



# Annual & Sustainability Report 2024

For customer success and a healthier planet



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The audited annual report for Munters Group AB (publ), corporate registration number 556819-2321, refers to pages 110–146. The statutory sustainability report and the sustainability statement are presented on pages 3-4, 10, 13-24 and 61-109. This report is also Munters Communication on Progress (CoP) report in accordance with the Global Compact.

Munters' Remuneration Report is available online at [www.munters.com](http://www.munters.com).

Every care has been taken in the translation of this annual and sustainability report. In the event of discrepancies, the Swedish original will supersede the English translation. The addition of the total amounts reported can lead to rounding differences.

Curiosity and a commitment to creating groundbreaking technologies have been an integral part of our DNA since our founding in 1955.

## 01 Introduction

# A global leader in energy-efficient climate control

Founded in 1955, Munters is a global leader in climate solutions. Through innovative technologies, we create and control the optimal climate for demanding industries.



15,453

net sales 2024, MSEK

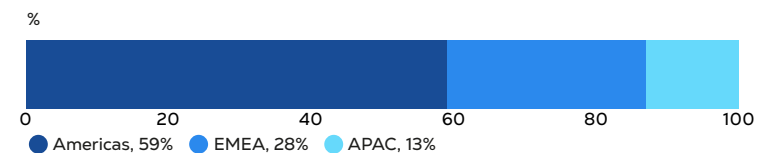
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production sites

~5,400

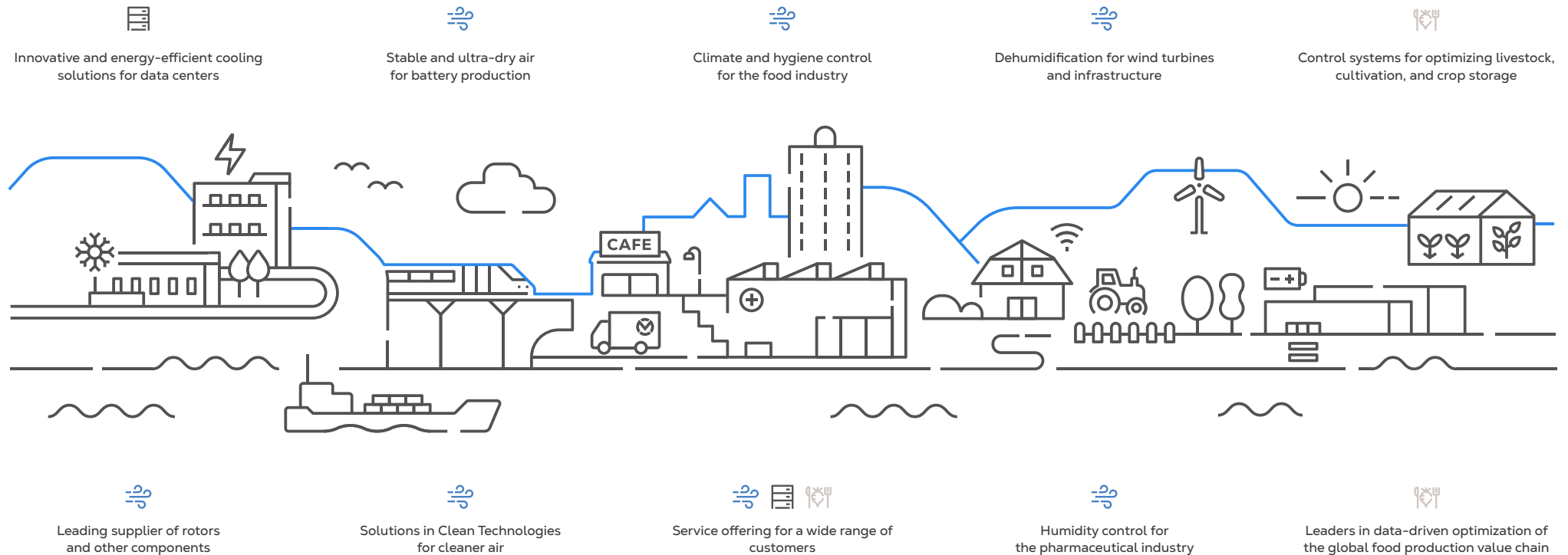
employees

Regions, percent of net sales 2024



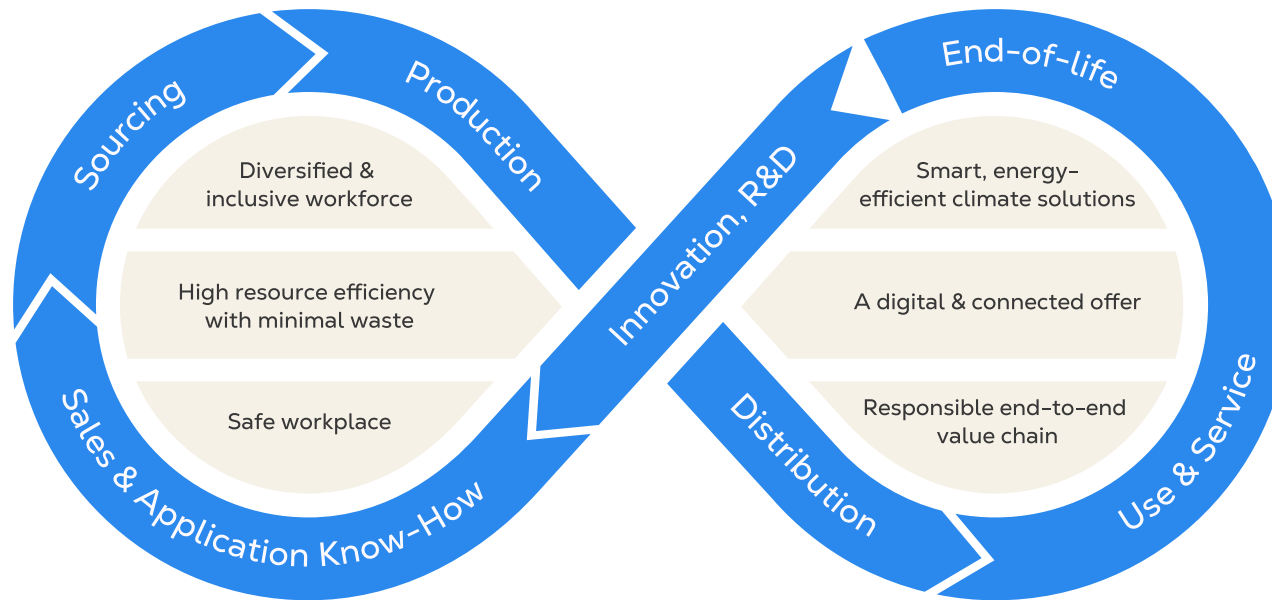
# How Munters creates value in society

Munters works with customers in segments where the control of humidity, temperature, and energy efficiency is critical to operations. By offering innovative, efficient, and sustainable climate systems, we help customers secure their operations and production quality, reduce energy and water usage, and contribute to lower carbon emissions.



# Our value-chain

Munters provides smart, energy-efficient climate solutions and a digital, connected offering. We have integrated sustainability into every aspect of our business strategy and demonstrate our impact on the value chain from both an internal and external perspective.



## Innovation, R&D

Through innovation and continuous product development, we meet market demands for increasingly resource-efficient products with lower environmental impact.

## Sales & application knowledge

Our products and know-how enable us to offer tailored solutions that reduce costs and environmental impact.

## Sourcing

We use materials and suppliers that meet our standards, promoting human rights and reducing environmental impact.

## Production

Health and safety are our top priorities. We reduce emissions and improve efficiency with MPS. We also strive for greater diversity and inclusion.

## Distribution

We reduce transportation and environmental impact through optimization and regionalization, strengthening the supply chain and increasing security within each region.

## Use & service

Our services optimize performance and extend product lifespan, ensuring resource efficiency throughout the entire lifecycle.

## End-of-life

Our products and services extend product lifespan. We are strengthening our focus on circularity and working to enable responsible recycling.

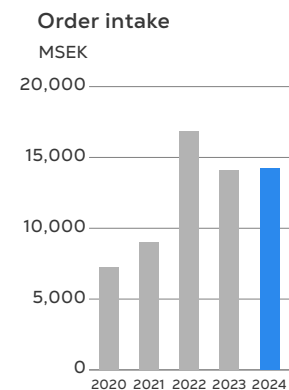
Learn more about how we work with our value chain on pages 67-68.

# The year in brief

In 2024, we strengthened our market position through growth, optimized presence, and efficiency gains. Strong demand and acquisitions drove record net sales, with an adjusted EBITA margin exceeding the target of over 14%. Higher earnings and improved working capital strengthened cash flow, which, in combination with our active M&A strategy, resulted in a low net impact on the debt ratio, reflecting financial stability and disciplined capital allocation.

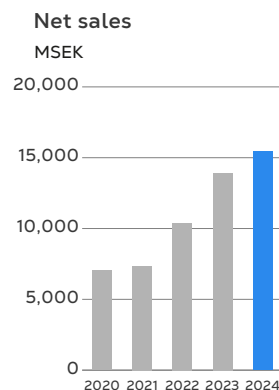
## Order intake

The organic order intake decreased by -4%, while structural growth contributed +6%. FoodTech showed strong growth, and AirTech remained stable. DCT declined due to fewer large orders; however, excluding previous large orders, DCT reached one of its highest levels ever, highlighting the long-term demand.

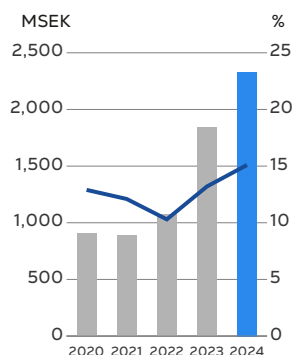


## Net sales

Net sales increased by +11%, with organic growth of +5%. Growth was driven by DCT and FoodTech, while AirTech remained stable. Services and components accounted for 24% of total net sales, with Service growing organically by +19% and reaching 17% of total net sales.



## Adjusted EBITA/EBITA-margin



## Adjusted EBITA

The adjusted EBITA margin increased compared to the previous year, primarily driven by strong net sales growth in DCT and FoodTech, as well as a favorable product mix in AirTech and DCT following the completion of major deliveries. All business areas also benefited from efficiency improvements through lean initiatives and other operational efficiency measures.

## Key figures

| MSEK if nothing else is specified      | 2024   | 2023   | 2022   | 2021  | 2020  |
|--|--------|--------|--------|-------|-------|
| Order intake                           | 14,259 | 14,116 | 16,830 | 9,013 | 7,249 |
| Net sales                              | 15,453 | 13,930 | 10,386 | 7,348 | 7,015 |
| Adjusted EBITA                         | 2,330  | 1,839  | 1,070  | 889   | 906   |
| Adjusted EBITA margin, %               | 15.1   | 13.2   | 10.3   | 12.1  | 12.9  |
| Operating profit (EBIT)                | 1,841  | 1,586  | 881    | 753   | 707   |
| Operating margin, %                    | 11.9   | 11.4   | 8.5    | 10.2  | 10.1  |
| Net income                             | 1,020  | 792    | 577    | 515   | 432   |
| Earnings per share after dilution, SEK | 5.33   | 4.3    | 3.17   | 2.81  | 2.32  |
| Net debt                               | 6,364  | 4,620  | 3,825  | 2,389 | 2,116 |
| OWC/net sales                          | 10.2   | 14.2   | 12.7   | 13.1  | 13.2  |
| TRIR                                   | 1.2    | 1.2    | 1.8    | 1.7   | 1.2   |
| Share renewable electricity*, %        | 79%    | 80%    | 72%    | 53%   | 50%   |
| Service & Components of net sales, %   | 24%    | 24%    | 26%    | 27%   | 23%   |
| Number of employees at year-end        | 5,412  | 4,981  | 3,940  | 3,315 | 3,214 |

\* Production sites

# CEO & Chairman conversation

The past year has been shaped by economic uncertainty, geopolitical shifts, and the accelerating impact of AI across industries. Despite these factors, Munters has navigated the evolving landscape with agility, leveraging strategic investments in technology, operational expansion, and innovation-driven growth combined with several strategic acquisitions. As CEO & President Klas Forsström and Chairman of the Board Magnus Nicolin reflect on 2024 and look ahead into 2025, they emphasize flexibility, customer focus, and continuous transformation as key drivers of long-term success.

## Reflecting on the past year:

### How has the overall macro-economic climate impacted the industry?

**Magnus:** The macroeconomic landscape continues to evolve in increasingly complex ways. Following the US election, we have witnessed an acceleration in global economic developments, further reinforcing our expectation that 2023 and 2024 would be turbulent years. Now, as these trends unfold, we see a significant impact on industries worldwide. The rapid advancements in AI are revolutionizing businesses, driving efficiencies, and enabling the delivery of new services at an unprecedented pace. Meanwhile, geopolitical tensions, inflationary pressures, and supply chain disruptions add layers of complexity to an already dynamic environment. For Munters, this means that we must enhance our ability to respond with speed and agility. The good news is that we have been highly strategic in preparing for this fast-moving world. Over the past year, we have proactively positioned ourselves to navigate these challenges by strengthening our operations, investing in cutting-edge technology, and ensuring that we remain ahead of the curve in responding to market needs.

**Klas:** If there is one defining factor for success in today's business environment, it is adaptability. Companies that can stay close to their customers and pivot quickly in response to changing conditions will be the ones that thrive. At Munters, we have embraced this reality and worked hard to ensure that our operations are structured to be as flexible and responsive as possible. While the global economy presents numerous challenges, it also brings with it incredible opportunities. This past year has been a testament to our ability to drive progress even in uncertain conditions. Our people have been at the heart of everything we have achieved, demonstrating remarkable resilience and commitment. Their efforts have allowed us to expand our product portfolio, introduce new services, and continued to innovate. One key metric that highlights our innovation capabilities is our Munters vitality index, which reached around 40%. This means that a significant portion of our revenue comes from products and solutions developed within the last five years, underscoring our relentless focus on R&D and market-driven innovation. As we move forward, we will continue to leverage our strengths in these areas

to ensure that Munters remains a leader in our industry, ready to seize new opportunities and drive sustainable growth.

### What have been the key areas of growth and strategic expansion for Munters over the past year?

**Magnus:** Our expansion in manufacturing has been a standout achievement. The investments we have made in our production facilities are now delivering tangible results. Our Virginia facility for DCT is truly world-class and represents the best I've seen in my career. Additionally, our new Amesbury plant will be a game-changer for AirTech, further strengthening our operational capacity. The DCT plant in Cork, Ireland, which the board recently visited, also stands out as a prime example of our commitment to innovation and operational excellence. The trips to Cork in Ireland with the board was an important event during the year, where we had the pleasure of meeting many representatives from various parts of the business. A particularly strong highlight has been our DCT business. We took a highly strategic approach to rebuilding this area, and now we are seeing the rewards of that effort. The

## Events during the year



### Acquisitions within AirTech strengthen the offering in Clean Technologies

Airprotech, a leading Italian manufacturer of VOC abatement systems (volatile organic compounds), was acquired. Clean Technologies has been strengthened to meet the growing demand for emission control in Europe. VOC abatement systems remove harmful organic compounds from airflows, contributing to reduced emissions and a lower climate impact. By integrating Airprotech's technology, Munters can offer more comprehensive solutions that enhance industrial productivity and support the transition to sustainable processes.

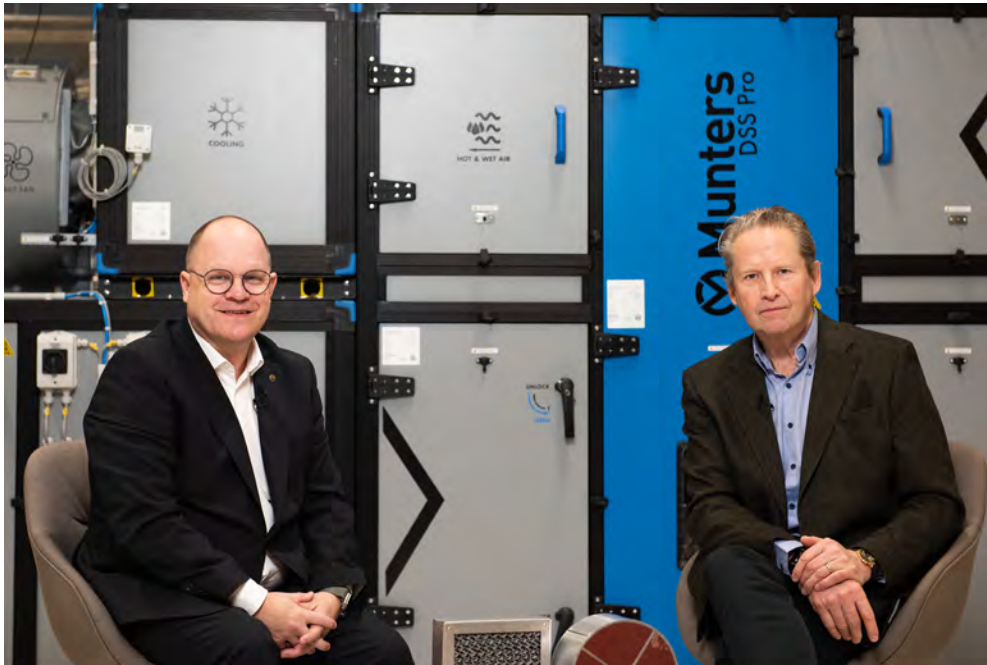


### Data Center Technologies building a new factory in Ireland

An 11,000 m<sup>2</sup> facility is being constructed in Cork, Ireland, to meet the growing demand for energy-efficient cooling solutions for data centers in Europe. The facility opened at the end of 2024, and will ramp up production throughout 2025, the new facility will produce the full portfolio of the business area. Designed to achieve LEED\* Silver certification and the highest energy ratings, the facility will enhance production capacity using efficient and sustainable work practices.

\* Leadership in Energy and Environmental Design





“Adaptability is essential for success. Staying close to customers and responding swiftly to change ensures we continue to thrive.”

Klas Forsström

demand for high-efficiency cooling and energy solutions in data centers continues to rise, and this sector will remain a key growth driver for years to come. Another major transformation has been in our FoodTech business, which has undergone a significant shift toward digital solutions, controllers, and sensors.

**Klas:** This transition moves us beyond traditional hardware, such as fans, and into a more technology-driven space. We are firmly establishing our position in the FoodTech Digital market, with ARR now reaching MSEK 330. Additionally, our acquisitions in control-

ler technology have further strengthened our capabilities, positioning us for future success.

Despite various market challenges, we have successfully delivered our strongest financial results to date while continuing to build for the future. Staying ahead of the curve has been critical, and our investments in key growth areas are paying off. Since the board supported our journey a couple of years ago to reestablish Data Center Technologies, we have quadrupled our sales. DCT is now well-positioned for sustained long-term growth, and I foresee it continuing to deliver exceptional value in the years ahead.

### What were the key milestones during the year?

**Klas:** This year has been defined by our strong commitment to innovation, sustainability, and financial growth. Our primary focus has been on building a better future while ensuring steady profitability. Each business area faced unique challenges, but we leveraged our strengths to turn these into opportunities. AirTech, for example, started the year with strong momentum but faced a slowdown in the battery market. However, we took proactive steps, enhancing operational efficiencies and reinforcing our resilience against market fluctuations. Additionally, our ongoing circular economy initiatives, particularly in service, have played a crucial role in extending product life cycles, reducing waste, and minimizing environmental impact. These measures are not only enhancing our sustainability profile but also reinforcing our competitive edge in the market.

**Magnus:** One of the standout success stories this year has been the remarkable transformation within our Data Center Technologies business. We started from a challenging position but have now transitioned into a market leader, capitalizing on the increasing global demand for AI-driven computing and data storage solutions. Our ability to swiftly adapt to market trends and invest in new technologies, such as liquid cooling solutions, has given us a significant advantage. Furthermore, sustainability has remained central to our strategy in all business areas. Our products are designed to be not only cutting-edge but also energy-efficient, positioning us well in the marketplace. The board has actively engaged in supporting these strategic initiatives, strengthening our global presence, and ensuring that we continue to make bold, forward-looking decisions that position us for sustained long-term success.



### DCT expands its offering through acquisitions and partnerships

Geoclima, an Italian manufacturer of air- and water-cooled chillers, was acquired to enhance the offering of energy-efficient cooling solutions for data centers. Munters also formed a strategic alliance with ZutaCore, a developer of waterless liquid cooling technology applied directly at the chip level. This partnership combines ZutaCore's advanced technology with Munters SyCool system to efficiently manage the heat from AI chips, reduce the risk of water leakage, and lower both capital and operating costs. The acquisition of Geoclima and the collaboration with ZutaCore strengthen Munters' market position by addressing the growing demand for sustainable and high-performance cooling solutions for data centers.

### FoodTech strengthens its position in digital control systems for food production

During the year, FoodTech completed two strategic acquisitions in digital control systems and sensors for animal husbandry, layer production, cultivation, and crop storage, strengthening Munters FoodTechs position as a global leader. In the fourth quarter, Hotraco, a Dutch company with 45,000 installed units across 50 countries, was acquired. This acquisition bolsters FoodTechs European presence and expands its offering in poultry, layer, greenhouses, and crop storage, aligning with its digital strategy.

Additionally, a majority stake in the U.S.-based Automated Environments (AEI), a leader in control systems for layer in the North American market, was acquired. Together, these acquisitions propel Munters global development and innovation forward.





“Rapid advancements in AI are transforming industries, driving efficiencies, and creating new opportunities. At Munters, agility and innovation are key to staying ahead.”

Magnus Nicolin



Scan the QR code to access the complete conversation.

**During the beginning of 2025, an agreement was reached to divest the Equipment part of FoodTech.**

**Klas:** This strategic move was another milestone, which enables us to sharpen our focus on high-value digital solutions and automation, areas where we see the greatest potential for long-term growth. By streamlining our operations and concentrating our efforts on innovation, we are ensuring that Munters remains at the forefront of technological advancements in the industry. This divestment aligns perfectly with our broader strategy of driving efficiency, sustainability, and digital transformation across all business areas.

**What are the key priorities and expectations for Munters in 2025?**

**Klas:** Our key objectives for 2025 will revolve around innovation, customer proximity, and continuous portfolio optimization. While we remain committed to our long-term vision, we also recognize the need for agility in navigating uncertainties. By staying close to our customers, we can ensure that our solutions continue

to meet evolving market needs. To summarize, our approach for 2025 will be to stay the course while remaining flexible enough to adjust to geopolitical and economic shifts. Strengthening our relationships with customers, enhancing our technological capabilities, and investing in future-focused initiatives will be crucial to our success. Additionally, fostering a strong corporate culture remains essential. Munters is more than just a company, it is a family, and welcoming new team members while learning from their experiences will be critical in sustaining our growth. By integrating diverse perspectives and expertise, we will continue to push the boundaries of innovation while maintaining the values that define us as a company.

**Magnus:** As we look ahead to 2025, we recognize that the macroeconomic environment remains volatile, requiring us to be more agile than ever. While we remain confident in our strategy, we must also be prepared to adapt to rapidly shifting global conditions. Our ability to remain flexible and responsive to changes

will be critical in ensuring continued success. A central focus area for the Board has been to deepen our understanding of how we ensure our leadership in sustainability efforts. At the same time, we have placed great emphasis on AI, where we strive to integrate intelligent solutions throughout our operations. This is also an area where the Board has strengthened its knowledge and insights during the year. The ability to experiment, learn, and scale these innovations quickly will be a key differentiator in an increasingly competitive landscape. Another top priority for the coming year will be the seamless integration of our recent acquisitions. It is essential that we not only welcome new talent into the Munters family but also ensure that these teams align with our culture, values, and ways of working. Leveraging the strengths of these acquisitions will enable us to expand our expertise and accelerate growth across our core business areas. In conclusion, the entire Board would like to extend a big thank you to all employees and the management team for a successful 2024 and for the excellent collaboration throughout the year.



**Capital Markets Day with updated financial targets**

In May, Munters hosted a Capital Markets Day combining in-person attendance with a webcast. During the event, updated targets for growth and sustainability were presented, along with the company’s commitment to the Science Based Targets initiative (SBTi). Learn more about the targets on page 9.



**Acceleration of CO<sub>2</sub> mapping and updated sustainability targets**

In 2024, Munters accelerated its mapping of CO<sub>2</sub> emissions throughout the entire value chain and committed to following the Science Based Targets initiative (SBTi). The mapping shows that over 99% of the product’s lifecycle emissions are generated during customer use. In light of this, Munters updated its climate targets for Scope 1, 2, and 3 in alignment with the Paris Agreement’s 1.5-degree goal. The climate targets have been submitted to SBTi for validation.

# Targets for long-term growth

A responsible business with stable finances and efficient resource utilization with a minimal climate footprint. This forms the foundation for Munters to successfully execute its strategy. Clear objectives guide our operations and set priorities that help us achieve our overarching goals.

## Financial targets

### Growth

An average annual currency-adjusted net sales growth of over 14%

Outcome 2024

**+12%** (29)

### Profitability

An adjusted EBITA margin above 14%.

Outcome 2024

**15.1%** (13.2)

### Operating working capital

Average (LTM) operating working capital (OWC) in the range of 13–10% of net sales.

Outcome 2024

**10.2%** (14.2)

### Dividend payout ratio

**30%**

(2023: 30)

### Dividend policy

An ambition for an annual dividend of 30–50% of the year's net income. Decisions on dividends take into account financial position, investment needs, acquisitions, and liquidity. There is no guarantee that a dividend will be proposed or paid in any given year. For historical data, see page 154.

→ The Board of Directors proposes a dividend for 2024 of SEK 1.60 (1.30) per share, representing 30 percent (30) of the year's net income.

## Sustainability targets

### CO<sub>2</sub> emissions\*

Scope 1 & 2: 42.0% absolute reduction from 2023 to 2030.

Outcome 2024

**+3%**

Scope 3: 51.6% reduction in emissions from the use of our products per units of sold products, from 2023 to 2030.

Outcome 2024

**-37%**

\* Compared to base year set at 2023, FoodTech equipment excluded.

### Inclusion & diversity

30% women in workforce by 2030.

Outcome 2024

**23%** (22)

30% women in leadership positions\* by 2030.

Outcome 2024

**22%** (21)

\* salary-setting

### Code of Conduct

CoC: 100% of employees must complete Code of Conduct training every two years.

Outcome 2024

**83%** (71)

CoC: 100% of key suppliers must sign the Supplier Code of Conduct.

Outcome 2024

**99%** (100)



Orlando Garcia, Selma, US.

# Focus areas for sustainable growth

Sustainability is at the core of our operations and is embedded in our business strategy, as described on pages 13-24. Through our offering of energy- and resource-efficient climate solutions, we contribute to a better environment while creating economic value. We ensure the long-term viability of our business by setting ambitious targets, not only financial but also for emissions, resource efficiency, diversity, safety, and ethical business practices.

## Our key sustainability areas

The following three components form the framework for Munters sustainability agenda. We integrate these into our strategy and strategic priorities:



### Resource efficiency and environment

Munters aims to provide products, solutions, and services that enable our customers to improve their resource and energy efficiency. We strive for lower emissions and a reduced climate footprint across our entire value chain.

[Read more from page 84](#)



### People and society

Our operations shall be conducted in a fair and inclusive manner to continuously foster engagement. We prioritize the well-being and safety of our employees, which drives increased productivity and creativity. In the communities where we operate, we collaborate with others and demonstrate social responsibility.

[Read more from page 98](#)



### Responsible business

Our operations must be sustainable and profitable to create value for our stakeholders. We aim to build credibility and strengthen relationships with all stakeholders by acting ethically and responsibly. We require those we collaborate with to adhere to the same business ethics guidelines we follow.

[Read more from page 106](#)

# Munters as an investment

We are a global player with a strong market presence, a driving force in innovation, and a clear sustainability agenda. We operate in industries with high demand for energy-efficient solutions, and our ability to adapt to market needs positions us well for continued expansion. With a proven strategy and a focus on value-creating growth, we create opportunities in a world where sustainability and efficiency are at the forefront.

## #1.

### **World leader in energy-efficient climate solutions**

We are a global leader with a strong local presence, combining international expertise with a deep understanding of local markets.

## #2.

### **Strong position in niche and growing markets**

Pioneer in highly specialized segments with long-term partnerships and tailored solutions that deliver genuine customer value.

## #3.

### **Groundbreaking and innovative technology**

We are at the forefront with technical solutions designed to meet future demands, helping customers control, digitize, and optimize their operations.

## #4.

### **Sustainable solutions for the industry of the future**

We support our customers by reducing energy, resource, and water consumption, contributing to a more sustainable value chain.

## #5.

### **Proven and diversified portfolio**

Our various products enable users to control their climate, from humidity and pollution to temperature and we have software solutions that can span entire value chains.

Our purpose - for customer success  
and a healthier planet



02 Strategy

# Strategy for long-term and sustainable growth

We create successful value growth through our strategy to be close to our customers, which allows us to understand their needs and drivers. We bring this insight into our innovation process and launch relevant products in the right markets and segments. To optimize our processes, we focus on continuous improvements, where employee development is at the core of value creation.

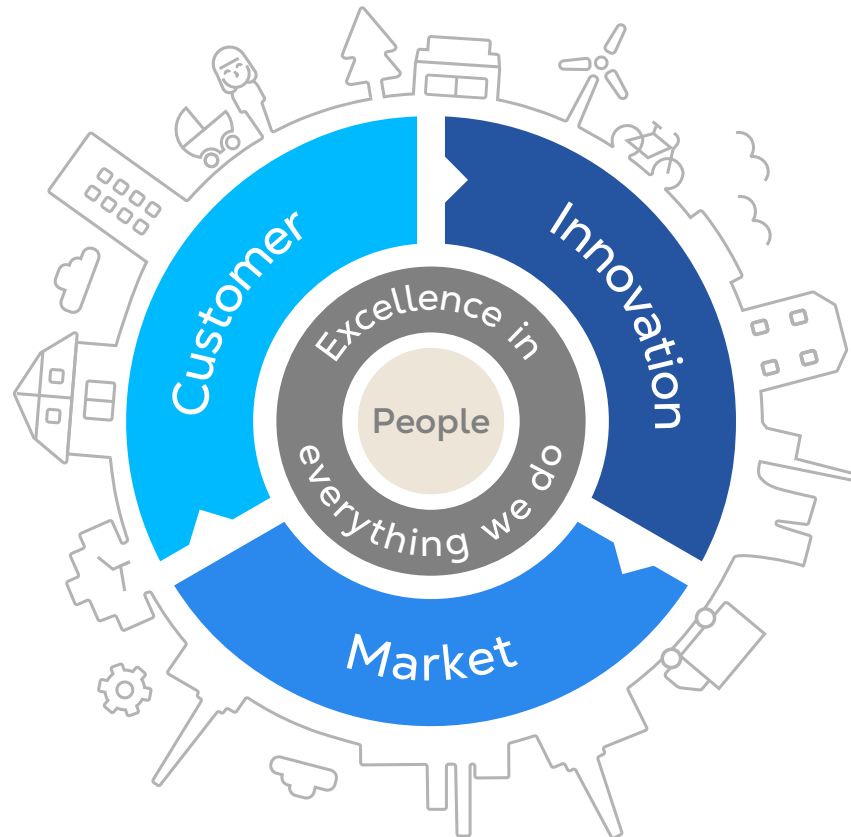
## Customers

We work closely with our customers to ensure optimal climate and resource utilization in their mission-critical applications.

Our expertise is built on unique insights into our customers' operations and a deep understanding of their current and future needs. We aim to be an ambitious and proactive partner for climate control solutions.

## Market

We focus on strengthening our position in priority areas where we can be market leaders and develop our service offering. With high-quality, resource-efficient solutions, we contribute to more sustainable development.



## Innovation

Curiosity and the ambition to create ground-breaking technologies are part of our DNA. To stay at the forefront, we continuously evaluate and improve our offerings.

## People

Our employees are central to our success. That is why their safety and well-being are top priorities, and we invest significant resources in leadership development. We constantly strive to be the most attractive employer.

## Excellence in everything we do

We monitor, learn, adapt, and improve to enhance efficiency and quality in everything we do. We are committed to reducing our climate impact across the entire value chain.

# Megatrends

Our strategic priorities and goals are based on strong megatrends that drive and shape the market, influencing both customer demand for climate solutions and their need for greater resource efficiency. This positions Munters well to address these trends and contribute to solutions for a more sustainable world.



## Climate change and resource scarcity

Climate change, along with shortages of freshwater and other resources, increases the need for sustainability and efficient resource utilization, placing higher demands on companies across all industries. Businesses that can support customers in becoming more energy-efficient and reducing their environmental impact will play a key role in the transition to a more sustainable economy. This also creates opportunities for innovation and the development of new business models.



## Urbanization and an aging, growing population

The global population is increasing, driving demand for expanded infrastructure, agriculture, and food production. Continued urbanization heightens the need for processed and stored food.

An aging population increases the demand for health and wellness solutions, as well as for more pharmaceuticals. Additionally, a growing middle class has traditionally been associated with higher meat consumption.



## Accelerated digitalization and use of AI

Increasing digitalization impacts all operations, both internally and in relationships with customers and partners across the value chain. Integrated solutions, advanced connectivity, and robust cyber security are becoming increasingly important. This drives a transformation of traditional business models, where data-driven insights and automated processes are essential to maintaining competitiveness and security in an increasingly connected market.



## Global market transformation

Navigating today's business landscape is characterized by globalization, regionalization, increased protectionism, and geopolitical uncertainty, presenting constant challenges. Competition is further intensified by the emergence of low-cost alternatives and products resembling originals. As a result, the ability to quickly adapt to changes in both local and global markets is becoming increasingly critical, along with the growing importance of strong, sustainable brands.

### Strategic focus

- We drive development of energy- and resource-efficient solutions with advanced technology and deep application expertise to reduce carbon emissions and improve resource utilization.
- An optimized offering provides enhanced control of indoor environments for plants and animals.
- Software solutions offer transparency around resource usage and emissions, making it easier for our customers to reduce their climate footprint.
- We support regulatory requirements for reduced emissions and improved indoor climates for better animal health.

- We enable more efficient food production by improving and controlling production environments and creating optimal climate conditions, from feed to finished product on store shelves.
- Through data collection and analysis, our customers can make better-informed decisions.
- We develop climate systems that ensure optimal humidity levels in infrastructure, as well as during the production and storage of food and pharmaceuticals.

- We address growth in data centers with solutions for efficient cooling close to servers, optimizing capacity and operations.
- We enable optimization the global value chain for food cultivation and production with our digital products.
- Our technology enables better measurement and reduction of waste. We support increased automation and operational optimization of operations through connected solutions, and remote service.
- We develop AI technology and digitalization for customers and for enhanced internal process automation and optimization.

- We offer quality products under the Munters brand while increasing our regional focus on sales, production, and service.
- We develop sustainable supply chains and strengthen partnerships with a focus on responsible business practices and new solutions.
- Long-term partnerships and high customer satisfaction form the foundation for continued geographic expansion.



## Strategy

# Market

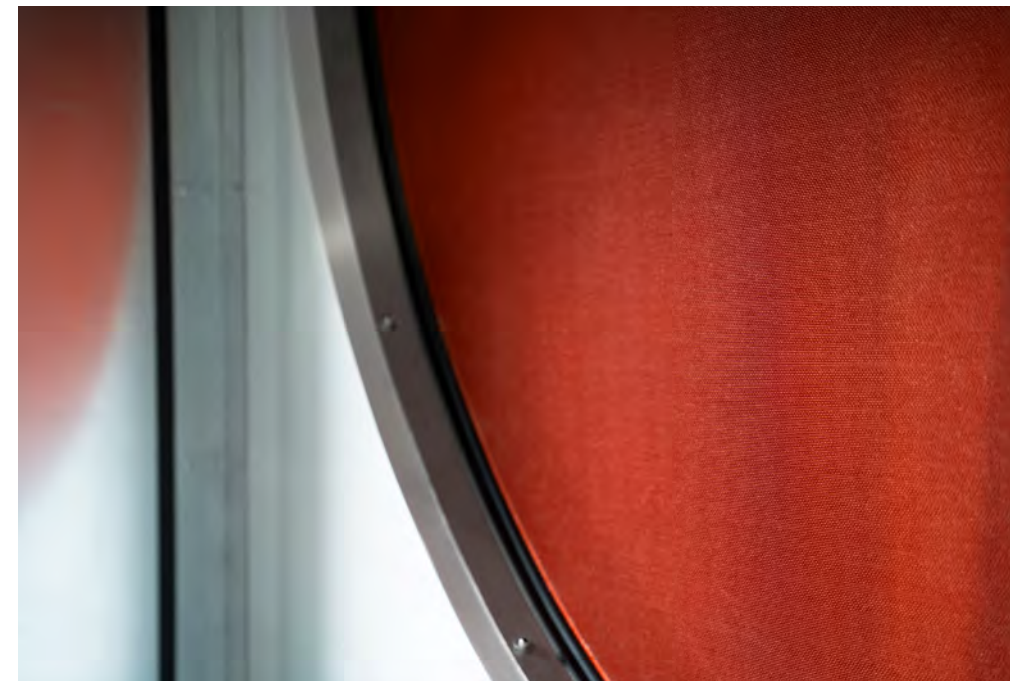
Munters is a global leader in energy- and resource-efficient climate solutions. Several global trends, such as digitalization and electrification, create strong growth opportunities in our priority markets and customer segments.

### Priority growth areas

- Battery industry
- Data center cooling
- The global food production value chain
- Service and components
- Clean Technologies

### How we do it

- We continuously evaluate and develop our offering with the ambition to stay at the forefront of innovation
- Many of our products and solutions are tailored to meet the demands of local markets
- Acquisitions and partnerships are vital for our future and form a key part of our growth strategy.
- We focus on increasing the share of data-driven products and solutions
- We apply eco-design principles and lifecycle analysis in the development of new products.
- We strive to reduce carbon emissions across the entire value chain



## Strategy

### We aim to be market leaders in priority markets and segments.

For us, being market leaders means being one of the top three suppliers.

### Sustainability focus

Munters provides energy-efficient climate control systems that reduce customers' electricity and water usage. We optimize design and operating conditions for each specific market and application. Through our global service network, we can maintain our products and solutions, ensuring optimal performance and longevity.

We run a long-term profitable business that creates jobs in multiple locations worldwide. It is of utmost importance that we maintain an inclusive workplace with fair conditions for everyone across the markets in which we operate.

### UN global goals



# Well-positioned in attractive markets

## Americas

### North, Central, and South America

All business areas operate in the Americas region, which is Munters largest region in terms of order intake and net sales. Our largest markets in the Americas are the United States, Canada, and Brazil.

Share of group sales

# 59%

## EMEA

### Europe, Middle East, and Africa

All business areas are active in the region. A broad in-house sales network enables us to offer our services and products across large parts of the region. The largest markets in EMEA are Germany, Ireland and the United Kingdom.

Share of group sales

# 28%

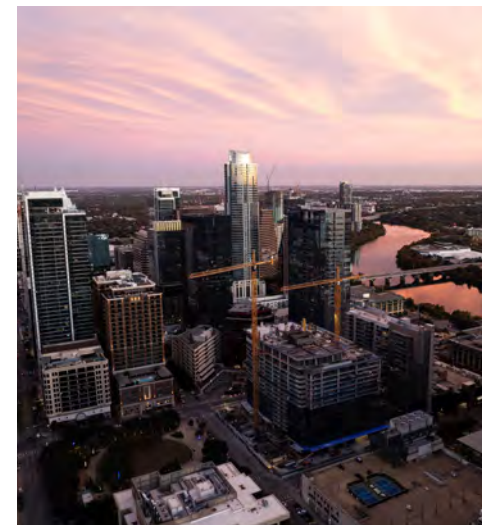
## APAC

### Asia-Pacific region

All business areas are active in the region. Currently, sales are conducted across the entire region from multiple sales offices, each covering key markets. China, India, and Japan are the largest markets.

Share of group sales

# 13%



### Strong position through an attractive offering

Thanks to our long history and numerous innovations, we have established a strong position in priority areas. No other player globally competes across all the markets, segments, or applications where we operate. We primarily compete with local and regional players who are often specialized in a specific expertise. Entry barriers are typically high due to the complexity of our systems and our unique application knowledge.

### Acquisitions – central to our strategy

Through a combination of organic growth and several strategic acquisitions in recent years, we have expanded our operations and strengthened our market position.

### Four strategic focus areas for acquisitions

- Core business/consolidation – larger acquisitions to increase market presence and/or broaden the product offering
- Technology/digital – companies with technologies that enhance our global or regional offering
- Services/string of pearls – local companies that strengthen our local market presence, for example, to expand our service operations
- New growth areas

During the year, we completed several acquisitions:

- Airprotech, an Italian manufacturer of VOC (volatile organic compounds) abatement systems.
- Geoclima, an Italian manufacturer of air- and water-cooled chillers.

- Hotraco, a Dutch leading, provider of control systems and sensors for the agricultural sector.
- a majority stake in Automated Environments (AEI), a U.S.-based company specializing in automated control systems for the poultry industry.

### Strengthening our strategic journey through minority investments

As part of our strategic journey, we invest in promising start-ups driving innovation in digitalization, technology, and sustainability. The goal is to enhance our innovation capabilities and identify new growth areas. Our portfolio currently consists of eight companies. In 2024, we invested in ZutaCore, a leader in direct-to-chip, waterless liquid cooling solutions for data centers.

### → Completed in 2024

- We have a strengthened position in priority areas thanks to our history and innovation.
- Our systems and application expertise continue to create high entry barriers.
- Organic growth and acquisitions have bolstered our market position.
- Investments in start-ups enhance our innovation capacity and create new opportunities.
- Several strategic acquisitions have been completed, including companies in abatement systems, cooling technology, and automated control systems.

## Strategy

# Customers

Since its founding, Munters has maintained close collaboration with its customers. Over the years, we have developed unique application expertise within our niche, enabling us to create tailored climate solutions for a wide range of customers and industries.

### Our starting point

- Our success is built on close, long-term relationships and a deep understanding of our customers' operations and future needs
- We will continue to build customer insights and leverage our extensive expertise in applications, technology, and components to offer attractive solutions and high-quality service

### How we do it

- Contributing to our customers' success with solutions that make their operations more sustainable and cost-efficient
- Building close, long-term customer relationships to understand their operations and future needs
- Offering tailored solutions that meet customers' specific application requirements and criteria
- Maintaining a local presence close to our customers, reducing lead times and shortening logistics flows, which is also crucial from an environmental perspective
- Developing and expanding our service operations to ensure customers achieve optimal utilization and maximum lifespan of their equipment
- Ensuring high ethics and sound business practices



Raul De Valle & Nicholas Elia, Atlanta, US.

**Our objective**  
We aim to be  
the customer's first-  
choice partner

### Sustainability focus

Collaboration with our customers is at the heart of what we do, and we place great importance on helping them achieve their sustainability goals through the efficient use of resources such as freshwater and energy, as well as by prioritizing animal health in food production.

Our supplier code of conduct is aligned with the ten principles of the UN Global Compact and outlines our approach to issues such as the environment, social responsibility, business ethics, and human rights.

### UN global goals



### Sustainability as a key factor in customers' decision-making processes

Our existing and potential customers seek innovative solutions that enhance productivity and support their environmental goals. Our products and services are used in many mission-critical applications where precise control of factors such as humidity and temperature is vital for production quality and energy efficiency.

In food production, our offerings improve animal health, reduce waste, and increase transparency. While our solutions often represent a relatively small part of our customers' total investments, they have a significant impact on overall processes.

### The foundation of strong customer relationships

Maintaining high ethical standards and sound business practices is essential for sustaining customer trust. Our code of conduct establishes the minimum standards for how we act in our daily work.

We have zero tolerance for bribery or other questionable incentives aimed at influencing

business transactions. Our values guide us in all our relationships and form the foundation of the close, long-term customer relationships we have built.

### Close customer collaboration and broad application expertise

Through close collaboration between our sales teams, customers' production engineers, and our research and development departments, we ensure that our solutions are tailored to customers' specific criteria and application requirements while delivering high energy efficiency. We strive to develop a deep understanding of our customers' needs and processes, allowing us to provide value beyond their expectations. The insights we gain from these collaborations benefit our entire customer base in a cost-effective manner.

### Increased focus on continuous growth through Service and Components

This year, we raised our ambition for Service and Components to eventually account for more than one-third of Munters net sales.

Service includes aftermarket support across all business areas (maintenance, upgrades, component replacement, and phase-outs), as well as Software-as-a-Service (SaaS) revenue in FoodTech. Component sales primarily take place within AirTech.

Our service offering is recurring in nature and grows in line with the expanding installed base of our products. With a local presence in many countries and close customer relationships, we deliver high standards of service and support. Increasing our component sales allows us to diversify our operations and build stronger customer relationships.

The Components portfolio is extensive, including dehumidification rotors and humidification pads used in industrial moisture control and energy recovery. Our offering has strong growth potential with high profitability and is critical to customers from a sustainability perspective, as it extends product lifespans.



Bennett England, Lansing, US.

### → Completed in 2024

- Continued development of sustainable and energy-efficient solutions to enhance customer value
- Value-based sales and pricing strategies across all business areas
- Expansion and enhancement of the Service and Component offering
- Further improvement of customer relationships through ethical business practices and extensive application expertise
- Sustained strong growth in sales of software and connected digital control systems

Ambition:  
Service and Components

>1/3

of net sales in the long term

## Strategy

# Innovation

Munters innovation strategy is built on a strong customer focus. Through our energy- and resource-efficient climate solutions, we aim to remain at the forefront of industry development. Creating groundbreaking technologies is a hallmark of Munters, while we also place great emphasis on improving our existing solutions.

### How we do it

- Investments in priority technologies and digitalization for production and product optimization
- Innovative approaches and unique technologies for optimal customer solutions
- Collaboration with customers to drive efficient solutions and innovations
- Minority investments in start-ups to support innovation in digitalization and sustainability
- Around 550 employees worldwide dedicated to R&D within their respective product areas
- Utilization of the Munters Product Development (MPD) model for sustainability-focused product development
- Development of software for rapid configuration of optimal solutions
- Innovative application expertise, business models, marketing, services, and production
- Conducting lifecycle analyses (LCA) to map the carbon footprint of our products throughout their entire lifecycle
- Application of Calvin, an AI tool used in the development of FoodTechs software



Maria Quintero, Atlanta, US.

