ISO 13849-1 and -2
- Rated to IP66 for high pressure wash-down
- Meets up to Category 4, PLe, SIL3 requirements



Dual monitored kits consist of ductile iron manifold and two single solenoid valves making it a redundant design. The series - parallel circuit design blocks flow and pressure until both valves have been actuated to allow flow and pressure from the supply to the machine. If either valve is deactivated the flow to the outlet port will be blocked from

the hydraulic supply source and the outlet port is then automatically connected to tank removing all potential hydraulic power at the machine.

Solenoid operated directional valves are equipped with position sensors that monitor the main spool position. The switching position is indicated by a binary signal.

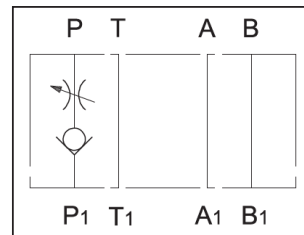
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► Machine Tool Application

One simple and economical component solves two issues!

Machine tool manufacture was seeing a couple nagging issues in the clamp circuits.

- Issue one is the loss of clamp pressure when other functions are actuated. The drop in pressure is a result of the pump and system response time.
- The second issue was they wanted to control the flow rate to the clamps.



The simple solution that solved both issues = F03MSV-NIPC-AC-D

This simple and economical valve controls the flow rate and because of the check valve it would hold enough down stream pressure that the clamp would not lose so much of the trapped pressure. Allowing the part to maintain it desired function well enough until the system had caught back up.