### Our objective

We aim to deliver groundbreaking technology that provides significant customer value

R&D spend of net sales

# 3.5%

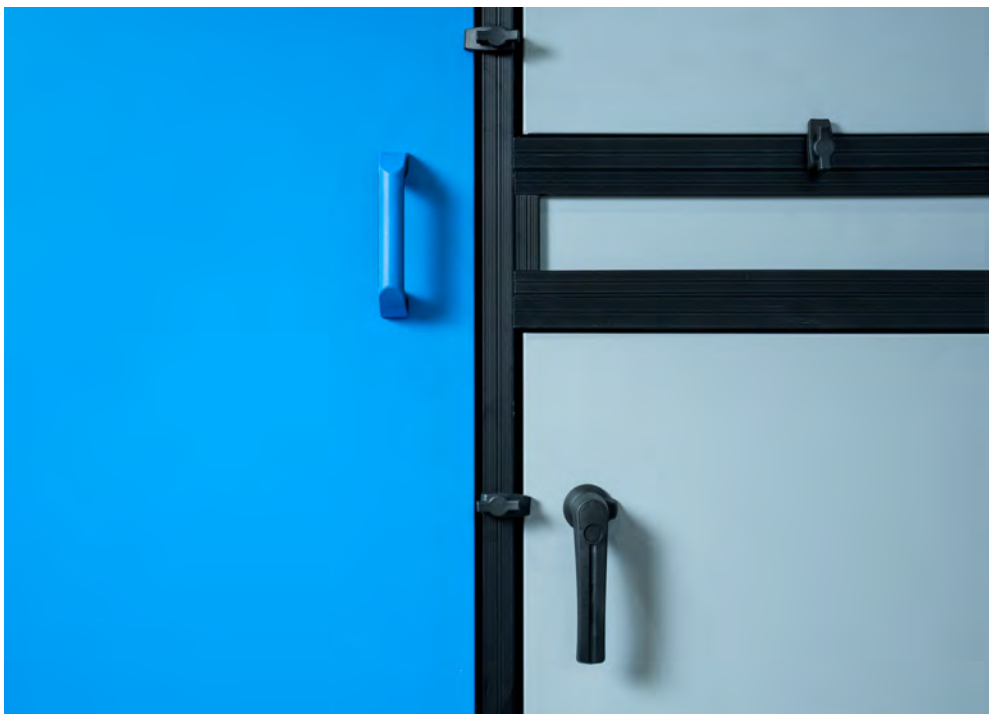
### Sustainability focus

Through our leading technology, we are well-positioned not only to act responsibly as a company but also to play a role in helping our customers use less resources through our products and solutions. We also contribute to a better climate with both hardware and software that enable reduced emissions further along the value chain, such as in battery manufacturing and the farming, cultivation, and production of food.

The energy consumption of our products accounts for the largest portion of carbon emissions during their lifecycle, and reducing energy usage remains a constant focus in our application and product development. Through lifecycle analyses (LCAs) and the application of Eco-Design principles, we work to reduce the overall climate footprint of our products, for instance, through material choices and transport optimization, all aimed at helping customers achieve their resource and environmental goals.

### UN global goals





The DSS Pro dehumidification system.

### Strengthening our offering through partnerships and modularization

Our innovation efforts are focused on becoming the leading strategic partner for smart, energy-efficient climate and dehumidification solutions, delivering the highest quality for the advanced and connected industries of the future.

We work closely with our customers to ensure our offerings remain relevant and help them achieve their often highly ambitious business goals. To serve as a strategic partner, we place a strong emphasis on gathering market insights to address specific needs. At the same time, we are harmonizing our offerings across different markets and developing modularized products to improve efficiency and flexibility.

We collaborate with external partners, often startups, who bring expertise in specific

technologies. Additionally, we actively seek other types of partnerships, such as collaborations with various institutes and networks.

### Strong growth in R&D and AI

Munters investments in innovation have grown significantly in recent years. New R&D centers have been established, and existing ones have been further developed. We now have approximately 550 employees worldwide dedicated to R&D within their respective product areas. We use AI for computational optimization and are currently exploring the potential of leveraging generative AI for customer applications. Opportunities span a wide range of uses, such as digitizing application knowledge, optimizing products, and enhancing customer service.

### Patents and employee initiatives

Over the past year, Munters has filed several patent applications related to performance optimization for rotors.

Some of our patent applications are based on ideas proposed by employees, who are encouraged to continuously document their innovations, such as new designs, processes, or products. These proposals are evaluated by Munters internal patent committee and may subsequently form the basis for patent applications.

### MPD – Our model for product development

In our Munters Product Development (MPD) model, sustainability factors are considered early in the process. The model also defines customer value, technical feasibility, and economic prerequisites.

Sustainability is integral to our innovation efforts, and we see increasing interest from customers to collaborate in partnerships aimed at reducing their climate footprint.

### Lifecycle analyses and environmental declarations

Through intensive work on lifecycle analyses of our products, initiated in 2022 and continued through 2023 and 2024, we now have a clear understanding of the environmental impact of our products. We have identified areas where we need to focus our development resources to reduce environmental impact across various product categories.

To help our customers choose products with the lowest possible environmental impact, we are driving the development of an industry standard, or “Product Category Rule (PCR).” The PCR will serve as a foundation for creating comparable environmental declarations among manufacturers of industrial climate control systems.

Given that we often deliver customized solutions, we have also begun developing a

tool to automatically generate customer-specific environmental declarations. This will provide our customers with a more detailed picture and better decision-making support.

### Our R&D areas

- Sustainability
- Energy and resource efficiency
- Materials for dehumidification and cooling
- Digitalization: optimization of software and hardware for connected solutions
- Developing software that optimizes entire value chains
- Artificial intelligence
- Carbon capture
- Design

### → Completed in 2024

- Strengthened our offering through partnerships and modularization
- Innovation efforts focused on being the leading strategic partner for smart, energy-efficient solutions
- Strong growth in R&D and AI with new R&D centers and an emphasis on generative AI
- Patent applications based on employee initiatives for performance-optimized rotors
- The MPD model continues to ensure sustainability factors are integrated early in product development
- Intensive work on lifecycle analyses and the development of an industry standard for environmental declarations

## Strategy

# Excellence in everything we do

We follow up, learn, adapt, and improve to increase efficiency and quality in everything we do, while reducing our climate footprint. We drive continuous improvements, especially in automation and digitalization.

### How we do it

- Our own production system creates increased productivity and scalability
- Development is ongoing broadly within automation and digitalization
- Use AI to refine our working methods and enhance our processes across multiple areas
- By implementing a group-wide enterprise system, we create better opportunities to follow up and develop the business
- We follow responsible business practices with high ethical standards
- We are reviewing the supplier network to secure deliveries of critical components and skills
- We are constantly working on optimizing working capital and maintaining a strong cash flow
- We set ambitious goals that are continuously followed up



Lucie Oplová, Hodonin, Czech Republic.

### Our objective

We constantly strive for increased efficiency and productivity in everything we do, while reducing our climate footprint.

### Sustainability focus

We are constantly working to increase efficiency and quality in everything we do, while reducing our environmental impact. The sustainability perspective should permeate all levels of our operations. Key areas include responsible business practices, increased diversity, health & safety, reduced carbon emissions, and contributing positively to the communities in which we operate.

### UN global goals



### Group-wide enterprise system

The implementation of a group-wide enterprise system is based on the need to standardize processes and harmonize the system landscape. The implementation ensures fast information sharing and improved data quality while supporting future growth. A clearer structure for systems, processes, and data enables continuous improvements in workflows and provides better conditions for automation and the utilization of artificial intelligence. The objective is to equip the organization with high-quality data for data-driven decision-making, modern digital solutions, and increased precision in customer interactions.

During the spring, a decision was made to upgrade the selected enterprise system to a later version to access additional functionalities and enhance data security. This upgrade was successfully completed in October. Shortly thereafter, the system was deployed by the business unit in the United Kingdom. For the year 2025, a rollout to sales offices and factories in all regions is planned.

### Continuous improvements

To maximize customer value and minimize resource consumption, Munters operates according to the Munters Production System (MPS). The system is based on the principles of Lean Production and World Class Manufacturing (WCM).

Fundamental to MPS are continuous improvements in the form of optimized processes, rationalizations, and the elimination of activities that do not add customer value. A key factor is developing standards that are scalable and can be used across multiple production facilities. Ensuring that all employees are familiar with MPS and operate in accordance with these principles is a crucial success factor. Lean training is not only conducted in production but also in other functions such as IT.

We develop our production units to meet the requirements of ISO standards for quality management, environmental management, and occupational health and safety management. Read more on page 99-100.

### Automation and digitization

A large part of the work within the framework of MPS concerns automation and digitalization. Digitalization provides opportunities at all levels: creating new groundbreaking technology, upgrading and improving existing offerings, as well as modularizing, improving, and developing offerings. We generally strive for connected solutions, and many products are prepared for connectivity.

### Improved service for increased customer satisfaction

Continuous efforts are made to improve the service offering across all business areas to maximize customer value and equipment performance. AirTech offers tailored service agreements and preventive maintenance are offered to ensure optimal operation and energy efficiency for climate solutions. DCT focuses on optimizing cooling system performance through upgrades and retrofits to enable predictive maintenance. In FoodTech, software is continuously developed to optimize climate conditions in animal farming and greenhouses, including ongoing upgrades of controllers. Through these efforts, Munters aims to strengthen its service operations and ensure long-term customer relationships across all business areas.

### Responsible sourcing and strong supply chain

Responsible sourcing requires a strong supply chain. To improve procurement, the goal is to optimize the number of suppliers and leverage the synergies within the group. At the

same time, we continue to ensure that we have enough suppliers of critical components. Through the regionalization efforts in recent years, we secure the delivery network within each region and reduce vulnerability. In total, we purchase goods from approximately 1,900 suppliers in 35 countries. The 25 largest suppliers by volume for direct materials accounted for 38% (41) of the total purchase volume in 2024.

One factor that affects the procurement process is the choice of materials. We involve suppliers already at the design stage when selecting the right material or component, considering factors such as delivery times.

Established processes for evaluating suppliers and a Supplier Code of Conduct that must be followed, have been in place for a long time.

### → Completed in 2024

- Upgrade of the group-wide enterprise system for better security and functionality.
- Automation & digitalization within MPS.
- Improved service through automated tools and implementation of the digital platform Munters Academy.
- Responsible sourcing and strong supply chain with the goal of reducing the number of suppliers.
- Efficient flow through an integrated process between sales and production planning.
- Optimal use of working capital and development of the Supply Chain Financing program

### Efficient flow

To optimize flows, an integrated process between sales and production planning is being developed. By accessing data not only on placed orders but also on sales forecasts, a larger part of the upcoming production can be anticipated. The system is being implemented gradually, resulting in shorter lead times and lower inventory levels.

### Capital management

Munters strives for optimal use of working capital and a strong cash flow. Project transactions should be as cash flow neutral as possible with a good throughput process throughout the project's duration. During the year, we have continued to develop our Supply Chain Financing (SCF) program for our largest suppliers. SCF reduces the risk of supply chain disruptions and enables more efficient capital management for both us and our suppliers. In the internal training program, new managers learn how they can influence working capital within their respective roles and functions.

### Distribution of raw materials

|                             |     |
|-----------------------------|-----|
| Steel                       | 30% |
| Copper                      | 22% |
| Paper                       | 7%  |
| Aluminum                    | 6%  |
| Polystyrene & Polypropylene | 3%  |
| Other                       | 32% |

Other includes a diverse mix of materials, components, and electrical parts, representing several smaller items that collectively account for a significant share of the total Acquisitions during the year excluded.



# Strategy

## People

Employee influence is the foundation for good customer relationships, a well-functioning organization, and innovation. We create employee influence by offering an inclusive culture characterized by diversity, collaboration, and opportunities for personal development.

### Our starting point

- Our values permeate everything we do and, together with our code of conduct, guide our approach towards each other and in relation to customers and other stakeholders
- We strive to be an inclusive, modern, and attractive workplace where everyone feels welcome. Good leadership is the foundation for engaged and high-performing teams
- Our goal is to increase the representation of women in our workforce, and we are taking measures to increase the presence of qualified women in all roles
- We promote a learning organization where all employees can develop themselves and learn new skills every day

### How we do it

- Actively drive initiatives to recruit and hire more women in all employee and management roles
- A corporate culture characterized by inclusion, openness, and transparency, which is monitored through regular employee surveys
- Leadership, mentoring, and training programs to promote development, cross-functional collaboration, team spirit, and career development
- Maintain a workplace program to create a safe and healthy work environment
- Offer a healthy culture with a good balance between work and private life, as well as flexibility in when and where work is performed
- A compensation system for senior executives and key employees that is aligned with both financial and sustainability goals



Stephanie Alberts, Caleb Everett & Gabriel Rhigor, Atlanta, US.

**Our objective**  
We want to be the employee's first choice

### Sustainability focus

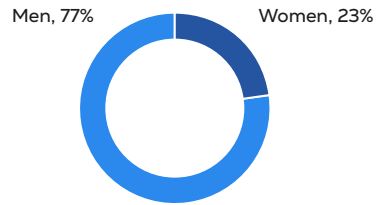
The health and well-being of our employees are always in focus, and we have zero tolerance for discrimination, harassment, and workplace accidents. We are convinced that diversity is the key to unlocking greater innovation potential. An inclusive work environment where different ideas and perspectives are welcomed increases creativity and creates opportunities for personal development and advancement for employees.

Munters provides an external, independent whistleblower channel for reporting potential violations of our code of conduct.

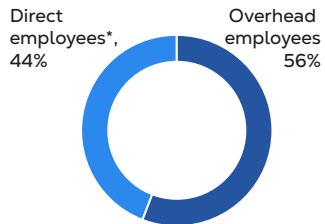
### UN global goals



### Gender distribution

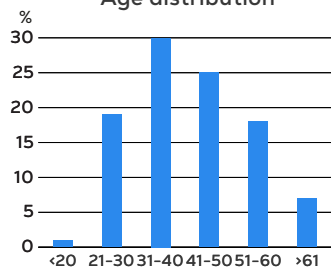


### Category



\*including service technicians

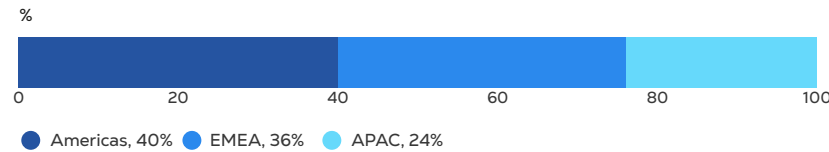
### Age distribution



### Code of Conduct (CoC)

Our eLearning program for the code of conduct helps us maintain high ethical standards; every employee must complete the training at least every other year. This ensures that all employees have the right knowledge and guidance, strengthens awareness, and promotes a culture of integrity. By prioritizing this initiative, we deepen our shared responsibility in everything we do.

### Employees per region



Statistics regarding the number of employees, equivalent to full-time positions (FTE), are sourced from the group's financial consolidation system. All other employee data include all Munters companies acquired up until December 31, 2023 and cover 93 percent of Munters employees.

### Diversity and inclusion

Our success is built on diversity and inclusion at all levels, where different perspectives drive creativity and innovation. By valuing each individual, we unlock potential and strengthen growth. By the end of 2024, women made up 22% of salaried managers and 23% of the workforce, with the development negatively impacted by acquisitions. At the same time, women constituted 44% of our group management for 2024. Our goal is 30% women representation among employees and salary-setting managers by 2030, through concrete measures and an inclusive culture.

### A modern, attractive workplace

We want to create a workplace where employees feel heard and appreciated. Through employee surveys and concrete measures, we continuously work to improve the work environment. Our global HCM system supports the entire employee journey and facilitates the organization's growth. For 2025, we are preparing the launch of our People Promise – a commitment to being an attractive workplace that promotes employee development and well-being.

### Development and career paths

We support employees' career development by encouraging responsibility and new challenges. Our Performance Management (PDA) process includes goal setting, feedback, and

development. In 2024, Munters Job Framework was launched, a framework for roles that can clarify career paths and strengthen our future readiness. We have also developed a strategy for self-directed learning, including the Learn to Learn pilot. Through mentorship, leadership coaching, and external training, we continue to support talent development.

### Leadership

Our leadership philosophy is based on I ACT (Innovation, Accountability, Collaboration, and Trust). This year, the new leadership program Lead with I ACT was launched globally, along with an eLearning course on leadership in multicultural teams. Internal training for new managers and change management training has continued. MovE is an internal leadership program. The program aims to promote development, cross-functional collaboration, and team spirit, as well as support employees in their career development. The annual program focuses on several strategically important projects, each led by an employee who receives support from a sponsor and other participants. One project focused on developing and implementing the carbon capture incubator, one of Munters strategic initiatives. The incubator aims to offer customers solutions in carbon capture and define our support in the area. In 2024, technology planning, commercial activities, team and network development, and governance were prioritized projects in MovE.

### → Completed in 2024

- Lead with I ACT launched to strengthen leadership
- Munters Job Framework defined for transparency around roles and career paths, and preparations for the launch of People Promise next year
- Successful integration of new employees and the launch of a global digital onboarding program
- Preparations started to meet CSRD requirements and ensure transparent sustainability and ESG reporting

### Incentive program

The long-term incentive program (LTIP) measure not only on success on financial results, but also assesses how effectively we drive key priorities such as increasing the share of renewable electricity in our factories, increasing the representation of women in leadership roles, and driving growth in our service offerings.

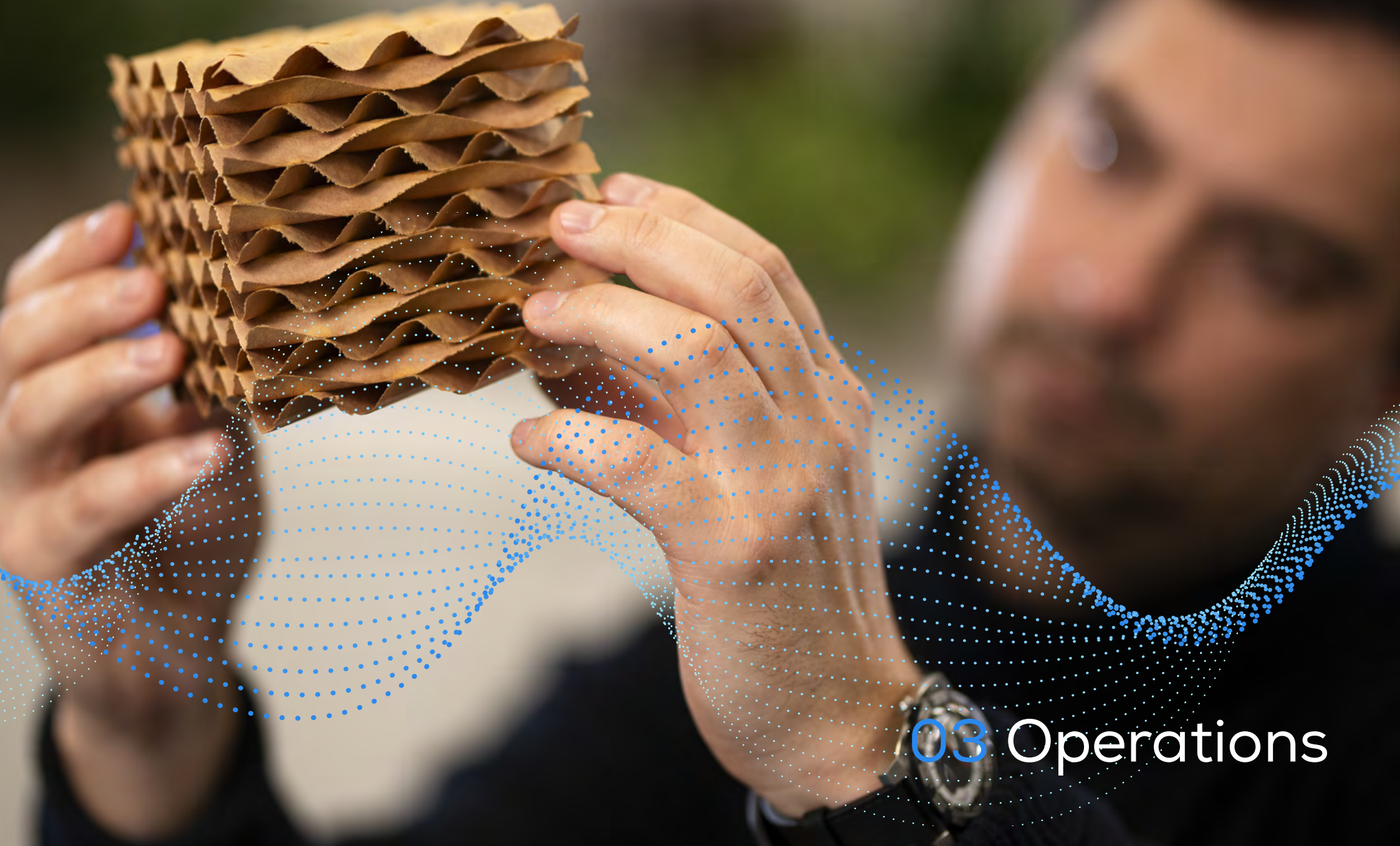
### Preparations for CSRD reporting

During the year, we have taken important steps to prepare for CSRD reporting. We have developed data collection processes with a focus on standardization and transparency to establish a robust reporting framework. This work reflects our commitment to integrating sustainability into workforce practices and ensuring readiness for future requirements.

### Health and well-being

Our occupational health and safety program aims to minimize risks of injuries and environmental impact, as well as ensure compliance with local and regional regulations. The program covers all processes, roles, subcontractors, and visitors at our production facilities, focusing on analysis, preventive measures, and training. The roll-out of the STOP program, launched in 2020, continued in 2024 with a focus on improving safety through local safety training.

Energy-efficient products  
with high quality and long lifespan.

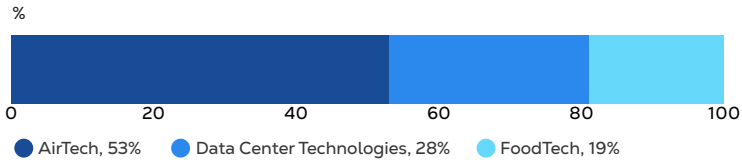


03 Operations

# Our business areas

Munters operations are conducted within three business areas. A common feature of these areas is the ability to deliver high-quality, long-lasting products, thereby fostering strong, long-term customer relationships.

Business areas, per cent of net sales 2024



## AirTech

AirTech is a global leader in energy-efficient air treatment. The offering includes climate solutions, components, and services for processes requiring precise control of humidity and temperature. Clean Technologies provides advanced purification and gas treatment systems that reduce emissions, improve air quality, and enhance energy efficiency.

[Read more from page 28, click here →](#)



## Data Center Technologies

Data Center Technologies is a market-leading innovator of advanced climate solutions for data center cooling. With a diversified product portfolio and extensive application expertise, we create sustainable climate solutions for data center operators worldwide.

[Read more from page 33, click here →](#)



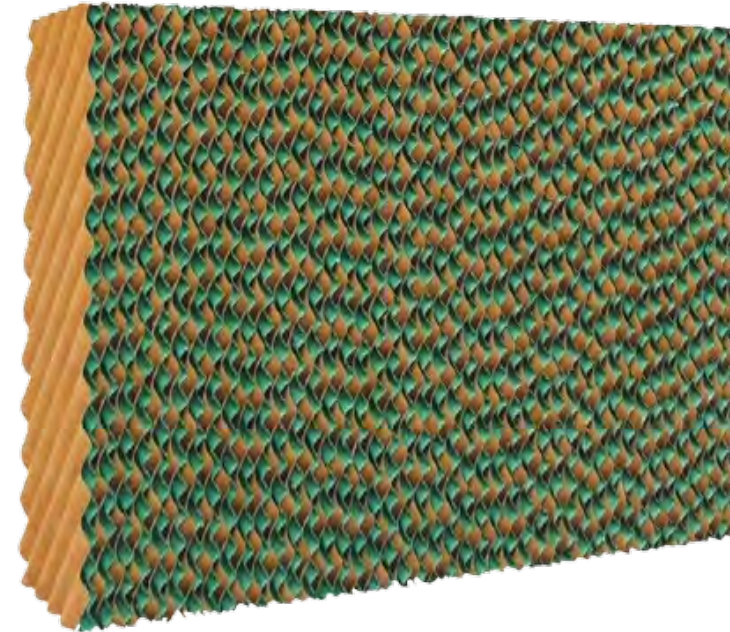
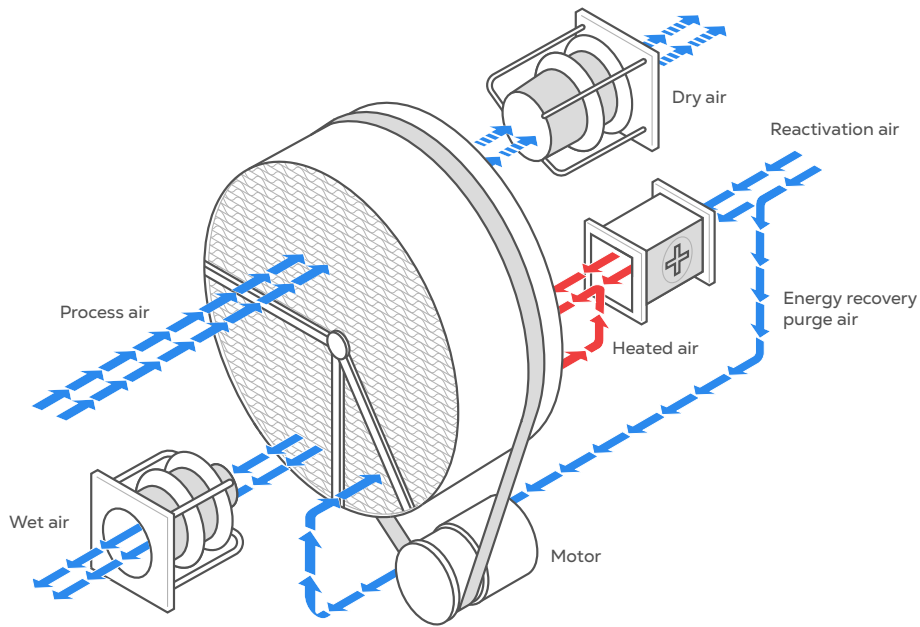
## FoodTech

FoodTech is a pioneer in data-driven optimization of the global food production value chain. In addition, FoodTech is one of the world's leading suppliers of energy-efficient climate systems for animal farming and greenhouses.

[Read more from page 38, click here →](#)

# The foundation on which we build our business

Munters dehumidification system is based on the patented absorption rotor – the Munters Desiccant Wheel. It was invented by Carl Munters in 1948 and became the foundation of the company. The evaporative humidification and cooling pads, also known as pads, are the second fundamental technology in our various products and systems.



## The desiccant rotor

The absorption rotor is used to control humidity levels by attracting and retaining moisture, enabling extremely low humidity levels to be achieved. Moisture can be removed by up to 99.9% by drying the rotor with warm air. The rotor is made of a ceramic composite material

impregnated with moisture-absorbing agents and features air channels in a honeycomb pattern. As process air passes through the rotor, it is dehumidified, and the dry material rotates to continuously absorb moisture.

## About evaporative pads

Pads provide moisture and cooling through evaporative humidification, where water evaporates via passive pads. This method is used in large facilities such as server halls and data centers due to its low operating costs and ability to combine humidification and cooling.

GLASdek™ is fire-resistant and operates with regular tap water without the need for water treatment. CELdek™ is made from sustainable cellulose paper, which resists degradation and improves air quality for both people and animals.

# World leader in industrial air treatment

The AirTech business area is a global leader in energy-efficient air treatment for industrial applications. We offer sustainable solutions for critical processes requiring precise control of humidity and temperature, improving indoor air quality and enhancing production performance. Additionally, we provide purification and gas treatment systems that reduce emissions and increase energy efficiency.

## Strategic priorities

- Maximize potential in existing growth segments
- Further develop technologies to create and capitalize on new growth opportunities
- Strengthen and expand the service and component business
- Accelerate innovation and digitalization to meet future needs
- Lead the development of emission reduction and carbon capture through Clean Technologies
- Continue harmonizing and modularizing the product portfolio
- Integrate sustainability as a natural part of everything we do

## Events during the year

- Continued establishment of the new net-zero production facility in Amesbury, US, strengthening our production capacity
- Expanded product offering through the acquisition of Airprotech within Clean Technologies
- Expanded product portfolio with ten new product launches
- Increased focus on developing and expanding the humidification business
- Accelerated innovation in material science and digitalization, including the launch of the digital solution AirC Connect in more regions
- Completed the mapping of carbon emissions from the use of our products throughout their lifetime



**Mission**  
Undisputed leader in humidity and temperature control for mission-critical applications

Share of Group net sales

53%

(2023: 59)

## → Growth Areas

- Food Industry
- Battery Manufacturing
- Service
- Components
- Clean Technologies



### DSS Pro enhances the visitor experience at Carlsberg

At the Home of Carlsberg museum in Copenhagen, maintaining optimal conditions is crucial for preserving cultural heritage and ensuring visitor comfort. During the renovation and expansion of the visitor center, Carlsberg transformed several buildings from production facilities into a dynamic exhibition and cultural attraction. As part of the upgrade, the cellars were opened to visitors, offering a unique insight into the brewery's history. However, since the cellars are located beneath the courtyard, they were significantly affected by high humidity and mold growth. The existing air conditioning systems were insufficient, leading to an upgrade to a state-of-the-art Munters DSS Pro system to ensure superior climate control and

improved preservation. Munters DSS Pro is a high-performance dehumidification system designed with a focus on innovation and efficiency. Its advanced AirPro casing enhances durability, minimizes air leakage, and reduces energy consumption, ensuring efficient operation even under demanding conditions. By supporting sustainable energy solutions, the system aligns perfectly with Carlsberg's commitment to environmental responsibility.

The installation of Munters DSS Pro at the Home of Carlsberg has significantly improved climate control. Visitors can now enjoy a comfortable and mold-free environment while exploring Carlsberg's rich brewing history, interactive exhibits, and engaging cultural experiences.

Read more about the work on our [website](#)

### STRATEGY

#### Market

The identified growth areas, as described on the previous page, are crucial for the future, where Munters aims to be one of the top three players in each niche. At the same time, the market continues to consolidate toward fewer and larger players, a development we actively contribute to through strategic acquisitions.

#### A challenging battery market

The battery market has faced global challenges throughout the year, with reduced investments and intensified competition from both established and new players. The development of the battery industry is closely linked to the electric vehicle market, which experienced a difficult period in 2024 due to economic difficulties, increased competition, and political uncertainty.

In the long term, we anticipate a recovery, driven by increasingly stringent emission regulations and technological advancements.

#### Growth in key markets

The food and pharmaceutical industries are significant and growing markets. The food segment is driven by factors such as population growth, sustainability requirements, rising living standards, and stricter quality standards for food safety. The pharmaceutical segment is expanding due to advancements in development, increased demand for healthcare, and the need for controlled environments to ensure product safety and efficacy. Humidification is another key focus area, growing through industrial investments in segments such as data centers, electronics, and automotive. AirTech is strengthening its position through investments in R&D, project management,

expanded production, and an enhanced service offering. A new Center of Excellence (CoE) for humidification was established during the year to support this development.

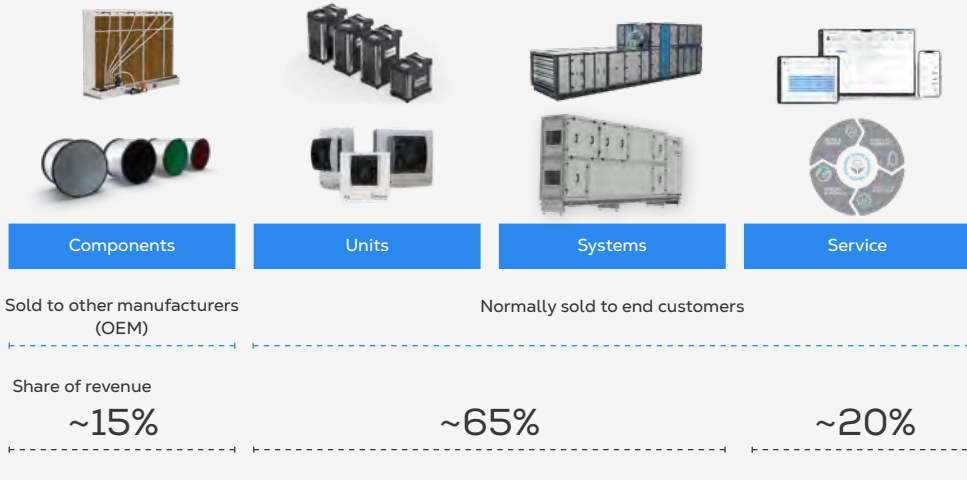
#### Acquisitions and partnerships that expand the core business

During the year, Munters acquired Airprotech, an Italian manufacturer of VOC (Volatile Organic Compounds) purification systems. This acquisition strengthens Clean Technologies and enables cleaner production for European industries. VOC purification systems remove harmful organic compounds from air streams, contributing to improved air quality. Additionally, Munters entered into a partnership with carbon capture technology provider Capsol Technologies. Munters extensive expertise in mass transfer and separation technology supports the enhancement of Capsol's technology through the development of state-of-the-art equipment.

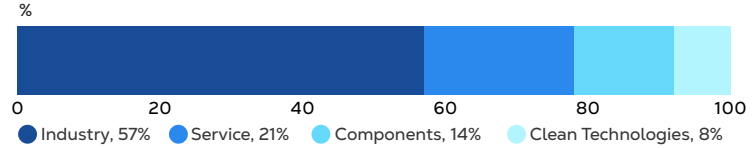
#### AirTechs competitive advantages

- High-quality, long-lasting products with strong performance
- Long-term customer relationships
- Ability to understand customer needs
- Deep application expertise
- Sustainable and energy-efficient solutions
- Global service offering with a local service organization

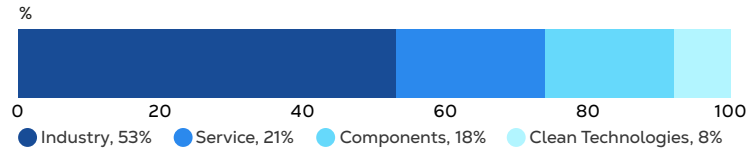
### AirTechs offering to the market



### AirTech, net sales 2024



### AirTech, order intake 2024



## STRATEGY

### Customers

AirTech has its own sales teams at several local and regional sales offices. In addition, the business area has an extensive network of resellers and distributors in selected markets. This network also manages the sale of components to other system providers within climate control.

### Industry

In the industrial segment, AirTech's solutions are primarily used for climate control in industrial processes with a focus on humidity control applications. For infrastructure customers, AirTech provides solutions that extend the lifespan of facilities, reduce resource consumption, and enhance operational reliability.

Controlled humidity is critical in battery, pharmaceutical, and food production to protect materials, prevent microbial growth, and ensure quality and functionality.

### Clean Technologies (CT)

Clean Technologies is a priority segment, strongly driven by the global transition toward a sustainable future. CT's solutions enable the separation of various substances to purify the air and capture harmful particles. The segment is well-positioned for growth and continuously evolves through in-house research, product innovation, and strategic acquisitions.

During the year, CT's position in VOC purification in the EMEA region was strengthened through the acquisition of Airprotech.

### Components

Many customers use AirTechs dehumidification rotors and cooling pads as key components in their systems, which are sold globally in large volumes. During the year, strong growth in the data center market contributed to a significant increase in sales of evaporative humidification pads, which are used for temperature control. At the same time, sales of dehumidification rotors were negatively impacted by challenges in the battery segment.

### Service

Over the years, AirTech has delivered large volumes of components, products, and systems globally, making service and upgrades an increasingly central part of the offering. Through an extensive network of local service centers, we provide fast and personalized support, strengthening customer relationships and enhancing market presence. Moving forward, the focus is on further developing digital solutions for connected systems and implementing energy upgrades, known as retrofits, to improve performance and reduce carbon emissions from previously installed equipment. During the year, the service offering has expanded and developed across all three regions.





**STRATEGY**

**Excellence in everything we do**

In 2024, AirTech continued to regionalize its operations. The construction of factories in Amesbury, US, and Jiangyin, China, has progressed well and is expected to be completed in 2025. Capacity expansion has been carried out at the factories in Tobo, Sweden, Baton Rouge, Louisiana, and Malour, India. At the same time, investments are planned for increased capacity in Tobo, Sweden & Monterrey, Mexico.

**Improved production efficiency**

AirTech continuously drives improvement efforts in line with the Munters Production System (MPS), based on LEAN principles. This has led to reduced production costs, among other benefits.

The initiatives focus on creating a flexible production process and utilizing data-driven methods to optimize operations. During the year, investments were made in quality assurance at the factory in Tobo, Sweden.

**Sustainability**

In the pursuit of a climate-neutral future, AirTech focuses on circularity, reducing energy consumption in its own facilities, and utilizing renewable energy sources. During the year, we initiated measures to improve energy efficiency and signed agreements for the installation of solar energy solutions at our new facility in Amesbury, US. We also plan to install geothermal heating at our Tobo factory in 2025. Furthermore, we are working to increase transparency in procurement, incorporating a built-in logic to reduce carbon emissions.

**Sourcing and distribution**

To ensure business continuity, we have implemented a proactive continuity plan that guarantees the availability of our products and services regardless of disruptive events. AirTech has also improved sales and manufacturing planning to better capture demand, capacity, and needs, making us more flexible and adaptable. Furthermore, we have consolidated storage facilities to enhance efficiency and reduce costs throughout the entire supply chain.

**Integration of acquisitions**

At the end of 2023, the Indian company ZECO was acquired, followed by the acquisition of the Italian company Airprotech in 2024. The integration of these acquisitions has progressed well throughout the year. Key activities at ZECO have focused on implementing the

Munters safety program and increasing production through various initiatives.

**Focus on safety and sustainability**

Employee safety is our top priority. The implementation of the STOP safety program was accelerated during the year, with a strong focus on proactively identifying and managing risks to prevent accidents.

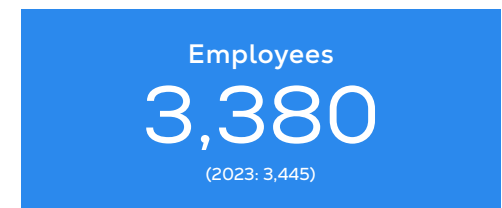
**STRATEGY**

**Innovation**

AirTech's application experts work closely with customers to develop tailored solutions that optimize performance and help them achieve their environmental goals. At the same time, we are harmonizing our global offering, focusing on creating modularized products where it adds value and simplifies adaptation for different markets. Throughout the year, we continued material development in collaboration with several research institutes.

**Continued product innovation**

In April, the new version of the energy-efficient ComDry NX was launched—a portable dehumidification unit with upgraded features. Additionally, AirC Connect, a digital solution, was introduced, enabling smart control of dehumidification systems. The platform allows users to monitor and adjust temperature and humidity settings, schedule operations, and access both real-time and historical data. In Australia, the rental unit GREENDRY was launched—a dehumidifier designed to meet temporary humidity control needs in industrial applications, with a focus on high performance in demanding outdoor environments.



# Market development and financial performance 2024

## Order intake

Order intake grew by +8%, with organic growth of +1%. Weakness in the battery sub-segment in APAC and the Americas was offset by strong industrial growth in EMEA, particularly in food and batteries. Components saw high demand for evaporative pads in the Americas and EMEA, while Service remained stable. Clean Technologies strengthened with the Airprotech acq., and long-term growth drivers remain strong.

## Net sales

Net sales were flat, with an organic decline of -7% due to weaker battery segment performance in APAC. Growth in EMEA's industrial segment, especially batteries, and positive trends in Commercial and Service in the Americas partly offset the decline. Service accounted for 21% and Components for 14% of net sales.

## Result

The adjusted EBITA margin declined due to lower volumes in the weaker battery segment, which led to lower production utilization. This was partially offset by a favorable product mix from completed deliveries of larger orders, as well as net price increases and initiatives to enhance operational efficiency.

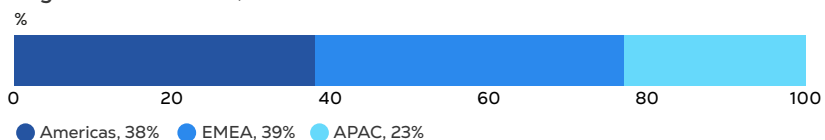
# 7,365

Order intake 2024, MSEK

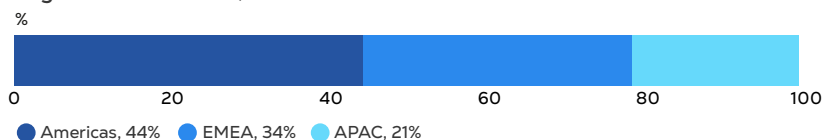
# 8,204

Net sales 2024, MSEK

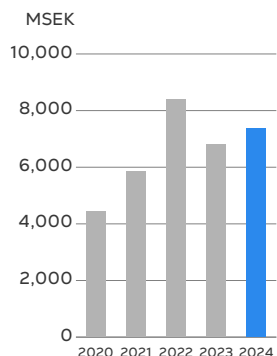
## Regional distribution, share of order intake 2024



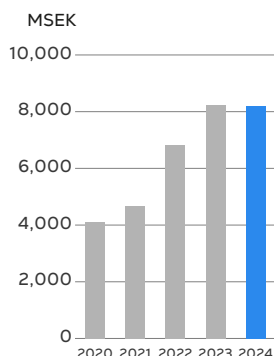
## Regional distribution, share of net sales 2024



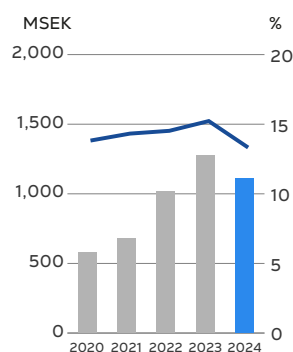
## Order intake



## Net sales



## Adjusted EBITA/EBITA margin



## Key figures

| MSEK if nothing else is specified | 2024  | 2023  | 2022  | 2021  | 2020  |
|-----------------------------------|-------|-------|-------|-------|-------|
| External order backlog            | 2,986 | 3,250 | 4,698 | 2,796 | 1,442 |
| Order intake                      | 7,365 | 6,796 | 8,399 | 5,842 | 4,444 |
| Net sales                         | 8,204 | 8,226 | 6,830 | 4,664 | 4,116 |
| Adjusted EBITA                    | 1,113 | 1,278 | 1,014 | 682   | 580   |
| Adjusted EBITA margin             | 13.6  | 15.5  | 14.8  | 14.6  | 14.1  |
| Operating profit (EBIT)           | 949   | 1,190 | 976   | 635   | 446   |

## Data Center Technologies

# Efficient, flexible, scalable – the future of data center cooling

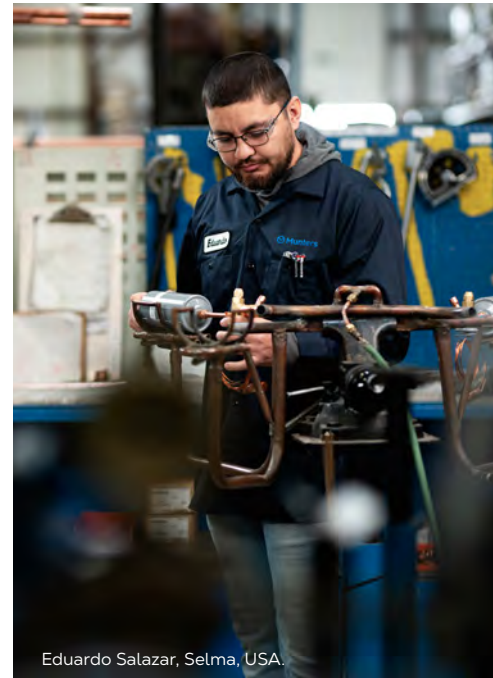
DCT is a technology market leader delivering advanced cooling solutions for data centers. With roots in niche expertise, DCT has evolved into a global innovation leader. Through a broad technology base, scalable solutions and long-term partnerships, we are realizing our vision – to transform data centers, one at a time.

### Strategic priorities

- Grow organically with a customer-centric approach and a full product offering
- Continue to investigate inorganic growth options
- Continue to steer the market towards sustainable solutions where our differentiation can drive critical change
- Increase production capacity in regions that show strong growth opportunities
- Expand regionally in APAC, leveraging the base provided by Geoclimas sales force in the region as well as its production facility

### Events during 2024

- Acquisition of Geoclima, a manufacturer of air- and water-cooled chillers
- Strategic partnership with ZutaCore to combine waterless liquid cooling with the SyCool system to efficiently manage AI-generated heat
- In Cork, Ireland, a new 11,148 m<sup>2</sup> state-of-the-art production facility was inaugurated. The facility will manufacture the entire Munters portfolio of cooling solutions
- The first major order was received for the LCX cooling system, a water-to-water CDU (coolant distribution unit)



Eduardo Salazar, Selma, USA.

### Mission

With a diversified product portfolio and leading application knowledge, we create sustainable climate solutions for data centers worldwide

### Share of Group net sales

28%

(2023: 24)

### DCT growth areas

- Drive growth by leveraging Geoclimas new chiller technology to provide complete chilled water cooling solutions for both liquid and air cooling.
- Geographical expansion into new regions such as Latin America and Asia.
- Continued development of close partnership with leading customers as well as industry partnerships to increase reach and complement our own offering, such as liquid cooling.

## STRATEGY

### Market

Global digitalization and the accelerated adoption of artificial intelligence are driving a constant increase in demand for data center infrastructure. This development highlights the crucial role that data centers play in the rapidly growing digital world. Cooling and heat dissipation account for a large portion of a data center's total energy usage, making these factors central to both operational efficiency and sustainability. The growing demand for computing capacity and data storage space generates more heat and higher energy usage, leading to higher energy costs and more significant environmental impact. Therefore, resource efficiency and sustainability are gaining importance, driving demand for innovative cooling technologies.

Data use has increased a hundredfold in the last fifteen years, and in the last three years, more data has been generated than all data generated since before.

#### A growing and dynamic market

Underlying demand in the market is partly driven by the rise of global digital cloud storage, which is still in its early stages. The market is also driven by the development of global economies where more and more people are connected.

#### → DCTs main competitive advantages

- Broad technology portfolio with patented, leading solutions
- Extensive application expertise in optimizing and customizing solutions
- Strong customer relationships and partnerships with several of the world's leading data center operators
- A customer-centric and project-based approach to supporting customers

During the year, hyperscalers continued to invest in data centers to meet the high demand. Both with their own CAPEX and by leasing space from colocation providers. The market has also experienced significant investment inflows from diverse sources, including governments and financial institutions. At the same time, new technology in areas such as computer chips is increasing demand for new technology. With this growth, more competitors have established themselves and expanded their footprint to meet the high demand.

#### AI accelerates growth and technology shift

Anticipated advances in AI are predicted to greatly increase demand for data centers in the future. High performance computing will require rapid innovation in data center design and technology to address the growing power capacity needs. As data centers shift towards liquid cooling to efficiently manage increased heat due to high-density loads, DCT's technology portfolio and experience make Munters well-positioned to lead in this transition

#### Data centers around the world

Most data centers are located in North America, where their concentration is high due to robust infrastructure, proximity to large technology companies and strong demand for hyperscale and co-located data centers.

The European market is characterized by a mature regulatory environment focused on sustainability, power availability, and established connectivity with growing demand in secondary markets.

Asia is also home to a large number of data centers with rapid growth driven by digitalization, cloud adoption and increased internet penetration with strategic locations to support regional markets and data connectivity requirements.

In growing markets such as Latin America, Middle East & Africa, a lot of data centers have been established due to higher internet usage

and cloud infrastructure to underpin local digital economies.

#### Expanded global footprint

In late 2024, the new factory in Cork, Ireland was inaugurated which expanded the current footprint in the EMEA region. The 11,148 m<sup>2</sup> (120,000 square feet) facility is designed to manufacture our complete portfolio of data center cooling solutions.

The new production and office facility is another demonstration of Munters continued investment in Europe, following the successful acquisition of EDPAC in 2022. The growing



#### Munters secures first integrated cooling order with Geoclimate

Only two months after acquiring Geoclimate, Munters landed a contract from a colocation data center provider in the US seeking to combine air-cooling units with chillers.

The opportunity arose when a contact at the colocation provider learned about the acquisition. Appreciating the convenience of dealing with a single supplier, the customer chose Munters. "They asked if they could issue just one purchase order and of course we said yes," says Keith Dunnivant, Vice President Offer Strategy and Portfolio Management at Data Center Technologies at Munters. The order marks the first time Munters has offered an end-to-end

demand for the company's innovative and energy-efficient cooling solutions has made expanding production capabilities a natural next step to better serve the EMEA market.

With the acquisition of Geoclimate in Italy, the footprint in the EMEA region has been further strengthened. Geoclimate also operates a factory in Thailand, serving the needs of customers across the APAC region. This is DCT's first manufacturing site in this part of the world, and initially, the focus will be on maintaining strong relationships with existing customers in the APAC region.

air-cooling solution. "We now have a complete portfolio of both air and liquid cooling solutions, making us an ideal partner for any current or future data center," Keith says.

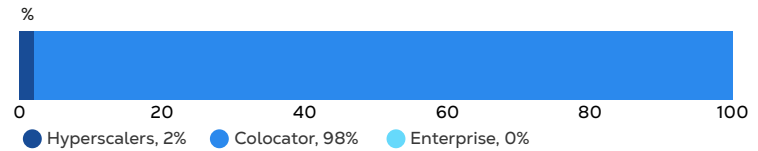
#### A flexible technology

To support the growing number of customers moving towards liquid cooling, Munters has developed a portfolio of cooling distribution units (CDUs), which provide cooling direct to chip. CDUs move heat from IT equipment to the building's water system. This works well with Geoclimate's chillers and fluid coolers. As for why Munters picked Geoclimate, Frank Pellegrino, Senior VP Sales & Strategy Data Center Technologies at Munters, says it came down to their compatible DNA, excellent industry reputation, and outstanding equipment performance metrics. "We looked at many different companies, but Geoclimate stood out," he says. "They are known as innovators, and are doing things that no one else is doing. They can customize their chillers, meeting specific needs, and they are highly efficient. We are incredibly happy to be partnering with them."

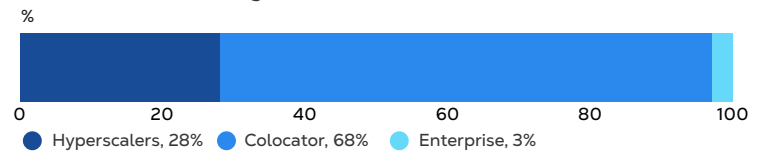
Read more about our offering within liquid-cooling on our [website](#).



Data Center Technologies, net sales 2024



Data Center Technologies, order intake 2024



## STRATEGY

### Customers

Regardless of the type of data center being built or upgraded, reliable, energy efficient cooling is essential to optimize for specific conditions. The choice of solution depends on several factors, including the outdoor climate, facility size and design, type and power density of the data center, surrounding area, local laws and regulations, access to water and electricity, and the customer's investment horizon and operational costs. These parameters, along with others, determine which cooling method and equipment best match the circumstances and preferences. As more advanced chips are developed and the energy need of data centers increase, it creates higher and new demands for cooling, with increased complexity and the need for new innovations.

In 2024, we have addressed customer needs through service and retrofitting projects, enhancing energy efficiency and increasing the capacity of existing equipment in operation.

### → STRATEGIC DEVELOPMENT: Expanding the solution portfolio and leveraging deep application knowledge to serve all customer segments.



Historically Munters provided air economizers which served data centers that required high energy efficiency and tight service level agreements. These products fit in well with certain colocation providers but did not address the wider market.

The expansion of the product portfolio enables Munters to serve a wider range of customers and enhances its ability to provide end-to-end cooling solutions for both air-cooled and higher-density liquid-cooled applications.

Customer focused advanced development teams has aligned innovation efforts with R&D and sales teams adapting to

rapidly changing requirements created by AI and other high density applications.

As part of the growth, specialists with deep application knowledge in our project management teams sees a project through from quotation to delivery which also includes a full service offering. These teams are managed by experienced engineers who understand the needs of data center customers.

With these developments we are now able to offer a full range of cooling solutions to data center customers in both the hyperscale and colocation markets as well as builds to suit large enterprise data centers.

Employees

903

(2023: 615)



## STRATEGY

### Excellence in everything we do

DCT is one of the market's most specialized providers, dedicated exclusively to climate solutions for data centers. This singular focus has established DCT as a leader in knowledge and technology, setting us apart in the industry. Our team comprises a unique blend of expertise, including several members with over 30 years of experience in advanced air-handling solutions. These cross-functional teams, highly experienced in data center applications, ensure success from concept to implementation. Even after project completion, DCT's service organization provides ongoing support, maintenance, and optimization.

### Integration of Geoclima

During the year, Munters acquired Geoclima, a leading manufacturer of air- and water-cooled chillers. The integration process has progressed successfully, with the initial focus being placed on capitalizing on commercial opportunities, and cross training employees. Efforts have also been made to align financial reporting systems and implement tax and legal frameworks, ensuring a seamless transition and strong operational alignment.

### Focus on safety and sustainability

Safety training sessions focusing on risk identification and accident prevention have been conducted. Action plans are in place to achieve

Scope 1 and 2 emission reductions in line with Science Based Targets. Our new factory in Cork, Ireland, opened this year, is designed for LEED (Leadership in Energy and Environmental Design) Silver certification, emphasizing sustainable construction, energy and water efficiency, and eliminating fossil fuel dependence.

## STRATEGY

### Innovation

The increase in high-performance computing and powerful processors supporting AI leads to higher heat generation and power density (the amount of power in kW per unit area used), which requires more efficient and innovative cooling solutions. These often include a

combination of air and liquid cooling systems, tailored to handle the higher thermal load.

DCT, through the acquisition of Geoclima, are now able to offer chillers to existing and new customers. This technology will be spread to North America to cater to the customer needs in the region.

By involving R&D and application experts from the early stages of a sales process, we can meet specific requirements related to data centers' demand for new cooling solutions and new data storage innovation. DCT's collaborative R&D model and reputation open up for alliances with key players in the IT and infrastructure space, potentially allowing entry into new markets and technology segments.

### Coolant Distribution Units

During the year a new product to connect with liquid cooling was developed, a Coolant Distribution Unit (CDU). The Munters LCX-system (CDU) is a device used in liquid-cooled data centers to manage and distribute cooling to server racks.

It transfers heat from the IT equipment to the facility's cooling infrastructure, ensuring efficient thermal management for high-performance computing systems. CDUs are essential for supporting high-density workloads, reducing energy usage, and improving cooling efficiency.

# Market development and financial performance 2024

## Order intake

Organic order intake declined by -20%, mainly due to fewer large orders as customers increasingly shifted to small and mid-sized purchases. Despite this, EMEA and the Americas saw stable growth, with demand in the Americas driven by colocation providers in North and Latin America.

## Net sales

Net sales grew by +29%, with organic growth of +27%, driven by deliveries of previously announced large orders and increased production pace. The Geoclima acquisition in Europe contributed positively by strengthening the product portfolio and enabling new business opportunities. Service accounted for 6% of net sales.

## Adjusted EBITA

The adjusted EBITA margin improved significantly, driven by strong volume growth, high factory utilization, and a favorable product mix with strong SyCool demand. Net price increases and lean-driven efficiency gains further enhanced profitability and operational efficiency.

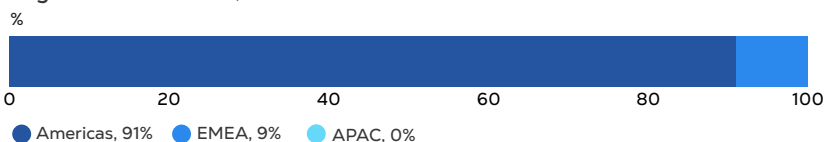
# 4,088

Order intake 2024, MSEK

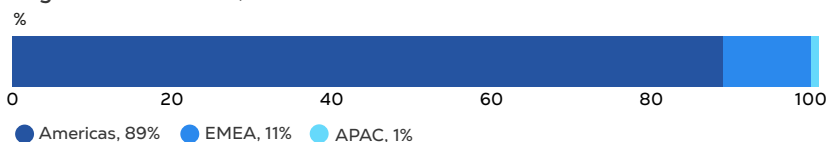
# 4,392

Net sales 2024, MSEK

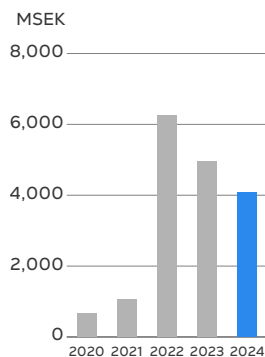
## Regional distribution, share of order intake 2024



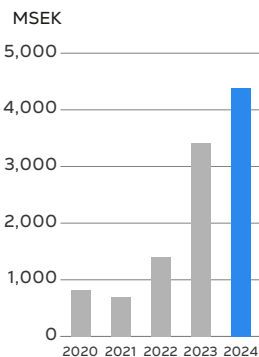
## Regional distribution, share of net sales 2024



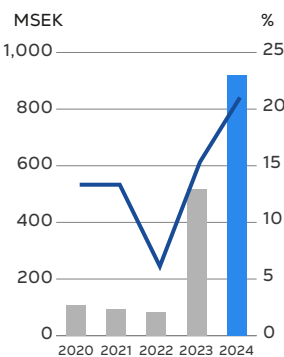
## Order intake



## Net sales



## Adjusted EBITA/EBITA margin



## Key figures

| MSEK if nothing else is specified | 2024  | 2023  | 2022  | 2021  | 2020 |
|-----------------------------------|-------|-------|-------|-------|------|
| External order backlog            | 7,604 | 7,206 | 5,937 | 703   | 295  |
| Order intake                      | 4,088 | 4,948 | 6,245 | 1,051 | 657  |
| Net sales                         | 4,392 | 3,408 | 1,401 | 702   | 823  |
| Adjusted EBITA                    | 920   | 519   | 84    | 92    | 109  |
| Adjusted EBITA margin             | 20.9  | 15.2  | 6.0   | 13.2  | 13.2 |
| Operating profit (EBIT)           | 884   | 497   | 71    | 148   | 99   |

## FoodTech

# Data-driven insights for improved food supply

FoodTech is pioneering data driven optimization of the global food supply chain. We are a world-leading provider of digital control systems, sensors and software integrating the value chain. Our digital solutions enable enhanced productivity and improved sustainability with a focus on quality, animal welfare and food safety.

### Digital Solutions

#### Events during 2024

- Successful launch of RotemTrio, a new generation of digital control systems for the poultry segment
- Several new software contracts signed with global food producers during the year.
- Acquisition of controller companies AEI and Hotraco
- Minority investment in AgriWebb, a leading provider of beef production software.
- Integration of InoBram, acquired in 2023, which has generated productivity and efficiency gains

#### Events after the year

- The minority shareholders in MTech have exercised their put option, resulting in Munters acquiring their stake and will become the sole owner of the company.

### Equipment

#### Events during 2024

- Continued efforts to streamline operations.
- Simplified global structure – consolidation of smaller units
- Internal process throughout the year to organizationally separate Equipment from FoodTech and Munters, preparing for a potential divestment of this part of the business

#### Events after the year

- Following a strategic review of Equipment, an agreement has been signed to divest this part of the business.

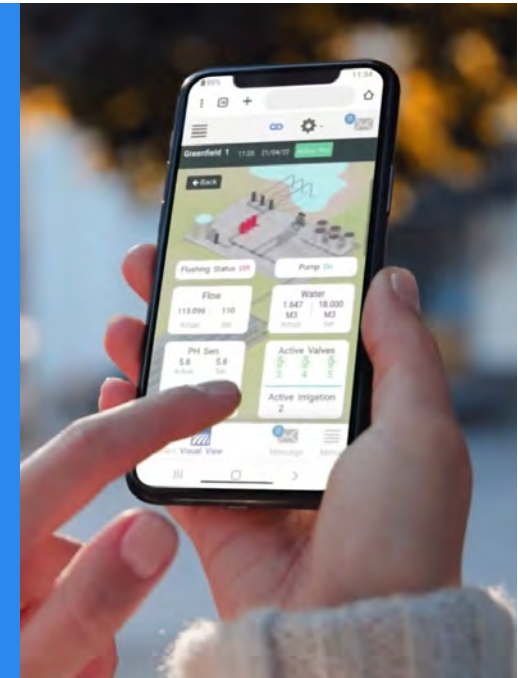
### Mission

#### Digital solutions

We help feed the world by changing the way we farm and produce food.

#### Equipment

Innovative, energy-efficient, and sustainable climate solutions and services for critical processes in indoor agricultural environments.



### Strategic priorities

#### Digital solutions

##### – continued strong growth

- Develop existing segments
- Replicate success in new segments
- Establish a data ecosystem for the global food production value chain
- Invest to future-proof the business
- Strengthen the foundation to enable continued strong growth

#### Equipment – profitable growth





- Continued focus on efficiency and productivity on a global scale
- Targeted profitability-enhancing measures in units with improvement potential
- Ongoing geographic expansion

### Share of Group net sales

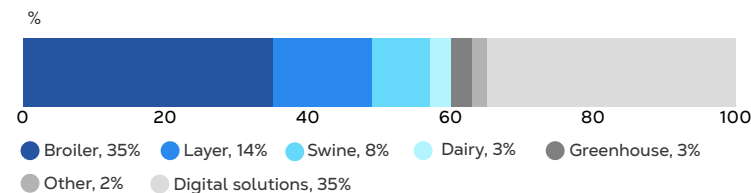
19%  
(2023 17)



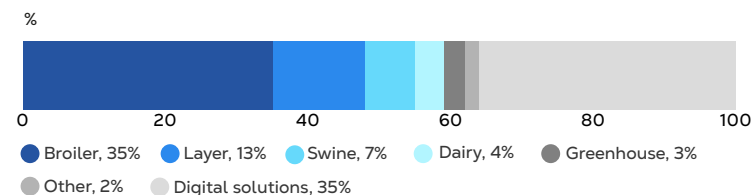
## FoodTech's solutions for end customers

|  |  | Creates value for  | Product examples                                     | End-customers   | Business model                              |
|--|--|--|--|---|---|
| Digital solutions  | Software<br>                                | Optimization of the food supply/production value chain   | MTech Systems, Supply-chain optimization software    | National, international, or global food producers/integrators | ARR – Recurring revenue + transaction based |
|  | Controllers and sensors<br>                 | Data collection, monitoring, and analysis lead to higher yields, improved sustainability, and better animal welfare – enhancing food supply. | Controllers: Rotem, InoBram, AEI, Hotraco            | Farmers / Growers   | Mainly transaction based                    |
| Equipment<br> | Equipment for an optimal indoor climate<br> | Equipment that optimizes indoor environments for improved animal health  | E-line fans<br>Ventilation inlets<br>Cooling systems | Farmers / Growers   | Transaction based                           |

## Foodtech, net sales 2024



## Foodtech, orderintake 2024



## STRATEGY

### Market

#### Digital solutions

Munters aims to create an ecosystem for collecting and analysing the millions of data points generated within the global food production value chain. Our data collection platforms – including controllers, sensors, IoT, and software – enable global food producers and farmers to meet transparency and reporting requirements. These requirements, driven by both regulatory authorities and consumers, focus on sustainability, animal welfare, and other key factors.

#### Equipment

We develop and deliver equipment for efficient climate solutions, which is critical for providing an efficient ventilation or Climate inside the farms, which is critical for animal welfare. Market growth is driven by increasing global food demand, a stronger focus on climate issues and stricter regulatory requirements.

### Acquisitions and Minority Investments

As part of our strategy to lead the digital transformation of the global food production value chain, we collaborate with other tech companies in the industry. Some of these collaborations result in acquisitions, while others lead to partnerships where we either invest in a minority share or establish other forms of cooperation. During the year, we acquired AEI and Hotraco, as well as made a minority investment in AgriWebb.

- AEI (USA) is a leading provider of digital control systems for the layer industry in North America. This acquisition positions FoodTech as the market leader in digital control systems for the US. layer segment.
- Hotraco (Netherlands) offers digital control systems for livestock farming, crop storage, and greenhouses. The acquisition strengthens our market presence in Europe, adding approximately 45,000 connected controllers to FoodTechs data capture and analytics ecosystem
- AgriWebb (Australia) is a leading provider of software for beef production. The platform

currently manages over 23 million cattle across 18 countries, primarily in Australia, the UK, the US, and Brazil.

### Structural changes and review

FoodTech has decided to accelerate growth of its digital business and, therefore, initiated a

strategic review of the Equipment offering in the summer of 2023. The conclusion of this review was the intention to divest this business. In February 2025, an agreement was signed to divest this part of the business.

### → About FoodTechs eco system

A key challenge for the global food industry is ensuring that food supply meets the needs of a growing population. Additionally, approximately one-third (1.3 billion tons) of all food produced is wasted, with around 65% of this waste occurring within producers' own operations.

Our contribution to addressing this issue is building a strong digital ecosystem that optimizes the food production value chain.

Our ecosystem is built around data capture platforms, including connected digital control systems, IoT, and sensors. Combined with predictive AI and real-time monitoring,

we enable producers and growers to maximize production while minimizing waste and reducing their carbon footprint.

We then consolidate and analyze the collected data using our highly powerful and agnostic software. This allows us to help our customers predict, plan, and forecast their operations more efficiently, leading to higher yields, increased productivity, improved animal health, and a reduced carbon footprint.

All of this contributes to a more transparent and sustainable food production industry.



Gabriel Rhigor, Atlanta, US.

## STRATEGY

### Customers

#### Digital solutions

We work closely with our customers to develop modular applications that set industry standards while being adaptable to various needs, both within and across segments.

Our customers span a wide range of businesses worldwide, from large international food producers to individual growers and farmers. Sales of digital control systems and sensors primarily take place through distributors with a local presence, while software are sold directly to end customers.

Our customers include food producers, poultry farms, swine producers, and egg producers. The combination of FoodTech's software, controllers, and sensors enables the food industry to improve animal welfare and increase capacity while reducing its carbon footprint.

#### Multinational integrators

A key and growing customer group is integrators, large-scale and often multinational food producers with a broad product portfolio. These companies operate across multiple levels of the food production value chain, particularly in the U.S., Latin America, and Southeast Asia.

Integrators, in turn, serve large customers, including restaurant chains, which impose stringent requirements on their suppliers.

#### Farmers

Agriculture and large-scale greenhouse operations are increasingly becoming digitalized, leading to growing demand for connected digital control systems and sensors that can be remotely monitored. The collected data can also be processed and analyzed through our software, provided agreements are in place.

## → FoodTechs competitive advantages

### Digital solutions

- High-quality products with high availability and low total cost of ownership
- Optimization of the entire value chain through our digital offering
- Long-term customer relationships
- Ability to understand and deliver solutions for customers' future climate needs
- Industry-leading software tailored to sector-specific requirements

### Equipment

- Strong reputation as a quality supplier
- Long-standing and strong customer relationships
- Extensive know-how
- Global presence

### Equipment

Equipment reaches the market through three primary channels: distributors, direct sales, and OEM supply.

- Distributors – The largest sales channel for Equipment, primarily targeting poultry and egg production farms. Equipment solutions can also be integrated into larger projects delivered by distributors.
- Direct sales – Primarily focused on large farms specializing in pig or dairy production. In the U.S., Equipment also sells directly to egg producers.
- Equipment serves as a subcontractor (OEM) for climate solutions in large-scale projects, primarily within the greenhouse segment.



Hayley Ginn, Atlanta, USA.

## Milestone for Software Implementation in the U.S.

Munters has completed its largest software rollout to date, training 650 users at a major U.S. food producer in a platform that provides unique insights into poultry production.

Munters MTech Systems has provided a SaaS platform designed to manage large-scale animal protein production. The software delivers insights that help improve efficiency, optimize resource utilization, enhance animal welfare, ensure traceability, and reduce quality variability. The software was deployed across 34 facilities in less than a year following meticulous planning.

"We took it slow in the beginning to learn. As the project progressed, the implementation became faster and more efficient," says Hayley Ginn, Team Lead at MTech Systems.

"We tailored our approach to engage with each user, clearly explaining how the changes would impact their daily work, individual success factors, and responsibilities. By the time the rollout was complete, everyone was well-prepared and confident in their roles, which reduced stress and paved the way for a smooth and successful project launch," concludes Hayley Ginn.

Read more about MTech our [website](#)



Employees  
**990**  
 (2023: 870)

Regardless of the sales channel, the end users of Equipment's climate solutions are farmers and growers

- Farmers are primarily within the poultry, egg, and swine segments.
- Growers are primarily within the greenhouse segment.

**STRATEGY**

**Excellence in everything we do**

*Digital solutions*

Ensuring scalability is key, meaning we drive development in close dialogue with customers while making sure that what we develop also meets the needs of other customers.

During the year, MTech continued developing a software module designed to meet carbon emissions reporting requirements, aligned with Greenhouse Gas Protocol guidance. The module filters already collected data for an analysis configured to meet Scope 1-2 reporting requirements. Throughout the year, it has been evaluated together with several customers worldwide.

*Equipment*

Quality is about maintaining and strengthening our reputation as a reliable supplier of high-quality products. This includes continuously ensuring quality and making sure the customer journey remains positive and secure

and making major but well-balanced investments in innovation and R&D to support future launches of new, commercially competitive products and solutions at a high development pace.

Since Equipment operates in highly competitive markets, it is crucial that the product offering remains attractive in terms of cost/price, necessitating constant efficiency improvements across the entire structure, with profitability at the core.

**STRATEGY**

**Innovation**

*Digital solutions*

Digitalization is a strong driver of product development and customer adaptation. Within our software offering, we have, for example, developed an IoT solution that provides adaptive bird weight forecasts. For customers in the layer segment, we have introduced a new planning module for Amino, which also includes a sustainability module. For our controller portfolio, InoBram has developed and launched a new Brazilian marketplace for spare parts via WhatsApp, while Munters Rotem has designed an advanced feed management system for breeder hens.

*Equipment*

The foundation of new ventilation solutions is to combine efficient products to create an optimal climate in animal housing, with a focus on high efficiency and low operating costs. The E-line range, launched in 2024, is an example of our energy-efficient fans. We are also working to minimize emissions through improved air treatment and purification solutions to meet increasing regulatory requirements. Throughout 2024, we have continued to develop our product portfolio to enhance the customer offering, reduce complexity, and upgrade existing products.

# Market development and financial performance 2024

## Order intake

Order intake grew by +18%, with organic growth of +13%, driven by strong demand for both Digital solutions and Equipment in the Americas and EMEA. Equipment performed particularly well in EMEA, contributing to the overall expansion of the business area.

## Net sales

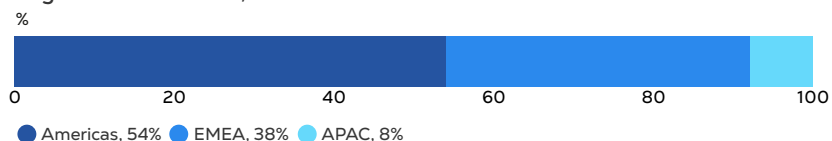
Net sales grew by +24%, with +17% org. growth, driven by strong demand for Digital solutions and Equipment. Digital solutions expanded in Americas and EMEA, both org. and through two strategic acquisitions. ARR rose to MSEK

330, underscoring software's growing importance. Equipment grew across all regions, strengthening its market position, while Service accounted for 19% of total net sales, reflecting increased demand for service-based models.

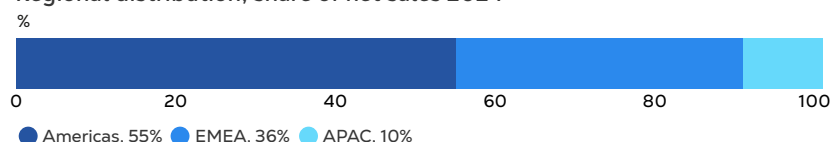
## Adjusted EBITA

The adjusted EBITA margin improved significantly, with both Digital solutions and Equipment contributing to the increase, primarily through higher volumes, net price increases, and operational improvement initiatives.

## Regional distribution, share of order intake 2024



## Regional distribution, share of net sales 2024



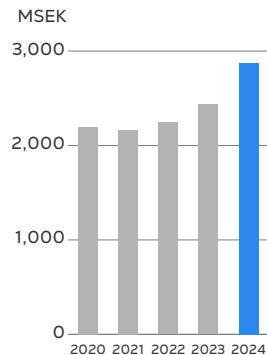
2,874

Order intake 2024, MSEK

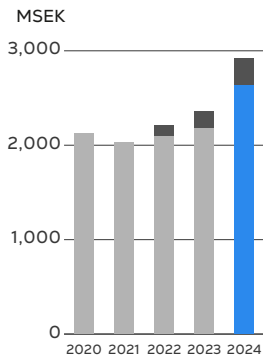
2,918

Net sales 2024, MSEK

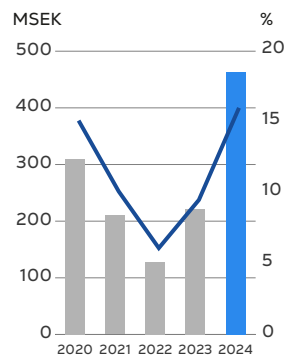
## Order intake



## Net Sales Including SaaS



## Adjusted EBITA/EBITA margin



## Nyckeltal

| MSEK om inget annat anges | 2024  | 2023  | 2022  | 2021  | 2020  |
|---------------------------|-------|-------|-------|-------|-------|
| External order backlog    | 1,012 | 877   | 828   | 700   | 516   |
| Order intake              | 2,874 | 2,433 | 2,242 | 2,166 | 2,196 |
| Digital solutions         | 1,007 | 666   |       |       |       |
| Equipment                 | 1,889 | 1,779 |       |       |       |
| Net sales                 | 2,918 | 2,363 | 2,211 | 2,028 | 2,126 |
| Digital solutions         | 1,015 | 682   |       |       |       |
| Equipment                 | 1,925 | 1,696 |       |       |       |
| Whereof SaaS              | 288   | 183   | 119   |       |       |
| SaaS ARR                  | 330   | 226   | 133   |       |       |
| Adjusted EBITA            | 464   | 222   | 128   | 210   | 310   |
| Digital solutions         | 238   | 114   |       |       |       |
| Equipment                 | 226   | 108   |       |       |       |
| Adjusted EBITA margin     | 15.9  | 9.4   | 5.8   | 10.4  | 14.6  |
| Digital solutions         | 23.5  | 16.7  |       |       |       |
| Equipment                 | 11.7  | 6.4   |       |       |       |
| Operating profit (EBIT)   | 215   | 107   | 5     | 71    | 277   |
| Digital Solutions         | 121   | 57    |       |       |       |
| Equipment                 | 94    | 50    |       |       |       |

\* ARR: Recurring Revenue in the quarter multiplied by four

A year of progress: strengthening the foundation for future growth



# 04 Corporate Governance

# Corporate Governance in Munters Group

## Shareholders

The shareholders' right to decide on Munters affairs is exercised at the general meeting. Shareholders who are registered in the share register on the record date and who have notified their attendance within the time stated in the notice of the meeting are entitled to participate, either in person or by proxy.

## Nomination committee

The Nomination Committee is responsible for preparing and submitting proposals to the Annual General Meeting on behalf of the shareholders. This includes proposals for the election of the chairman of the meeting, the election of the chairman of the Board and other board members, the election of the auditor, and resolutions on remuneration to the auditor and the Board. Additionally, the Nomination Committee assesses the independence of board members in relation to the company, its management, and major shareholders. The company's Audit Committee assists the Nomination Committee in the process of proposing the election of the auditor, and the Nomination Committee's proposal to the general meeting regarding the auditor's appointment must include the recommendation of the Audit Committee.

## Board of Directors

The Board of Directors is responsible for Munters organization and the management of the company's affairs.

According to the Articles of Association, Munters Board of Directors shall consist of a minimum of three and a maximum of ten members, elected by the general meeting. Board members are elected annually at the Annual General Meeting for the period until the end of the next Annual General Meeting. The chairman of the Board leads and oversees the Board's work and ensures that its activities are conducted efficiently. The chairman also

ensures compliance with the Swedish Companies Act and other applicable laws and regulations, as well as that the Board receives the necessary training and continuously enhances its knowledge of Munters. The chairman maintains a close dialogue with the CEO, conveys shareholder opinions to other Board members, and serves as the spokesperson for the Board. The chairman is responsible for ensuring that Board members receive sufficient information to perform their duties effectively and for ensuring that Board decisions are implemented. The chairman is also responsible for the Board's annual evaluation of its work.

## Board committees

The Board has currently established three committees: the Audit Committee, the Remuneration Committee, and the Investment Committee. The members of the committees are appointed from among the Board members for a one-year term. Reports to the Board on matters addressed in committee meetings are made either in writing or orally.

Each committee operates in accordance with instructions set by the Board. Minutes from committee meetings are made available to all Board members.

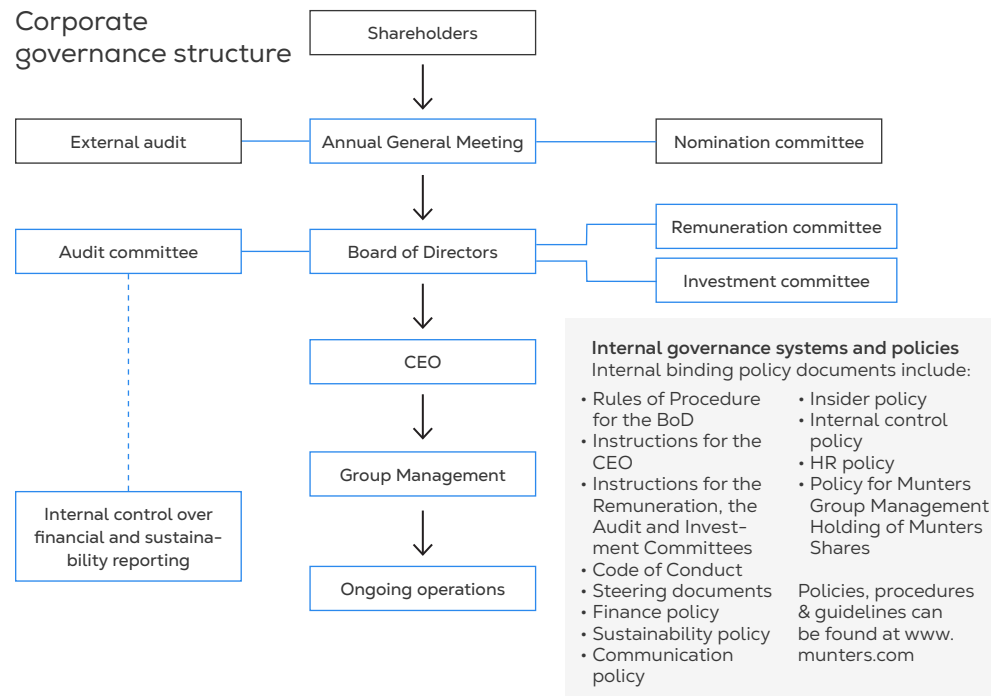
## Audit committee

The primary responsibility of the Audit Committee is to ensure that the Board fulfills its oversight obligations regarding internal control, auditing, financial risk management, financial and sustainability reporting, the procurement of audit and other services from the auditor, and certain accounting and audit-related matters to be addressed by the Board.

## Remuneration committee

The Remuneration Committee prepares the Board's decisions on proposals for guidelines regarding remuneration to senior executives.

## Corporate governance structure



The committee also represents the Board in executive and succession planning as well as leadership development.

## Investment committee

The Investment Committee supports the Board by overseeing key strategic initiatives that are critical to the Group's value creation. Additionally, the Investment Committee approves and supports the Board and company management in significant contractual processes.

## CEO and Group Management

The Board appoints the CEO and Group President. The CEO is responsible for the ongoing management of the company in accordance with the Board's instructions, which includes taking all necessary actions to ensure that the company's accounting and financial con-

trols comply with applicable regulations and requirements. The CEO is also responsible for preparing all necessary information and supporting documents for Board meetings and, if requested by the chairman, for convening the Board. The CEO reports at Board meetings and presents well-founded proposals for decisions. The CEO is supported by a Group Management team consisting of business area and corporate function heads.

## Auditor

The Annual General Meeting appoints the auditor, who examines the annual report, financial statements, and consolidated financial statements, as well as the management of the Board and CEO. The auditor also audits the annual accounts and financial statements of subsidiaries and submits an auditor's report.

# Corporate governance report 2024

Munters Group AB is a Swedish public limited company listed on Nasdaq Stockholm, Large Cap. The corporate governance report has been prepared in accordance with the Swedish Annual Accounts Act and the Swedish Corporate Governance Code (the Code). In 2024, Munters did not deviate from any of the rules in the Code. The company's auditors have reviewed the report, and their statement can be found on page 150.

## Annual general meeting 2024

The 2024 annual general meeting was held on 21 March 2024 at Munters headquarters. According to the established voting register, 80.98% of the votes were represented. The meeting was conducted in Swedish. Full information about the 2024 annual general meeting and the minutes are available on Munters website, [www.munters.com](http://www.munters.com).

The meeting resolved, among other things, to:

- Approve a dividend in accordance with the Board's proposal of SEK 1.30 per share, paid in two instalments of SEK 0.65 each.
- Grant discharge from liability for the Board members and CEO for the management of the company in 2023.
- Approve remuneration to the Board.
- Re-elect board members Magnus Nicolin, Helen Fasth Gillstedt, Maria Håkansson, Kristian Sildeby, Anders Lindqvist, and Sabine Simeon-Aissaoui.
- Elect Elisabeth Carey as a new board member.
- Re-elect Magnus Nicolin as chairman of the Board.
- Approve auditor fees in accordance with approved invoices.

- Approve guidelines for remuneration to senior executives.

## Annual general meeting 2025

The 2025 annual general meeting will be held on 14 May 2025. For more information about the 2025 annual general meeting, see page 158 and Munters website, [www.munters.com](http://www.munters.com).

## Nomination committee for the 2025 annual general meeting

The nomination committee for the annual general meeting shall consist of representatives of the four largest shareholders registered in the share register maintained by Euroclear Sweden AB as of 31 August each year.

The chairman of the Board shall be co-opted to the nomination committee and shall also convene its first meeting. The chairman of the nomination committee shall be the representative of the largest shareholder by voting power. In the event of a tied vote, the chairman of the nomination committee shall have the casting vote.

The composition of the nomination committee shall be published no later than six months before the annual general meeting.

Any changes in the composition shall be published immediately.

No remuneration shall be paid to the members of the nomination committee. Any necessary expenses for the committee's work shall be borne by the company. The nomination committee's term of office runs until the composition of the next nomination committee has been announced.

In its reasoned statement ahead of the 2024 annual general meeting, the nomination committee stated that it had applied Rule 4.1 of the Code regarding the diversity policy in preparing its proposal for the Board. The objective of the policy is for the Board to have an appropriate composition with regard to the company's operations, stage of development, and other circumstances, characterized by diversity and breadth in terms of the competencies, experience, and background of the Board members elected by the general meeting, while striving for an even gender distribution. The 2024 annual general meeting resolved to elect board members in accordance with the nomination committee's proposal.

Since its formation, the nomination committee has held four minuted meetings leading up to the issuance of the annual report

## Nomination committee for the 2025 AGM

| Name             | Appointed by          | Holding* |
|------------------|-----------------------|----------|
| Magnus Fernström | FAM AB                | 28.0%    |
| Celia Grip       | Swedbank Robur Fonder | 7.2%     |
| Mats Larsson     | Första AP-fonden      | 5.3%     |
| Philip Mesch     | ODIN fonder           | 3.8%     |

\* as of 24 January 2025

## Board of directors 2024

Munters Articles of Association were adopted at the annual general meeting on 19 May 2021 and contain no special provisions regarding the appointment and dismissal of board members or amendments to the Articles of Association. For the full Articles of Association, please refer to Munters website. At the 2024 annual general meeting, seven board members were elected, of whom four were women and three were men. In accordance with Swedish law, employee organisations have the right to board representation. In 2024, they were represented by two board members and two deputy members.

Munters CEO and CFO, who also serves as Group Vice President, participate as presenters

at board meetings. Other members of Group Management attend board meetings as presenters on specific matters.

### Board work

The Board's duties are primarily regulated by the Swedish Companies Act and the Code. The Board's work is also governed by the rules of procedure, which are adopted annually by the Board. The rules of procedure regulate the division of duties and responsibilities among board members, board committees, the chairman of the Board, and the CEO. The instructions for the CEO also include guidelines for financial reporting.

The Board's responsibilities include establishing strategies, business plans, and targets, issuing interim reports and financial statements, managing risks, and adopting policies and guidelines. The Board is also responsible for monitoring financial performance, ensuring

the quality of financial reporting and internal control functions, and evaluating the Group's operations based on the established targets and guidelines adopted by the Board. Additionally, the Board is responsible for appointing the CEO. The Board also makes decisions on major investments as well as organizational and operational changes.

The CEO presents the business development at regular Board meetings. The Board holds discussions with the auditor when audit reports are reviewed. Furthermore, the auditor meets with the Board without the presence of management.

The company complies with the requirements of the Code by ensuring that the majority of the board members elected by the annual general meeting are independent of the company and its management, and that at least two of these members are independent in relation to the company's major shareholders.

An annual evaluation shall be conducted to ensure the quality of the Board's work and to identify any need for additional expertise or experience. The chairman of the Board is responsible for conducting the evaluation and providing it to the nomination committee. At the request of the nomination committee, board members shall participate in interviews with the nomination committee to facilitate the evaluation.

In 2024, a self-assessment of the Board's work was conducted via Novare.

### Audit committee

Recurring topics at the audit committee's meetings include accounting matters, quarterly reports, the annual report, the consolidated financial statements, and the sustainability report, as well as ongoing reporting on internal control, legal requirements, risk management, and reporting from the auditor. Additionally,

the audit committee is responsible for monitoring the auditor's impartiality and independence, evaluating the audit work, and discussing the cooperation between the auditor and the company's internal control function. The audit committee also assists the nomination committee in preparing proposals for the appointment of the auditor and the auditor's fee by providing recommendations.

The audit committee shall hold at least five meetings between two consecutive annual general meetings, normally in connection with the quarterly reports.

### Remuneration committee

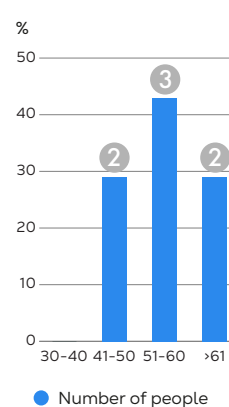
The remuneration committee is responsible for preparing matters related to the remuneration of the CEO and other senior executives at Munters. The committee prepares proposals for guidelines concerning, among other things, the balance between fixed and variable re-

## Board composition

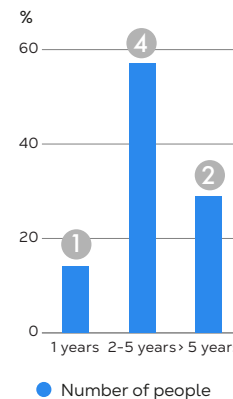
| Name                                  | Attendance     |                 |                        |                      |
|---------------------------------------|----------------|-----------------|------------------------|----------------------|
|                                       | Board meetings | Audit committee | Remuneration committee | Investment committee |
| Magnus Nicolin, Chairman              | 14/14          |                 | 5/5                    | 5/5                  |
| Kristian Sildeby                      | 14/14          | 6/6             | 5/5                    | 5/5                  |
| Elizabeth Carey Nugent <sup>(2)</sup> | 8/10           |                 |                        | 4/5                  |
| Anna Westerberg <sup>(1)</sup>        | 3/4            |                 |                        | 1/1                  |
| Helen Fasth Gillstedt                 | 14/14          | 6/6             |                        |                      |
| Maria Håkansson                       | 13/14          | 6/6             |                        |                      |
| Sabine Simeon Aissaoui                | 12/14          |                 |                        | 5/5                  |
| Anders Lindqvist                      | 13/14          |                 | 5/5                    |                      |
| Robert Wahlgren <sup>(3)</sup>        | 13/14          |                 |                        |                      |
| Simon Henriksson <sup>(3)</sup>       | 12/14          |                 |                        |                      |
| Linus Morell <sup>(1)</sup>           | 2/4            |                 |                        |                      |
| Sara Boije <sup>(2,3)</sup>           | 7/10           |                 |                        |                      |
| Julia Jakobsson <sup>(2,3)</sup>      | 6/10           |                 |                        |                      |

1. Resigned at the 2024 Annual General Meeting
2. Elected at the 2024 Annual General Meeting
3. Employee Representatives

### Age distribution



### Time on the board



### Gender distribution



Footnote: Based on board-elected members as of December 31, 2024.



## Board Meetings 2024

In 2024, the Board held 14 meetings. Below is an overview of the key topics discussed at these meetings.

|                               | January  | February   | March  | April   | May  | June | July  | August | September  | October   | November   | December  |
|-------------------------------|--|--|--|---|--|------|---|--------|--|---|--|---|
| <b>Board Meetings</b>         | <ul style="list-style-type: none"> <li>Cyber attack</li> <li>Decision on dividend proposal for the financial year 2023</li> <li>Approval of Q4 report</li> <li>Report from the board's committees</li> <li>Board evaluation</li> </ul> | <ul style="list-style-type: none"> <li>Approval of the 2023 Annual and Sustainability Report</li> <li>Decision on notice and proposals for the Annual General Meeting</li> <li>2023 Remuneration Report</li> </ul> | <ul style="list-style-type: none"> <li>Annual General Meeting</li> <li>Approval of revised policies</li> <li>Election of committee members</li> <li>FoodTech update</li> <li>CSR training</li> <li>Report from the board's committees</li> </ul> | <ul style="list-style-type: none"> <li>Approval of Q1 report</li> <li>Report from the board's committees</li> </ul>   | <ul style="list-style-type: none"> <li>Acquisition review</li> <li>Updated financial &amp; sustainability targets</li> <li>Deep dive: service</li> <li>DCT update</li> <li>Report from the board's committees</li> </ul> |      | <ul style="list-style-type: none"> <li>Approval of Q2 report</li> <li>Report from the board's committees</li> </ul>   |        | <ul style="list-style-type: none"> <li>Long-term plan 2030</li> <li>Review of employee matters and succession planning</li> <li>Deep dive: communication, operations, cybersecurity</li> <li>Report from the board's committees</li> <li>AirTech update</li> </ul> | <ul style="list-style-type: none"> <li>Approval of Q3 report</li> <li>Report from the board's committees</li> </ul> | <ul style="list-style-type: none"> <li>Board trip to Cork, Ireland – business plan &amp; goals</li> <li>SBTi review</li> <li>Report from the board's committees</li> </ul> |   |
| <b>Audit Committee</b>        | <ul style="list-style-type: none"> <li>Whistleblower cases</li> <li>Q4 report</li> <li>Annual report</li> </ul>  |  |  | <ul style="list-style-type: none"> <li>Whistleblower cases</li> <li>Q1 report</li> <li>2024 Audit plan</li> <li>Sustainability roadmap</li> <li>Tax update</li> </ul> | <ul style="list-style-type: none"> <li>Financial and sustainability targets</li> </ul>   |      | <ul style="list-style-type: none"> <li>Whistleblower cases</li> <li>Q2 report</li> <li>EU Taxonomy</li> <li>Digital projects</li> <li>Insurance update</li> </ul> |        | <ul style="list-style-type: none"> <li>Whistleblower cases</li> <li>Q3 report</li> <li>ESG Risk &amp; compliance</li> <li>Statutory audit follow-up</li> </ul>   |   |  | <ul style="list-style-type: none"> <li>Whistleblower cases</li> <li>Recommendations to the Nomination Committee</li> <li>Review of Munters Financial Manual</li> <li>Review of policies and instructions</li> <li>Evaluation of the committee's work</li> </ul> |
| <b>Investment Committee</b>   |  | <ul style="list-style-type: none"> <li>M&amp;A project</li> </ul>  | <ul style="list-style-type: none"> <li>M&amp;A project</li> </ul>  |   |  |      | <ul style="list-style-type: none"> <li>M&amp;A project</li> </ul>   |        | <ul style="list-style-type: none"> <li>M&amp;A project</li> </ul>  |   |  | <ul style="list-style-type: none"> <li>M&amp;A project</li> </ul>   |
| <b>Remuneration Committee</b> | <ul style="list-style-type: none"> <li>Evaluation of performance and remuneration for executive positions</li> <li>Remuneration report</li> </ul>  | <ul style="list-style-type: none"> <li>Status of active LTI programs</li> </ul>  |  | <ul style="list-style-type: none"> <li>Munters long-term incentive program outcome 2021-2023</li> </ul>   |  |      |   |        | <ul style="list-style-type: none"> <li>People Strategy Session</li> </ul>  |   |  | <ul style="list-style-type: none"> <li>2024 Remuneration guidelines</li> <li>Munters long-term incentive program</li> <li>2024 Remuneration guidelines</li> <li>Evaluation of performance for management and CEO</li> </ul>                                     |

muneration, the relationship between performance and compensation, key terms for bonus and incentive programs, conditions for other benefits, pensions, termination, and severance pay.

The remuneration committee also prepares proposals for individual compensation packages for the CEO and decides on individual compensation packages for other senior executives. Furthermore, the committee monitors and evaluates the outcome of variable remuneration programs, ensures compliance with the remuneration guidelines adopted by the annual general meeting, and prepares the report to be drafted by the Board and presented for approval at the annual general meeting. For more information, see Guidelines for remuneration to senior executives.

#### Investment committee

The investment committee supports the Board by overseeing and guiding key strategic initiatives essential to the Group's value creation. It also assists company management in these matters and prepares proposals on significant strategic initiatives and projects for the Group. Additionally, the investment committee approves and supports the Board and executive management in the process of reviewing and assessing contracts for the company. The work of the investment committee primarily focuses on:

- Major customer contracts
- Mergers and acquisitions, including acquisition-related alliances
- Other significant strategic initiatives where capex exceeds the CEO's approval threshold

The investment committee convenes as needed to fulfill its responsibilities.

#### External auditor

Ernst & Young AB has been Munters auditor since 2010, with Andreas Troberg, authorized public accountant and member of FAR (the Swedish industry organization for auditors), serving as the lead auditor since 2023. Ahead of Munters 2021 annual general meeting, a procurement process was conducted, and Ernst & Young AB was reappointed as auditor for a four-year term, lasting until the 2025 annual general meeting.

#### CEO and Group Management

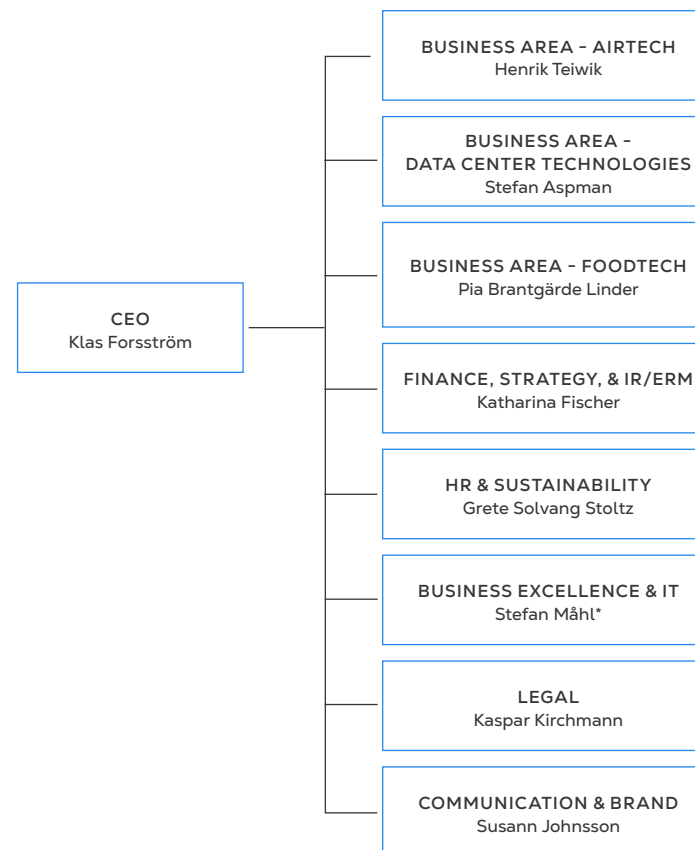
The Group Management team in 2024 comprised the CEO, CFO & Group Vice President, three business area heads, and two executives responsible for the central functions of Business Excellence and HR & Sustainability. In the second half of the year, additional executives were appointed to oversee the central functions of Legal and Communications. The Group Management holds monthly meetings primarily focused on the company's strategic and operational development, as well as performance monitoring. Additionally, numerous reviews and continuous assessments of business developments were conducted, covering aspects such as major orders, potential acquisitions, risk management, and more. Munters operates with a decentralized approach, delegating a significant portion of responsibilities and decision-making authority to respective business areas and subsidiaries. Each legal entity, which does not necessarily reflect the operational structure, has a board of directors primarily focused on regulatory compliance.

#### Changes in Group Management in 2024

On July 1, 2024, Munters expanded its Group Management with two new members.

- Kaspar Kirchmann was appointed GVP Legal and Group Counsel and
- Susann Johansson was appointed GVP Communications and Brand.

## Corporate structure



\* Stefan Måhl left Munters in early 2025. The Business Excellence & IT function will be placed under Group Finance & Strategy, led by Katharina Fischer, CFO & GVP.

# Internal control of financial reporting

Internal control is about clarity, structure, and ensuring that tasks are executed as intended. It is the collective term for the organization, systems, processes, and routines that contribute to this.

Munters has an internal control function designed to support management in maintaining effective internal control over financial reporting and sustainability reporting. The work carried out by this function is primarily focused on ensuring compliance with directives and guidelines, as well as creating the necessary conditions for control activities within key processes related to financial and sustainability reporting.

The audit committee is regularly informed of the results of the internal control function's work regarding risks, control activities, and follow-up in financial and sustainability reporting. The audit committee, in turn, provides ongoing reports to the Board. Additionally, the internal control function maintains close communication with the external auditors.

Munters internal control over financial and sustainability reporting is based on the framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). This framework consists of five key components: control environment, risk assessment, control activities, information and communication, and monitoring..

## Control environment

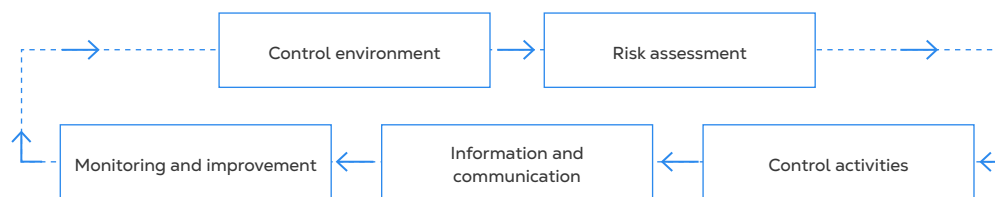
Internal control is shaped by the overall control environment. The Board is responsible for establishing an effective system for internal control and oversees this work through the CEO. Group Management sets the tone for the organization and influences employees' awareness of control-related matters. A key prerequisite for a strong control environment is the presence of clearly defined values in terms of ethics and integrity, which are communicated through governing documents such as internal policies, guidelines, and manuals.

The Group's Internal Control function serves as the Group's internal audit function and reports to the audit committee. The function works to develop, enhance, and ensure effective internal control over financial and sustainability reporting within the Group, both pro-actively by strengthening the internal control environment and through reviews of how internal control is functioning.

## Risk assessment

Risk assessments are conducted continuously across the Group. A comprehensive risk assessment aimed at identifying and managing risks that could threaten Munters overall strategic objectives is performed annually in accordance with the Group's risk management policy. Munters risk framework is an integrated part of the company's overall management system,

## Munters control environment



which consists of various policies. The purpose of the risk framework is to enhance governance and resilience by integrating risk management into Munters operations. The Enterprise Risk Management (ERM) framework is designed to manage risks and improve transparency in order to achieve the company's strategic objectives. The framework provides methodologies and tools for identifying and evaluating risks. Additionally, the ERM process ensures that Group Management and the Board share a common understanding of Munters risk tolerance in relation to the company's objectives.

## Risk responsibility

The Group Risk Management (GRM) function is responsible for implementing the GRM strate-

gy and GRM activities at the Group level.

Responsibility for the company's primary risks is allocated among members of Group Management, with each line manager responsible for managing risks within their respective area of responsibility. The head of each Group function and business area appoints one or more risk coordinators to carry out risk management within their unit. The CFO & Group Vice President is responsible for overseeing Enterprise Risk Management (ERM), while the Board and the Audit Committee are responsible for reviewing the effectiveness and appropriateness of GRM.

For more information on Munters risk management, see pages 56–59 and Note 3.



Line Dovärn, Daniel Carleson, Johan Wijk, Kista, Sweden.

### Control activities

Based on identified risks, controls have been designed to prevent, detect, and correct errors and deviations. These controls operate at the transaction level, as company-wide controls, and as IT general controls. Control activities are carried out throughout the organization, at all levels, and across all functions. Transaction-based controls, which can be either manual or automated, are performed to mitigate the risk of errors in financial reporting. Examples of such controls include reconciliations and analyses. Company-wide controls ensure compliance with authorization policies, delegation of authority, and credit approval

responsibilities. IT general controls include change management, backup procedures, and access rights. The CFO & Group Vice President is responsible for ensuring that identified risks related to financial and sustainability reporting at the Group level are effectively managed. Within each reporting unit, employees in the finance function are responsible for ensuring that necessary control activities are in place and that accounting and financial statements are accurate and reliable. Global controllers and finance managers within each unit update forecasts and conduct performance analyses. All business areas present their financial and sustainability results in written reports on a

monthly basis to the CEO and CFO, Group Vice President, who in turn present these to Group Management. Since 2019, the internal control function has coordinated and conducted evaluation activities through Munters internal control system, where subsidiaries report quarterly on the execution of key controls in accordance with Munters risk and control framework.

In 2019, a project was initiated to review Munters core processes, identifying several areas where efficiency could be improved through better-integrated processes and information flows. The work on designing, developing, and evaluating ways of working has continued and has gradually been integrated

into the implementation of a Group-wide business system. Currently, several main processes and support processes are published in Munters process map. The focus for 2025 is primarily on refining and further developing lower levels, such as work instructions, to achieve continuous improvements.

During 2024, work began on developing a risk and control framework for sustainability reporting. The framework is planned for completion in 2025 and will subsequently be implemented across the subsidiaries.

### Information and communication

Munters has information and communication channels designed to ensure that information is identified, collected, and communicated in a manner and within a timeframe that enables employees and managers to perform their duties. Instructions for reporting and accounting guidelines are conveyed to relevant employees through monthly newsletters and quarterly conference calls. The Group uses a common system for reporting and consolidating financial and sustainability information.

Governing documents, including policies, guidelines, and manuals for financial and sustainability reporting, are primarily communicated via the intranet and the Group's financial handbook, which is updated as needed. Information for external parties is communicated through Munters website, along with other news and press releases. Quarterly reports are

published and supplemented with presentations and investor meetings. The annual report is made available to shareholders and other stakeholders through publication on Munters website and in printed format upon request.

### Monitoring

Monitoring and testing of control activities are carried out continuously throughout the year to ensure that risks have been appropriately considered and addressed. Testing is conducted by employees who are independent of the control execution and possess the necessary expertise to evaluate the implementation of controls. Any failed controls must be remedied, meaning corrective actions must be taken and implemented to address deficiencies. Reporting is provided to the audit committee twice a year, and the audit committee, in turn, reports regularly to the Board.



Anna Nordgren, Kista, Sweden.

The Board holds ultimate responsibility for all decisions regarding compliance within Munters. The Board reviews and approves internal control policies annually, and if necessary, more frequently.

Each unit manager has overall responsibility for the financial information within their respective unit. The information is further reviewed at the business area level, by Group Management, and ultimately by the Board. Munters financial position, strategies, and investments are discussed at every Board meeting. The Board is also responsible for monitoring internal control, which includes ensuring that corrective actions are taken to address any deficiencies and following up on proposed measures identified during the external audit.

### Evaluation of the need for a separate internal audit function

Munters does not have an internal audit function, as the Board has assessed that the company's internal organization and monitoring processes adequately fulfill this role. For certain special reviews, external resources may also be engaged.

# Board of Directors



Sabine Simeon-Aissaoui (6), Maria Håkansson (5), Robert Wahlgren (9), Elizabeth Carey Nugent (7), Magnus Nicolin (1), Kristian Sildeby (2), Anders Lindqvist (4), Julia Jakobsson (10), Helen Fasth Gillstedt (3), Simon Henriksson (8), Sara Boije (11).

## MAGNUS NICOLIN (1)

*Chairman of the Board since May 2022.  
Chairman of the Remuneration Committee.  
Member of the Investment Committee.*

**Born 1956**

**Education:** MBA, Wharton – University of Pennsylvania. BSc, Stockholm School of Economics.

**Current assignments/positions:** Chairman of the Board, Hexatronic Group AB. Board member of FAM AB and Billerud AB.

**Selected previous assignments:** CEO of Ansell Limited, 2010–2021, a company listed in Australia and the leading global provider of personal protective equipment (PPE). President, Europe, Middle East, Africa, and Asia Pacific for Newell Rubbermaid Inc. 2006–2010. CEO of Esselte Business Systems Inc. 2002–2006 following a buyout he led together with a Boston-based PE firm.

Senior positions at Bayer AG, Pitney Bowes Inc., and McKinsey & Company. Advisor to several PE firms and board assignments in global companies such as Ansell, Esselte, Isaberg-Rapid, and Primix.

**Shareholding in Munters Group AB:** 20,000 shares, call options equivalent to 267,522 shares.

Independent in relation to the Company and its management, but not to the Company's major shareholders.

## KRISTIAN SILDEBY (2)

*Board member since 2017.  
Member of the Audit Committee, Remuneration Committee, and Investment Committee.*

**Born 1976**

**Education and professional experience:** MSc in Economics and Business, Stockholm School of Economics.

Former Investment Manager at FAM AB, Vice President, Head of Finance and Risk Management at Investor AB.

**Current assignments/positions:** Investment Director & Deputy CEO at FAM AB, Chairman of the Board of 82an Invest AB, Board member of Höganäs AB, Kivra AB, Nefab Holding AB, and Spendrups Bryggeri AB.

**Selected previous assignments:** Board member of Peltarion AB.

**Shareholding in Munters Group AB:** 12,000 shares. Independent in relation to the Company and its management, but not to the Company's major shareholders.

## HELEN FASTH GILLSTEDT (3)

*Board member since 2017.  
Chairman of the Audit Committee.*

**Born 1962**

**Education:** MSc in Economics and Business, Stockholm School of Economics. Studies in Sustainable Development, Stockholm Resilience Centre at Stockholm University and KTH.

**Current assignments/positions:** Board member of Handelsbanken Fonder AB and their representative in nomination committees, PowerCell AB, Sortera AB.

**Selected previous assignments:** Over twenty years of experience in senior positions at Statoil Group and SAS Group. Board member of Storytel AB, Viva Wine Group AB, Samhall AB, Humana AB, AcadeMedia AB, Lindorff Group AS, Swedesurvey AB, Svefa Holding AB, and Intrum AB.

**Shareholding in Munters Group AB:** 5,000 shares. Independent in relation to the Company and its management as well as the Company's major shareholders.

## ANDERS LINDQVIST (4)

*Board member since 2022.  
Member of the Remuneration Committee.*

**Born 1967**

**Education and professional experience:** Mechanical Engineer and university studies in marketing; Officer training at the Swedish Naval Academy. CEO of Piab Group AB (2013–2019). Division Manager at Atlas Copco (2007–2013), CEO of Atlas Copco China (2006–2007), CEO of Atlas Copco Nordic (2004–2006), various positions at Atlas Copco (1989–2004).

**Current assignments/positions:** CEO of Mycronic AB (publ), Board member of Gunnebo Holding AB, Board member of NCAB (publ).

**Selected previous assignments:** Board member of Norican A/S.

**Shareholding in Munters Group AB:** 3,000 shares. Independent in relation to the Company and its management.

**MARIA HÅKANSSON (5)**

*Board member since 2022.*

*Member of the Audit Committee.*

**Born** 1970

**Education and professional experience:** MSc in Economics and Business, Stockholm University. CEO of Swedfund International. Extensive experience in sustainable investments and various global senior positions at Ericsson, with solid expertise in digitalization, business models, finance, and system and service sales.

**Current assignments:** CEO of Swedfund International.

**Selected previous assignments:** Vice President Internet of Things (IoT) at Ericsson; Vice President Ericsson Commercial Management Northern Europe & Central Asia; CFO Ericsson Nordics & Baltics, Business Unit Controller Ericsson Global Services; Board member of Lindholmen Science Park; Board member of Global Impact Investing Network, USA (GIIN); Board member of European Development Finance Institutions (EDFI).

**Shareholding in Munters Group AB:** 3,000 shares. Independent in relation to the Company and its management as well as the Company's major shareholders

**SABINE SIMEON-AISSAOUI (6)**

*Board member since 2023.*

*Chairman of the Investment Committee.*

**Born** 1973

**Education:** Master of Science in Mechanics and Industry from Université de Strasbourg.

**Current assignments/positions:** Executive Vice President & Head of Global Product Line Management and Global Escalator for TK Elevator GmbH.

**Selected previous assignments:** President – Escalator and Global Supply Chain for Schindler Group, Head of Supply Chain Europe and Deputy President Global Supply Chain – Elevator and Escalator Business for Schindler Group; Chief Operating Officer – Elevator Components Business, Asia-Pacific for Sematic Group; Vice President, Operations – Elevator Components Business, Asia-Pacific for Sematic Group.

**Shareholding in Munters Group AB:** – Independent in relation to the Company and its management as well as the Company's major shareholders.

**ELIZABETH CAREY NUGENT (7)**

*Board member since 2024.*

**Born** 1975

**Education:** PhD candidate at Vrije University Amsterdam, MBA from University of Limerick, and Bachelor of Science from Institute of Technology, Sligo.

**Current assignments/positions:** Chief Commercial Officer, Sonoco Metal Packaging.

**Selected previous assignments:** Chief Commercial Officer, Schoeller Allibert; Vice President and General Manager, Medical Health Care, EMEA, Amcor; Senior Head, Healthcare Sales and Global Accounts, EMEA, Amcor; Vice President, European Sales, Design and Development, Nelipak Healthcare Packaging; Global Quality Manager and Head of Quality, Rigid, Sealed Air; Production Manager, Quality Project Lead and Manager, Boston Scientific.

**Shareholding in Munters Group AB:** – Independent in relation to the Company and its management as well as the Company's major shareholders.

**SIMON HENRIKSSON (8)**

*Board member since 2017.*

*Employee representative appointed by IF Metall.*

**Born** 1984

**Position at Munters:** Measurement Technician, Tobo factory.

**Shareholding in Munters Group AB:** 350 shares

**ROBERT WAHLGREN (9)**

*Board member since 2010.*

*Employee representative appointed by Unionen.*

**Born** 1969

**Position at Munters:** Customized Project Engineering Coordinator at Munters Europe AB.

**Shareholding in Munters Group AB:** –

**JULIA JAKOBSSON (10)**

*Deputy board member since 2024.*

*Employee representative appointed by IF Metall.*

**Born** 1993

**Position at Munters:** Intermediate Production/Assembly Worker, Tobo.

**Shareholding in Munters Group AB:** –

**SARA BOIJE (11)**

*Deputy board member since 2024.*

*Employee representative appointed by Unionen.*

**Born** 1993

**Position at Munters:** Quality Specialist, Tobo.

**Shareholding in Munters Group AB:** –



Kaspar Kirchmann (8), Susann Johnson (7), Pia Brantgärde Linder (5), Klas Forsström (1), Grete Solvang Stoltz (6), Stefan Aspmann (4), Katharina Fischer (2), Henrik Teiwik (3).

#### KLAS FORSSTRÖM (1)

*President and CEO since 2019.*

**Born 1967**

**Education:** Master of Science in Materials Physics and Master of Business Administration from Uppsala University, as well as advanced management studies at INSEAD.

**Previous assignments and professional experience:**

Former Business Area Manager for Sandvik Machining Solutions. Over 20 years of experience in senior executive positions at Sandvik, including as Head of the business areas Sandvik Hard Materials and Sandvik Coromant.

**Other current assignments:** Board member, IPCO AB & Nolato AB.

**Shareholding in Munters Group AB:** 158,600 shares.

#### KATHARINA FISCHER (2)

*CFO and Group Vice President since 2023.*

**Born 1971**

**Education:** Bachelor's degree in Business Administration and Economics with a focus on Business Administration from Stockholm University.

**Professional experience:** Katharina Fischer has extensive international experience in finance and risk management, with nearly 20 years at Electrolux Group, where she held various senior positions, most recently as Head of Group Accounting and Global Finance Shared Services. Prior to that, she was CFO at Kamera and held various positions at PricewaterhouseCoopers.

**Other current assignments:** –

**Shareholding in Munters Group AB:** 1,500 shares

#### HENRIK TEIWIK (3)

*Group Vice President and President of the AirTech business area since 2022.*

**Born 1980**

**Education:** Master of Science in Economics from Stockholm School of Economics.

**Professional experience:** Most recently CEO of Handicare Group. Previously held various senior positions at Alimak Group, including Business Area Manager for Construction and Rental, as well as Business Development. Also has experience in strategy consulting as Associate Principal at McKinsey & Company.

**Other current assignments:** –

**Shareholding in Munters Group AB:** 7,900 shares.

#### STEFAN ASPMAN (4)

*Group Vice President and President of the Data Center Technologies business area since 2022.*

**Born 1981**

**Education:** Master's degree in Business Administration, specializing in Corporate Management and Leadership, from Dalarna University and Uppsala University, as well as Beijing Jiaotong University, China.

**Professional experience:** Group Vice President Commercial Excellence for Munters Group (2021–2022), concurrently responsible for the group functions Marketing, Communication, and Brand. Prior to that, more than 10 years in several strategic key positions at Sandvik, including Head of Business Control and Performance Management at Sandvik Coromant and Global Head of Commercial Pricing and Profitability Management for Sandvik Machining Solutions. Also has experience as a strategy consultant.

**Other current assignments:** –

**Shareholding in Munters Group AB:** 4,000 shares.



**PIA BRANTGÅRDE LINDER (5)**

*Group Vice President and President of the FoodTech business area since 2020.*

**Born** 1973

**Education:** Master of Science in Mechanical Engineering from Chalmers University of Technology and Executive Master of Business Administration (EMBA) from Stockholm School of Economics.

**Professional experience:** Former Business Area Manager for HV Products Northern Europe at ABB. Over 20 years of experience at ABB in various senior global leadership positions, including roles as Business Unit Manager for HV Breakers, Operations Manager for a global product group, Technology Manager, Project Manager, and Area Sales Representative.

**Other current assignments:** Board member of Indutrade & Roxtec Group.

**Shareholding in Munters Group AB:** 4,660 shares.

**SUSANN JOHANSSON (7)**

*Group Vice President Communication & Brand since 2024.*

**Born** 1970

**Education:** Master of Science in Economics and Business Administration from Stockholm School of Economics.

**Professional experience:** Extensive experience in strategy, brand building, communication, and marketing. Served as VP of Communication and Brand at Munters since 2021. Previously Brand Manager at Telia Company and held various strategic positions at Electrolux.

**Other current assignments:** –

**Shareholding in Munters Group AB:** 1,887 shares.

**GRETE SOLVANG STOLTZ (6)**

*Group Vice President HR & Sustainability since 2022.*

**Born** 1970

**Education:** Master in Business Administration from Luleå University of Technology.

**Professional experience:** Senior Vice President HR and Sustainability, LKAB Group (2009–2022). Previously spent 12 years at SCA in various senior leadership positions, including Logistics Manager, HR Manager, and CFO for SCA Packaging Munksund.

**Other current assignments:** Board member of AFA Försäkringar.

**Shareholding in Munters Group AB:** 740 shares.

**KASPAR KIRCHMANN (8)**

*Group Vice President Legal & Group Counsel since 2024.*

**Born** 1981

**Education:** Stockholm University, Law Degree, 2002–2007. University of Birmingham, Equity and Trust Law, Criminal Law, 2006.

**Professional experience:** Extensive experience in legal and tax advisory. Has served as GVP Legal & Group Counsel at Munters since June 2024. Previously held the position of General Counsel, Vice President Group Tax and Legal from September 2017 to June 2024, and was Tax Director at PwC from March 2008 to September 2017.

**Other current assignments:** –

**Shareholding in Munters Group AB:** 1,153 shares.

**STEFAN MÅHL\***

*Group Vice President and Head of Business Excellence since 2020 and Head of IT since 2023.*

**Born** 1967

**Education:** Bachelor's degree in Automation Engineering.

**Professional experience:** Various leadership positions at Munters, including Global Purchasing Manager and Interim Head of Operations for the AirTreatment division in Europe. Purchasing Director and Head of Quality Assurance at LGP Allgon/ Powerwave Technologies, and Vice President of Strategic Purchasing and Component Engineering at Siemens-Elementa AB Medical Solutions.

**Other current assignments:** –

**Shareholding in Munters Group AB:** 26,500 shares.

\* Stefan Måhl left Munters in early 2025. The Business Excellence & IT function will be placed under Group Finance & Strategy, led by Katharina Fischer, CFO & GVP.

# Risks and risk management

Munters reaches customers across a wide range of industries and market segments through its extensive global network of production facilities, software development centers, assembly workshops, and sales offices in over 30 countries. Our global presence enhances Munters resilience against local disruptions while simultaneously exposing the company to various risks associated with cultural, legal, political, and climate-related differences worldwide.

## **Risk identification and management**

Assessing and managing risks is a key part of the company's strategic planning process. Munters conducts annual and, when necessary, ad hoc risk assessments to identify primary risks that may threaten the achievement of strategic objectives. The focus of Enterprise Risk Management (ERM) shifts in response to changes in strategic priorities.

The Group Risk Management (GRM) function supports the identification, assessment, and management of potential risks at all levels of Munters organization. As part of the Enterprise Risk Management process, workshops are conducted with business areas and Group functions. These risks are then discussed and consolidated within Group Management, after which GRM is responsible for coordinating and monitoring risk management across the company.

All risks are evaluated based on their potential impact on Munters, the likelihood of

occurrence, and the effectiveness of risk mitigation efforts. The impact of an identified risk is assessed from various perspectives, including financial, operational, health and well-being, and regulatory aspects.

The primary risks are presented on page 59. Responsibility for each identified risk is assigned to a member of Group Management. Risk assessments are conducted within business areas and Group functions, where risks are identified and evaluated based on likelihood and potential impact on operations. The most significant risks and uncertainties, along with the follow-up on mitigation efforts, are regularly reported to Group Management, the Audit Committee, and the Board of Directors.

## **Crisis and continuity**

To manage crisis situations—circumstances where normal operational activities are insufficient – Munters has developed crisis management capabilities. Deployment and improve-

ments are carried out gradually and as needed. Additionally, each production facility has business continuity plans, which are updated annually. These plans enhance understanding of the most critical aspects of operations and strengthen overall resilience.

## **Preventive measures**

Munters takes a proactive approach to minimizing risks related to its facilities, such as fire and safety hazards. The Munters Loss Prevention Standard (MLPS) represents the company's risk appetite and is based on Group-wide guidelines and regulations while also considering local laws and insurance requirements. The objective is for all facilities to undergo a physical evaluation within a three-year cycle, during which deviations are documented and corrective actions are followed up.

MLPS is actively used for evaluations in connection with acquisitions, investments, and new construction projects.

## **Risk management process**

Munters risk framework is an integrated part of the overall management system, consisting of policies, guidelines, and instructions. The purpose of the framework is to provide the Group with the capabilities and tools needed to manage the uncertainties and risks to which the company is exposed. At the same time, the risk management process aims to strengthen risk awareness within the organization, communicate the Group's risk appetite, and support risk-based business decisions to achieve strategic objectives.

The management of operational risks is embedded in the strategic planning process and various business processes and controls, such as approval requirements for certain decisions. Some cross-functional risks are centrally coordinated, including risks related to information security, IT security, acquisitions, responsible business conduct, and anti-corruption and bribery.

The management of financial risks is governed by a Group-level policy and handled by the treasury function. Further details on financial risk management can be found in Note 3.

**Risk management organization**

The Board of Directors has ultimate responsibility for the Group’s risk management and approves the company’s risk management policy. The Group Risk Management (GRM) function is responsible for implementing the risk framework and risk-related activities. Each business area and Group function is responsible for identifying and managing risks within its respective organization, in accordance with Munters common risk process and applicable policies and guidelines. The CFO & Group Vice President oversees the risk framework and compiles reports for the Audit Committee and the Board.

**Risk communication and reporting**

A Risk Council, consisting of Group Management, has been established to facilitate coordination within the company, improve the risk framework, and manage critical risks.

The GRM function coordinates regular reporting on the status of the most significant risks to the Risk Council. Any risks identified outside the regular reporting cycle that could be significant at the Group level are escalated to the GRM function.

The GRM function reports on the company’s risk status twice per year to the Audit Committee. These reports include a high-level risk map and follow-up on risk management actions. The primary risks are continuously monitored by the GRM function, which tracks the implementation status of mitigation plans or the development of new mitigation plans.

**Insurable risks**

Munters actively manages insurance solutions, and Group-wide insurance policies are governed by central guidelines.

These include all common corporate insurance policies, such as general liability, product liability, and loss prevention measures, which primarily aim to prevent potential property damage and business interruptions. Additionally, crime insurance, directors’ and officers’ liability insurance, and employment practices liability insurance are included.

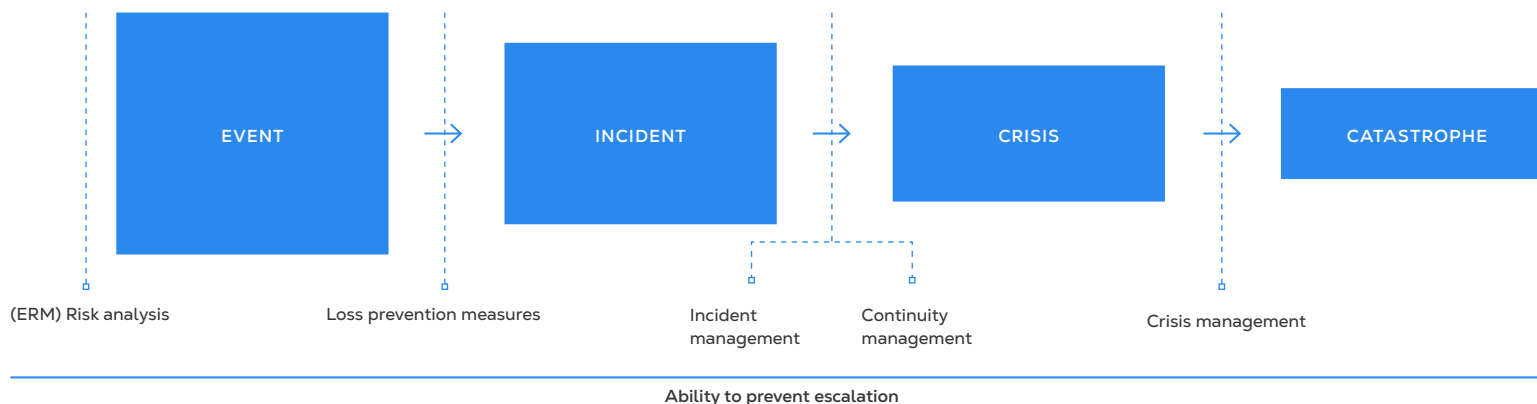
Insurance procurement is conducted on both the Swedish and international insurance markets. In addition, Munters internal control function is responsible for independently reviewing the effectiveness of selected internal control processes each year.

**Risks and opportunities related to sustainability**

In 2024, Munters continued to expand and deepen its analysis and assessment of risks and opportunities related to climate change. Furthermore, the company developed its approach to managing sustainability-related risks and opportunities.

For a detailed description, see page 59 and 67- 68.

We work with proactive capabilities to mitigate the consequences of unforeseen events and reactive capabilities to manage incidents and crises quickly and effectively.



# Risk categories

Munters categorizes its risks into five different risk categories. These serve as a source of inspiration and support for identifying risks and ensuring that the company's risk register covers all relevant risk areas.



## Market risks

Market risks are primarily related to market developments and include risks associated with macro trends, climate change, and geopolitical factors.

## Strategic risks

Strategic risks refer to factors that could prevent Munters from executing its planned strategy. These include risks related to competition, strategic direction, brand positioning, organizational culture, changes in the value chain, resource allocation, major investments, and acquisitions. This category also includes risks associated with internal and external communication.

## Operational risks

Operational risks are linked to the company's internal resources, such as systems, processes, and employees. These risks may include environmental risks, business disruptions due to cyber attacks, fires, equipment failures, supply chain disruptions, or extreme weather events. Examples of employee-related risks include those associated with health and safety, succession planning, retention of key competencies, and relations with trade unions.

## Regulatory risks

Regulatory risks include risks related to changes in legislation, loss of reputation, and costs arising from non-compliance with laws, regulations, bribery, and corruption. This category also covers risks related to human rights violations and breaches of contractual obligations with employees, customers, and other business partners.

## Financial risks

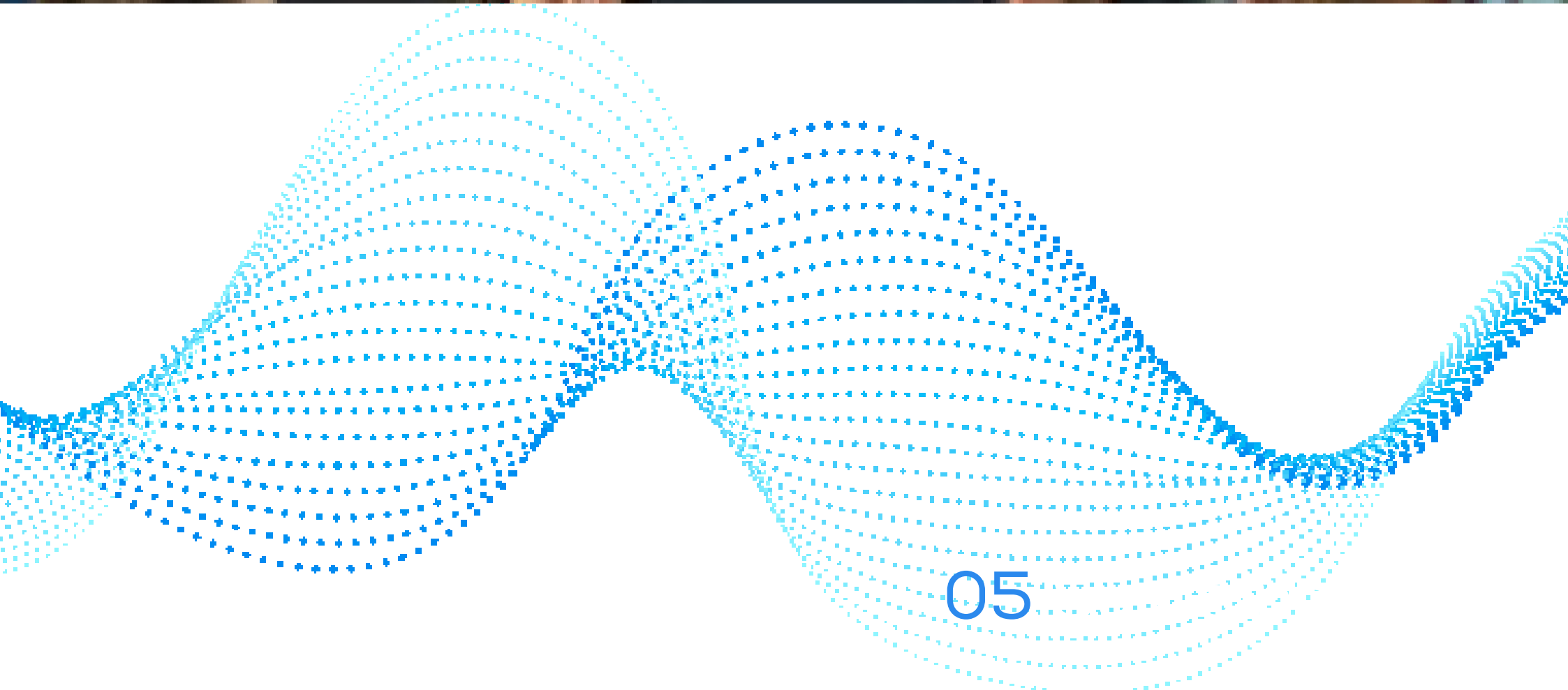
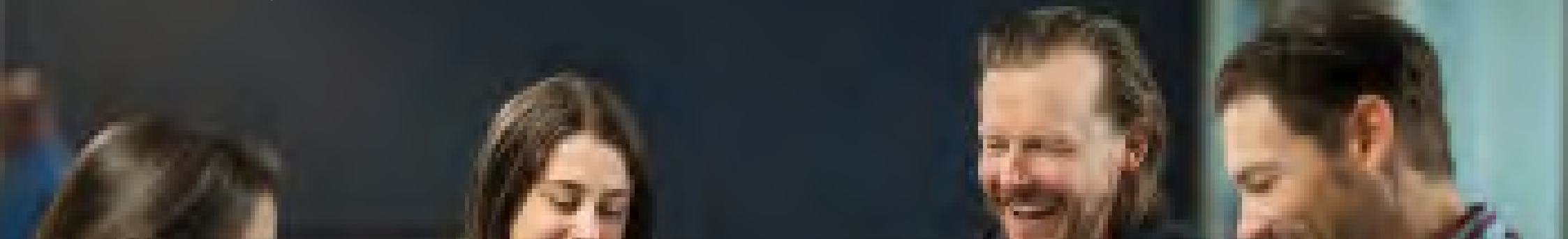
The Group's financial risks primarily consist of currency, interest rate, and financing risks. A detailed description of financial risks and how they are managed can be found in Note 3.

# Risk Management

In 2024, Munters continued to improve its risk management at both local and group levels. Below is a brief description of some of the identified risks with significant impact.

| RISK CATEGORY/RISK        | Description  | Management  | Munters exposure compared to PY |
|---------------------------|--|---|---------------------------------|
| <b>MACRO ECONOMY</b>      |  |   |                                 |
| Macro economy             | In the event of a significant downturn in the macroeconomic environment, Munters aims to maintain an agile and adaptable organization. Failure to adjust the business and operations to new market conditions could result in lost sales and market share.   | Munters continuously monitors global developments and strives for a flexible organizational structure throughout the group. Investments have been made in market monitoring and analysis to strengthen competitiveness and improve decision-making.                             | ↗                               |
| Climate Change            | Climate change could lead to global warming, glacial melting, rising sea levels, and more frequent and severe extreme weather events such as heatwaves, droughts, heavy rainfall, and storms. These, in turn, increase the risk of wildfires and floods. A lack of mitigation measures increases the risk of disruptions to Munters operations..               | For more information, see pages 85-90.  | ↗                               |
| Geopolitical Developments | Munters operates across multiple continents, and geopolitical developments can quickly have a direct or indirect impact on its operations and supply chains.   | Munters business areas continuously assess the markets in which the company operates. These assessments include evaluating geopolitical risks and opportunities.  | →                               |
| <b>STRATEGIC RISKS</b>    |  |   |                                 |
| IT-Related Risks          | Munters operations rely on a well-functioning and secure IT environment. Increased digitalization leads to greater vulnerability, including operational disruptions and disturbances for both Munters and its customers. Inadequate information management and IT breaches could result in severe consequences, including loss of trust and significant costs. | By proactively conducting regular security analyses, penetration tests, and training sessions, Munters ensures continuous improvement in IT security. To address new threats and requirements, the IT environment has been adapted through various initiatives during the year. | →                               |
| Data Management Strategy  | Poor data management, characterized by inconsistencies, inaccuracies, or incomplete data, can complicate decision-making processes, reduce operational efficiency, and jeopardize the success of digital initiatives.  | Munters aims to implement a robust data management strategy, incorporating security measures, data quality, and continuous improvement.   | ↗                               |
| <b>OPERATIONAL RISKS</b>  |  |   |                                 |
| Business Interruptions    | Munters relies on components, access to critical facilities, and a functioning supply chain. A disruption in a critical process could have a significant impact on operations.   | Munters continuously analyses and implements measures to strengthen resilience. Efforts include evaluating suppliers, internal dependencies, reliance on specific product components, and customer relationships. Facilities regularly update their continuity plans.           | →                               |
| Climate Impact            | There is a risk that products may not deliver the expected performance, such as energy savings for customers, or that the company may fail to reduce its climate impact in line with its ambitions. This risk could lead to a decline in trust among customers and stakeholders, as well as lower sales.   | Munters continuously improves its products to minimize environmental impact. For more details on environmental initiatives, see pages 85-89 and 94-96.  | →                               |
| Resource Constraints      | Resource constraints may prevent the organization from achieving its goals. Such limitations can cause project delays, reduced quality, increased stress among employees, and a weakened ability to respond to external changes.   | Munters strives for careful planning and flexibility to minimize associated risks.  | ↗                               |
| <b>REGULATORY RISKS</b>   |  |   |                                 |
| Regulatory Compliance     | Munters operates under increasing regulatory scrutiny, with stricter compliance and reporting requirements across multiple areas. A failure to comply with laws and regulations, as well as changes in their interpretation and application, could necessitate product modifications, reduce sales, and erode trust among customers and other stakeholders.    | Munters monitors regulatory developments at both central and local levels through internal analysis and external advisory services. By mapping how various regulations impact the company, Munters can adjust its operations to ensure compliance.                              | →                               |

We aim to contribute to a better environment  
while creating economic value



05

# Content Sustainability

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## Own Workforce

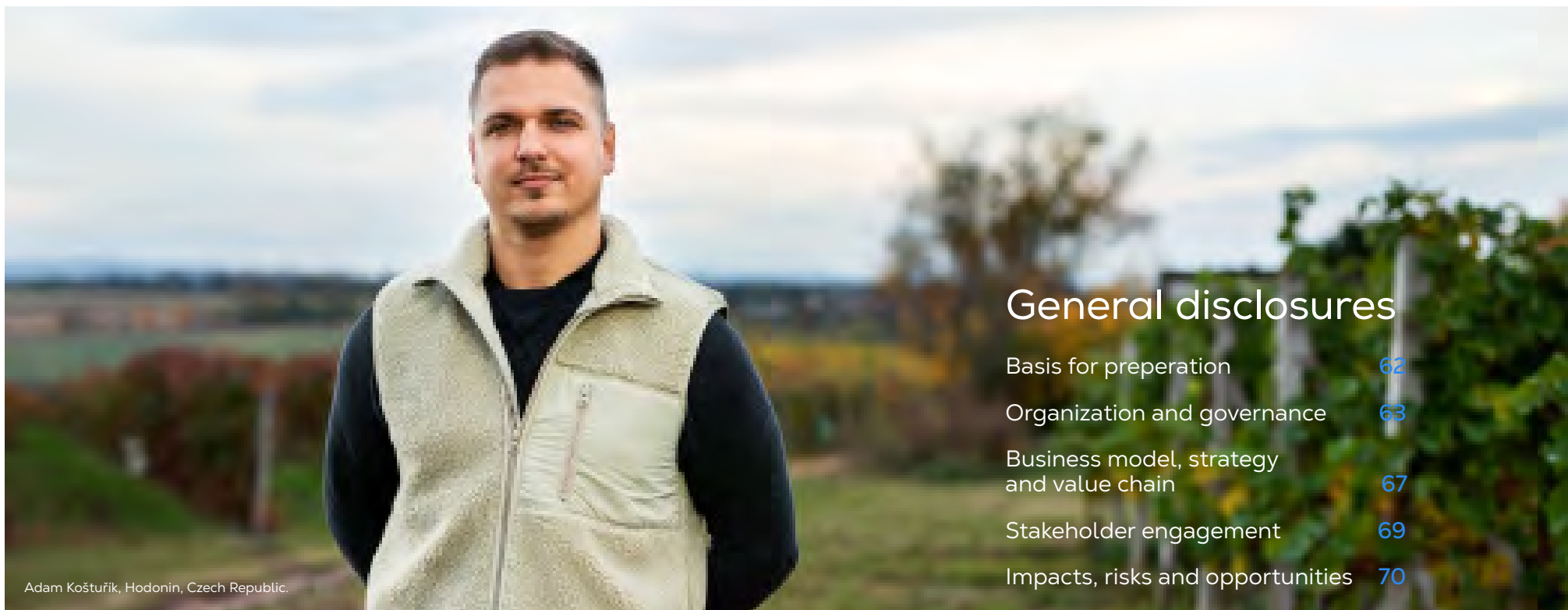
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Adam Košťufík, Hodonín, Czech Republic.

## General disclosures

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### Basis for preparation

The sustainability report has been prepared in accordance with the Swedish annual account act in accordance with the previous wording that applied before July 1, 2024. The report has been prepared at a consolidated level with the same scope as the financial statements, with the difference that the latest acquisitions for the year 2024 are not included in the data presented in this sustainability report. This includes four acquisitions: Geoclima, Airprotech, Hotraco and Automated Environments. Munters publishes its sustainability report annually, considering both its upstream and downstream value chain in the double materiality analysis, on which the sustainability disclosures are based. Unless otherwise stated, the information and data provided pertain to the period January 1 to December 31. The report covers Munters and all our subsidiaries except the most recent acquisitions during the operating year 2024 as mentioned above.

### Restatement

During 2024 Munters has continued to extend its assessment of Scope 3 emissions and have finalized it with 2023 as a base year. As a result, our reported Scope 3 emissions have increased from previous reporting in the 2023 annual report from 6,500 ktCO<sub>2</sub>e to 38,800 ktCO<sub>2</sub>e.

In 2024 Munters has also updated its methodology for calculating the emissions from our vehicle fleet for our new base year 2023. As a result, our Scope 1 emissions have decreased from previous reporting in the 2023 annual report from 1,700 tCO<sub>2</sub>e to 1,600 tCO<sub>2</sub>e corresponding to an decrease of 6%.

In 2023 Munters acquired ZECO which emissions now have been incorporated into our base year figures for 2023 due to contributing to more than 5% of our total Scope 1 & 2 which is the threshold Munters has set for incorporation of historical data to our base year connected to reporting of greenhouse gas emissions.

### Incorporation by reference

For information about the board's independence, composition, expertise and employee representatives see corporate governance report, page 52-53. For more information on Munters Strategy and Business model see pages 13-24.

### Preparing for CSRD

The Corporate Sustainability Reporting Directive (CSRD) came into effect in July 2024 for Swedish companies. Munters is part of the initial group of companies required to report under the CSRD's standards, known as the European Sustainability Reporting Standards (ESRS), with the first report set to be published in 2026 for the operating year 2025. In 2024, we continued preparing for the CSRD reporting by performing a gap analysis and obtaining pre-assurance of our Sustainability Report. These

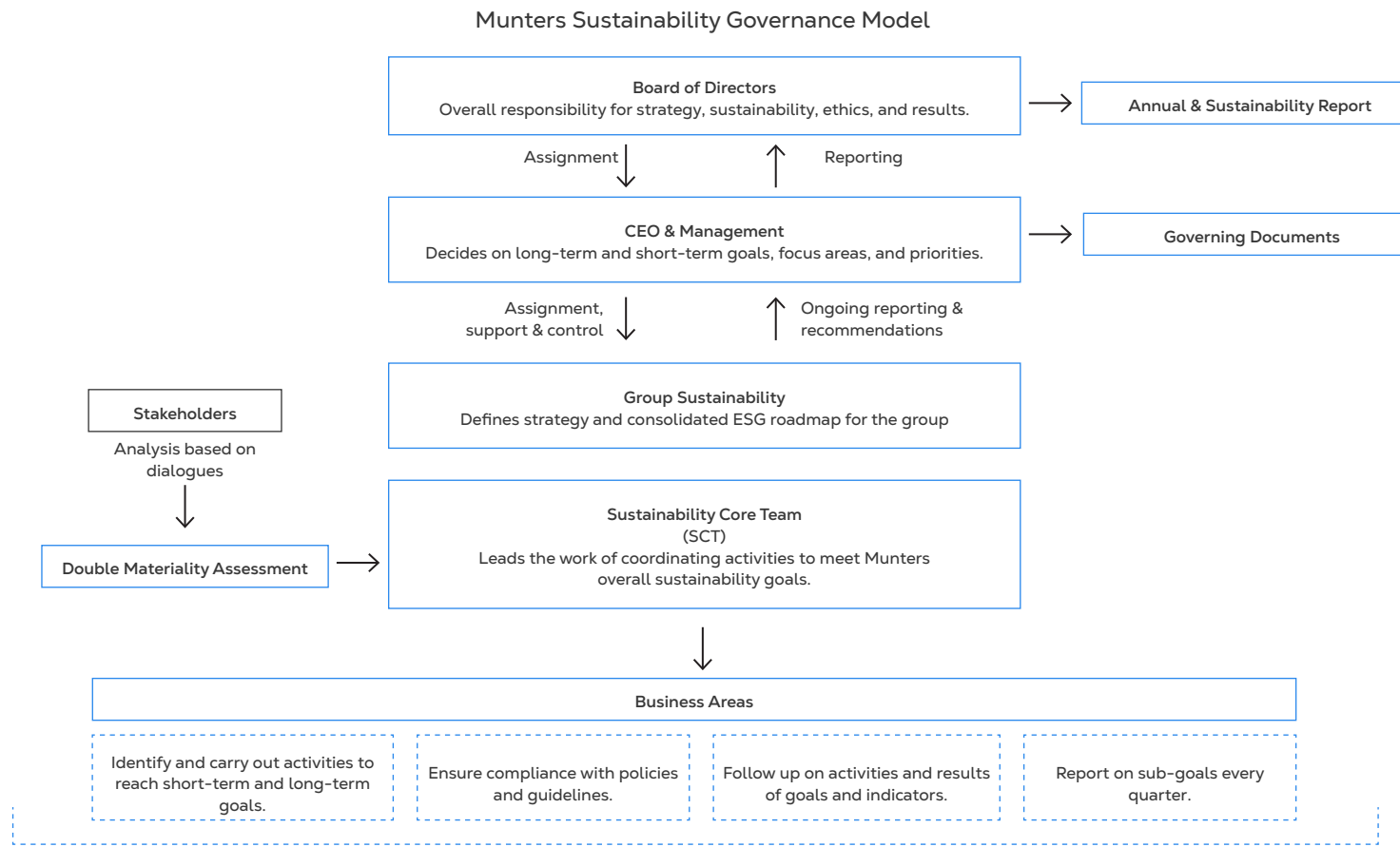
assessments aimed to identify what actions are needed to ensure compliance with the CSRD within the specified time-frame. During the year, we have:

- Developed an action plan to ensure readiness for the Directive's implementation
- Conducted a first double materiality assessment (DMA)
- Conducted climate scenario analyses
- Initiated steps to enhance internal controls over sustainability data
- Increased awareness and knowledge among all employees impacted by the directive

During the upcoming year we will revisit our DMA and further develop procedures related to the outcome from the pre-assurance.



# Organization and Governance



## Board of Directors and Management

The Board of Directors is ultimately responsible for Munters business model, governance structure and business strategy. Sustainability, including environmental, social and governance aspects, is fully integrated into Munters business strategy.

Munters President and CEO is responsible for the execution of the strategic priorities including target setting and follow up of all strategic and financial goals and KPIs. Munters Group Management (MGM)

executes the business strategy, including environmental, social and governance aspects, and follow up on decided targets.

Strategy and policy documents are decided by the Board of Directors and the Group Management once a year and are available on Munters intranet. The Board of Directors also reviews and approves the Annual and Sustainability Report. For information about the board's independence, composition, expertise

and employee representatives refer to pages 52-53 of the Corporate Governance Report.

### Information on sustainability matters addressed by management and the Board

The role of the Board of Directors as Munters highest governing body for sustainability matters has been reinforced in recent years. Since 2021, the Board focuses on tracking and follow up of strategic sus-

tainability KPIs. The Audit Committee is responsible for tracking and following up on all sustainability matters as well as reporting these to the Board of Directors. The complete Board of Directors is regularly informed about the progress in various sustainability related projects. This is done through presentations of key performance indicators, as well as in-dept information about various key projects driving certain sustainability linked areas, for example in product

development or research and development. These efforts are also supported by the inclusion of enhanced sustainability content in the Group's quarterly internal business reviews as well as in the external reports which commenced in 2023.

### The Board during the year

During the year 14 Board meetings were held where 3 meetings included a deep dive into sustainability in March and November. In addition to the specific sustainability deep dives conducted during the year, material sustainability matters are regularly addressed in meetings when making decisions on business plans and project follow-ups.

In March, the Board of Directors was updated on progress in a set of sustainability key performance indicators and the progress on Scope 3 assessment. The Board of Directors was also updated on the intention of committing to the Science Based Targets initiative (SBTi) and initiation of the participation in a Circular Development Program with external party.

The Audit Committee has been informed about Munters progress in the preparation for CSRD at every meeting in 2024. At each meeting, the key strategic sustainability KPIs have been followed up and discussed together with a thorough walk-through of the status of each workstream within the CSRD project. During the year, a CSRD training was also conducted for the Board of Directors.

Munters has strategic goals within the areas of Environment, Social and Governance. These were updated in 2024 and communicated in conjunction with the updated financial targets at the Capital Markets Day in May 2024. On the Social side, Munters has chosen to set targets for gender diversity. Therefore, Munters has also presented and interacted with the Board of Directors on the gender equity topic in 2024, specifically discussing the initiative "What will it take?" that aims to increase the share of women in workforce and female leaders in Munters.

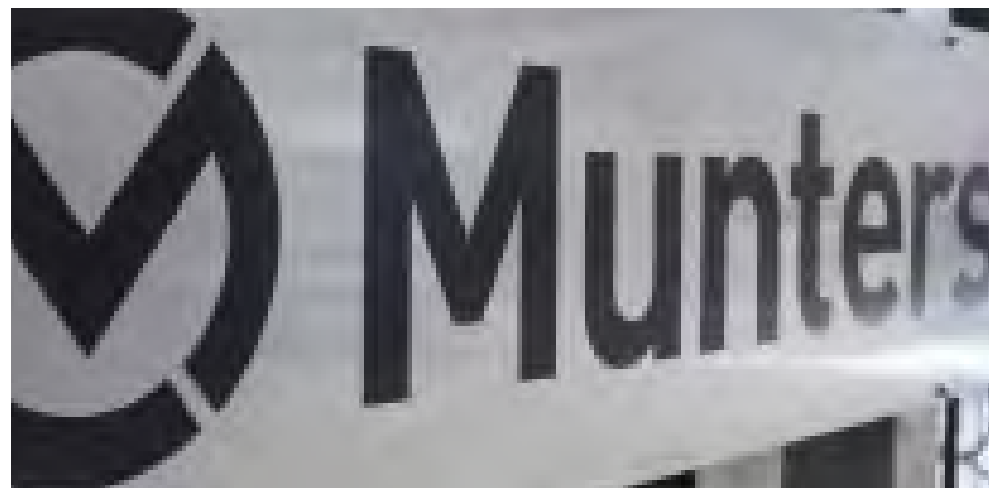
In November, the board approved updated climate targets in line with the Paris Agreement's 1.5°C scenario. The targets have been submitted to the Science Based Targets initiative (SBTi) for validation.

### The Management team during the year

The Group Management is informed on the progress in our strategic sustainability KPIs and ongoing activities through our Quarterly Business Reviews. During the year 11 meetings were held and 5 meetings included a deep dive into sustainability.

Decisions during the year:

- Directional decision in February to continue the quest to commit to the SBTi.
- Decision in April to sustain Scope 3 mapping efforts and pace followed by decisions on targets in August, September and November.
- Decision in May to set updated strategic targets for Environment, Social and Governance. These were communicated at the Capital Markets Day in May 2024.
- In November and December MGM were informed on the results from the double materiality assessment and revisited the question of business risks and opportunities in two different climate scenarios based on data from the Intergovernmental Panel on Climate Change (IPCC) and the International Energy Agency (IEA).



### The Sustainability Core Team

The Sustainability Core Team (SCT) leads the work of coordinating the strategy in our business and the Business Areas execute it. The SCT consists of representatives from Group Sustainability, all three Business Areas and representatives from group functions including communication, finance and business excellence network.

In 2024 the SCT consisted of 10 people. To ensure long-term sustainable and profitable business, sustainability is integrated into all ten segments

of the business strategy. The SCT coordinates activities to meet agreed sustainability targets, ensures strategic alignment & prioritization, shares information and reviews project status cross-functionally and cross-regionally. The SCT is chaired by VP Sustainability who reports to GVP HR & Sustainability. The purpose of the SCT is to lead the sustainability quest through clear targets, activities, governance, communication and training.

#### Important steering documents

All of our steering documents are reviewed and signed off once every year either by the Board of Directors or Munters Group Management. The content of the documents are described under each relevant standard and how it addresses the relevant sustainability matter. Connected to our policies we have procedures and instructions that aims to implement the policies in our operations.

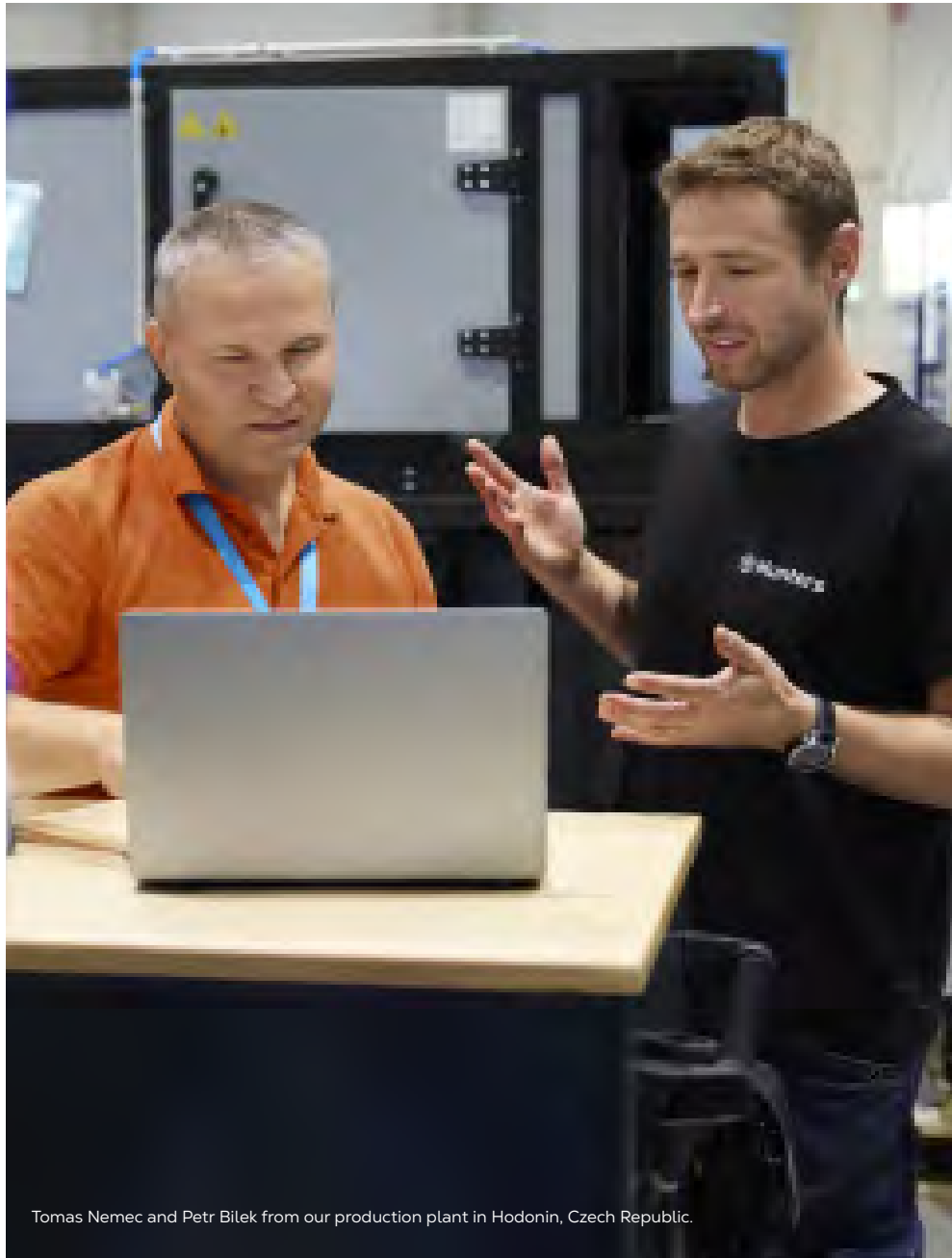
- Code of Conduct
- Supplier Code of Conduct
- Sustainability Policy
- Work Environment Policy
- Health and Safety Policy
- Sourcing Policy
- Anti-Bribery and Anti-Corruption Policy
- Whistleblowing Procedure
- HR Policy

#### Workstreams channelled in 2024

SCT conducted 14 meetings during the year. In addition, separate meetings between individual members have been held, with for instance Munters Group Management, Business Area management teams, local site visits and dialogues with local working groups. The SCT, together with other group functions and the Business Areas, work with, among other things:

- Alignment of ambition level, priorities and targets for sustainability in the strategy period 2025–2027 including alignment of high-level E, S, G targets and KPI's to be reported and reviewed on a quarterly basis
- Accelerated mapping of Scope 3 categories in collaboration with business areas, updating climate targets, and preparing roadmaps in line with the Paris Agreement's 1.5°C scenario.

- Online learning sessions on SBTi, in-person sustainability training for managers and unconscious bias to raise awareness and knowledge and to empower employees with tools
- Meetings and workshops with R&D, project management and sales to accelerate sustainability, innovation and share ideas, achievements and progress
- Circular Development program, addressing circularity as a concept, strategy and ways of working, deep-diving into one specific product line to gain experience and re-use inter-company wide
- Conducted climate risk analysis and updated the double materiality assessment
- Conducted "What will it take" training to raise awareness and improve results on gender equity



Tomas Nemecek and Petr Bilek from our production plant in Hodonin, Czech Republic.

## Incentive schemes

A key step to promote the implementation of the company's business strategy and long-term interests is to link remuneration of senior executives to the company's earnings, financing of day-to-day activities and sustainability goals. On behalf of the Board, Munters has introduced such a long-term incentive program (LTIP) for senior executives and key personnel within the Group in 2022, 2023 and 2024. The program links the participants' compensation to the company's earnings, financing of the current operations and compounded sustainability performance over a three-year period, thus promoting continuous and sustainable improvements. The programs have a three-year earnings period and the outcome is paid in cash after one, two and

three years, respectively, distributed pro rata over the three years. Participants are required to invest the net cash payout in Munters shares, until they reach a defined investment level. Owning Munters Shares can further align the long-term interests between the participants and the company.

The performance criteria in the program are linked to predetermined and measurable financial criteria (weighting 70%) and sustainability criteria (weighting 30%), as determined by the Board of Directors for each program. The sustainability related component consists of three sub-components and the number of participants in the programs are presented in the table below:

### Sustainability goals in long term incentive program

| Program Year                 | 2022   | 2023  | 2024  |
|------------------------------|--|---|---|
| <b>Sustainability goal 1</b> | % renewable electricity in production facilities | Annual increase in % renewable electricity in production facilities | Annual % reduction in Scope 1 and 2 carbon emissions in ton |
| <b>Sustainability goal 2</b> | % of women leaders (salary setting positions)    | % of leaders appointed yearly that are women                        | % of leaders appointed yearly that are women                |
| <b>Sustainability goal 3</b> | Services growth                                  | Services growth   | Services growth   |
| <b>No of participants</b>    | 74   | 82  | 85  |

For each sub-component, a fulfilment rate of 0-100% is determined based on the specific minimum and maximum goals set for each sub-component.

The LTIP can award a maximum payout of 150% of annual cash salary for the CEO, 55% for members of Group Management and 30-40% for other participants, distributed pro rata over a three-year period. Thus, the sustainability related components can award a maximum of 30% of the above

maximums. 70% of the maximum LTIP payout is linked to financial criteria and 30% is linked to sustainability criteria. The three subcomponents in sustainability each have a weight of 1/3. Accordingly, the two climate related incentives have a potential award of up to 20% of the maximum incentive. Participant payout is based on position and maximum is based on annual cash salary as presented in the table below:

### Weight of sustainability goals in long term incentive program

|   | CEO         | Group Mngt  | Other participants |
|---|-------------|-------------|--------------------|
| <b>Weight of Financial criteria</b>   | 70%         | 70%         | 70%                |
| <b>Weight of Sustainable goal 1 – Progress towards net zero Scope 1 and 2</b> | 10%         | 10%         | 10%                |
| <b>Weight of Sustainable goal 2 – Gender balance</b>                          | 10%         | 10%         | 10%                |
| <b>Weight of Sustainable goal 3 – Service growth</b>                          | 10%         | 10%         | 10%                |
| <b>Total</b>  | <b>100%</b> | <b>100%</b> | <b>100%</b>        |

## Statement on due diligence

Sustainability Due Diligence (SDD) is the process through which Munters identifies, prevents, mitigates, remediates and reports actual and potential negative impacts on the environment and people resulting from its activities. The key focus of SDD is to identify, assess, prevent and track the negative impacts, both current and potential, that arise from Munters

operations and are directly connected to its activities, products, services, and business relationships across the value chain. The process for remediation varies depending on the subject and how we work with preventing, mitigating actions are described under each material topic in the report.

| Core elements of due diligence   | References in the report                   |
|--|--|
| a) Embedding due diligence in governance, strategy and business model        | p.67-68, 87, 94, 98, 103, 106              |
| b) Engaging with affected stakeholders in all key steps of the due diligence | p.69, 95, 99, 104, 107                     |
| c) Identifying and assessing adverse impacts                                 | p.70, 87, 94, 98, 103, 106                 |
| d) Taking actions to address those adverse impacts                           | p. 87-89, 95, 99, 104, 107                 |
| e) Tracking the effectiveness of these efforts and communicating             | p. 63-64, 66, 90-91, 96, 100-101, 104, 108 |

## Risk Management and internal control

During the year, we initiated efforts to develop and strengthen the processes and systems for risk management and internal control related to sustainability reporting. A sustainability framework to meet the requirements of the CSRD has been established and will be rolled out in 2025. This framework aims to ensure that sustainability reporting adheres to the highest standards and supports the organization's long-term objectives.

### Scope and main elements

Regarding the scope and main elements of the processes and systems for risk management and internal control, our focus has been on creating robust methods mechanisms to identify, assess, and manage risks related to sustainability issues. This includes integrating sustainability-related controls into existing operational and financial processes.

### Risk assessments and mitigation strategies

The risk assessment methodology is based on a structured process where potential sustainability risks are identified through a combination of qualitative and quantitative analyses. Risk prioritization is carried out based on their likelihood and impact on the

organization, with special attention given to areas of greatest importance to our stakeholders.

Among the main risks identified are areas such as climate impact, supply chain sustainability, and compliance with new regulations. To mitigate these risks, we have developed strategies including regular supplier audits, staff training, and investments in more energy-efficient processes. Associated controls will be implemented in 2025 to ensure that these strategies are followed and remain effective.

The results of risk assessments are integrated into our relevant internal functions through continuous dialogue and adjustments to work processes. For example, these results guide decision-making and inform the development of business strategies to ensure that sustainability issues are embedded into our daily operations.

### Reporting of findings

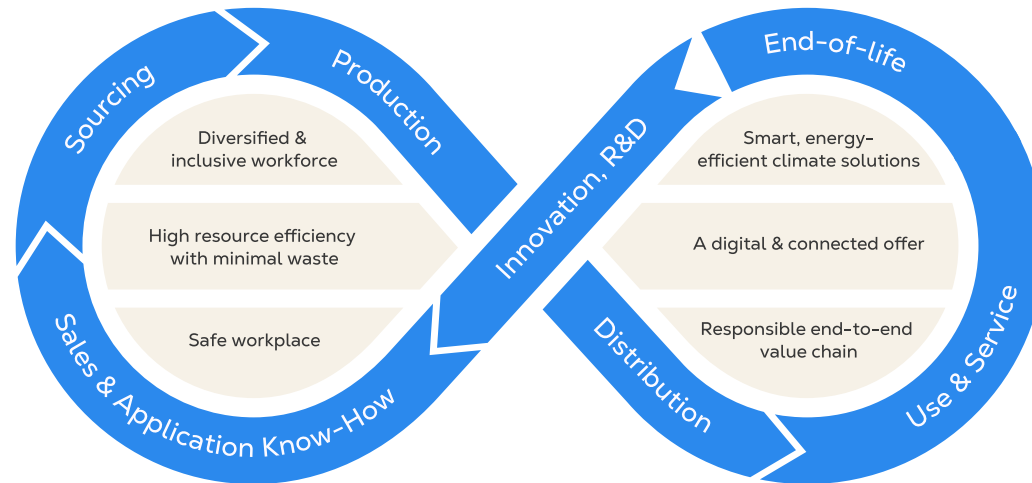
The insights and actions arising from this work are regularly reported to our governing bodies, including the board and management team. This ensures that sustainability-related risks and opportunities receive adequate attention and that actions taken align with the company's overall strategy and goals.



# Strategy, business model & value chain

Munters has a business model aimed at offering innovative, high-quality, and energy-efficient solutions for air treatment and indoor climate control to businesses requiring precise air and climate management. To deliver sustainable long-term value growth towards a low-carbon economy, Munters focuses on purpose-driven innovation and the optimization of processes and methods. This approach helps us maintain our leading position in the industry. A key condition for running a successful business is strong relationships with customers and suppliers, motivated employees, and high business ethics. Read more about our strategy on pages 13-24.

Munters operates globally, with our largest markets in the Americas, APAC, and EMEA, see page 16 for a breakdown in revenue per region. We serve diverse customer segments, including food production and processing, pharmaceuticals, battery manufacturing, clean technologies and data centers. In addition to delivering energy-efficient climate solutions, our service and components business plays a important role in ensuring long-term operational efficiency for our customers.



| Value chain step             | Positive and negative impact   | Risks & Opportunities  | Value creation   | Ability to influence |
|------------------------------|--|--|--|----------------------|
| Innovation, R&D              | <ul style="list-style-type: none"> <li>• Products powered by non-renewable energy lead to GHG emissions and negative climate impact</li> <li>• Materials used to make our products, such as steel, aluminium and plastic, impact the environment</li> <li>• FoodTech Digital solutions can enable reduced use of scarce resources such as renewable energy and freshwater, help minimize waste through the supply chain and improve animal welfare.</li> </ul> | <p><b>Risks</b></p> <ul style="list-style-type: none"> <li>• Risks consist of losing customers, investors, and market shares if Munters fails to adapt to the changing customer demands and sustainability goals. A shift in stakeholder demands for energy efficiency and clean technologies necessitates higher investments in R&amp;D as well as product management.</li> <li>• Investments in new technologies, materials and processes due to increased demand for sustainable solutions, which could increase the demand for sustainable and/or non-virgin raw materials for our products.</li> </ul> <p><b>Opportunities</b></p> <ul style="list-style-type: none"> <li>• Given the expected change in customer demand being successful in our innovation and applying for instance eco-design in our development processes together with growing and expanding our service offering, can help us gain competitive advantage, increase market share and strengthen the relationship with our customers.</li> <li>• Due to stricter control and regulation, such as carbon capture and pollution control Munters may use existing technologies and develop new technologies and products related to areas subject control. This can expand current markets and open up for new segments or applications</li> </ul> | <p>Through innovation and continuous product development, we meet the increasing market need for resource-efficient products with lower environmental impact. We apply life cycle analysis and eco-design principles with growing focus on circularity. We complement and strengthen our own innovation and advance our technology through collaboration agreements, investment in start ups and strategic acquisitions, enabling us to meet new needs driven by mega-trends and increased regulation.</p>   | ●                    |
| Sales & Application know-how | <ul style="list-style-type: none"> <li>• Munters operates in over 30 countries and sell to many others. As a result, we may have a potential negative impact in various business conduct matters due to our engagement with a wide range of stakeholders in different regions.</li> <li>• Positive impact through our customers where we can reduce the environmental impact as well as total cost of ownership due to our application knowledge</li> </ul>    | <p><b>Risks</b></p> <ul style="list-style-type: none"> <li>• Due to our engagement with a wide range of stakeholders in different regions there is a risk that Munters fails to properly mitigate bribery and corruption risks, it may lead to significant costs related to investigations, legal actions and fines as well as reputational damage.</li> </ul> <p><b>Opportunities</b></p> <ul style="list-style-type: none"> <li>• Customers committing to reduce their climate impact can result in revenue growth due to increased sales of energy efficient products.</li> </ul>   | <p>With our high-quality, resource-efficient products, extensive application know-how, software and services, we have the ability to identify and provide optimal solutions for the customer's specific needs as well as reduce total cost of ownership and environmental footprint. We strive for stable and long-term business relations based on ethical compliance and transparency, which is fundamental for sustained growth and value creation. By ensuring that business partners are aligned with our values, we contribute to better working conditions, protect human rights, and reduce environmental impact in our supply chains.</p> | ●                    |

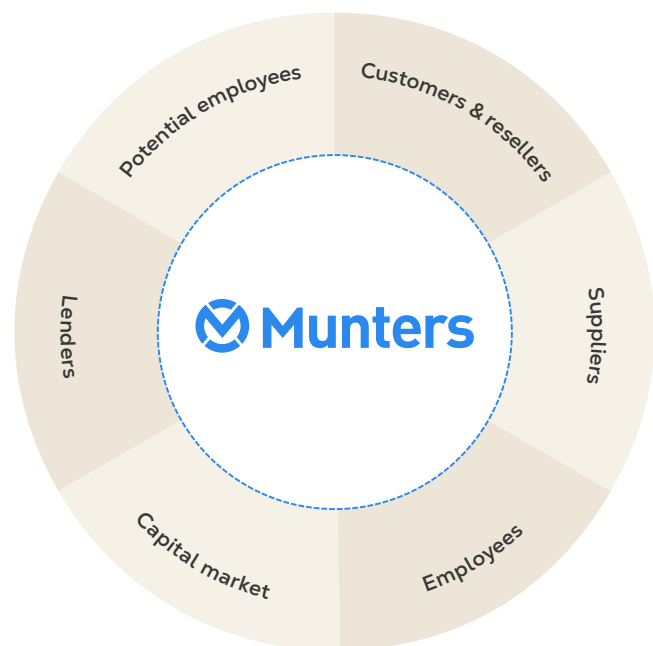
● Medium-Low   ● Medium   ● Medium-High   ● High

| Value chain step | Positive and negative impact  | Risks & Opportunities  | Value creation  | Ability to influence |
|------------------|---|--|---|----------------------|
| Sourcing         | <ul style="list-style-type: none"> <li>Supplier selection and collaboration can influence the working conditions and potential discrimination can cause individual harm</li> <li>Potential child or forced labour can result in physical and mental harm</li> </ul>   | <p><b>Risks</b></p> <ul style="list-style-type: none"> <li>Supply chain disruptions due to extreme weather events can lead to higher costs, longer lead times and impact availability of material.</li> <li>Beyond Tier 1 suppliers, Munters identifies risks related to forced and child labour in high risk countries and segments, particularly linked to the materials and components we procure there is reputational risks.</li> </ul>   | We use materials from responsible sources and suppliers, that comply with our quality standards and Supplier Code of Conduct. By ensuring that business partners are aligned with our values, we contribute to better working conditions, protect human rights, and reduce environmental impact in our supply chains.   | ●                    |
| Production       | <ul style="list-style-type: none"> <li>Impact on climate change through the use of energy from non-renewable sources in own operations, contributing to GHG emissions</li> <li>Potential health and safety risks for individuals working in factories, warehouses, field services and offices</li> <li>Impact through waste generation that is sent to landfill or incineration</li> <li>Munters must ensure its local employment policies and practices provide secure and fair working conditions for its workforce globally</li> </ul> | <p><b>Risks</b></p> <ul style="list-style-type: none"> <li>Unsafe or non-competitive working conditions could lead to accidents, mental health problems, and higher personnel turnover, increasing operational costs. Furthermore, these issues could damage Munters reputation, making it more difficult to attract a diverse and talented workforce.</li> <li>Operational disruptions at both local and global levels arise from an unreliable infrastructure as well as weather related events. This could also result in workforce disruptions due to worsened working conditions in the long term which may impact the revenue ( such as high temperatures in factories, limited ability to get to work due to weather etc.).</li> </ul> <p><b>Opportunities</b></p> <ul style="list-style-type: none"> <li>Munters can strengthen the employer brand and enhance its competitiveness by attracting and retaining talent due to good working conditions.</li> </ul>                   | Health and safety is our highest priority. By using renewable energy sources, we reduce GHG emissions. Our applied MPS (Munters Production System) provide methodology to continuously improve efficiency, reduce use of resources and waste generation. We have targets to increase diversity in our workforce, providing opportunities to under-represented groups. | ●                    |
| Distribution     | <ul style="list-style-type: none"> <li>The transportation of our products impacts the environment</li> </ul>  | <p><b>Risks</b></p> <ul style="list-style-type: none"> <li>Supply chain disruptions due to extreme weather events leading to an increase in costs, lead times, and availability of materials</li> <li>Geopolitical unsettlement can lead to changes in transportation modes and routes, impacting both cost and environment.</li> </ul>  | We optimize our manufacturing footprint and supply chain to reduce transports. Environmental impact is factored in planning of transports.  | ●                    |
| Use & Service    | <ul style="list-style-type: none"> <li>Beyond the energy we use in our production the major impact lies in the energy use from the use phase of our products downstream in the value chain which corresponds to 99% of the climate impact from our value chain</li> </ul>   | <p><b>Risks</b></p> <ul style="list-style-type: none"> <li>Risks consist of losing customers, investors, and market shares if Munters fails to adapt to the changing customer demands and sustainability goals. A shift in stakeholder demands for energy efficiency and clean technologies necessitates higher investments in R&amp;D as well as product management.</li> </ul> <p><b>Opportunities</b></p> <ul style="list-style-type: none"> <li>Energy efficient products combined with know-how in a very wide range of applications; growth in revenues from software and service through increased installed base and growing customer need to reach their short term and long-term targets related to total cost of ownership, resource use and GHG emissions. This may provide a revenue growth for Munters.</li> </ul>   | Through our service offering, we optimize performance and prolong product lifetime, ensuring resource efficiency throughout product lifetime.   | ●                    |
| End-of-life      | <ul style="list-style-type: none"> <li>Our products may pose negative environmental impacts at the end of their lifecycle if they are not properly managed and/or designed for easy dismantling</li> <li>Low knowledge of disassembly and disposal of our products may lead to improper waste management, increased landfill waste or low re-use of components or materials</li> </ul>  | <p><b>Risks</b></p> <ul style="list-style-type: none"> <li>Industry shifts and market developments may result in a reduced demand for some products or segments and increase the demand for sustainable solutions, which could increase the demand for sustainable and/or non-virgin raw materials for our products. As we adapt to these evolving expectations, we need to invest in new technologies, materials, and processes that align with sustainability standards we set. These investments, while essential for meeting customer requirements and staying competitive, are likely to result in higher production and operational costs.</li> </ul> <p><b>Opportunities</b></p> <ul style="list-style-type: none"> <li>Given a change in customer demand extending our service offering to include for example take-back of products or disassembly to maximize recycling and reuse and proper disposal which may lead to increased sales and/or new customer segments.</li> </ul> | Our high quality products and solutions complemented by our service offering serve to maximize product lifetime. At the end of life, we advice customers on responsible recycling and disposal practices. We are increasing our focus on circularity with the aim to improve our contribution in this area.   | ●                    |

● Medium-Low   ● Medium   ● Medium-High   ● High

# Stakeholder engagement

Munters operates worldwide and collaborates with many stakeholders. Employees, customers, owners, distributors, suppliers, partners and people who work in environments where Munters climate solutions are installed, are examples of important stakeholders worldwide. To create long term shareholder value, we must also create value for those that we impact through our business. We have frequent dialogue and close cooperation with our stakeholders to better understand how and what we can improve in our work and how to prioritize.



The overview shows dialogue opportunities and the most important issues for the main stakeholders

| Stakeholders   | Channels for Dialogue  | Significant Aspects  | Activities, Examples in 2024  |
|--|--|--|---|
| <b>Customers &amp; resellers</b>   | <ul style="list-style-type: none"> <li>Continuous business talks with customers and resellers</li> <li>Regular customer surveys</li> <li>Meetings, conferences, and participation at fairs</li> <li>Munters.com &amp; social media</li> </ul>  | <ul style="list-style-type: none"> <li>Delivery reliability, quality, and improvement suggestions.</li> <li>Munters offering and contribution to reduced carbon emissions and increased resource efficiency.</li> </ul>  | <ul style="list-style-type: none"> <li>Participation in industry fairs around the world</li> <li>Responding to several customer sustainability surveys and attended a dedicated sustainability webinar hosted by one of our EMEA customers</li> <li>Initiated Collaboration efforts with one of our key confectionary customers</li> </ul>  |
| <b>Suppliers</b>   | <ul style="list-style-type: none"> <li>Regular suppliers customer surveys</li> <li>Meetings and conferences with suppliers</li> <li>Website &amp; social media</li> </ul>  | <ul style="list-style-type: none"> <li>Delivery reliability, quality, carbon emissions and improvement suggestions</li> <li>Compliance with environmental, business ethics and social issues, such as labour law and human rights</li> </ul>   | <ul style="list-style-type: none"> <li>Several meetings with suppliers specifically related to sustainability</li> <li>Innovation workshop in EMEA with key suppliers.</li> <li>Attended US Green Steel Summit</li> </ul>   |
| <b>Employees</b>   | <ul style="list-style-type: none"> <li>Performance reviews and employee surveys</li> <li>Conferences and employee gatherings</li> <li>Internal training, for example, Munters Academy</li> <li>Leadership days and programs, for example Munters MovE and Manager at Munters.</li> <li>Various workshops, for example around reducing climate impact</li> <li>Union cooperation</li> <li>Intranet Munters World</li> <li>Website munters.com &amp; social media</li> </ul> | <ul style="list-style-type: none"> <li>Inclusion and diversity</li> <li>Health and safety</li> <li>Discrimination and harassment</li> <li>Development opportunities</li> <li>Compensation issues</li> <li>Sustainability issues and climate impact</li> <li>Work-life balance</li> <li>Compliance with social issues, such as labour law and human rights</li> </ul> | <ul style="list-style-type: none"> <li>Employee performance and development dialogues (PDA)</li> <li>Unbiased recruitment training</li> <li>Global leadership boost conference in Stockholm</li> <li>Leadership programs; such as onboarding training for new managers, Lead with I ACT program, Compass change management training and MovE Action Learning program</li> <li>Launch of Environmental sustainability e-learning module</li> <li>Unconscious Bias Workshop</li> </ul>                  |
| <b>Capital Market (Shareholders, potential shareholders, stock analysts)</b> | <ul style="list-style-type: none"> <li>Board meetings</li> <li>Annual General Meeting</li> <li>Quarterly reports and presentations</li> <li>Meetings and continuous dialogue with shareholders and potential shareholders.</li> <li>Participation in investor conferences</li> <li>Continuous dialogue with the stock analysts following Munters</li> <li>Munters.com &amp; social media</li> <li>Investor relations webinars</li> </ul>                                   | <ul style="list-style-type: none"> <li>Overall strategy and financial and sustainability-related targets</li> <li>Sustainability issues and climate impact</li> <li>Compliance with social issues, such as labour law and human rights</li> <li>Innovation with a focus on strategically prioritized areas</li> </ul>  | <ul style="list-style-type: none"> <li>Webinars and digital presentation of quarterly reports</li> <li>Ongoing meetings with investors and analysts</li> <li>Annual General Meeting performed as a hybrid event</li> <li>Factory visits with investors and analysts</li> <li>Regular engagement with current as well as potential investors and analysts</li> <li>Participation in conferences and investors meetings around the world</li> <li>Retail investor events, i.e. Aktiespararna</li> </ul> |
| <b>Lenders</b>   | <ul style="list-style-type: none"> <li>Individual meetings and continuous dialogue</li> <li>Website munters.com &amp; social media</li> </ul>  | <ul style="list-style-type: none"> <li>Overall strategy and financial and sustainability-related results and goals</li> <li>Ongoing dialogue with lenders</li> <li>Structured reporting through compliance certificate delivered every quarter</li> </ul>  | <ul style="list-style-type: none"> <li>Recurring dialogue with lenders</li> <li>Structured reporting to lenders through compliance certificates delivered every quarter</li> </ul>  |
| <b>Potential employees</b>   | <ul style="list-style-type: none"> <li>Employment interviews</li> <li>Munters.com &amp; social media</li> <li>Participation in job fairs at various universities and business associations</li> <li>Partner in various projects that promote collaboration between business and academia</li> </ul>  | <ul style="list-style-type: none"> <li>Munters position and offering</li> <li>Development opportunities and compensation topics</li> <li>Munters sustainability work</li> </ul>  | <ul style="list-style-type: none"> <li>Visited student fairs, such as THS Armada</li> </ul>   |

During 2024 Munters conducted its first Double Materiality Assessment (DMA), preparing for the Corporate Sustainability Reporting Directive. The process is described below and during 2025 we will review the process and update it where we see it is necessary.

### Description of the double materiality process

#### 1. Scope

The aim of Munters DMA analysis is to create a list of the most material sustainability topics based on the European Sustainability Reporting Standards (ESRS) requirements and prior materiality assessments. The time horizons applied are aligned with the suggested horizons in the ESRS and the method used is coordinated with our internal ERM process described in detail on page 56.

Various external and internal stakeholders have contributed to the process such as representatives from owners, customers, suppliers, business areas, group functions, subject matter experts, MGM, and our Auditors

#### 2. Identification

Based on the outcome of our stakeholder engagement, where additional surveys were carried out among our key stakeholders, internal brainstorming sessions were conducted to identify potential significant topics.

#### 3. Assess

To perform a deeper assessment of potential impact and financial materiality in the value chain and from our products, a wide range of factors were considered. These included but were not limited to output from our stakeholder engagement, climate scenario analysis, internal and external sources of desktop research and life cycle assessments of our products. In addition, Munters analysed the value chain to assess exposures.

#### 4. Validate

To validate the potential significant topics Munters used an impact matrix with input from the existing Munters risk appetite and ESRS proposal. The result gave a list of material impact, risks and opportunities.

Once a topic is defined as significant, Munters will review potential mitigating activities (eg. need for update of steering documentation, training and due diligence needs), assign responsibilities and deadlines.

#### 5. Monitor & follow up

Once the activities are defined and finally approved Munters will follow up the progress and report any deviations from the plan.

In assessing Munters financial risks and opportunities, we explored how various issues, such as climate change and supply chain transparency, could affect our business both now and in the future. The assessment was scored according to the potential financial costs or losses and the likelihood of these effects occurring.

### Assessment of impacts, risks and opportunities

To evaluate Munters impact on people and the environment, we examined a variety of potential positive and negative effects as well as how big the impact would be, looking at scale, scope, and remediability on which combined resulted in a score on severity. This together with the likelihood of the impact to occur resulted in a score which was compared to the threshold we had set for materiality.

### Material impacts, risks and opportunities

|   | Sustainability matters                    | Impacts | Potential risks | Potential opportunities | Details in section                         |
|---|---|---------|-----------------|-------------------------|--|
| E | Climate change mitigation                 | ●       | ●               | ●                       | Climate Change                             |
|   | Climate change adaptation                 |         | ●               |                         | Climate Change                             |
|   | Energy                                    | ●       | ●               | ●                       | Climate Change                             |
|   | Natural resources and circularity         | ●       | ●               | ●                       | Resource use and Circularity               |
|   | Waste                                     | ●       |                 |                         | Resource use and Circularity               |
| S | Diversity & Inclusion                     | ●       | ●               | ●                       | Own workforce                              |
|   | Training and skills development           | ●       | ●               | ●                       | Own workforce                              |
|   | Social Dialogue                           | ●       | ●               | ●                       | Own workforce                              |
|   | Gender equality and equal pay             | ●       | ●               | ●                       | Own workforce                              |
|   | Freedom of assembly & association         | ●       | ●               | ●                       | Own workforce                              |
|   | Discrimination & harassment               |         | ●               |                         | Own workforce                              |
|   | Work-life balance                         | ●       | ●               | ●                       | Own workforce                              |
|   | Working time                              | ●       | ●               | ●                       | Own workforce                              |
|   | Adequate wages and secure employment      | ●       |                 |                         | Own workforce & Workers in the value chain |
|   | Health and safety                         | ●       | ●               | ●                       | Own workforce & Workers in the value chain |
| G | Forced and child labour                   | ●       | ●               |                         | Workers in the Value Chain                 |
|   | Adequate housing                          | ●       |                 |                         | Workers in the Value Chain                 |
|   | Privacy                                   | ●       |                 |                         | Workers in the Value Chain                 |
|   | Corruption and bribery                    | ●       | ●               |                         | Business Conduct                           |
|   | Supplier relationship & payment practices | ●       | ●               |                         | Business Conduct                           |
|   | Political engagement                      |         | ●               |                         | Business Conduct                           |
|   | Animal welfare                            | ●       |                 | ●                       | Business Conduct                           |
|   | Corporate culture                         | ●       | ●               |                         | Business Conduct                           |
|   | Protection of whistleblowers              | ●       | ●               |                         | Business Conduct                           |





## EU Taxonomy report

|                         |    |
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| Turnover                | 74 |
| Capital expenditure     | 80 |
| Operational expenditure | 82 |

Elin Mattsson, David Hanson, Henrik Zetterblom, Kista, Sweden.

# EU Taxonomy report

Munters has analyzed its business in accordance with the EU Taxonomy Regulation. The following pages present an account of which economic activities in the company Munters believes are classified according to the taxonomy and eligible according to the taxonomy as well as aligned with the taxonomy for 2024.

To meet the EU's climate and energy targets for 2030 and the objectives of the European Green Deal, the EU has implemented the Taxonomy Regulation. As a publicly listed company, Munters is required to disclose the proportion of revenues, capital expenditures, and operating expenses related to activities that are eligible and/or aligned with the taxonomy for the full year 2024.

The taxonomy states that economic activities qualify as sustainable if they:

- a. make a substantial contribution to one or more of the following six environmental objectives:
  1. Climate change mitigation
  2. Climate change adaptation
  3. Sustainable use and protection of water and marine resources
  4. Circular economy
  5. Pollution prevention and control
  6. Protection and restoration of biodiversity and ecosystems
- b. do no significant harm ('DNSH') to the other environmental objectives
- c. meet minimum safeguards set out in the Article 18 of the Taxonomy Regulation, and
- d. comply with the technical screening criteria established by the commission in delegated acts.

For 2024 companies must report on their contribution to the above objectives as well as on whether the economic activities comply with the criteria set out in b, c and d.

## Munters analysis 2022, 2023 and 2024

During 2021, Munters performed an analysis in several steps to identify taxonomy-eligible economic activities. In 2022 the analysis was expanded beyond the taxonomy-eligible economic activities in 2021 to include also points b-d above.

|  | 2022 | 2023 | 2024 |
|--|------|------|------|
| Share of revenues reported as taxonomy-aligned activities                  | 37%  | 35%  | 30%  |
| Share of revenues reported as eligible but not taxonomy-aligned activities | 7%   | 25%  | 13%  |

In 2023 the analysis was expanded and Munters also conducted an analysis according to objectives 3-6. In 2024, all economic activities classified according to the taxonomy is reported according to either eligibility or alignment with the taxonomy. As a results, 44% of revenues, 25% of

capital expenditure and 45% of operational expenditure was reported as taxonomy-eligible for 2024. The included business in 2024 spans four economic activities as defined by the taxonomy and includes parts of Munters' three business areas. The reported KPIs related to the business where required performance data is available is estimated to be of good quality.

Munters is of the opinion that most of its products and services contribute to sustainable business by enabling customers to reduce their energy usage and waste. However, Munters provides expert solutions and services in an industry which is not well defined in the current version of the taxonomy and thus significant parts of our business do not have matching dedicated economic activities with substantial contribution criteria. In 2025, we will reassess our compliance with the Do No Significant Harm (DNSH) criteria for pollution under the EU Taxonomy. This evaluation will be based on the latest Q&A guidance from EFRAG and potential regulatory changes related to the Omnibus amendments.

## Included economic activities in 2024

| Environmental objective         | Economic activity  | Munters  | Business area                        |
|---------------------------------|--|--|--------------------------------------|
| Climate change mitigation (CCM) | 3.5 Manufacture of energy efficiency equipment for buildings | Controllers  | FoodTech                             |
| Climate change mitigation (CCM) | 3.6 Manufacture of low carbon technologies                   | Dehumidification – Industrial segment and Component segment, Cooling of data center, SyCool Split, DeltaCube and Oasis product | AirTech and Data Center Technologies |
| Climate change mitigation (CCM) | 8.2 Data-driven solutions for GHG emissions reductions       | Software   | FoodTech                             |
| <b>Climate change objective</b> |  |  |                                      |
| Circular economy (CE)           | 5.1 Repair, refurbishment and remanufacturing                | Service  | AirTech and Data Center Technologies |

### Changes in included economic activities compared to 2023

In 2023 the analysis was expanded to include objective 3-6. As a result the activity that previously was classified according to the environmental objective "Climate change mitigation", economic activity "7.3 Installation, maintenance and repair of energy-efficient equipment" was re-classified according to the climate change objective "Circular economy", economic activity "5.1 Repair, refurbishment and remanufacturing". The re-classification was done as activity 5.1 was assessed to be more appropriate for the service operations Munters has, as the criteria was more detailed and in line with how the service is done. No reassessment of the business has been made in 2024 and hence the economic activities reported in 2024 are the same as in 2023.

| Nuclear energy related activities   | YES/NO |
|---|--------|
| The undertaking carries out, funds or has exposure to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.  | NO     |
| The undertaking carries out, funds or has exposure to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies. | NO     |
| The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.                         | NO     |
| Fossil gas related activities   |        |
| The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.  | NO     |
| The undertaking carries out, funds or has exposure to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.  | NO     |
| The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.   | NO     |

### Methods to define and calculate key metrics for the taxonomy Revenue

The revenue is calculated based on the revenues reported in the consolidated accounts for the period 1 January to 31 December 2024 (the denominator), which for the financial year 2024 was MSEK 15,453. The revenue covered by the taxonomy amounted to MSEK 6,725 of this total, corresponding to 44% of the revenue. This primarily includes revenue from sales from manufacture of low carbon technologies, CCM, 3.6., within the business areas AirTech and Data Center Technologies.

### Capital Expenditure (CAPEX)

Capital expenditure (CAPEX) is based on new acquisitions of intangible fixed assets, tangible fixed assets, leased assets and business acquisitions that are included in the consolidated accounts as of December 31, 2024, and amounted to MSEK 3,832. Newly added goodwill is not included in the denominator. Capital expenditures covered by the taxonomy's economic activities amounted to MSEK 973, corresponding to 25% of total capital expenditures. This includes capital expenditure directly linked to turnover activities covered by the taxonomy as well as allocated capital expenditure according to table "allocation keys". No capital expenditure included in a capital expenditure plan according to the taxonomy has been included.

### Description of allocation key, if such has been use

| Code     | Turnover   | Capex  | OPEX   |
|----------|--|--|--|
| CCM, 3.5 | Sales of products of which are controllers                                       | N/A  | Allocated based on percentage of net sales related to controllers  |
| CCM, 3.6 | Sales of products for which LCA's have been performed.                           | Allocated based on percentage of net sales related to products for which LCA's have been performed | Allocated based on percentage of net sales related to products for which LCA's have been performed         |
| CE, 5.1  | Share of services sales related to products for which LCA's have been performed. | N/A  | Allocated based on percentage of service net sales related to products for which LCA's have been performed |
| CCM, 8.2 | No allocation key used.  | N/A  | N/A  |

In accordance with the taxonomy, the taxonomy-aligned capital expenditures for the current year refer to capital expenditures attributable to assets or processes that are already linked to environmentally sustainable economic activities classified according to the taxonomy.

### Operating expenses (OPEX)

Operating expenses are based on non-capitalized costs for research and development according to the consolidated accounts as of December 31, 2024, and consist of research and development costs minus capitalized development costs and depreciation. In addition to this, the key figure's denominator includes the following:

- maintenance expenses for owned or leased properties and other assets as well as
- expenses for short-term leasing (up to 12 months) that are not included as right-of-use assets in the balance sheet.

Munter's total operating costs according to the taxonomy amounted to MSEK 404 for the year 2024. Operating costs covered by the economic activities of the taxonomy amounted to MSEK 181, corresponding to 45% of the group's total operating costs. Just as for capital expenditure, only operating costs directly linked to turnover activities covered by the taxonomy and allocated capital expenditure according to table "allocation keys" are included here.

# Turnover

| Economic activities   | Code     | Substantial contribution criteria |                        |                           |                           |                            |                  |            |                            | Do No Significant Harm criteria (DNSH) |                           |                            |                  |           |                            |                    |     | Taxonomy aligned proportion of turnover 2023 | Category (enabling activity or) | Category (transitional activity) |
|---|----------|-----------------------------------|------------------------|---------------------------|---------------------------|----------------------------|------------------|------------|----------------------------|--|---------------------------|----------------------------|------------------|-----------|----------------------------|--------------------|-----|--|---------------------------------|----------------------------------|
|   |          | Absolute turnover                 | Proportion of turnover | Climate change mitigation | Climate change adaptation | Water and marine resources | Circular economy | Pollution  | Biodiversity and ecosystem | Climate change mitigation              | Climate change adaptation | Water and marine resources | Circular economy | Pollution | Biodiversity and ecosystem | Minimum safeguards | (%) |  |                                 |                                  |
| (Unit)  |          | (MSEK)                            | (%)                    | (Y;N;N/EL)                | (Y;N;N/EL)                | (Y;N;N/EL)                 | (Y;N;N/EL)       | (Y;N;N/EL) | (Y;N;N/EL)                 | (Y/N)                                  | (Y/N)                     | (Y/N)                      | (Y/N)            | (Y/N)     | (Y/N)                      | (Y/N)              |     |  |                                 |                                  |
| <b>A. TAXONOMY-ELIGIBLE ACTIVITIES</b>  |          |                                   |                        |                           |                           |                            |                  |            |                            |  |                           |                            |                  |           |                            |                    |     |  |                                 |                                  |
| <b>A.1. Environmentally sustainable activities (taxonomy-aligned)</b>   |          |                                   |                        |                           |                           |                            |                  |            |                            |  |                           |                            |                  |           |                            |                    |     |  |                                 |                                  |
| Manufacture of energy efficiency equipment for buildings  | CCM, 3.5 | 312                               | 2%                     | Y                         | N                         | N                          | N                | N          | N                          | -                                      | Y                         | Y                          | Y                | Y         | Y                          | Y                  | 2%  | E  | -                               |                                  |
| Manufacture of low carbon technologies  | CCM, 3.6 | 4,342                             | 28%                    | Y                         | N                         | N                          | N                | N          | N                          | -                                      | Y                         | Y                          | Y                | Y         | Y                          | Y                  | 33% | E  | -                               |                                  |
| <b>Turnover of environmentally sustainable activities (taxonomy-aligned) (A.1)</b>                                    |          | 4,654                             | 30%                    | 30%                       | -                         | -                          | -                | -          | -                          | -                                      | Y                         | Y                          | Y                | Y         | Y                          | Y                  | 35% |  |                                 |                                  |
| <i>Of which Enabling</i>  |          | 4,654                             | 30%                    | 30%                       | 0%                        | 0%                         | 0%               | 0%         | 0%                         | -                                      | Y                         | Y                          | Y                | Y         | Y                          | Y                  | 35% | E  |                                 |                                  |
| <i>Of which Transitional</i>  |          | 0                                 | 0%                     |                           |                           |                            |                  |            |                            | -                                      | -                         | -                          | -                | -         | -                          | -                  | 0%  |  | T                               |                                  |
| <b>A.2. Taxonomy-eligible but not environmentally sustainable activities (not taxonomy aligned activities)</b>        |          |                                   |                        |                           |                           |                            |                  |            |                            |  |                           |                            |                  |           |                            |                    |     |  |                                 |                                  |
| Manufacture of energy efficiency equipment for buildings  | CCM, 3.5 | 97                                | 1%                     | EL                        | N/EL                      | N/EL                       | N/EL             | N/EL       | N/EL                       |  |                           |                            |                  |           |                            |                    | 0%  |  |                                 |                                  |
| Manufacture of low carbon technologies  | CCM, 3.6 | 760                               | 5%                     | EL                        | N/EL                      | N/EL                       | N/EL             | N/EL       | N/EL                       |  |                           |                            |                  |           |                            |                    | 16% |  |                                 |                                  |
| Repair, refurbishment and remanufacturing   | CE, 5.1  | 787                               | 5%                     | N/EL                      | N/EL                      | N/EL                       | N/EL             | EL         | N/EL                       |  |                           |                            |                  |           |                            |                    | 7%  |  |                                 |                                  |
| Data-driven solutions for GHG emissions reductions  | CCM, 8.2 | 427                               | 3%                     | EL                        | N/EL                      | N/EL                       | N/EL             | N/EL       | N/EL                       |  |                           |                            |                  |           |                            |                    | 2%  |  |                                 |                                  |
| <b>Turnover of taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities)</b> |          | 2,071                             | 13%                    | 8%                        | -                         | -                          | -                | 5%         | -                          |  |                           |                            |                  |           |                            |                    | 25% |  |                                 |                                  |
| <b>Total A.1. + A.2.</b>  |          | 6,725                             | 44%                    | 38%                       | -                         | -                          | -                | 5%         | -                          |  |                           |                            |                  |           |                            |                    | 61% |  |                                 |                                  |
| <b>B. TAXONOMY-NON-ELIGIBLE ACTIVITIES</b>  |          |                                   |                        |                           |                           |                            |                  |            |                            |  |                           |                            |                  |           |                            |                    |     |  |                                 |                                  |
| Turnover of non-eligible activities (B)   |          | 8,728                             | 56%                    |                           |                           |                            |                  |            |                            |  |                           |                            |                  |           |                            |                    |     |  |                                 |                                  |
| <b>Total A+B</b>  |          | 15,453                            | 100%                   |                           |                           |                            |                  |            |                            |  |                           |                            |                  |           |                            |                    |     |  |                                 |                                  |

## Turnover, cont.

|     | Proportion of turnover/Total turnover |                                 |
|-----|---------------------------------------|---------------------------------|
|     | Taxonomy-aligned per objective        | Taxonomy-eligible per objective |
| CCM | 30%                                   | 38%                             |
| CCA |                                       |                                 |
| WTR |                                       |                                 |
| CE  |                                       | 5%                              |
| PPC |                                       |                                 |
| BIO |                                       |                                 |

### Specification of disclosure – revenue Accounting policy

Revenue is defined as net turnover derived from products or services associated with taxonomy aligned or eligible economic activities.

When determining and allocating the taxonomy aligned and/or -eligible revenue, businesses have been grouped according to economic activities based

on fulfilment of required criteria per economic activity. See more information under the section "Methods to define and calculate key metrics for the taxonomy".

The reported taxonomy-aligned and eligible revenues are related to the environmental objective climate change mitigation and the climate change objective circular economy.

### Change in reported revenue compared to the previous year

The structural changes compared to 2023 include the addition of acquired companies Hotraco and AEI's control operations that were acquired in 2024. Additionally, a smaller share of Inobram's operations, which was acquired in 2023, is covered in 2024 compared to 2023. This adjustment is due to a change in the composition of net sales of Inobram's business, allowing for a more accurate assessment of its activities within the EU taxonomy framework. Furthermore, service for DCT has now been included in the reporting.

### Assessment of compliance with regulation (EU) 2020/852

#### Business area AirTech

Two economic activities within business area AirTech have been included as aligned with the taxonomy.

#### Manufacture of low carbon technologies, CM 3.6

The first economic activity relates to the manufacture of other low carbon technologies. The taxonomy states that the manufacture of technologies aimed at substantial GHG emission reductions in other sectors of the economy, where those technologies are not covered elsewhere in the taxonomy, substantially contribute to climate mitigation. Furthermore, the technical screening criteria specify that such technologies must demonstrate substantial lifecycle GHG emission savings compared to the best performing alternative technology available on the market.

#### Technical screening criteria

Munters products within AirTech utilize desiccant dehumidification solutions. This technology is

significantly more energy efficient than alternative technology under certain circumstances, i.e., when the installation environment has certain characteristics. These circumstances include, but are not limited to, air temperature and humidity level in the installation environment.

In 2022, Munters performed life cycle analyses of 10 product groups within AirTech. Through these analyses, Munters could determine that these products meet the technical screening criteria.

The product groups we performed life cycle analyses of are: IDS, HCD, ICA, GreenDry, DSS PRO, MX2, MX2 Plus, ML, ML Plus and Rotor components.

Revenue from sales of these product groups has been included in the reported aligned revenue. For AirTech the products are reported within segments Industrial and Components.

Munters estimates that a larger portion of sales than those reported operate under circumstances where alternative technology is less energy efficient and expects the included portion to grow as data accessibility and quality improve.

## DNSH – Manufacture of low carbon technologies within AirTech, CM 3.6

| Do No Significant Harm analysis:   | Which means   | Assessment | Analysis  |
|--|---|------------|---|
| 2) Climate change adaptation - The activity complies with the criteria set out in Appendix A   | Munters shall conduct a climate risk analysis of physical risks.  | Compliant  | A climate risk analysis of the assets considered material are being made yearly. In 2024, the assets reviewed for acute and chronic climate change risks. This resulted in an analysis that no location is exposed to an acute natural hazard risk that is not mitigated. The long-term risk analysis is being integrated into the business contingency plans for each business area. In addition to this analysis, Munters group has conducted a climate change risk scenario analysis on a group level, see pages 85-86.  |
| 3) Sustainable use and protection of water and marine resources - The activity complies with the criteria set out in Appendix B      | Munters should identify and address risks related to water quality and should aim to prevent water stress.                        | Compliant  | Munters aim to gradually reduce water consumption and treat wastewater in our production plants and processes. For more information about Munters water consumption see page 95. The largest part of Munters operations has no material impact on water. Munters has operations in for example Israel where water is scarce.  |
| 4) Transition to a circular economy - The activity assesses the availability of and, where feasible, adopts techniques that support: |   | Compliant  |   |
| (a) reuse and use of secondary raw materials and re-used components in products manufactured;  | Munters ambition should be to secure a high level of recycling and use of secondary material and components in produced products. | Compliant  | We use a common development model in Munters: MPD, Munters Product Development model, based on insight into customers' need. We weigh in various sustainability factors early in the process, such as choice of materials, recycling options and energy consumption. For more information about the MPD see page 95.<br><br>For raw materials purchased, such as steel, we support our suppliers who offer recycled content material. However, in many other cases, the content of recyclability of the component or even the ability to purchase used/reused components is highly unlikely due to many factors such as our custom design requirements. For many of our products it is not possible to source reused or secondary material, for example, steel. In those cases we are seeking to work with suppliers that can prove they are working to lower their emissions and reduce their entire carbon footprint. |

## DNSH – Manufacture of low carbon technologies within AirTech, CM 3.6 continuing

| Do No Significant Harm analysis:  | Which means  | Assessment | Analysis   |
|---|--|------------|--|
| (b) design for high durability, recyclability, easy disassembly and adaptability of products manufactured;                                  | Munters ambition should be that every product shall have an optimized design for high durability, recyclability, ease of disassembly and adaptability.   | Compliant  | Munters has a life-cycle approach towards all product development. This means that we have a product development stage-to-gate process including a sustainability assessment. The new product needs to be assessed compared to its predecessor, to assess whether it is more or less sustainable. The assessment focuses on each of the 4 stages of the life cycle of the product: raw materials, production, use phase and end-of-life. The criteria to score high on Sustainability are for example reduction of size, light-weighting, use of recycled material, minimization of packaging, ease of disassembly and other eco-design principles that aim to minimize the negative impact of the product already at its design phase. It is our goal that each new generation of all products should be more energy-efficient than the previous one. In 2024 we entered a Circularity Development program to educate/disseminate circularity design and business model concepts to the entire value chain. We also licensed a software to quantify the circularity index of all our major products. This enables Munters to have a foundation on which to build future circularity product strategy and prioritize initiatives with most potential for improvement and most impact on the environment. |
| (c) waste management that prioritises recycling over disposal, in the manufacturing process;  | Munters should have a policy that prioritises recycling over disposal in the manufacturing process.  | Compliant  | We are working to reduce waste and increase recycling rates in our production facilities, through systematic quality improvements. The recycling rate is measured and followed-up every quarter. For more information see page 95-96.  |
| (d) information on and traceability of substances of concern throughout the life cycle of the manufactured products.                        | When substances of concern are used in manufactured products information and traceability about these should be secured.   | Compliant  | Munters does not use substances of concern in the manufactured products.   |
| 5) Pollution prevention and control - The activity complies with the criteria set out in Appendix C to this Annex.                          | The company needs to be RoHS-compliant, REACH compliant, Mercury directive compliant, Persistent organic pollutants directive compliant, Ozone depleting substances as well as being able to confirm that the activity does not lead to the manufacture, presence in the final product or output, or placing on the market, of other substances, whether on their own, or in mixtures or in an article, in a concentration above 0,1% weight by weight (w/w), that meet the criteria of Regulation (EC) No 1272/2008 for one of the hazard classes or hazard categories mentioned in Article 57 of Regulation (EC) No 1907/2006, except if it is assessed and documented by the operators that no other suitable alternative substances or technologies are available on the market, and that they are used under controlled conditions. | Compliant  | Munters is compliant with all relevant directives. Munters does not use substances of concern in the manufactured products.  |
| 6) Protection and restoration of biodiversity and ecosystems - The activity complies with the criteria set out in Appendix D to this Annex. | EIAs needed to be carried out in accordance with Directive 2011/92/EU334.  | Compliant  | Munters is following the Directive 2011/92/EU334. In 2022 one EIA was conducted in the US as a consequence of the plans of moving to a new production facility in Amesbury in 2024. In 2023 and 2024 no EIAs were conducted.   |

**Repair, refurbishment and remanufacturing, CE 5.1**  
The second economic activity has a significant contribution to the climate change objective and is defined as repair, refurbishment and remanufacturing. This is defined in the taxonomy as repair, refurbishment and remanufacturing of goods that have been used for their intended purpose by a customer (natural or legal person). Munters provides services that are in line with the definition of both repair and refurbishment, where repair of goods means that defects or damage are repaired on the goods so that they regain their full function or that the goods are upgraded or

modernized so that they once again meet or exceed the original specifications.

A share of the revenues from the segment Services has been included in the reported value. The reported share represents services related to the equipment included in other economic activities for the AirTech business area, i.e. taxonomy-covered products and solutions within the Industry and Components segments. The included revenue for services is calculated using the same share as taxonomy-covered equipment sales is of total equipment sales within the Industry and Components segments.

**Technical screening criteria**

The part of Munters' repair, refurbishment and remanufacturing business that is covered by the taxonomy is the part that is related to the sale of Munters products that are compatible with the taxonomy. By carrying out repair, refurbishment or remanufacturing, Munters extends the product's lifespan and/or ensures high energy efficiency. This is in line with point 1 of the technical screening criteria.

**Change compared to previous years in the reporting**

Changes compared to previous years  
In 2021, the portion of the Industrial segment within AirTech that sells solutions to customers that manufacture batteries were classified under 3.4, Manufacture of batteries. Here the taxonomy states that the manufacture of batteries or components substantially contributes to climate mitigation.

In 2022, this part was reclassified to 3.6, when life cycle analysis was made of the products sold to the battery segment. Thus, the products that Munters

sells to the battery segment met the technical screening criteria under 3.6.

In 2023, the service business was reclassified from the environmental objective Installation, maintenance and repair of energy-efficient equipment, CM 7.3 of energy-efficient equipment to climate objective repair, refurbishment and remanufacturing, CE 5.1. The reclassification was made because the economic activity 5.1 was considered to better fit the service business that Munters operates, as the criteria are

more detailed and in line with how the business is conducted.

No changes were made in 2024 compared to 2023.

*Business area Data Center Technologies*

**Manufacture of low carbon technologies, CM 3.6**

Within the business area, the products Delta Cube, Oasis and SyCool Split have been included in the manufacturing of other low-carbon technology.

The taxonomy establishes that the manufacture of

technology that contributes to significantly reducing greenhouse gas emissions in sectors of the economy that are not included elsewhere in the taxonomy contributes significantly to climate change mitigation. Furthermore, the technical screening criteria specify that such technology must demonstrate significantly lower greenhouse gas emissions over the life cycle compared to commercially available alternative technology.

**Technical screening criteria**

In 2022, Munters performed life cycle analyses of one product within Data Center Technologies, SyCool Split, and in 2023 further life cycle analysis were conducted of the products DeltaCube and Oasis. Through this analysis, Munters was able to determine that these products meet the technical screening criteria.

The revenue from sales of the above-mentioned products has been included in the reported revenues aligned with the taxonomy for 2024.

**DNSH – manufacture of low carbon technologies, CM 3.6 Data Center Technologies, CM 3.6**

| Do No Significant Harm analysis:   | Which means  | Assessment | Analysis   |
|--|--|------------|--|
| 2) Climate change adaptation - The activity complies with the criteria set out in Appendix A   | Munters shall conduct a climate risk analysis of physical risks.   | Compliant  | A climate risk analysis of the assets considered material are being made yearly. In 2024, the assets reviewed for acute and chronic climate change risks. This resulted in an analysis that no location is exposed to an acute natural hazard risk that is not mitigated. The long-term risk analysis is being integrated into the business contingency plans for each business area. In addition to this analysis, Munters group has conducted a climate change risk scenario analysis on a group level, see page 85-86.  |
| 3) Sustainable use and protection of water and marine resources - The activity complies with the criteria set out in Appendix B      | Munters should identify and address risks related to water quality and should aim to prevent water stress.   | Compliant  | Munters has a good view of the water usage and we are continuously measuring the water usage from all our factories. We follow local requirements for water preservation in each country where we operate. Within DCT water usage is only for potable and sanitary processes. There are no manufacturing processes that use water.   |
| 4) Transition to a circular economy - The activity assesses the availability of and, where feasible, adopts techniques that support: |  | Compliant  | In 2023, DCT added a full Service department for the business area. This department will offer maintenance and upgrades of all installed equipment to ensure installed equipment is run energy efficient as well as extending the lifetime of the product.   |
| (a) reuse and use of secondary raw materials and reused components in products manufactured;   | Munters ambition should be to secure a high level of recycling and use of secondary material and components in produced products.                      | Compliant  | At Munters we have a product development process for the Group that is focused on the life-cycle of the product. This entails looking at and designing with the thought process of the afterlife of our products and the possibilities of reusing or recycling various components. reused and secondary raw materials.<br><br>For raw materials purchased, such as steel, we strongly support our suppliers who offer recycled content material. However, in many other cases, the content of recyclability of the component or even the ability to purchase used/reused components is highly unlikely due to many factors such as our custom design requirements. For many of our products it is not possible to source reused or secondary material, for example, steel. In those cases we are seeking to work with suppliers that can prove they are working to lower their emissions and reduce their entire carbon footprint. DCT R&D and Sourcing are participating in Munters Group projects within these areas. For example, DCT has redesigned the product SyCool Split for EU usage using a lower GWP refrigerant as required in the EU. This will also become mandatory in the US in 2025.  |
| (b) design for high durability, recyclability, easy disassembly and adaptability of products manufactured;                           | Munters ambition should be that every product shall have an optimized design for high durability, recyclability, ease of disassembly and adaptability. | Compliant  | Munters has a life-cycle approach towards all product development. This means that we have a product development stage-to-gate process including a sustainability assessment. The new product needs to be assessed compared to its predecessor, to assess whether it is more or less sustainable. The assessment focuses on each of the 4 stages of the life cycle of the product: raw materials, production, use phase and end-of-life. The criteria to score high on Sustainability are for example reduction of size, light-weighting, use of recycled material, minimization of packaging, ease of disassembly and other eco-design principles that aim to minimize the negative impact of the product already at its design phase. It is our goal that each new generation of all products should be more energy-efficient than the previous one. In 2024 we entered a Circularity Development program to educate/disseminate circularity design and business model concepts to the entire value chain. We also licensed a software to quantify the circularity index of all our major products. This enables Munters to have a foundation on which to build future circularity product strategy and prioritize initiatives with most potential for improvement and most impact on the environment. |

## DNSH – manufacture of low carbon technologies, CM 3.6 Data Center Technologies, CM 3.6, continuing

| Do No Significant Harm analysis:  | Which means  | Assessment | Analysis  |
|---|--|------------|---|
| (c) waste management that prioritises recycling over disposal, in the manufacturing process;  | Munters should have a policy that prioritises recycling over disposal in the manufacturing process.  | Compliant  | Munters operations is measuring and reporting recycling on a quarterly basis. The reporting is followed-up locally as well as centrally. See pages 95-96.   |
| (d) information on and traceability of substances of concern throughout the life cycle of the manufactured products.                        | When substances of concern are used in manufactured products information and traceability about these should be secured.   | Compliant  | Munters does not use substances of concern in the manufactured products. Munters Ireland completed their ISO 14001 certification in 2023. The Texas, Selma production facility will complete their ISO 14001 certification in 2025. |
| 5) Pollution prevention and control - The activity complies with the criteria set out in Appendix C to this Annex.                          | The company needs to be RoHS-compliant, REACH compliant, Mercury directive compliant, Persistent organic pollutants directive compliant, Ozone depleting substances as well as being able to confirm that the activity does not lead to the manufacture, presence in the final product or output, or placing on the market, of other substances, whether on their own, or in mixtures or in an article, in a concentration above 0,1% weight by weight (w/w), that meet the criteria of Regulation (EC) No 1272/2008 for one of the hazard classes or hazard categories mentioned in Article 57 of Regulation (EC) No 1907/2006, except if it is assessed and documented by the operators that no other suitable alternative substances or technologies are available on the market, and that they are used under controlled conditions. | Compliant  | Munters is compliant with all relevant directives. Munters does not use substances of concern in the manufactured products.   |
| 6) Protection and restoration of biodiversity and ecosystems - The activity complies with the criteria set out in Appendix D to this Annex. | EIAs needed to be carried out in accordance with Directive 2011/92/EU334   | Compliant  | Munters is following the Directive 2011/92/EU334. In 2024 Munters has not conducted any EIAs as no major changes has been made to the organization footprint.   |

**Business area FoodTech**

Within business area FoodTech, two economic activities have been included. One economic activity is reported as taxonomy eligible and one economic activity is reported as both taxonomy eligible and aligned.

**Manufacture of energy efficiency equipment for buildings, CM 3.5****Aligned economic activities:**

The first activity relates to the manufacture of energy efficient equipment buildings where the revenue originates from the sale of controllers, sensors and related accessories has been included. The taxonomy states that energy efficient buildings automation and

control systems for residential and non-residential buildings substantially contribute to climate change mitigation. FoodTechs controllers, sensors and related accessories are energy efficient products for monitoring and controlling the climate, primarily in livestock farming buildings. Besides being energy efficient in themselves, the products enable customers to increase the overall energy efficiency in their facilities. The business conducted by FoodTech in Tel Aviv, Israel, has been included as aligned.

**Eligible activities:**

This activity includes the acquisition of a 60 per cent share of the company Inobram, a Brazilian based manufacturer of controllers to climate solutions for

farms and food producers. This acquisition was made in 2023. Inobram, includes controllers and related accessories for the broiler- and swine segment. They utilize innovative software, sensors and connected solutions in order to provide farmers and food producers the tools needed to improve animal welfare as well as increasing the energy efficiency in their operations.

In 2024, a majority share of Automated Environments (AEI), a US-based company specializing in automated control systems for the layer industry was acquired. Its intelligent controllers and software monitors for example, the environment in the barn and manages feed and water distribution, which improves both animal welfare and reduces egg produc-

tion costs. In addition, Hotraco, a leading developer of control systems and sensors for the agricultural sector, was acquired. It includes premium controllers and systems for automation, targeting the global agricultural technology industry mainly within poultry, layer and greenhouses. In addition, Hotraco provides solutions for crops storage. Both these activities have been included as taxonomy-eligible in 2024.

**Technical screening criteria**

Munters view that FoodTechs range of controllers, sensors and accessories meets the technical screening criteria since besides being energy efficient in themselves, they enable customers to increase the overall energy efficiency in their facilities.

## DNSH – Manufacture of energy efficiency equipment for buildings, CM 3.5

| Do No Significant Harm analysis:  | Which means  | Assessment | Analysis   |
|---|--|------------|--|
| 2) Climate change adaptation - The activity complies with the criteria set out in Appendix A                                    | Munters shall conduct a climate risk analysis of physical risks.   | Compliant  | A climate risk analysis of the assets considered material are being made yearly. In 2024, the assets reviewed for acute and chronic climate change risks. This resulted in an analysis that no location is exposed to an acute natural hazard risk that is not mitigated. The long-term risk analysis is being integrated into the business contingency plans for each business area. In addition to this analysis, Munters group has conducted a climate change risk scenario analysis on a group level, see pages 85-86. |
| 3) Sustainable use and protection of water and marine resources - The activity complies with the criteria set out in Appendix B | Munters should identify and address risks related to water quality and should aim to prevent water stress. | Compliant  | Israel, Tel Aviv, is located in an area where water is scarce. As a consequence, Munters has identified that a special focus on water is needed in this area. In the manufacturing process Munters does not use any water in Tel Aviv. The water consumption in Israel is used for sanitation purposes. Munters aim at gradually reducing water consumption and treat wastewater in our production plants and processes. For more information about our water consumption see page 95.                                     |



## DNSH – Manufacture of energy efficiency equipment for buildings, CM 3.5

| Do No Significant Harm analysis:  | Which means  | Assessment | Analysis   |
|---|--|------------|--|
| 4) Transition to a circular economy - The activity assesses the availability of and, where feasible, adopts techniques that support:        |  | Compliant  | In Israel we only do assembly of purchased components.   |
| (a) reuse and use of secondary raw materials and reused components in products manufactured;  | Munters ambition should be to secure a high level of recycling and use of secondary material and components in produced products.  | Compliant  | We use a common development model in Munters: MPD, Munters Product Development model, based on insight into customers' need. We weigh in various sustainability factors early in the process, such as choice of materials, recycling options and energy consumption. For more information about the MPD see page 95. The production facility in Tel Aviv is certified according to the ISO standard 14001.   |
| (b) design for high durability, recyclability, easy disassembly and adaptability of products manufactured;                                  | Munters ambition should be that every product shall have an optimized design for high durability, recyclability, ease of disassembly and adaptability.   | Compliant  | Munters has a life-cycle approach towards all product development. This means that we have a product development stage-to-gate process including a sustainability assessment. The new product needs to be assessed compared to its predecessor, to assess whether it is more or less sustainable. The assessment focuses on each of the 4 stages of the life cycle of the product: raw materials, production, use phase and end-of-life. The criteria to score high on Sustainability are for example reduction of size, light-weighting, use of recycled material, minimization of packaging, ease of disassembly and other eco-design principles that aim to minimize the negative impact of the product already at its design phase. It is our goal that each new generation of all products should be more energy-efficient than the previous one. In 2024 we entered a Circularity Development program to educate/disseminate circularity design and business model concepts to the entire value chain. We also licensed a software to quantify the circularity index of all our major products. This enables Munters to have a foundation on which to build future circularity product strategy and prioritize initiatives with most potential for improvement and most impact on the environment. |
| (c) waste management that prioritises recycling over disposal, in the manufacturing process;  | Munters should have a policy that prioritises recycling over disposal in the manufacturing process.  | Compliant  | We are working to reduce waste and increase recycling rates in our production facilities, through systematic quality improvements. The recycling rate is measured and followed-up every quarter. For more information see pages 95-96.   |
| (d) information on and traceability of substances of concern throughout the life cycle of the manufactured products.                        | When substances of concern are used in manufactured products information and traceability about these should be secured.   | Compliant  | Munters does not use substances of concern in the manufactured products.   |
| 5) Pollution prevention and control - The activity complies with the criteria set out in Appendix C to this Annex.                          | The company needs to be RoHS-compliant, REACH compliant, Mercury directive compliant, Persistent organic pollutants directive compliant, Ozone depleting substances as well as being able to confirm that the activity does not lead to the manufacture, presence in the final product or output, or placing on the market, of other substances, whether on their own, or in mixtures or in an article, in a concentration above 0,1% weight by weight (w/w), that meet the criteria of Regulation (EC) No 1272/2008 for one of the hazard classes or hazard categories mentioned in Article 57 of Regulation (EC) No 1907/2006, except if it is assessed and documented by the operators that no other suitable alternative substances or technologies are available on the market, and that they are used under controlled conditions. | Compliant  | Munters is compliant with all relevant directives. Munters does not use substances of concern in the manufactured products.  |
| 6) Protection and restoration of biodiversity and ecosystems - The activity complies with the criteria set out in Appendix D to this Annex. | EIAs needed to be carried out in accordance with Directive 2011/92/EU334   | Compliant  | This economic activity only has operations in Israel and operations are not located in a nature conservation area. Munters has not made any amendments to the site during the last year.   |

**Data-driven solutions for GHG emission reductions, 8.2**

The second economic activity related to data-driven solutions for GHG emission reductions where Mtech Systems software solutions have been included. The taxonomy states that software solutions primarily aimed at provision of data and analytics enabling GHG

emission reductions substantially contribute to climate change mitigation. Mtech Systems provides solutions for planning and monitoring operations in livestock farming facilities and enables optimizing on a range of parameters, including water and feed usage and waste produced, all of which are drivers of GHG emissions.

**Technical screening criteria**

Munters view that Mtech Systems software solutions meet the technical screening criteria since they clearly help customers to reduce their GHG emissions by providing data on the underlying parameters for controlling them.

Revenues from sale of software has been reported as taxonomy-eligible. It is our ambition to expand the analysis to be able to classify this revenue as taxonomy-aligned in the future.

## Capital expenditure

| Economic activities  | Code     | Substantial contribution criteria |                     |                           |                         |                            |                  |            |                            | Do No Significant Harm criteria (DNSH) |                         |                            |                  |           |                            | Taxonomy aligned proportion of Capex 2023 | Category (enabling activity or) | Category (transitional activity) |                    |
|--|----------|-----------------------------------|---------------------|---------------------------|-------------------------|----------------------------|------------------|------------|----------------------------|--|-------------------------|----------------------------|------------------|-----------|----------------------------|---|---------------------------------|----------------------------------|--------------------|
|  |          | Absolute Capex                    | Proportion of Capex | Climate change mitigation | Climate change adaption | Water and marine resources | Circular economy | Pollution  | Biodiversity and ecosystem | Climate change mitigation              | Climate change adaption | Water and marine resources | Circular economy | Pollution | Biodiversity and ecosystem |   |                                 |                                  | Minimum safeguards |
| (Unit)   | (MSEK)   | (%)                               | (Y;N;N/EL)          | (Y;N;N/EL)                | (Y;N;N/EL)              | (Y;N;N/EL)                 | (Y;N;N/EL)       | (Y;N;N/EL) | (Y;N;N/EL)                 | (Y/N)                                  | (Y/N)                   | (Y/N)                      | (Y/N)            | (Y/N)     | (Y/N)                      | (%)                                       | (E)                             | (T)                              |                    |
| <b>A. TAXONOMY-ELIGIBLE ACTIVITIES</b>   |          |                                   |                     |                           |                         |                            |                  |            |                            |  |                         |                            |                  |           |                            |   |                                 |                                  |                    |
| <b>A.1. Environmentally sustainable activities (taxonomy-aligned)</b>  |          |                                   |                     |                           |                         |                            |                  |            |                            |  |                         |                            |                  |           |                            |   |                                 |                                  |                    |
| Manufacture of energy efficiency equipment for buildings   | CCM, 3.5 | 112                               | 3%                  | Y                         | N                       | N                          | N                | N          | N                          | -                                      | Y                       | Y                          | Y                | Y         | Y                          | Y   | 8%                              | E                                | -                  |
| Manufacture of low carbon technologies   | CCM, 3.6 | 697                               | 18%                 | Y                         | N                       | N                          | N                | N          | N                          | -                                      | Y                       | Y                          | Y                | Y         | Y                          | Y   | 40%                             | E                                | -                  |
| <b>Capex of environmentally sustainable activities (taxonomy-aligned) (A.1)</b>  |          | <b>809</b>                        | <b>21%</b>          | <b>21%</b>                | -                       | -                          | -                | -          | -                          | -                                      | Y                       | Y                          | Y                | Y         | Y                          | Y   | <b>48%</b>                      |                                  |                    |
| <i>Of which Enabling</i>   |          | 809                               | 21%                 | 21%                       | 0%                      | 0%                         | 0%               | 0%         | 0%                         | -                                      | Y                       | Y                          | Y                | Y         | Y                          | Y   | 48%                             | E                                |                    |
| <i>Of which Transitional</i>   |          | 0                                 | 0%                  |                           |                         |                            |                  |            |                            | -                                      | -                       | -                          | -                | -         | -                          | -   | 0%                              |                                  | T                  |
| <b>A.2. Taxonomy-eligible but not environmentally sustainable activities (not taxonomy aligned activities) (A.2)</b>     |          |                                   |                     |                           |                         |                            |                  |            |                            |  |                         |                            |                  |           |                            |   |                                 |                                  |                    |
| Manufacture of energy efficiency equipment for buildings   | CCM, 3.5 | 15                                | 0%                  | EL                        | N/EL                    | N/EL                       | N/EL             | N/EL       | N/EL                       |  |                         |                            |                  |           |                            |   | 3%                              |                                  |                    |
| Manufacture of low carbon technologies   | CCM, 3.6 | 91                                | 2%                  | EL                        | N/EL                    | N/EL                       | N/EL             | N/EL       | N/EL                       |  |                         |                            |                  |           |                            |   | 4%                              |                                  |                    |
| Repair, refurbishment and remanufacturing  | CE, 5.1  | 0                                 |                     | N/EL                      | N/EL                    | N/EL                       | N/EL             | EL         | N/EL                       |  |                         |                            |                  |           |                            |   |                                 |                                  |                    |
| Data-driven solutions for GHG emissions reductions   | CCM, 8.2 | 59                                | 2%                  | EL                        | N/EL                    | N/EL                       | N/EL             | N/EL       | N/EL                       |  |                         |                            |                  |           |                            |   | 3%                              |                                  |                    |
| <b>Capex of taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities) (A.2)</b> |          | <b>165</b>                        | <b>4%</b>           | <b>4%</b>                 | -                       | -                          | -                | -          | -                          |  |                         |                            |                  |           |                            |   | <b>11%</b>                      |                                  |                    |
| <b>Total A.1. + A.2.</b>   |          | <b>973</b>                        | <b>25%</b>          | <b>25%</b>                | -                       | -                          | -                | -          | -                          |  |                         |                            |                  |           |                            |   | <b>59%</b>                      |                                  |                    |
| <b>B. TAXONOMY NON-ELIGIBLE ACTIVITIES</b>   |          |                                   |                     |                           |                         |                            |                  |            |                            |  |                         |                            |                  |           |                            |   |                                 |                                  |                    |
| <b>Capex of non-eligible activities</b>  |          | <b>2,859</b>                      | <b>75%</b>          |                           |                         |                            |                  |            |                            |  |                         |                            |                  |           |                            |   |                                 |                                  |                    |
| <b>TOTAL A+B</b>   |          | <b>3,832</b>                      | <b>100%</b>         |                           |                         |                            |                  |            |                            |  |                         |                            |                  |           |                            |   |                                 |                                  |                    |

## Capital expenditure, cont.

| Proportion of CAPEX/Total CAPEX |                                |                                 |
|---------------------------------|--------------------------------|---------------------------------|
|                                 | Taxonomy-aligned per objective | Taxonomy-eligible per objective |
| CCM                             | 21%                            | 25%                             |
| CCA                             |                                |                                 |
| WTR                             |                                |                                 |
| CE                              |                                |                                 |
| PPC                             |                                |                                 |
| BIO                             |                                |                                 |

### Specification of disclosure – capital expenditure Accounting policy

For more information see the section "Methods to define and calculate key metrics for the taxonomy".

### Change in capital expenditures compared to the previous year

Capital expenditures for the taxonomy-eligible business in 2024 compared to 2023 decreased mainly as more businesses in Data Center Technologies have been classified as taxonomy-aligned. This is reported in "Manufacture of low carbon technology" (CCM 3.6). Capital expenditures for taxonomy-aligned businesses decreased compared to 2023, as AirTech had a decrease in taxonomy aligned revenue for 2024 compared to 2023 together with an increase for the total capital expenditures.

### Assessment of compliance with Regulation (EU) 2020/852

All reported capital expenditure relates to the same economic activities identified in the turnover section; no further capital expenditure has been added concerning further environmental objectives pursued.

For more information see the section "Methods to define and calculate key metrics for the taxonomy".

### Business area AirTech

In business area AirTech capital expenditures related to economic activities in 3.6 that are eligible and aligned with the taxonomy has been accounted for.

### Manufacture of low carbon technologies, CM 3.6

For more information see the section "Methods to define and calculate key metrics for the taxonomy".

### Business area Data Center Technologies

In business area Data Center Technologies capital expenditures related to economic activities in 3.6 has been accounted for. The activities are assessed to be partly taxonomy-aligned as well as partly taxonomy-eligible.

### Manufacture of low carbon technologies, CM 3.6

For more information see the section "Methods to define and calculate key metrics for the taxonomy".

### Business area FoodTech

In business area FoodTech capital expenditures related to economic activities in 3.5 and 8.2 been accounted for. The activities in 3.5 are assessed to be aligned with the taxonomy and the activities in 8.2 are assessed to be eligible with the taxonomy.

### Manufacture of energy efficient equipment for buildings, CCM 3.5

For more information see the section "Methods to define and calculate key metrics for the taxonomy".

### Data-driven solutions for GHG emission reductions, CCM 8.2

For more information see the section "Methods to define and calculate key metrics for the taxonomy".

## Operational expenditure

| Economic activities   | Code     | Substantial contribution criteria |                        |                                      |                                      |                                       |                             |                      |                                       | Do No Significant Harm criteria (DNSH) |                                 |                                  |                        |                 |                                  |                           | Taxonomy aligned proportion of Opex 2023 (%) | Category (enabling activity or) | Category (transitional activity) |
|---|----------|-----------------------------------|------------------------|--------------------------------------|--------------------------------------|---------------------------------------|-----------------------------|----------------------|---------------------------------------|--|---------------------------------|----------------------------------|------------------------|-----------------|----------------------------------|---------------------------|--|---------------------------------|----------------------------------|
|   |          | Absolute Opex (MSEK)              | Proportion of Opex (%) | Climate change mitigation (Y;N;N/EL) | Climate change adaptation (Y;N;N/EL) | Water and marine resources (Y;N;N/EL) | Circular economy (Y;N;N/EL) | Pollution (Y;N;N/EL) | Biodiversity and ecosystem (Y;N;N/EL) | Climate change mitigation (Y/N)        | Climate change adaptation (Y/N) | Water and marine resources (Y/N) | Circular economy (Y/N) | Pollution (Y/N) | Biodiversity and ecosystem (Y/N) | Minimum safe-guards (Y/N) |  |                                 |                                  |
| <b>A. TAXONOMY-ELIGIBLE ACTIVITIES</b>  |          |                                   |                        |                                      |                                      |                                       |                             |                      |                                       |  |                                 |                                  |                        |                 |                                  |                           |  |                                 |                                  |
| <b>A.1. Environmentally sustainable activities (taxonomy-aligned)</b>   |          |                                   |                        |                                      |                                      |                                       |                             |                      |                                       |  |                                 |                                  |                        |                 |                                  |                           |  |                                 |                                  |
| Manufacture of energy efficiency equipment for buildings  | CCM, 3.5 | 24                                | 6%                     | Y                                    | N                                    | N                                     | N                           | N                    | N                                     | -                                      | Y                               | Y                                | Y                      | Y               | Y                                | Y                         | 7%   | E                               | -                                |
| Manufacture of low carbon technologies  | CCM, 3.6 | 95                                | 23%                    | Y                                    | N                                    | N                                     | N                           | N                    | N                                     | -                                      | Y                               | Y                                | Y                      | Y               | Y                                | Y                         | 30%  | E                               | -                                |
| <b>Opex of environmentally sustainable activities (taxonomy-aligned) (A.1)</b>  |          | <b>119</b>                        | <b>29%</b>             | 21%                                  | -                                    | -                                     | -                           | -                    | -                                     | -                                      | Y                               | Y                                | Y                      | Y               | Y                                | Y                         | <b>37%</b>                                   |                                 |                                  |
| <i>Of which Enabling</i>  |          | <b>119</b>                        | <b>29%</b>             | 21%                                  | 0%                                   | 0%                                    | 0%                          | 0%                   | 0%                                    | -                                      | Y                               | Y                                | Y                      | Y               | Y                                | Y                         | <b>37%</b>                                   | E                               |                                  |
| <i>Of which Transitional</i>  |          | <b>0</b>                          | <b>0%</b>              |                                      |                                      |                                       |                             |                      |                                       | -                                      | -                               | -                                | -                      | -               | -                                | -                         | <b>0%</b>                                    |                                 | T                                |
| <b>A.2. Taxonomy-eligible but not environmentally sustainable activities (not taxonomy aligned activities) (A.2)</b>    |          |                                   |                        |                                      |                                      |                                       |                             |                      |                                       |  |                                 |                                  |                        |                 |                                  |                           |  |                                 |                                  |
| Manufacture of energy efficiency equipment for buildings  | CCM, 3.5 | 3                                 | 1%                     | EL                                   | N/EL                                 | N/EL                                  | N/EL                        | N/EL                 | N/EL                                  |  |                                 |                                  |                        |                 |                                  |                           | 2%   |                                 |                                  |
| Manufacture of low carbon technologies  | CCM, 3.6 | 12                                | 3%                     | EL                                   | N/EL                                 | N/EL                                  | N/EL                        | N/EL                 | N/EL                                  |  |                                 |                                  |                        |                 |                                  |                           | 7%   |                                 |                                  |
| Repair, refurbishment and remanufacturing   | CE, 5.1  | 19                                | 5%                     | N/EL                                 | N/EL                                 | N/EL                                  | N/EL                        | EL                   | N/EL                                  |  |                                 |                                  |                        |                 |                                  |                           | 7%   |                                 |                                  |
| Data-driven solutions for GHG emissions reductions  | CCM, 8.2 | 28                                | 7%                     | EL                                   | N/EL                                 | N/EL                                  | N/EL                        | N/EL                 | N/EL                                  |  |                                 |                                  |                        |                 |                                  |                           | 9%   |                                 |                                  |
| <b>Opex of taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities) (A.2)</b> |          | <b>63</b>                         | <b>16%</b>             | 11%                                  | -                                    | -                                     | -                           | 5%                   | -                                     |  |                                 |                                  |                        |                 |                                  |                           | 25%  |                                 |                                  |
| <b>Total A.1. + A.2.</b>  |          | <b>181</b>                        | <b>45%</b>             | 32%                                  | -                                    | -                                     | -                           | 5%                   | -                                     |  |                                 |                                  |                        |                 |                                  |                           | 62%  |                                 |                                  |
| <b>B. NON-ELIGIBLE ACTIVITIES</b>   |          |                                   |                        |                                      |                                      |                                       |                             |                      |                                       |  |                                 |                                  |                        |                 |                                  |                           |  |                                 |                                  |
| <b>Opex of non-eligible activities</b>  |          | <b>223</b>                        | <b>55%</b>             |                                      |                                      |                                       |                             |                      |                                       |  |                                 |                                  |                        |                 |                                  |                           |  |                                 |                                  |
| <b>TOTAL A+B</b>  |          | <b>404</b>                        | <b>100%</b>            |                                      |                                      |                                       |                             |                      |                                       |  |                                 |                                  |                        |                 |                                  |                           |  |                                 |                                  |

## Operational expenditure, continuing

|     | Proportion of OPEX/Total OPEX  |                                 |
|-----|--------------------------------|---------------------------------|
|     | Taxonomy-aligned per objective | Taxonomy-eligible per objective |
| CCM | 29%                            | 40%                             |
| CCA |                                |                                 |
| WTR |                                |                                 |
| CE  |                                | 5%                              |
| PPC |                                |                                 |
| BIO |                                |                                 |

### Specification of disclosure – operating expenditure Accounting policy

For more information see the section "Methods to define and calculate key metrics for the taxonomy".

### Change in operating expenses compared to the previous year

Operating expenses for taxonomy-eligible business in 2024 decreased compared to 2023. This is mainly because AirTech had a decrease in taxonomy aligned revenue for 2024 compared to 2023 together with an increase for the total capital expenditures since OPEX is allocated based on net sales. The allocation keys are presented under "Methods to define and calculate key metrics for the taxonomy".

### Assessment of compliance with Regulation (EU) 2020/852

All reported operating expenditures are related to the same economic activities reported as reported in turnover; no additional operating expenditure concerning other objectives has been reported.

### Business area AirTech

All reported operating expenditure relates to the economic activities in 3.6 assessed to be aligned with the taxonomy and in 5.1 assessed to be taxonomy-eligible

### Manufacture of low carbon technologies, CCM 3.6

In this area operating expenditures related to research and development have been reported.

For more information see the section "Methods to define and calculate key metrics for the taxonomy".

### Repair, refurbishment and remanufacturing, CE 5.1

Within this area, operating expenses related to repair, refurbishment and remanufacturing have been included. This has been determined using the share of compliant revenues identified within relevant areas.

For more information, see: Methods for defining and calculating taxonomy metrics

### Business area Data Center Technologies

The reported operating expenditures are related to economic activities in 3.6 that are assessed to be eligible as well as aligned with the taxonomy.

### Manufacture of low carbon technologies, CCM 3.6

For more information see the section "Methods to define and calculate key metrics for the taxonomy".

### Business area FoodTech

In business area FoodTech operating expenditures related to economic activities in 3.5 and 8.2 has been accounted for. The activities in 3.5 are assessed to be partly aligned and partly eligible with the taxonomy and the activities in 8.2 as taxonomy-eligible.

### Manufacture of energy efficient equipment for building, CCM 3.5

For more information see the section "Methods to define and calculate key metrics for the taxonomy".

### Data-driven solutions for GHG emission reductions, CCM 8.2

For more information see the section "Methods to define and calculate key metrics for the taxonomy".

## Minimum safeguards for all activities that are taxonomy-aligned and/or taxonomy-eligible

Munters offers smart, energy-efficient climate solutions and a digital, connected offering. We have integrated sustainability into every aspect of our business strategy and illustrate our impact on the value chain from both an internal and external perspective.

The framework for Munters sustainability agenda consists of three parts: Resource efficiency & environment, people & society and responsible business practices. During 2024, Munters had an active dialogue with stakeholders and, among other things, a double materiality assessment has been carried out that forms the basis for Munters sustainability strategy and highlights focus areas going forward and is well aligned with the adopted sustainability policy.

Within resource efficiency & environment, Munters is actively working to reduce water consumption, increase our recycling rate and energy efficiency, and the proportion of electricity from renewable sources. For several years, we have reported on energy efficiency and the share of electricity from renewable sources in production facilities. In 2020, we started monitoring carbon dioxide emissions from our own operations, Scope 1 & 2. Since 2021, we have been

actively working to map the scope 3 categories that have been assessed as the most significant. During 2024 Munters has completed the mapping of our Scope 3 emissions and in our efforts to reduce Scope 1,2 and 3 emissions transition plans have been developed which are presented on page 88-90.

Within people & society, we actively work to ensure workplace safety, our community engagement and to increase diversity at Munters. Since 2023, we have worked to increase awareness and responsibility among the business areas through more detailed follow-up, reporting structure and measures to increase the proportion of employees and leaders who are women. Among other things, we have continued to educate in Gender Balanced Recruitment, and defined and implemented a process to follow up the proportion of female candidates in the recruitment process. VP Diversity, Equity & Inclusion (DEI) leads the development of our initiatives for diversity, equity, inclusion and belonging. For more information about our work within people & society see page 98-101.

Within responsible business practices, we continuously work to strengthen and educate on business

ethics. In the area of human rights, Munters has committed itself to actively working for the right to freedom of association & collective bargaining, prohibition of child labour, forced labour & human trafficking and discrimination & violations. We regularly carry out a risk analysis of our value chain and human rights. In this analysis, we have previously determined that the work with our suppliers is where we have the highest risk. More information on how we work with our suppliers can be found on page 103-108. In 2023, a deeper analysis of the value chain and human rights was carried out. This analysis confirmed that the biggest risks are linked to the supplier part of the value chain but also showed that we need to work more actively with customers on human rights. Therefore, we started to develop a Human rights policy in 2024 as well as creating a plan for an update of our Munters Code of Conduct. This includes an update of our Supplier Code of Conduct and a potential development of a Customer Code of Conduct or an overall Business Partner Code of Conduct. For suppliers, Munters has for several years established processes for evaluating them and a Supplier Code of Conduct that all suppli-

ers must follow to do business with Munters.

We are actively working with anti-corruption and have various governing documents in place in this area as well as plans for preventing corruption and follow-up. In 2024, a Global Compliance and Risk Specialist, was hired and during the year an updated process regarding due diligence for business representatives has been established which will be rolled out during 2025. We do not tolerate corruption, bribes or unethical business practices in any form. Munters follows the OECD Transfer Pricing Guidelines for Multinational Enterprises. For these, we have plans to ensure that we comply with the guidelines and follow-up. For more information about our work within business conduct see page 106-108.

Munters complies with several guidelines and principles related to our sustainability work. More information about these governing documents can be found on pages 64, 87, 94, 98, 103, 106.

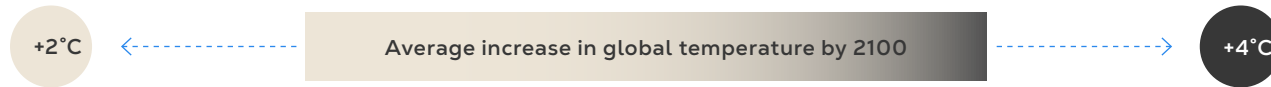
In view of Munters overall work on sustainability, Munters considers that its operations are aligned with the taxonomy's minimum safeguards.

# Climate change

|                                  |    |
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Camilla Forsberg, Kista, Sweden.

# Climate change



## Expected to result in

### Transitional risks



### Opportunities



### Physical risks



#### Risks and opportunities

- Increased regulation leads to higher compliance demands.
- Changing demands from various stakeholders create a need for extended research and product development.
- Rising input costs due to higher demand for recycling and customer needs.

- High demand for waterless cooling solutions.
- Additional demand for products and maintenance of our energy-efficient products. Increased demand for service and maintenance.
- New energy-efficient products and solutions.

- Extreme weather events cause supply chain disruptions.
- Operational disruptions and outages arising from unreliable infrastructure.
- Deteriorating working conditions due to labour disruptions.
- Waves of pandemics result in security issues.

#### Financial impact

- Increased costs
- Decreased market shares

- Strengthened result
- Increased sales volume

- Increased costs
- Decreased revenues.

#### Mitigating & advancing activities

- Customer dialogues
- Product development
- Measuring our climate impact from products
- Increase resources on compliance

- Increased focus on R&D
- Expand our service offering

- Perform climate-related risk assessments
- Close dialogue with local facilities to assess needs for climate-related mitigating investments

## Climate Scenario Analysis

In 2024, Munters continued to broaden and deepen the analysis and evaluation of risks and opportunities related to climate change. A tool with climate data forms the basis of the analyses. Climate change risks are part of the risk analysis carried out during factory visits in connection with insurance inspections.

During the autumn, the management team revisited the question of business risks and opportunities in two different climate scenarios based on data from the Intergovernmental Panel on Climate Change (IPCC) and the International Energy Agency (IEA). The analysis has considered a 2°C scenario (IEA) and a 4°C scenario (IPCC) and discussions on the company's

integration of impact, risk and opportunities linked to Must-Wins, business proposition and physical facilities were carried out. Activities that include continued discussions regarding climate-related impact, risks and opportunities in business area management groups and continuity plans were decided.

## International Energy Agency (IEA) Sustainable Development Scenario

### SCENARIO 1 - SCENARIO WELL BELOW 2°C

This scenario is an integrated scenario that specifies a pathway aimed at ensuring universal access to affordable, reliable, sustainable, and modern energy services by 2030 (SDG 7); significantly reducing air pollution (SDG 3.9); and taking effective measures to combat climate change (SDG 13).

This scenario aims to assess Munters physical and transitional risks to operate within an economy and society that must undergo significant transformations to transition to a world with low carbon emissions, where temperature increases are limited to well below 2°C.

#### Scenario assumptions

- Policies to support circular economies through increased recycling of aluminum, steel, paper, and plastic, along with strategies for material efficiency.
- More stringent minimum requirements for energy performance from 2025, particularly for electric motors, incentives for the introduction of variable-speed motors in systems with variable loads, and implementation of energy efficiency standards.
- Mandatory energy management systems or energy analysis.

#### EVALUATED TIME-FRAME 2025-2100

##### Expected impact on Munters

- Stricter rules and reporting requirements that demand more resources from Munters for monitoring.
- Increased costs for input goods, freight, procurement and materials due to the introduction of CO<sub>2</sub> pricing.
- A need for increased investments in research and development and product innovation due to an increased demand from customer and regulators related to the quality to withstand extreme weather conditions, stricter efficiency requirements and clean technologies
- Loss or change of customer groups, which may be due to changes in the use of substances such as lithium or coal, or market shifts resulting from legislation or other developments, for example, within data centers.
- Increased demands on data usage and storage, as storage capacity may not be able to keep up with the growing data consumption.
- Potential to become a market leader in energy-efficient products and solutions.

##### Primary risks for Munters

- Unexpectedly high costs for input materials, freight, logistics, procurement, and materials, triggered by extreme weather conditions and/or changing customer requirements.
- A shift in stakeholder demands for energy efficiency and clean technologies requires higher investments in research and development as well as product management.
- With the increasing occurrence of extreme weather conditions and a higher risk of diseases, it may be necessary to offer an alternative work environment for our employees, which places demands on security and adaptability.
- Insufficient energy supply could lead to disruptions in our operations.  
Increased regulations with stricter compliance requirements.

##### Primary opportunities for Munters

- Water scarcity can be a competitive advantage for Data Center Technologies and their cooling solutions that do not use water.
- Service and maintenance requirements will increase, benefiting Munters.
- Increased demand for Munters products, including carbon capture, cooling, and dehumidification (energy-efficient products).

## Intergovernmental Panel on Climate Change (IPCC) Representative Concentration Pathways (RCP) 8.5 Scenario

### SCENARIO 2 - HIGH GREENHOUSE GAS EMISSIONS 4°C SCENARIO

This scenario represents the highest emissions across all developed scenarios, combined with the absence of climate policies. It is often referred to as a "business as usual" scenario, where society does not make coordinated efforts to reduce emissions and temperature increases continue unhindered.

This scenario aims to assess Munters physical and transitional risks related to these uncontrolled emissions.

#### Scenario assumptions

- CO<sub>2</sub> emissions will be three times today's level by 2100, and CH<sub>4</sub> emissions will increase significantly.
- The world's population increases to 12 billion, resulting in increased demand for grazing and farmland.
- Technological development and energy efficiency improvements continue, but at a slow pace.
- High dependence on fossil fuels.
- High energy demand.
- Total absence of further climate policies.

#### EVALUATED TIME-FRAME 2025-2100

##### Expected impact on Munters

- Disruptions in supply chains due to extreme weather events, leading to increased costs and reduced availability of materials.
- Local labour shortages resulting from worsened working conditions (extreme heat stress, temperature fluctuations, risks of illness due to poor water quality, etc.).
- Security disruptions as a result of increasing pandemics.
- Local and global disruptions due to electricity-, mobile and internet failures.
- Loss of biodiversity and increased unpredictability in Earth's climate and weather patterns affecting Munters operations.
- Increased demand for Munters products, including cooling and drying solutions.

##### Primary risks for Munters

- Disruptions in supply chains due to extreme weather events, leading to increased costs, reduced availability of materials, and operational challenges.
- Local labour shortages due to worsened working conditions (high temperatures, risks of illness, poor water quality, etc.).
- Operational disruptions and interruptions at both local and global levels arise from an unreliable infrastructure.
- Production facility relocations due to severe weather events.  
Increased regulations with extended stricter compliance requirements.

##### Primary opportunities for Munters

- Increased demand for Munters products, including carbon capture, cooling, and dehumidification (energy-efficient products).



## Impact, risks and opportunities

### Impacts

Munters has an impact on climate change through its operations that generates greenhouse gas emissions in Scope 1 & 2 from the production. In the upstream value chain Munters generate greenhouse gas emission mainly through the procurement of raw materials which are essential for our manufacturing. Munters downstream value chain generates greenhouse gas emissions through customers using our products. Beyond the energy we use in our production, where we see some impact, the major impact lies in the energy use from the use phase of our products downstream in the value chain.

### Risks and opportunities

Regulation and customer requirements increase the demands to reduce greenhouse gas emissions in the value chain as well as increases regulatory requirements. Comprehensive identification, accurate measurement and reduction of climate impacts is more challenging in the value chain than in Munters own operations. Risks consist of losing customers, investors, and market share if Munters fails to adapt to the changing customer demands, regulatory requirements and sustainability goals which may impact the revenue. A shift in stakeholder demands for energy efficiency and clean technologies necessitates higher investment in research and development as well as product management. At the same time, we see the changing demands as an opportunity to increase our presence in our current markets and new emerging markets.

Regarding climate change, Munters sees a potential risk in supply chain disruptions due to extreme weather events leading to an increase in costs, lead times, and availability of materials. Munters also sees potential operational disruptions at both local and global levels arising from an unreliable infrastructure as well as weather related events. Local workforce disruptions resulting from worsened working conditions in the long term (such as high temperatures in factories, limited ability to get to work due to weather etc.). An overview of climate risks including scenario descriptions according to our climate scenario analysis is presented on pages 84–85.

### Link to business strategy

For several years, Munters has focused on reducing carbon emissions within its own operations as a key part of its strategy. We continue to prioritize cutting emissions from production, with a particular emphasis on reducing reliance on natural gas and fossil-based electricity. Additionally, emissions from own operations and value chain emissions, which constitute the majority of Munters total carbon footprint, are integrated into the strategy through initiatives such as LTIP incentives, research and development efforts, and targeted investment plans.

## Policies

### Munters Sustainability Policy

Munters Sustainability Policy outlines the company's core principles on sustainability, including climate change mitigation, adaptation and energy. Munters employs life-cycle analysis (LCA) methodology to identify key environmental factors and assess the impact of our products. This helps Munters minimize the negative impact of its operations while adopting a precautionary approach to environmental challenges. Munters prioritize continuous improvements by incorporating life-cycle perspectives into the design face.

In addition to the sustainability policy Munters has a company car instruction that outlines specific emission factor requirements for acquiring new vehicles as well as an Energy and water conservation procedure. The procedure outlines that our production facilities are required to develop and implement an energy conservation program which is followed up in the quarterly EHS-reporting.

### Supplier Code of Conduct

Munters supplier Code of Conduct requires suppliers to put an environmental management system in place and encourages all suppliers to take steps to reduce and monitor greenhouse gas emissions. It is incorporated into standard supplier contracts and is available in multiple languages.



Jonas Fransson, Kista, Sweden.

## Management Approach

Group Sustainability, in cooperation with the cross functional Sustainability Core Team, oversees and coordinates the Group's climate strategy and targets. At the operational level, climate action strategies and policies are embedded across business units, market areas, and Group functions. Each organizational level is responsible for including their climate strategy and actions including funding of resources, in their business strategy plans and for implementing them and achieving the respective targets. Progress on targets are reported to the Management Team on a continuous basis as part of the quarterly review of overall business performance. The climate related targets are approved by the Board of Directors and actions and related funding are imbedded in the business plans approved by the Board. The Audit Committee receives a quarterly update on progress towards targets.

### Actions and resources in relation to policies

In 2024, Munters finalized their detailed roadmaps to reduce Scope 1 & 2 emissions in line with targets and continued implementation of actions. The plans span

to 2030 and beyond with new acquisitions being added. Significant investments in 2024 include the new manufacturing facility in Amesbury, Massachusetts, USA, the first production facility in Munters built to have net zero emissions. Investment in geothermal heating was approved for the Tobo factory in Sweden, to replace the current heating system using LPG.

The transitioning of the global vehicle fleet towards lower emission vehicles continued in line with the 10% per year improvement target in average emission factor.

The mapping of Scope 3 emissions was finalized in the year, establishing 2023 as the new base year for Munters climate targets. A new project was launched in business area AirTech, with the purpose to create a roadmap to achieve the Scope 3 climate target. Detailed plans will be developed by all business areas in 2025. These roadmaps, which will span to 2030, are being imbedded in the overall business plans within each business area for the strategic plan period. A majority of the resources will be R&D and technology related, but also include application development and sales.

## Transition plan

Munters is taking the next step in future proofing the company in line with the ambitions of the Paris Agreement. To be transparent about our progress, in 2024 we committed to setting short-term company-wide emission reduction targets for 2030. The target for Scope 1 & 2 emissions is an absolute target of a 42% reduction by 2030 from base year 2023 and the Scope 3 target is an intensity target of 51.6% relative reduction per units of sold products in Scope 3 category 11, from a 2023 base year until 2030. The targets are in line with an ambition to limit temperature increases to 1.5°C compared to the pre-industrial

### Scope 1 & 2 transition plan

Munters has developed road maps to transition factory operations towards lower emissions. The transformation started in 2020 and we achieved a reduction by 50% from 2020 to the new base year 2023. The transformation will continue gradually over the next decade and beyond. Important elements in the transition plan for Scope 1 & 2 are:

- 100% of electricity from renewable resources by 2030, currently at 79%, in factories and 39% in non-factory premises. New factories are equipped with solar panels and existing facilities are transitioned to renewable electricity through direct purchase, PPAs (Power Purchase Agreements) or

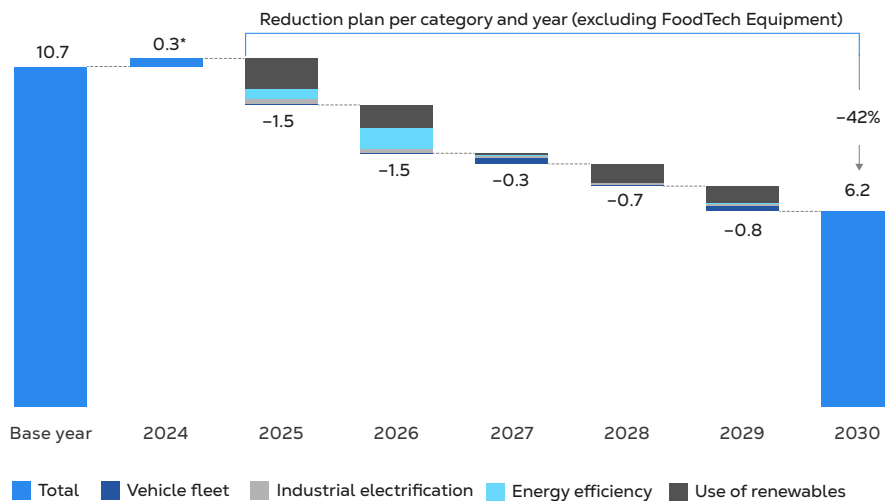
period. Scope 1 & 2 emissions represent around 0.04% of Munters total value chain emissions.

In the years before concluding the mapping of total value chain emissions, Munters had a goal to reach Net zero Scope 1 & 2 emissions by 2030. The target for Scope 1 & 2 has now been incorporated and aligned with the updated target in line with the Paris Agreement's 1.5°C scenario. With our updated climate targets for Scope 1, 2, and 3 by 2030, we specifically address Scope 3, Category 11 (use phase), where more than 99% of Munters value chain emissions occur. The targets have been submitted to the Science Based Targets initiative (SBTi) for validation.

RECs (Renewable Energy Certificates). In the long term, Munters aims to increase the use of own renewable sources such as solar panels.

- Gradual elimination of fossil fuels, currently used by some facilities for heating and to power certain manufacturing or testing processes
- Improved energy efficiency in operations
- Continue to transition the vehicle fleet towards lower emission vehicles in pace with improved infrastructure in the markets where we operate. With increased remote monitoring, our service technicians can increasingly trouble shoot remotely, decreasing the need for on-site diagnostics visits.

Scope 1 & 2 CO<sub>2</sub>e emissions (ktons)



\* An increase of approximately 3%, primarily due to increased production at factories where we do not yet have 100% renewable energy usage.

## Planned actions and estimated impact

| Decarbonization levers     | Actions   | Est. impact (ktons CO <sub>2</sub> e) |
|----------------------------|---|---------------------------------------|
| Use of renewables          | <ul style="list-style-type: none"> <li>• Investments in solar, geothermal and on-site production of renewable gas</li> <li>• Source renewable electricity via VPPA's, REC's, GO's or GEC's depending on region</li> <li>• Source Renewable fuel like Biodiesel at accessible sites</li> </ul>                           | 2.9                                   |
| Energy efficiency          | <ul style="list-style-type: none"> <li>• Investments in efforts to optimize our energy use in factories such as heat recovery, energy management systems, heat pump integrations. In some cases energy efficiency measures may not equate to emissions reductions if we are already sourcing 100% renewables</li> </ul> | 1                                     |
| Industrial electrification | <ul style="list-style-type: none"> <li>• Electrify production equipment where it is financially feasible to mitigate fossil consumption</li> <li>• Eliminate natural gas usage for different industrial process e.g. paint lines</li> </ul>   | 0.6                                   |
| Vehicle fleet              | <ul style="list-style-type: none"> <li>• Transitioning our car-fleet over time consisting of over 500 vehicles to hybrid, electric or gas</li> </ul>  | 0.3                                   |
| <b>Total impact</b>        |   | <b>4.8</b>                            |

### FoodTech Equipment Transition Plans

FoodTech Equipment is not included in Munters reduction plans towards 2030, as an agreement has been signed to divest this part of the business. FT Equipment accounts for 29% of our emissions within Scope 1 & 2 and 12% within Scope 3 based on absolute figures 2024.

### Scope 3 transition plan

The overwhelming majority or 99% of all up-stream and downstream emissions come from the use of sold products, during their lifetime. Therefore, Munters has concentrated its Scope 3 transition plan and target to this category. However, in line with our ambitions to be a responsible business, we continue to strive for reduced emissions in several other categories:

**Purchased goods and services** through working with our vendors, primarily tier-1 suppliers, and selecting material with lower environmental impact.

**Transportations** through evaluation of own factory footprint, vendor locations, transportation mode and routes, use of logistics software solutions to help optimize transports and generate emissions reports.

**Waste** generated in operations, to continuously minimize waste and increase the share of recycled and reused waste.

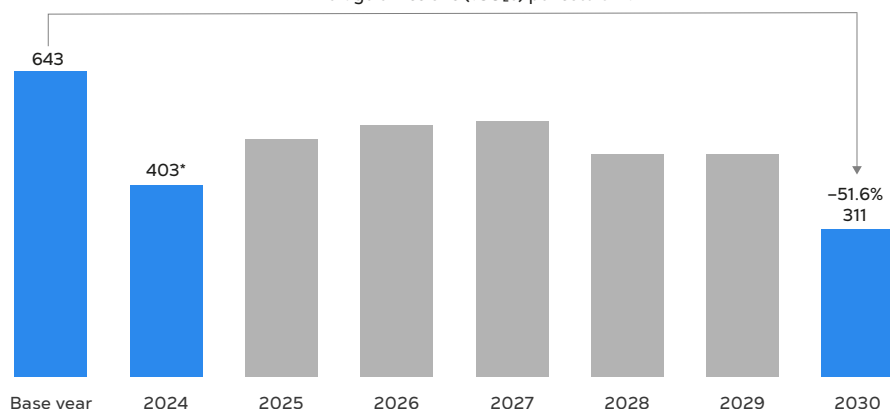
**Business travel** both to reduce emissions and to improve work-life balance of employees. We make efforts to increasingly use digital platforms to collaborate and wisely choose face to face meetings.

#### The main elements in the transition plan for the use of sold products are:

- Manufacture more energy efficient equipment through new rotor technology, heat recirculation and heat distribution through increased Innovation and R&D
- Reduce emissions through sales of product variants that can reduce redundancy and overcapacity
- Reduce emissions through product add-ons and services that lower energy consumption
- Increase maintenance and service on products to prolong lifetime and optimize energy performance.
- Increased efficiency through predictive modeling of energy use to flatten energy spikes
- Increase customer dialogue with potential incentives for using renewable energy
- Utilize our application know-how, design solutions to customer needs to reduce energy requirements
- Use modularization to better adjust to customer requirements with lower energy use

#### Transition plan - Scope 3

Reduction of Scope 3 Category 11 emissions (product use phase). Average emissions (tCO<sub>2</sub>e) per sold unit



### Internal carbon pricing

In 2022, shortly after setting a net zero target for emissions from own operations, Munters introduced a sustainability analysis as part of larger capital investment requests for machinery and equipment used in our factory operations. The purpose of the analysis was to not only evaluate the technical and financial aspects of a proposed investment, but also consider the environmental impact in form of effect on carbon emissions, energy, water and use of other resources, as well as work environment. Internal carbon pricing in the form of a shadow price, was also introduced. The main purpose of the sustainability analysis and internal carbon pricing initiative was to increase the awareness and understanding of the impact on environment, tied to various investments, and to provide

the decision makers with a more complete picture of total impact as basis for the investment decision. In October 2024, a new Capex process was launched which makes the sustainability analysis and internal carbon pricing mandatory for all Capex applications for operations, for investments over 1 MSEK. Internal carbon pricing may also be used for smaller investments, to support a business case.

Internal carbon pricing is integrated in the Capex application process; a theoretical price is applied on the net increase or decrease in carbon emissions, resulting from the proposed Capex. This cost/benefit is included in the "sustainability adjusted" payback calculation.

#### Internal carbon pricing

| Type  | Shadow price –theoretical price, used in Capex payback calculations  |
|---|--|
| Scope   | All Capex that impact Scope 1 & 2 emissions  |
| Mandatory to use for                                  | All Capex over 1 MSEK  |
| Voluntary to use for                                  | Capex under 1 MSEK   |
| 2024 Scope 1, ktCO <sub>2</sub> e                     | 8  |
| 2024 Scope 2, ktCO <sub>2</sub> e, market based       | 7  |
| 2024 Scope 2, ktCO <sub>2</sub> e, location based     | 16   |
| Total Scope 1 & 2 market based, tCO <sub>2</sub> e    | 15   |
| Geography   | All Munters owned operations worldwide   |
| Price   | 1,000 SEK / tCO <sub>2</sub> e   |
| Based for price                                       | The price is based on 2018 report from Carbon Pricing Leadership Coalition (CPLC), aligned with the objectives of the Paris Agreement, which sets the target carbon price to reach US\$50–\$100/tCO <sub>2</sub> e by 2030 |
| Fixed or variable                                     | Can be adjusted over time to reflect increase in market price  |
| Internal carbon price included in financial reporting | No   |

\* Reduction due to changes in product mix and geographical mix, with lower sales in APAC, which has high average emission factors at the country level. This has a significant impact as the climate impact is calculated based on usage over the entire lifespan of the products. An increased sales volume in APAC will result in higher emissions in the short term.

## Targets & Metrics – Climate change

### Near-term climate targets

Munters is taking the next step in future proofing the company in line with the ambitions of the Paris Agreement. To be transparent about our progress, in 2024 we committed to setting short-term company-wide emission reduction targets for 2030. The targets have been submitted to the Science Based Targets initiative (SBTi) for validation.

The greenhouse gas emissions associated with our sold products vary significantly depending on the product mix and the geographic region in which they are used. Certain markets operate with a higher proportion of fossil-based electricity in their grid mix, which directly impacts the total emissions from product use and emissions per sold unit.

### Electricity efficiency target

Climate impact from our production primarily comes from the use of electricity and fossil fuels in production processes, heating, ventilation, and cooling. The goal is to continuously reduce energy usage and make the facilities and processes more energy efficient. This is an important step in the pursuit of our target for Scope 1 & 2 by 2030.

### Renewable electricity target

One of the most effective ways to reduce the climate impact from our factories is to progressively switch to using energy from renewable sources. In the long term, we aim for 100% of our electricity to come from renewable sources, with an interim goal of achieving at least 80% by 2026 in our production facilities.

| Target                          | Description of target   | Target year (TY) | Base Year (BY) | BY value | 2024 | TY value | Trend | Comment   |
|---------------------------------|---|------------------|----------------|----------|------|----------|-------|---|
| <b>CLIMATE*</b>                 |   |                  |                |          |      |          |       |   |
| <b>CO<sub>2</sub> emissions</b> | Scope 1 & 2: Reduce absolute emissions by 42% (ktCO <sub>2</sub> e)*  | 2030             | 2023           | 10.7     | 11   | 6,2      | ⚠️    | Increased emissions during 2024 due to volume increase.   |
|                                 | Reduce Scope 3 category 11 CO <sub>2</sub> e emissions by 51.6% per units of sold products (tCO <sub>2</sub> e/sold unit)*                      | 2030             | 2023           | 643      | 403  | 311      | ✅     | Reduction due to changes in product mix and geographical mix, with lower sales in APAC, which has high average emission factors at the country level. |
| <b>Electricity efficiency</b>   | 100% renewable electricity in production facilities (%)   | 2030             | 2017           | 29%      | 79%  | 100%     | ✅     | In line with long-term target   |
|                                 | 100% renewable electricity in non-production facilities (%)   | 2030             | 2022           | 30%      | 41%  | 100%     | ⚠️    | In line with long-term target   |
|                                 | Continuously reduce the electricity usage in our factories in relation to production value (MWh electricity usage / 1,000 SEK production value) | Recurring        | 2017           | 1.15     | 0.54 | N.A      | ⚠️    | A small increase compared to previous year (0.52)   |

✅ Well aligned with target   ⚠️ Progress made towards target   ❌ Not aligned with target

\* FoodTech Equipment is not included in Munters reduction plans towards 2030, as an agreement has been signed to divest this part of the business.



Fabian Kunkel, Kista, Sweden.

## Greenhouse Gas Emissions (ktCO<sub>2</sub>e)

| Category  | 2023          | 2024          | Change      |
|---|---------------|---------------|-------------|
| Gross Scope 1 GHG emissions   | 7             | 8             | 14%         |
| Percentage of GHG emissions from regulated emission trading schemes (%) | 0             | 0             |             |
| <b>Scope 1 GHG emissions</b>  | <b>7</b>      | <b>8</b>      | <b>14%</b>  |
| <b>Scope 2 GHG emissions market-based</b>                               | <b>7</b>      | <b>7</b>      | <b>2%</b>   |
| <b>Scope 2 GHG emissions location-based</b>                             | <b>15</b>     | <b>16</b>     | <b>8%</b>   |
| 3.1. Purchased goods and services                                       | 445           | 411           | -8%         |
| 3.4. Upstream transportation and distribution                           | 23            | 20            | -13%        |
| 3.5. Waste generated in operations                                      | 2             | 2             | -25%        |
| 3.6. Business traveling   | 2             | 3             | 58%         |
| 3.11. Use of sold products  | 38,300        | 19,500        | -49%        |
| <b>Significant Scope 3 GHG emissions</b>                                | <b>38,800</b> | <b>20,000</b> | <b>-49%</b> |
| <b>Total GHG emissions location-based</b>                               | <b>38,800</b> | <b>20,000</b> | <b>-49%</b> |
| <b>Total GHG emissions market-based</b>                                 | <b>38,800</b> | <b>20,000</b> | <b>-49%</b> |

## Energy Use (MWh)

| Description  | 2023          | 2024          | Change     |
|--|---------------|---------------|------------|
| Fuel from coal and coal products   | 0             | 0             | 0%         |
| Fuel use from crude oil and petroleum products   | 12,800        | 13,000        | 2%         |
| Fuel from natural gas  | 20,000        | 25,000        | 25%        |
| Fuel from use of other fossil sources  | 0             | 0             | 0%         |
| Use of purchased or acquired electricity, heat, steam and cooling from fossil sources    | 9,500         | 9,900         | 5%         |
| <b>Total fossil energy use</b>   | <b>42,300</b> | <b>48,000</b> | <b>14%</b> |
| <b>Share of fossil sources in total energy use(%)</b>                                    | <b>54%</b>    | <b>55%</b>    | <b>1%</b>  |
| Energy use from nuclear sources  | 1,500         | 1,700         | 14%        |
| <b>Total nuclear energy use</b>  | <b>1,500</b>  | <b>1,700</b>  | <b>14%</b> |
| <b>Share of energy use from nuclear sources in total energy use (%)</b>                  | <b>2%</b>     | <b>2%</b>     | <b>0%</b>  |
| Fuel consumption from renewable sources, including biomass                               | 0             | 0             | 0%         |
| Use of purchased or acquired electricity, heat, steam and cooling from renewable sources | 34,000        | 37,000        | 10%        |
| The use of self-generated non-fuel renewable energy                                      | 190           | 170           | 0%         |
| <b>Total renewable energy use</b>  | <b>33,900</b> | <b>37,100</b> | <b>10%</b> |
| <b>Share of renewable energy use (%)</b>   | <b>44%</b>    | <b>43%</b>    | <b>-2%</b> |
| <b>Total energy use</b>  | <b>77,900</b> | <b>86,900</b> | <b>12%</b> |

## Emission intensity per net revenue

|  | 2023 | 2024 | Change |
|--|------|------|--------|
| Total GHG emissions (location-based) per net revenue | 2.8  | 1.3  | -54%   |
| Total GHG emissions (market-based) per net revenue   | 2.8  | 1.3  | -54%   |

### Accounting principles

Munters reports its emissions in accordance with the Greenhouse Gas Protocol Corporate Standard (GHG Protocol). Munters follows an operational control approach, accounting for all emissions over which it has operational control, as defined by the GHG Protocol. For a more detailed description of each category see page 92.

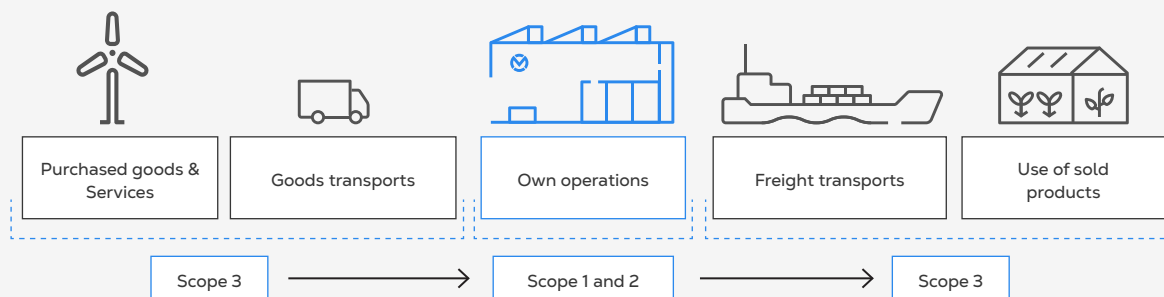
## Energy intensity

|                                  | 2023 | 2024 | Change |
|----------------------------------|------|------|--------|
| Total energy use per net revenue | 5.6  | 5.6  | 0,7%   |

### Accounting principles

All sites within Munters reports their energy usage quarterly throughout the year including the amount of purchased electricity, share of renewable and use of fossil fuel like natural gas and diesel. For cars operated by Munters we quarterly collect data on distances travelled which are used to estimated an energy usage.

## GHG accounting methodology



**Accounting in accordance with the GHG Protocol**  
Munters reports its emissions in accordance with the Greenhouse Gas Protocol Corporate Standard (GHG Protocol). Munters follows an operational control approach, accounting for all emissions over which it has operational control, as defined by the GHG Protocol. For Scope 2 emissions, we use both the market-based and location-based methods outlined in the GHG Protocol Scope 2 Guidance. This includes reporting emissions from purchased electricity and identifying the energy source, such as whether it is renewable or derived from fossil fuels.

In this report, we collect data for Scope 1 & 2 as well as significant categories in Scope 3 for our production sites. For our non-manufacturing locations (sales offices and warehouses), we gather data on Scope 1 & 2 emissions.

### Scope 1

Fuel use in offices and our production sites as well as the leakage of refrigerants. Estimated emissions from our global vehicle fleet, based on average distance travelled. Databases used for emission factors are the IEA 2022 and vehicle specific emission factor from leasing companies and manufacturers.

### Scope 2

Electricity use and use of district heating within the organization. Data collected from internal systems, invoices, landlords or from suppliers. Databases used for emission factors are the IEA and supplier specific emission factors for market-based method.

### Scope 3

A complete inventory of Scope 3 emissions was done for 2023. Use of Sold Products accounts for 99% of all upstream and downstream emissions, rendering all other scope 3 categories in our value chain immaterial. Despite low relative significance, we report on the following selected Scope 3 categories, because these are emissions we can directly impact through a responsible way of working: purchased goods and services, transports we pay for, emissions from waste from production facilities and air travel.

**Category 3.1. Purchased goods and services:** estimated emissions from about 98% of direct materials used in production, mainly using the spend methodology applying Exiobase emission factors. Material specific emission factors have been used for Metal and Alloys where we were able to quantify the emissions based on the weights of the raw material.

**Category 3.4. Upstream transportation and distribution:** emissions from transports paid for by Munters. About 22% of data is based on emissions reports from logistics management suppliers (distance and transport method), remainder is based on spend data applying Exiobase emission factors (70%) and extrapolation in relation to yearly spend where type of transportation data is missing (8%).

**Category 3.5: Waste generated in operations:** emissions are calculated based on waste in kgs generated by production facilities. Waste is reported by each factory in the quarterly EHS report, using data from waste management companies or own estimations. Emissions from waste are calculated with emission factors from GHG cross sector tool.

**Category 3.6. Business travel:** air travel only. Data is collected from travel agency reports (est. 95%) complemented by internal accounting. Over 50% of travel agency reports apply the UK BEIS methodology, where a Radiative Forcing Index (RFI) of 2 has been added to flight travel, starting in 2024, which led to a large increase in emissions compared to 2023. The remainder of emissions are calculated in accordance with the International Civil Aviation Organization (ICAO) methodology.

**Category 3.11. Use of Sold products:** emissions from use of our products sold for an estimated lifetime and energy use (kWh) at customer site. Energy use is calculated in line with values and assumptions that can be considered typical for the application and reasonably reflect the average for sold products. It should be noted that especially in AirTech, a very high number of different applications and solutions in combination with varying climate and operating conditions around the geographies, make estimations extremely complex and necessitate general assumptions, potentially resulting in a larger margin of error. Emissions calculations consider the type of energy, electrical vs. natural gas, and assume that the product is installed and used in the country where the customer is located; emissions are in accordance with the country's average grid emission factor according to IEA 2022. The calculations are based on actual sales data per product family. For the newly acquired entity ZECO, 2023 data is extrapolated from calculated 2024 emissions in relation to 2023 revenue. Our customers are present mainly in North America, Europe and Asia. With the large differences in grid emission factors between regions and countries, changes in sales volume and regional mix affect the emissions significantly.

## Circularity and resource use

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Orlando Garcia, Selma, US.





Erik Pihl & Andréa Haag, Kista, Sweden.

## Impact, risks and opportunities

### Impacts

Munters operations inevitably impact the environment due to the resources required to run its business where we see a negative impact through our resource inflow upstream in the value chain. We generate waste in our own operation and over 30% of the global waste is going to landfill, which has a negative impact on the environment.

### Risks and opportunities

Industry shifts and market developments could result in a reduced demand for some products or segments and increase the demand for sustainable solutions, which may increase the demand for sustainable and/or non-virgin raw materials for our products. There is a risk that Munters doesn't meet the customer expectations which may have a direct impact on the profitability. As we adapt to these evolving expectations, we need to invest in new technologies, materials, and processes that align with sustainability standards we set. These investments, while essential for meeting customer requirements and staying competitive, are likely to result in higher production and operational costs.

As a global company with operations worldwide we see a potential supply chain risk causing disruptions due to, for example, extreme weather events.

Such disruption may lead to increases in costs, lead times, and availability of materials. As a result we evaluate our suppliers on a continuous basis aiming to increased resilience.

We continuously work to make our products and solutions more resource efficient with lower environmental impact. Customers will demand products and solutions over time with a lower impact on the environment. Being successful in our innovation and applying for instance eco design principles in our development process and increasing our service offering will help us gain competitive advantage resulting in increased market shares and stronger relationships with our customers.

### Link to business strategy

As a manufacturing company, Munters relies on natural resources, making resource efficiency essential to our strategy for sustainable growth. By optimizing resource use throughout our value chain, we help our customers improve efficiency while reducing environmental impact.

Through circular design principles and life-cycle analyses, we aim to minimize waste and enable recycling. These efforts also generate cost savings and contributing to our targets for climate and circularity.

## Policies

### Munters Sustainability Policy

Munters Sustainability Policy defines Munters aim to increase the circularity of materials used for our products and to develop business models that enable take-back of expired products and retrofitting and service to extend lifespan.

### Munters Circularity Policy

The Sustainability Policy will from next year be complemented by Munters Circularity Policy that is under development. It will state that life-cycle assessments (LCA) shall be used to determine the significant environmental aspects of our products. The policy will also outline our preliminary focus within circularity connected to; sourcing of recycled materials, design

for disassembly and facilitation of recycling, development of new business models to extend product lifespan with a focus on recurring revenue, through for instance increased service and preventive maintenance offering.

### Supplier Code of Conduct

As part of the sCoC, Munters urges suppliers to have an Environmental Management System in place. Suppliers are also encouraged to make practical efforts to minimize the use of energy, water and raw materials, which should be renewable or sustainably sourced where possible, and to eliminate or reduce generated waste.



## Management Approach

### Ecodesign in product development

Munters work with LCAs of its products started in 2022 and an Ecodesign manager was hired with the purpose to introduce new criteria into the Munters Product Development (MPD) process. This included evaluation of product environmental impact and LCA, light-weighting, choice of raw material, and design for recovery through recycling or reuse at the end of life. Circularity as opposed to a linear model of "take, make and dispose" was also introduced among the criteria, which all together resulted in a new Sustainability Scorecard that was added to the MPD. As an example, on choice of raw materials evaluation Munters developed during 2023 and rolled out this year a study that examined main polymeric materials being used in Munters and gave guidelines on how such materials could be either replaced by a recycled alternative, or a renewably sourced / biobased alternative, as well as providing guidelines for correct material choice, design for end-of-life and lower product environmental impact.

### Actions during the year

In 2024, Munters has joined a Circularity Development program. The program, of the duration of approximately one year, is divided into five chapters, from current state analysis to circular product design, circularity in procurement, circular business models and management of outflows. The licensing of the Circular IQ CTI software enables component data input and analysis of Munters product portfolio. The Circular Development program aims at establishing a baseline of knowledge on the circular potential of our major product lines, both upstream and downstream, and opening the mindset to new business models that can both generate recurring revenue and contribute to a significant reduction in finite resource depletion. The program is cross functional involving representatives of R&D, Sourcing, Service, Product Management, Sales as well as Group Sustainability.

During 2025, after the participation in the Circularity Development program, Munters will renew its circularity strategy and set new targets connected to our operations. We also plan to increase collaboration with our major suppliers to be able to drive more resource-circular procurement.

### Service

The installed base of equipment being serviced by Munters increases annually. The service portfolio includes preventive maintenance programs, refurbishments, repairs and upgrades, all aimed at prolonging the lifespan and maintaining the high performance of our products. Munters also offers a range of installation and start-up services, energy audits, performance checks and customer training to ensure equipment operates under optimal conditions throughout its lifecycle. For customers who prefer to rent equipment Munters provides options both through their own fleet and partnerships.

Munters has a strong local presence and ability to provide field service interventions and in addition, also leverages connectivity and advanced digital solutions for remote support and monitoring, enhancing both own and customer operational efficiency.

### Resource use

#### Resource inflows

Munters products are manufactured using natural resources consisting of primary aluminium, copper, steel and paper. Plastics and fibreglass are also used in some components that we purchase and/or manufacture. Regarding packaging material Munters uses wood complemented by cardboard and plastic wrap.

Water and effluents are not considered as material topics for Munters. However, in response to stakeholder requests, Munters has published water use data since many years back. At most sites water is only used for sanitation purposes. Manufacturing processes requiring water take place in primary Tobo, Amesbury, and Monterrey. During 2024 Munters used 125,000 (121,000) cubic meter water, a slight increase due to higher production volume.

#### Resource outflows

Lifespan of Munters products installed on the market can vary between ten years to even above 25 years, and for LCA purposes usually an average of 15 years is used.

Life extension and increased durability thanks to scheduled maintenance and service contracts is part of Munters offering and where our brand is leader among competitors.

Carbon steel, aluminium and copper are the predominant raw materials by weight, in Munters products. Such metal parts, if disassembled and separated, are widely recyclable. Packaging used for Munters products, consisting mainly of cardboard, wood and plastic film, is widely recyclable, in state-of-the-art recycling facilities globally.

#### Waste from own operations

The waste generated by Munters operations primarily comes from production sites and is managed in compliance with local regulations by contracted waste management companies. The largest volumes of waste consist of various metals, including aluminium, copper, and steel, along with paper and plastics. Additionally, there is a smaller amount of office waste. As of today Munters has a large amount of waste going to landfill, including glass fiber which is a non-recyclable material and other sources of scrap depending on local regulation and availability of waste management third parties. We are working locally with these factories to prevent waste from going to landfill. For example, our factory in Tobo has implemented initiatives for 2025 related to fiberglass blocks and fiberglass dust. Containers with fiberglass blocks will be transported to a waste management company, where the blocks will be crushed and mixed with other materials into an energy mix used in energy and heating plants. Similarly, our containers of fiberglass dust will be sent to a facility where it will be blended with other materials to create an energy mix, which will also be used in energy and heating plants.



DSS Pro, Dehumidification System.

## Targets & Metrics – Circularity and resource use

### Recycle and reuse

We strive to reduce waste from our production facilities and increasing the proportion of waste that is recycled or reused through systematic quality work. Our goal is to continuously increase the recycling and reuse rate.

### Service and components

Service entails both product related services (including installation and aftermarket) and digital services (both one-offs and recurring) for all BA:s, as well as components. The service business is of a recurring nature and grows as our installed base of products increases. Our service offering is important to cus-

tomers, particularly from a sustainability perspective, as service extends the products' lifespan and increases the efficiency of the installed solutions. In the long term the goal is for the service share to constitute a minimum of 1/3 of net sales.

| Target                 | Description of target   | Target year | 2023 | 2024 | TY value | Trend | Comment   |
|------------------------|---|-------------|------|------|----------|-------|---|
| <b>CIRCULARITY</b>     |   |             |      |      |          |       |   |
| Recycle and reuse      | Continuously increase the recycling and reuse rate.   | Recurring   | 55%  | 50%  | n.a      | 🚫     | Decreased due to product and volume mix   |
| Service and components | In the long term the goal is for the service share to constitute a minimum of 1/3 of net sales. | Long term   | 24%  | 24%  | 1/3      | ⚠️    | Service and Components accounted for 24% (24) of net sales, with organic growth in service. |

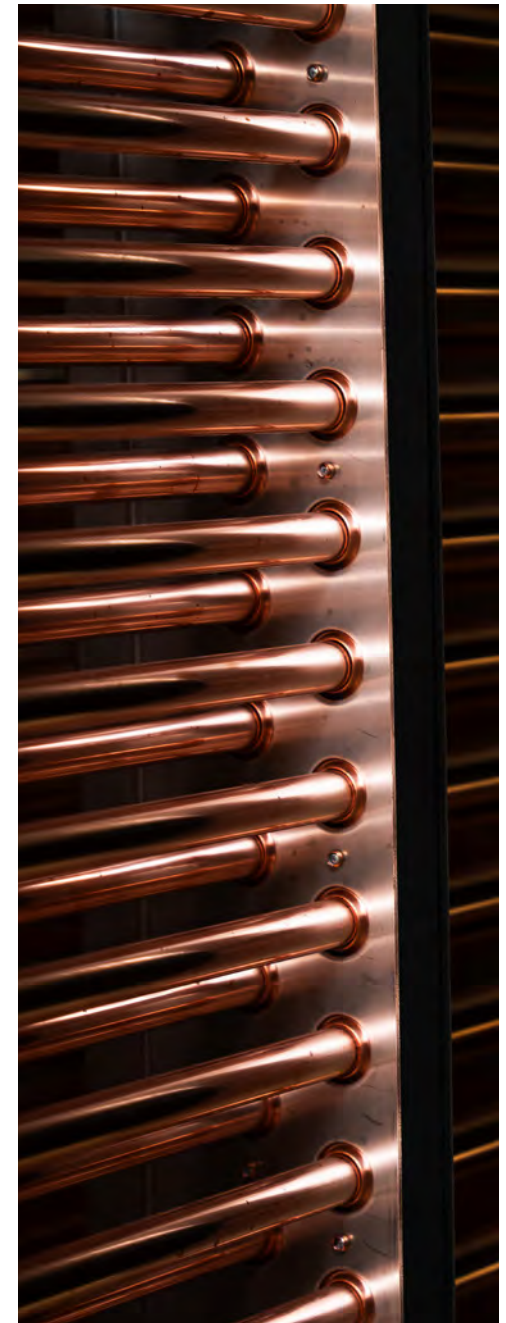
✅ Well aligned with target
⚠️ Progress made towards target
🚫 Not aligned with target

### Waste in own operations (tons)

| Description                  | 2023          | 2024          | Change     |
|------------------------------|---------------|---------------|------------|
| <b>Hazardous waste</b>       | -             | 700           | -          |
| Reuse                        | -             | 0             | -          |
| Recycled                     | -             | 80            | -          |
| Incineration                 | -             | 50            | -          |
| Landfill                     | -             | 540           | -          |
| Other recovery               | -             | 1             | -          |
| <b>Non-hazardous waste</b>   | -             | 10,900        | -          |
| Reuse                        | -             | 900           | -          |
| Recycled                     | -             | 4,800         | -          |
| Composting                   | -             | 3             | -          |
| Incineration                 | -             | 700           | -          |
| Landfill                     | -             | 3,700         | -          |
| Other recovery               | -             | 800           | -          |
| Waste diverted from disposal | 5,600         | 5,800         | 3%         |
| Waste to disposal            | 4,500         | 5,700         | 21%        |
| <b>Total waste generated</b> | <b>10,100</b> | <b>11,600</b> | <b>13%</b> |

### Accounting principles

The waste volumes include waste transferred directly from our factories and non-factories, including material and energy recovery, landfill disposal, and hazardous waste treatment. Each quarter our sites are reporting their waste volumes based on invoices, own measurements or supplier data. For certain offices data aren't available and have been excluded from the reporting since their volume are estimated to be under 1% of our total waste generation. In 2024, a more detailed waste reporting system has been established based on different types of waste fractions. The 2023 figures did not include ZECO and InoBram, which were acquired during the same year.





# Own workforce

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Anna Vesslén, Tobo, Sweden.



Akib Islam &amp; Veronica Rydstedt, Kista, Sweden.

## Impact, risks and opportunities

### Impacts

Munters has over 5,000 employees spread across over 30 countries. In several of these countries where Munters operates and has a substantial workforce, there are increased risks of violations of international labour rights conventions and decent working conditions. Additionally, local labour laws may be poorly enforced, particularly regarding fair wages, excessive working hours, and the right to freedom of assembly and association. Given the increased risk of violation of labour convention rights and decent working conditions in these areas there may be a potential negative impact on Munters employees. Therefore Munters must ensure its local employment policies and practices provide secure and fair working conditions for its workforce globally.

### Risks and opportunities

Unsafe or non-competitive working conditions may lead to accidents, mental health problems, and higher personnel turnover, increasing operational costs. Furthermore, these issues could damage Munters reputation, making it more difficult for Munters to attract a diverse and talented workforce. Lasting damage to Munters reputation could reduce employee job

satisfaction and commitment, further weakening the company's position in the long term.

By investing in better working conditions, flexible work models, and ensuring a safe environment, Munters can enhance its competitiveness by attracting and retaining talent. This also strengthens the company's employer brand. We are convinced a diverse workforce fosters innovation, and strong performance in these areas will help Munters attract more skilled employees, positioning the company for long-term success.

### Link to business strategy

Our workforce plays a key role in Munters overall strategy. Our values, together with our Code of Conduct, provide guidance on how we approach our work, our colleagues, and our interactions with customers and stakeholders. Effective leadership is seen as essential to fostering engaged and high-performing teams, which drive innovation. Munters is committed to increasing the representation of women across the workforce and is taking deliberate steps to enhance the presence of qualified women in all roles. The focus on gender equality is also reflected in one of our six overarching non-financial KPIs, which is monitored quarterly.

## Policies

### Munters Code of Conduct

Munters Code of Conduct outlines the company's commitment to conducting business ethically, responsibly, and in compliance with all relevant laws and regulations. It emphasizes respect for human rights, labour rights, and environmentally responsible practices, aligning with international standards such as the UN Global Compact and the International Labour Organization's conventions.

The CoC prohibits all forms of discrimination based on race, gender, religion, age, or other characteristics which is outlined in detail in our Anti-Discrimination and Harassment Policy and connected procedures. It promotes a diverse and inclusive workplace, ensuring equal opportunities in employment, development, and compensation. Munters strictly prohibits forced labour, child labour, human trafficking, and practices that compromise workers' rights, health, and safety. The company encourages employees and partners to report unethical behaviour, ensuring protection under the Whistleblowing policy.

### Work Environment Policy

Our global Work Environment Policy sets clear expectations for appropriate behaviours and attitudes across various work settings within the organization. The policy is designed to ensure that every employee treats their colleagues with courtesy and respect, promoting a positive and collaborative atmosphere. It outlines standards for conduct and interactions, emphasizing the importance of maintaining professionalism in all work environments, whether on-site, remote, or during company-related events. Munters is dedicated to upholding these principles to maintain a safe, inclusive, and productive working environment for everyone.

### Health and Safety Policy

A global Health and Safety policy has been deployed during 2024 stating that Munters are committed to providing a safe and healthy working environment for all our employees, suppliers, contractors, and communities. This is achieved through our health and safety practices by complying with all legal and other requirements, encouraging, and empowering all employees to identify risks, reduce risks and eliminate workplace hazards.

### Employee Relations and Dialogue

Munters bases its relationship with employees, including workers' councils, unions, and representatives, on trust, transparency, and early involvement, irrespective of region or country. These principles ensure that employees' voices are heard and integrated into decision-making processes at all levels of the organization. To gain valuable insights into the employee experience and continuously improve the workplace environment, Munters conducts an annual Employee Voice Survey. This survey ensures accessibility for all employees, regardless of location or role, and provides confidential feedback that shapes team-level action plans. Managers are trained to use survey results to implement meaningful improvements, fostering a culture of accountability and ongoing development.

Beyond the survey, Munters ensures regular communication with workers' councils and unions through known points of contact and scheduled discussions, both locally and across locations. These dialogues cover a variety of topics, such as work-life balance, flexible working arrangements, and future work trends, tailored to local demands and organizational needs. Representatives are also consulted in alignment with legal and contractual requirements prior to major organizational changes. We also engage with our employees through our Performance, Development and Appraisal (PDA) process described under "Career and development".

Employee representatives actively contribute to shaping strategic decisions, ensuring that workforce perspectives are integrated into the company's direction. Through these measures, Munters demonstrates its commitment to fostering a collaborative, inclusive, and continuously improving workplace culture.

### Channels for raising concerns

Employees are encouraged to report concerns related to corruption, fraud, accounting, internal controls, human rights issues, or any other matters that may constitute a legal violation or pose a risk to Munters business, reputation, employees, or shareholders. Reports can be made directly to their manager, the manager's superior, the Ethics committee or through the anonymous whistleblower channel. For more information on our whistleblower process see pages 106-107.

### Compensation and rewards

To ensure fairness and competitiveness, a revised job framework has been established and will be rolled out during 2025. This system allows us to benchmark compensation effectively and ensure that all employees are treated equitably.

### Health and safety

Munters achieves a culture of safety excellence through leadership and education at all organizational levels and the health and safety culture is continuously improved through Munters Production System initiatives and management driven goals. Munters Group Management assures the safety excellence culture by reviews of the Health and Safety Policy, including decided measurements, KPIs, roles, and responsibilities.

Munters has committed to strive for a triple certification of all our manufacturing sites (baseline 2020). In 2024 8 sites were certified according to ISO9001:2015, ISO14001:2015 and 45001:2018. The Munters ISO certifications are per entity and the resources for certification as well as the progress is followed by the same. The plan for ISO-certification for new acquisitions should be defined during the integration process.

### Incident reporting and investigation

Munters has a zero-tolerance policy against workplace accidents, and all incidents requiring medical attention following OSHA's (Occupational Safety and Health Administration) standards, are followed up and reported to management. Local management is responsible for the outcome of incident investigations and corrective actions, according to local regulations.

### Proactive safety and STOP (Safety Training Observation Program)

We do systematic risk assessments of the production facilities to pro-actively increase focus on health and safety according to local regulations and ISO-certificates. We support wellness programs for our employees.

The rollout of STOP (Safety Training Observation Program), which was introduced in 2020 continued during 2024. The aim of the program is to improve safety at the production sites by focusing on behaviours and create engagement through discussions regarding safe and unsafe acts. The STOP observations is a valuable input to Safety campaigns and targeted safety trainings.

### Diversity and inclusion

Munters is committed to diversity at all organizational levels, ensuring representation across gender, ethnicity, race, age, disability, sexual orientation, and cultural backgrounds. Within the Long-Term Incentive Program (LTIP), increasing the proportion of female leaders is a critical performance indicator tied to rewards, reflecting a dedication to creating a balanced and diverse leadership. Gender diversity targets are tracked quarterly, with clear objectives to increase the proportion of women in our workforce and women leaders. These targets are directly linked to compensation through the LTIP, ensuring CEO, Munters Group Management, and key employees in P&L roles, along with selected talents are encouraged to contribute to an inclusive culture.

We believe diverse teams drive innovation, enhance decision-making, boost productivity, and strengthen Munters competitiveness. Gender diversity is actively advanced through Munters "What Will It Take?" workshops – manager driven commitments to actionable tasks, Women + Allies resource groups, anti-discrimination & harassment policies, eLearning, unconscious bias training, inclusive recruitment, and leadership development.

Our commitment to diversity and inclusion is further reflected in policies that strictly prohibit discrimination and harassment. Clear procedures and eLearning modules support these policies, enabling proactive steps to create a safe and respectful environment for all employees. Additionally, gender transition guidelines provide support for employees undergoing or completing gender reassignment, ensuring they feel valued and included. By setting clear goals, tracking progress, and gathering regular feedback through employee surveys, Munters continuously fosters an inclusive environment where every employee is respected and empowered.

### Career and development Performance & Talent Management

We believe that when employees have clear expectations, understand their impact on the business, and receive ongoing feedback and coaching, they can truly thrive. Our PDA process is crafted to ensure just that.

It includes two essential touchpoints: an End of Year reflection and a Career & Growth dialogue. Employees are encouraged to update their goals regularly and have frequent check-ins to receive the support they need for their development. Through

People Strategy Sessions, we engage in talent and succession planning to ensure the growth of both individuals and our organization.

During the Career & Growth dialogue, we encourage our team members to identify skills they wish to develop, aligning with their current roles or future career aspirations. This approach not only fosters personal growth but also strengthens our collective capabilities, contributing to the sustainability of our organization.

### Learning

At Munters, we provide a wide range of learning experiences and resources, such as in-classroom courses, e-learning, job aids, mentors, exchange networks etc, to suit the diverse learning preferences of our employees. We have dedicated learning programs about learn to learn, power skills, digital skills, and safety & compliance. We also have specialised learning programs for our sales and service employees. Lastly, we focus on leadership development. At Munters, we lead with I ACT. We make sure that leaders enable Innovation, foster Accountability, encourage Collaboration and create Trust within their teams. We train our managers to reflect on their strengths and development areas and drive their self-leadership.

In 2023, we implemented the HRM system Workday as part of our commitment to employee development and engagement. Throughout the year, we continued to expand and refine our learning content, broadening our training offerings to provide employees with enhanced opportunities for growth and development.

### Work-life balance

At Munters, we recognize the importance of family-related leave in supporting a healthy work-life balance and promoting gender equity within our workforce. In some countries where Munters operates, our employees are entitled to and make use of family-related leave, including maternity, paternity, parental, and carer's leave. These leave options are designed to provide employees with the necessary time and flexibility to care for their families and manage personal responsibilities.

Family-related leave entitlements at Munters are established through a combination of local social policies and, where applicable, collective bargaining agreements. We encourage all employees, regardless of gender, to utilize these leave options equitably,

reflecting our commitment to gender equality and inclusiveness. By promoting transparency in family-related leave practices, we aim to ensure that all employees feel supported in balancing their professional and personal lives, thereby contributing to a more resilient and sustainable workforce.

### Collective bargaining

At Munters, we are committed to ensuring fair working conditions and terms of employment for our workforce, and we recognize the importance of collective bargaining in achieving this. We disclose the extent to which the working conditions and terms of employment of our employees are determined

or influenced by collective bargaining agreements. These agreements play a significant role in shaping key aspects of employment, such as wages, benefits, working hours, and health and safety standards, ensuring that employee voices are heard and respected.

In the European Economic Area (EEA), Munters engage in social dialogue both at the establishment

and European levels. Our employees are represented through various channels that facilitate social dialogue, allowing them to participate in discussions related to workplace policies, conditions, and broader organizational initiatives.

## Targets & Metrics – Own workforce

### Gender diversity

Increase the proportion of employees who are women to 30 percent by 2030 and increase the proportion of salary-setting managers who are women to 30 percent by 2030.

### Health and safety

Munters has a zero-tolerance policy against workplace accidents, and all incidents requiring medical attention are followed up and reported monthly to management. We have a goal that no accidents should occur in production measured by total recordable incident rate (TRIR).

### ISO-certifications

Munters has committed to strive for a triple certification according to ISO9001:2015, ISO14001:2015 and 45001:2018 of all our manufacturing sites (baseline 2020). The intention is that newly acquired companies will also be certified as part of the integration.

| Target                           | Description of target                                       | Target year (TY) | Base Year (BY) | BY value | 2024 | TY value | Trend | Comments  |
|----------------------------------|---|------------------|----------------|----------|------|----------|-------|---|
| <b>OWN WORKFORCE</b>             |   |                  |                |          |      |          |       |   |
| <b>Diversity &amp; inclusion</b> | 30% salary-setting managers who are women                   | 2030             | 2023           | 21%      | 22%  | 30%      | ✓     | On track with long-term target  |
|                                  | 30% women in workforce                                      | 2030             | 2023           | 22%      | 23%  | 30%      | ✓     | On track with long-term target  |
| <b>Health and safety</b>         | Zero workplace accidents                                    | Recurring        | 2017           | 3.5      | 1.2  | 0        | ⚠     | No further improvements during 2024 after a strong improvement 2023 in comparison to 2022 |
| <b>ISO-certifications</b>        | Triple ISO-certifications for factories operational in 2020 | 2026             | 2020           | 3        | 8    | 16       | ⚠     | Following time plan for certification by 2026   |

✓ Well aligned with target    ⚠ Progress made towards target    ❌ Not aligned with target

### Employees by gender in countries with at least 50 employees representing at least 10% of total workforce

| Headcount              | 2023         |              |          | 2024         |              |          |
|------------------------|--------------|--------------|----------|--------------|--------------|----------|
|                        | Female       | Male         | Other    | Female       | Male         | Other    |
| Sweden                 | 180          | 364          | 0        | 203          | 388          | 0        |
| United States          | 318          | 1,124        | 0        | 341          | 1,104        | 0        |
| India                  | 51           | 664          | 0        | 58           | 692          | 0        |
| Other countries        | 532          | 1,711        | 0        | 553          | 1,773        | 0        |
| <b>Total employees</b> | <b>1,081</b> | <b>3,863</b> | <b>0</b> | <b>1,155</b> | <b>3,957</b> | <b>0</b> |

### Employee movement

| Headcount / Percent (%)           | 2023 | 2024 |
|-----------------------------------|------|------|
| Number of employees who have left | N/A  | 937  |
| Employee turnover rate            | N/A  | 18,6 |

### Age distribution

| (%)                    | 2023       | 2024       |
|------------------------|------------|------------|
| Under 30 years old     | 19         | 17         |
| 30-50 years old        | 54         | 56         |
| Over 50 years old      | 27         | 27         |
| <b>Total employees</b> | <b>100</b> | <b>100</b> |

## Employees by contract type, region, and gender

| Number of employees    | 2023         |              |              | 2024         |              |              |
|------------------------|--------------|--------------|--------------|--------------|--------------|--------------|
|                        | AMER         | EMEA         | APAC         | AMER         | EMEA         | APAC         |
| Female                 | 459          | 435          | 179          | 505          | 475          | 175          |
| Male                   | 1,503        | 1,292        | 1,049        | 1,532        | 1,361        | 1,064        |
| Other                  | 0            | 0            | 0            | 0            | 0            | 0            |
| <b>Total employees</b> | <b>1,962</b> | <b>1,727</b> | <b>1,228</b> | <b>2,037</b> | <b>1,836</b> | <b>1,229</b> |

| Number of permanent employees    | 2023         |              |              | 2024         |              |              |
|----------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|
|                                  | AMER         | EMEA         | APAC         | AMER         | EMEA         | APAC         |
| Female                           | 459          | 425          | 168          | 496          | 454          | 168          |
| Male                             | 1,494        | 1,269        | 1,036        | 1,520        | 1,338        | 1,055        |
| Other                            | 0            | 0            | 0            | 0            | 0            | 0            |
| <b>Total permanent employees</b> | <b>1,953</b> | <b>1,694</b> | <b>1,204</b> | <b>2,016</b> | <b>1,792</b> | <b>1,223</b> |

| Number of temporary employees    | 2023      |           |           | 2024      |           |           |
|----------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|
|                                  | AMER      | EMEA      | APAC      | AMER      | EMEA      | APAC      |
| Female                           | 5         | 10        | 11        | 9         | 21        | 7         |
| Male                             | 9         | 23        | 13        | 12        | 23        | 9         |
| Other                            | 0         | 0         | 0         | 0         | 0         | 0         |
| <b>Total temporary employees</b> | <b>14</b> | <b>33</b> | <b>24</b> | <b>21</b> | <b>44</b> | <b>16</b> |

## Collective bargaining coverage and social dialogue

| Coverage rate | Collective bargaining coverage in countries within the EEA with more than 50 employees representing at least 10% total employees |        | Collective bargaining coverage in regions outside EEA with more than 50 employees representing at least 10% total employees |                                 | Workplace representation in regions within the EEA with more than 50 employees representing at least 10% total employees |        |
|---------------|--|--------|---|---------------------------------|--|--------|
|               | 2023   | 2024   | 2023  | 2024                            | 2023   | 2024   |
| 0-19 %        |  |        | India, United States of America   | India, United States of America |  |        |
| 20-39 %       |  |        |   |                                 |  |        |
| 40-59 %       |  |        |   |                                 |  |        |
| 60-79 %       |  |        |   |                                 |  |        |
| 80-100 %      | Sweden   | Sweden |   |                                 | Sweden   | Sweden |

## Top management by gender

| Gender distribution (%)  | 2023   |      |       | 2024   |      |       |
|--------------------------|--------|------|-------|--------|------|-------|
|                          | Female | Male | Other | Female | Male | Other |
| Munters group management | 43     | 57   | 0     | 44     | 56   | 0     |
| Top management           | 44     | 56   | 0     | 43     | 57   | 0     |

## Health and Safety

| Work-related injuries                           | 2020       | 2021       | 2022       | 2023       | 2024       |
|---|------------|------------|------------|------------|------------|
| Fatalities resulting from work-related injuries | 0          | 0          | 0          | 0          | 0          |
| Number of recordable incidents                  | 32         | 47         | 57         | 43         | 61         |
| Number of lost time recordable incidents        | 19         | 30         | 44         | 25         | 24         |
| Number of hours worked                          | 5,345,339  | 5,574,462  | 6,289,058  | 7,101,441  | 10,033,079 |
| <b>Total recordable incident rate*</b>          | <b>1.2</b> | <b>1.7</b> | <b>1.8</b> | <b>1.2</b> | <b>1.2</b> |

\*The Total Recordable Incident Rate (TRIR) is the number of accidents where the employee had to seek medical assistance multiplied by 200,000/number of hours worked.

### Accounting principles

#### Workforce

The figures presented include all Munters' companies that belonged to the Munters Group in December 2023. Companies acquired during 2024 are excluded.

- The number of employees used in the calculations is indicated as the number at the end of the reporting period (31 December 2024).
- The figure also includes non-active employees such as employees on family-related leave.
- Turnover % is calculated as total number of terminations during the period divided by the total number of employees at the beginning of the period + the total number of employees at the end of the period divided by 2.
- Employees are reported as headcount and not full-time equivalent as the number of part-time employees are not material for the calculation.

#### Health and safety

- TRIR is calculated as the total number of incidents multiplied by 200 000 and divided by total hours worked in accordance with the OSHA's standards.
- Number of incidents and hours worked are reported every quarter by our factories.



## Workers in the value chain

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- Policies 103
- Management approach 104
- Metrics & targets 104

Augusto Brito & Heriberto Castillo, Selma, US.





## Impact, risks and opportunities

Responsible sourcing requires a strong supply chain. To improve sourcing, the goal is to reduce the number of suppliers. We continue at the same time to ensure that we have enough suppliers of critical components. Through regionalization in recent years, we have secured a supplier network in each region and reduced vulnerability. In total, we buy goods from around 1,900 suppliers in 35 countries. The 25 largest suppliers by volume represented 38 percent (41) of total sourcing volume in 2024.

The impacts for workers in the value chain are deemed primary to consist of potential violations in relation to human rights issues upstream our value chain from the extraction and manufacturing of raw materials such as steel, copper and aluminium which stand for the biggest volume. Some of Munters Tier 1 suppliers are located in for example Asia, where there are elevated risks in certain regions, of workers facing inadequate wages, insecure employment, substandard housing, and unsafe working conditions. Beyond

Tier 1 suppliers, Munters also identifies risks related to forced and child labour in these regions, particularly linked to the materials and components we procure. These issues could have significant adverse impacts on workers throughout our value chain.

### Link to business strategy

Responsible sourcing requires a strong supply chain. For a long time, we have had established processes to evaluate suppliers, along with a Supplier Code of Conduct (sCoC) that must be adhered to in order to do business with us. Munters recognizes the complexity of our value chain and the need for continuous efforts to strengthen our processes in this area. Through these measures, we aim to ensure that our values of integrity, inclusiveness, and responsibility permeate the entire value chain.

## Policies

### Sourcing Policy

Munters Sourcing policy contains guiding principles for procurement, rules on governance and supplier approval. The policy describes the sourcing framework, as well as the roles and responsibilities of those involved in sourcing activities. Munters Strategic Sourcing function manages the supplier base through the supplier management process, with the intent to ensure transparency on suppliers used, qualification, performance, and regularly performed supplier evaluations against a set of criteria.

### Supplier Code of conduct

The sCoC comprises standards on how Munters conducts socially, ethically and environmentally responsible business. Suppliers are urged to develop requirements and systems similar to those presented in this Code and communicate these to its suppliers and sub-contractors. The sCoC includes, but are not limited to, requirements on prohibition of child and

forced labour, fair treatment, non-discrimination, freedom of association and collective bargaining, working conditions, health and safety and diversity.

### Human rights policy

During the end of 2024 Munters has started to develop a new Munters Human Rights Policy that aims to establish a framework for respecting and promoting human rights across our global operations and business relationships. It reflects our commitment to dignity, equality, and well-being for all individuals affected by our activities, including employees, value chain partners, and local communities.

The policy will address questions such as child labour, forced labour, migrant workers, health & safety, freedom of association/collective bargaining, non-discrimination & harassment, indigenous people's rights & land ownership, working hours & wages, supply chain partners, and community engagement.

## Management approach

### Supplier due diligence

To ensure that our suppliers meet our social responsibility and sustainability standards, we regularly review our direct suppliers and their compliance with our Code of Conduct which includes regular self-assessment questionnaires and on-site audits for our suppliers. These measures aim to identify and address potential risks while promoting sustainable development across our supply chain. If the supplier does not meet the requirements the supplier will be flagged in our ERP system, an action plan will be established by responsible Supplier Quality Engineer (SAQ), and if the timeline is not followed, the relationship will be terminated. Munters suppliers are categorized in three different categories based on our risk assessment of suppliers.

Supplier audits for new or existing suppliers are performed when deemed necessary by Sourcing and SAQ regardless of the class of the supplier. Supplier audits can be based on historical quality data, the supplier's ability to deliver zero defect products, logistic deviations and the supplier's ability to correct and prevent such. Compliance to the Code of Conduct will be followed-up within the scope of the audit. Supplier audits for existing suppliers are to be performed based on annual supplier audit plan or as required based on the supplier performance where supplier class 1 are to be prioritized.

### Enhancing M&A Processes with Sustainability Due Diligence

During the year, we have started the work to strengthen our mergers and acquisitions (M&A) process by integrating sustainability-focused due diligence. This enhanced approach ensures that we systematically assess and address social, environmental, and governance factors in potential acquisitions. By strengthening our due diligence in our M&A activities we aim to identify impacts, risks and opportunities related to fair working conditions, human rights, and broader sustainability impacts before the point of acquisition.

### Training and awareness

During the year a specific internal training, as a complement to the CoC training, has been performed on sustainability in the supply chain for everyone with purchase responsibilities within Munters. The training covers, but is not limited to, the content in our sCoC including human rights matters.

### Channel of raising concerns

Munters has a web-based whistleblower function managed by an independent external party where reporters are guaranteed anonymity. The whistleblower channel is available on our external website for all our stakeholders and is described in detail on page 107.

## Targets & Metrics – Workers in the value chain

### Supplier Code of Conduct

Our ambition is for our major suppliers to follow and sign our Code of Conduct for suppliers. We regularly review our direct suppliers and their compliance with our Code of Conduct.

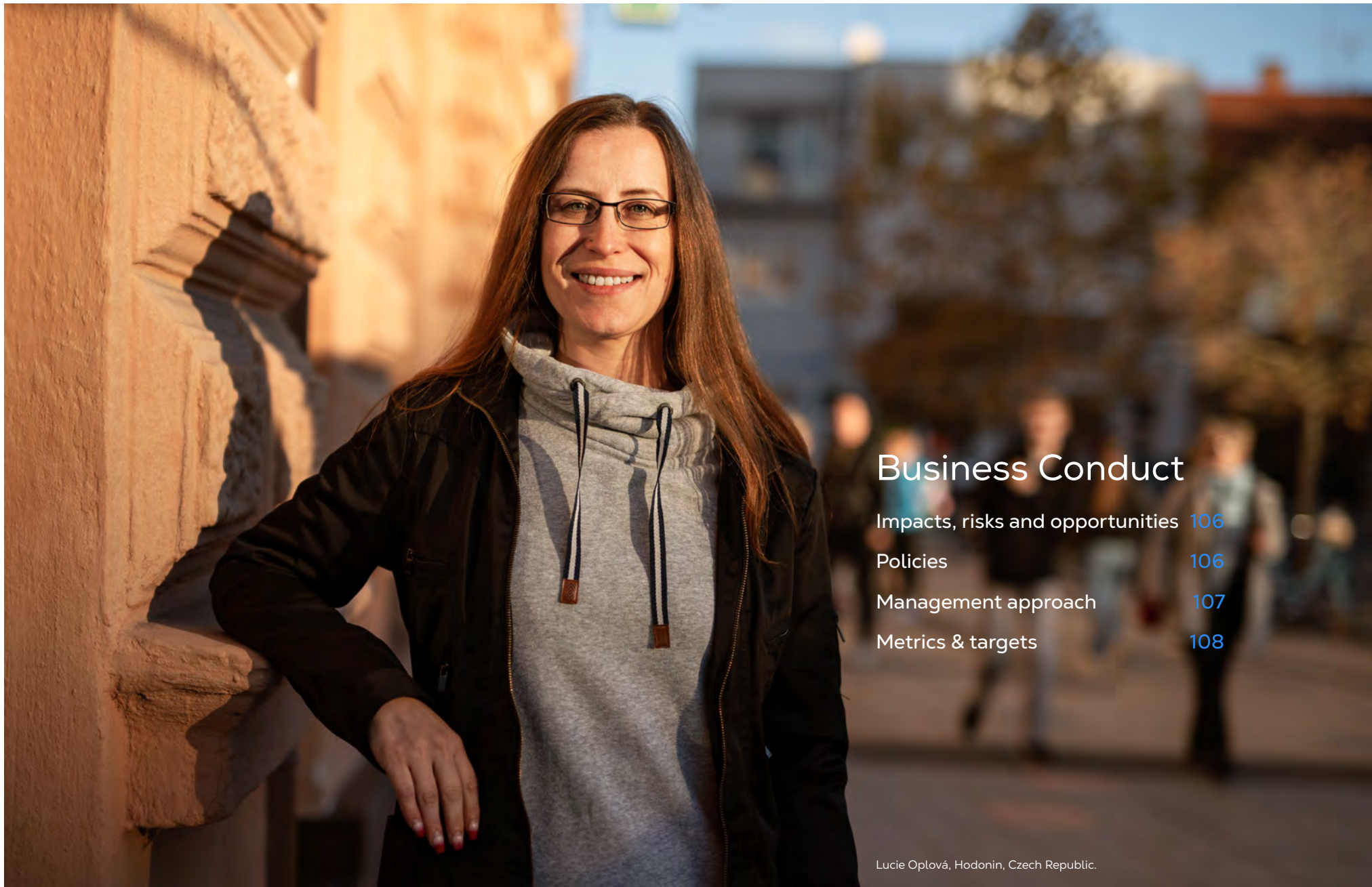
### Comment:

A small decrease compared to previous year due to timing of signing the sCoC. In line with target.

Outcome

99%

(2023: 100%)



## Business Conduct

|                                  |     |
|----------------------------------|-----|
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Lucie Oplová, Hodonín, Czech Republic.



## Impact, risks and opportunities

### Impacts

Corruption, bribery, and unethical business conduct pose significant barriers to social and economic progress. They disproportionately harm vulnerable communities, weaken democratic systems, and diminish trust in institutions. This erosion of trust undermines the business environment, creating persistent challenges to economic efficiency. As a result, these practices discourage investment and hinder economic growth in the areas where they take root.

Munters operates in over 30 countries and sell to many others, including regions with weaker institutions and higher risks of bribery and corruption. Our diverse sales channels, which include distributors, agents, contractors, and direct sales to end customers, increase our exposure to various parties. As a result, we have a potential negative impact across numerous areas due to our engagement with a wide range of stakeholders in different regions.

FoodTech's digital solutions can contribute to improving animal welfare within the food production value chain by enabling farmers to act proactively to prevent the spread of diseases, ensure that animals

have access to the right amount of food and water, and maintain an optimal climate.

### Risks and opportunities

Given the complexity and our potential negative impact there is a risk that Munters fails to properly mitigate bribery and corruption risks, it could lead to significant costs related to investigations, legal actions and fines as well as reputational damage.

A good corporate culture can contribute to attracting employees. Transparent, fair and orderly business practices contribute to a good relationship with stakeholders, good culture and a good reputation for the company.

### Link to business strategy

Ethical business conduct is fundamental to Munters strategy. By upholding integrity, transparency, and accountability in all our operations, we build trust with customers, partners, and our other stakeholders. This commitment strengthens our market position, supports sustainable growth, and ensures long-term value creation.

## Policies

### Munters Code of Conduct

Munters Code of Conduct, based on values like "Sustainable value creation", "Passion for results", "There is always a better way", and "Team Spirit", promotes honesty, integrity, and high ethical standards. Accessible via the intranet and onboarding packages, employees review and sign it biennially, with translations available in multiple languages.

### Munters Anti-Bribery & Anti-Corruption Policy

The Anti-Bribery & Anti-Corruption Policy enhances the Code of Conduct, setting standards for interactions with external parties and public officials. It mandates zero tolerance for bribery and corruption, covering areas like gifts, entertainment, third-party travel, business partners, conflicts of interest, sponsorships, charitable contributions, discounts, commissions, kickbacks, and facilitation payments. Detailed guidelines ensure compliance. Munters also enforces a zero-tolerance policy on fraud, committing to the prevention and thorough investigation of any suspected fraudulent activities, reflecting its dedication to ethical business practices and integrity.

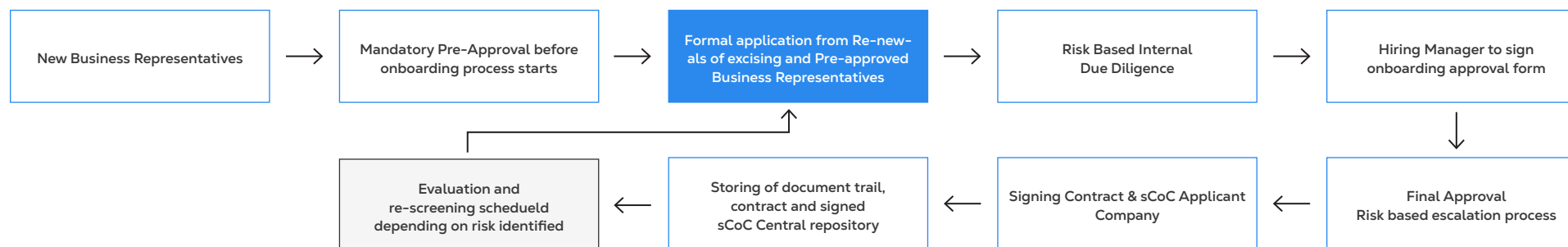
### Munters Supplier Code of Conduct

Our sCoC outline Munters stringent requirements set in our governing documents for our suppliers and business representatives. We regularly review our direct suppliers and their compliance with our sCoC. The guidelines for payment terms are established in our Sourcing policy.

### Munters Whistleblowing Procedure

The whistleblowing procedure is designed to encourage employees to raise serious concerns about any issues within or related to Munters. We are committed to addressing any reported wrongdoing by Munters or its employees, consultants, contractors, or suppliers. Such reports will be handled promptly, thoroughly investigated, and result in corrective where necessary. We will also explore ways to prevent similar issues from arising in the future. Employees can submit whistleblower complaints through various channels, including our Global Ethics Committee, or via global or local anonymous channels provided by an external provider.

## Due diligence for business representatives



Presented above is the updated due diligence process for business representatives which will be rolled out during 2025.

## Management approach

### Prevention of anticompetitive behaviour *Due diligence for business representatives*

Munters Group engages business representatives for various tasks, including sales and business development. These representatives, such as distributors, agents, and consultants, must adhere to Munters sCoC and relevant policies, as Munters can be held liable for any legal violations by these representatives. All business representatives must be carefully selected and used only for legitimate business purposes with clear goals and reasonable terms.

During 2024 an update has been carried out on our due diligence process for approval of business representatives. The process outlines a proper due diligence process for engaging any business representative, described in Munters Business Representative Procedure. All agreements must be documented and include a standard anti-corruption clause. This process is to be rolled out during 2025 and is described in the figure above. The roll out will be managed by Munters Director Global Compliance & Business Ethics together with the Business Areas. The roll out will be risk based depending on market and segments.

### *Conflict of interest*

Munters employees must avoid conflicts of interest (COI) and disclose any actual, potential, or perceived COI. Business transactions with external parties carry bribery risks, especially globally. Employees should act in Munters best interest and report any policy violations through designated channels.

### *Gifts & entertainment*

Munters procedure on gifts and entertainment emphasizes that such benefits should be limited, well-documented, and reasonable to avoid undue influence on corporate duties. Expenses involving officials should be avoided. Employees may offer or receive modest business gifts and hospitality only if it does not influence decisions and is pre-approved. Gifts and hospitality must be for legitimate business reasons and not benefit external parties or officials personally.

### *Raise of concern*

Employees are encouraged to report concerns related to corruption, fraud, accounting, internal controls, human rights issues, or any other matters that may constitute a legal violation or pose a risk to Munters business, reputation, employees, or shareholders. Reports can be made directly to their manager, the manager's superior, the Ethics committee, or the anonymous whistleblower channel.

Munters has a web-based whistleblower function managed by an independent external party where reporters are guaranteed anonymity. During 2024, 15 (2) cases were received and handled. Since 2023, local whistleblower channels were established for our EU units with more than 50 employees, in accordance with the Whistleblower Protection EU Directive. Munters does not tolerate any form of discrimination or retaliation against individuals who report compliance concerns.

Upon receiving a case, the designated Investigation Group, composed of internal independent members, gathers to determine the appropriate initial actions. The Group assigns an investigating officer, either internal or external, to lead the investigation. Once the investigation is completed, a written report is submitted to the Investigation Group for review and discussion. The Group will oversee the implementation of any agreed-upon recommendations resulting from the investigation, while simultaneously reporting to the Audit Committee.

### *Training and awareness*

To ensure that all employees are aware of the principles we follow, regular training is conducted for all employees in our Code of Conduct. All employees, consultants and temporary hired staff at Munters must complete online training in the CoC every second

year, aligned with the target of achieving 100% coverage in our digital training program on the CoC.

In the scope of anti-bribery and anti-corruption, we have during 2024 updated our procedure to a policy, with underlying procedures for approval of business representatives, gifts, entertainment, hospitality and third-party travel and conflict of interest. In 2025 we will start rolling out training in general compliance, as well as more targeted training for risk groups in the areas related to our procedures and sanctions. Risk groups include sourcing, sales, the management team and different functions within finance.

### *Lobbying and political influence*

Munters prohibits political contributions and the use of company resources for political purposes. It supports charitable groups for legitimate purposes, ensuring donations benefit society and demonstrate corporate social responsibility, without any requirement to use or purchase Munters products.

## Targets & Metrics – Business conduct

### Code of Conduct

All employees are to undergo training in the Code of Conduct at least every other year. Newly hired employees are to be trained when employment begins.

### Supplier Code of Conduct

Our ambition is for our major suppliers to follow and sign our Code of Conduct for suppliers. We regularly review our direct suppliers and their compliance with our Code of Conduct.

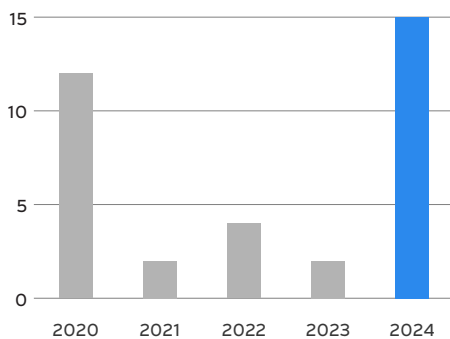
### Environmental fines

We place great emphasis on reducing our impact on the environment from our business activities. Our environmental commitment is described, among other things, in our Code of Conduct and our Sustainability Policy. Munters goal is to receive no environmental fines due to non-compliance with environmental laws and regulations.

| Target                   | Description of target   | Target Year (TY) | 2023 | 2024 | TY value | Trend | Comments   |
|--------------------------|---|------------------|------|------|----------|-------|--|
| <b>GOVERNANCE</b>        |   |                  |      |      |          |       |  |
| Environmental Fines      | Zero environmental fines  | Recurring        | 0    | 0    | 0        | ✔     | No environmental fines during 2024   |
| Code of Conduct          | All employees are to undergo training in the Code of Conduct at least every other year. Newly hired employees are to be trained when employment begins. | Recurring        | 71%  | 83%  | 100%     | ⚠     | A increase from previous year due to increased training efforts.                                   |
| Supplier Code of Conduct | 100% Compliance from major suppliers  | Recurring        | 100% | 99%  | 100%     | ✔     | A small decrease compared to previous year due to timing of signing the sCoC. In line with target. |

✔ Well aligned with target    ⚠ Progress made towards target    ❌ Not aligned with target

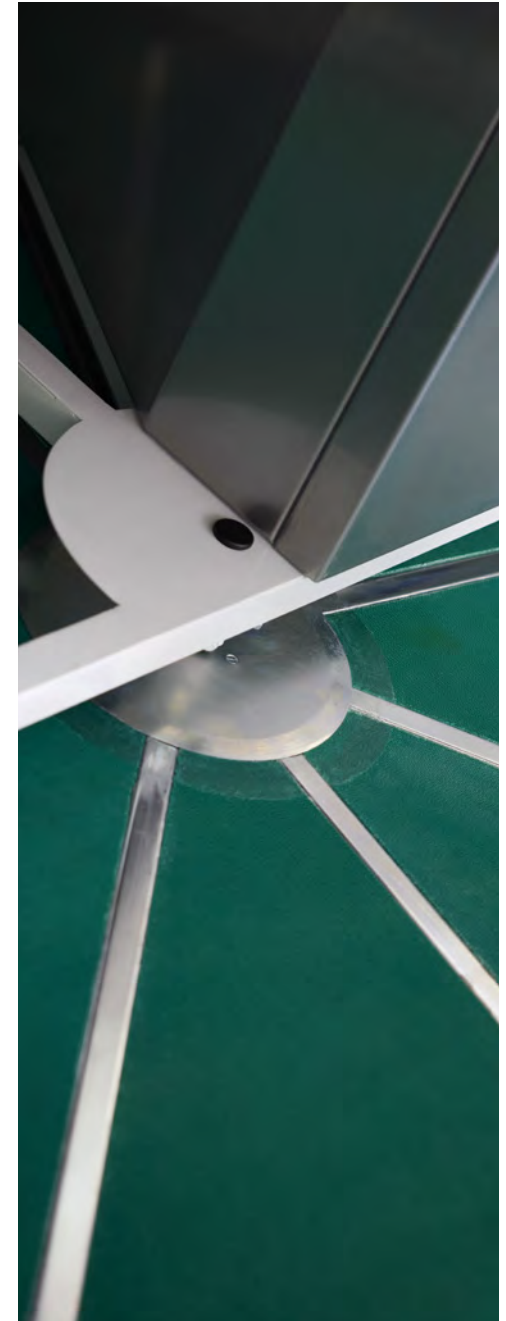
**Whistleblower cases**  
Number



### Whistleblower cases 2024

In 2024, 15 reports were submitted through the company's whistleblowing channels. Of these 15 reports, 0 were classified as whistleblower cases. Since 2023, local whistleblower channels were established for our EU units with more than 50 employees, in accordance with the Whistleblower Protection EU Directive.

Whistleblowing is the act of bringing management's attention to potential illegal or unethical practices, also referred to as wrongdoing. At Munters, wrongdoing includes any unlawful or unethical behavior, such as fraud, corruption, and bribery.





## Sustainability information according to the Annual Accounts Act

Gunnar Gauert, Kista, Sweden.

| Area                          | Disclosure Requirements   | Environmental & Climate Impact  | Social, Labour, and Human Rights                    | Anti-Corruption & Business Ethics     |
|-------------------------------|---|---|---|---------------------------------------|
| <b>Business Model</b>         | The sustainability report should describe the company's business model.   |   | Munters business model is described on pages 67-68. |                                       |
| <b>Policy</b>                 | The sustainability report should describe the policy the company applies in the issues, including the audit procedures that have been carried out.  | Munters policies, procedures, and guidelines in the sustainability area are described on page 64, 87, 94, 98, 103, 106. |   |                                       |
| <b>Policy Outcome</b>         | The sustainability report should describe the outcome of the policy.  | Outcome is described on pages 85-96   | Outcome is described on pages 98 & 104              | Outcome is described on pages 106-108 |
| <b>Significant Risks</b>      | The sustainability report should describe the significant risks related to the issues and are linked to the company's operations, including, where relevant, the company's business relations, products, or services that are likely to have negative consequences. | Munters sustainability risks and risk management are described on pages 66-68, 70, 85-87, 94, 98, 103, 106              |   |                                       |
| <b>Risk Management</b>        | The sustainability report should describe how the company manages the risks.  | Munters risk management is described on pages 87-89, 95, 99, 104, 107   |   |                                       |
| <b>Performance Indicators</b> | The sustainability report should describe key performance indicators relevant to the business.  | Munters performance indicators can be found on pages 90, 96, 100, 105, 108  |   |                                       |

Overall record performance achieved for the year,  
while investing for the future.

A woman with long dark hair, wearing a blue sweater and a gold watch, is sitting on a light-colored sofa and talking on a smartphone. She is looking off to the side with a slight smile. The background shows a large window with a view of a cityscape. A decorative graphic of blue dots forms a wavy line across the bottom of the image.

06 Financial information



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## Financial information

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# Board of Directors' report

The Board of Directors and the CEO of Munters Group AB (publ), corp.reg.no 556819-2321 with its registered office in Stockholm, Sweden, hereby submits the consolidated accounts and annual report for the fiscal year January 1 to December 31 2024.

The address of the headquarter is Munters Group AB, Box 1188, SE-164 40 Kista, Sweden, visiting address Borgafjordsgatan 16 in Kista. "Munters Group AB" or "the Parent Company" refer to Munters Group AB (publ), and "Munters" or "the Group" refer to the Munters Group, which comprises Munters Group AB and its Group companies.

The Board of Directors approved the annual accounts for publication March 4, 2025. The Group and Parent Company statement of comprehensive income and financial position will be submitted for approval at the Annual General Meeting on May 14, 2025.

## Operations

Munters is a global leader in energy-efficient and sustainable climate solutions. The solutions guarantee temperature and humidity control, which is mission-critical for customers. Munters offers solutions to many different industries where controlling temperature and humidity is mission critical. Our solutions reduce customers' climate and environmental impact through lower resource consumption, and in the process contribute to cleaner air, higher efficiency and reduced carbon emissions. Sustainability is an important part of Munters' business strategy and value creation.

Munters has been a pioneer in the field of air treatment since the company was founded in 1955. The Group is operating in over 45 countries and has about

5,400 co-workers. Munters Group AB has been listed on Nasdaq Stockholm since 2017 and is organized into three business areas: AirTech, Data Center Technologies and FoodTech.

Financial information by segment is presented in Note 5, Operating segments. Five-years summary is to be found on page 151.

## Net sales and result

### Order intake and net sales

Order intake during the year amounted to MSEK 14,259 (14,116), driven by strong growth in FoodTech and stable development in AirTech. DCT declined, driven by a reduction in large orders compared to last year, as customers increasingly shift to ordering small and mid-sized orders with shorter delivery times.

Net sales grew by 11% to MSEK 15,453 (13,930). Organic growth was 5%, through strong growth in DCT and FoodTech, whereas AirTech remained flat.

Service and components amounted to 24% (24) of net sales with an organic growth of 10%. Service accounted for 17% (15) of total net sales with an organic growth of 19%.

### Operating profit

Adjusted EBITA amounted to MSEK 2,330 (1,839), corresponding to an adjusted EBITA margin of 15.1% (13.2). The margin improved due to strong net sales growth in DCT and FoodTech and a positive effect from product mix in AirTech and DCT, as deliveries on major orders were finalized. Also, all business areas had positive effects from lean practices and other efficiency improvements initiatives.

Operating profit was MSEK 1,840 (1,586), corresponding to an operating margin of 11.9% (11.4). All business areas showed improved profitability. Corporate costs amounted to MSEK -208 (-208).

Amortization of intangible assets were MSEK -250 (-156), where MSEK -61 (-45) related to amortization of intangible assets from acquisitions.

Items affecting comparability totaled MSEK -240 (-96), including costs for restructuring and M&A activities as well as costs related to the strategic review of the Equipment offering in FoodTech communicated in 2023.

## Financial items

Financial income and expenses for the full year amounted to MSEK -355 (-331), including interest expenses on lease liabilities of MSEK -51 (-42). Compared to the same period last year interest expenses increased mainly due to higher debt.

## Taxes

Income taxes for the year were MSEK -465 (-463), with an effective tax rate of 31% (37).

In 2023, a deferred tax expense of MSEK 80 attributable to impairment of deferred tax assets on loss carry-forwards was recognized, explaining the high effective tax rate.

## Investments and leases

Investments in property, plant and equipment amounted to MSEK 762 (323). Investments in intangible assets amounted to MSEK 298 (347) and

was primarily related to capitalized R&D expenses in Sweden, Israel, and US but also to capitalization of expenses related to implementation of a new global ERP system..

The Group entered into new lease contracts amounting to MSEK 491 (128).

## Goodwill

Goodwill at December 31, 2024, amounted to MSEK 7,769 (5,822). Business combinations made up MSEK 1,531 of the increase.

## Financial position and liquidity

Interest-bearing liabilities, including lease liabilities, increased by MSEK 1,747 compared to last year and amounted to MSEK 7,597 (5,850). The increase is mainly explained by debt financed acquisitions. The interest-bearing liabilities in the Group has a weighted average maturity of 1.6 years.

Cash and cash equivalents amounted to MSEK 1,530 (1,532) as of year-end, which is a decrease of MSEK 2.

Net debt as of December 31 amounted to MSEK 6,364 compared to MSEK 4,620 at the end of 2023. Net debt in relation to adjusted EBITDA was 2.3x compared to 2.1x at the end of December 2023. The higher ratio is explained by an increase in net debt partly mitigated by an increase in EBITDA.

## Financial instruments

The existence of financial instruments in the group, in addition to those that have arisen in the current operations, is constituted of interest-bearing bank loans as well as currency derivatives. Additional information about financial instruments can be found in Note 3, 23 and 24.

## Research and development

The costs of research and development amounted to MSEK 454 (360), equivalent to 2.9% (2.6) of net sales. Internally generated intangible assets amounted to MSEK 193 (189). The activities in the area include technical and product development and product ownership. To ensure a persistent and long-term value creation, Munters balance activities around innovation, development and product launches. There has been a lot of focus on digitization.

Sustainability and energy efficiency are something Munters considers very important and a large part of the research resources are used for the development of new technologies in these areas.

## Employees

The number of permanent full time employees were by year-end 2024 5,412 (4,981). The increase is mainly explained by acquisitions.

For remuneration to senior executives as well as adopted remuneration guidelines for this remuneration, see Note 33.

## Significant events during the year

### Acquisitions

In May, Munters closed the acquisition of Airprotech, an Italian company within VOC abatement systems. The acquisition enhances Munters Clean Technology portfolio and supports cleaner production for European industries.

In July, Munters acquired a majority share in Automated Environments (AEI), a US-based company specializing in automated control systems for the layer industry. The acquisition is part of the FoodTech strategy to serve food producers with an extensive portfolio of Digital solutions. Munters will initially have an 80% share in AEI. The agreement stipulates the remaining 20% to be acquired by the end of 2026. Accordingly, 100% of AEI is consolidated as from the acquisition date.

In October, Munters closed the acquisition of Geoclima, an Italian manufacturer of air- and water-cooled chillers. Geoclima's product offering completes Munters Data Center Technologies (DCT) cooling portfolio enhancing the company's ability to offer full solutions to the total data center cooling market.

In October, Munters also acquired Hotraco, a Dutch leading developer of control systems and sensors for the agricultural sector, strengthening Munters Food-Tech portfolio. It marks another step in the strategy to create a digital ecosystem built around data capture platforms and software that supports a more efficient and sustainable food production

### *Munters and ZutaCore form strategic alliance for data center cooling innovation*

In September, a strategic alliance was announced with ZutaCore, a leader in direct-to-chip, waterless liquid cooling for data centers. The aim is to tackle the challenges of managing AI-generated heat more efficiently and sustainably by integrating Munters' SyCool systems with ZutaCore's advanced 2-phase liquid cooling technology. The collaboration will focus on addressing the challenges of managing AI-generated heat while eliminating risks associated with water leakage.

### *New production facility in Europe*

To meet the growing demand for data center cooling in Europe, Munters is building a state-of-the-art production facility in Cork, Ireland of more than 11,000 m<sup>2</sup>. Munters is executing on its strategic intent to accelerate growth opportunities. The European data center cooling market is expected to see significant growth due to AI and cloud services in the coming years.

### *Completed strategic review of the Equipment business in FoodTech*

The strategic review of the Equipment business in FoodTech, initiated last year was completed in 2024. The conclusion of the review was to divest this business and in February 2025 an agreement to divest the business was signed (see events after the balance sheet date for more information).

### *Munters Capital Markets Day 2024 with updated financial & sustainability targets*

In May, Munters organized a Capital Markets Day in Stockholm, offering a deep dive into the company's strategic direction and future goals. The event highlighted Munters positioning for the next growth wave, leading to the announcement of an increased financial mid-term target for net sales growth and updated strategic sustainability targets.

### *Munters announces changes in the Group Executive Management Team*

In July, the Group Management Team was extended as Kaspar Kirchmann was appointed Group Vice Pres-

ident Legal and Group Counsel and Susann Johnsson was appointed Group Vice President, Communications and Brand. Kaspar joined Munters in 2017 and has held the position of General Counsel and is highly experienced in international transactions. Susann has been VP Communications and Brand at Munters since she joined 2021 and brings profound international experience within brand, communications and marketing.

In October it was announced that Stefan Måhl, Group Vice President Business Excellence and part of the Executive Management Team has decided to retire and in January, 2025 he left the company. The Business Excellence function is placed under Group Finance & Strategy, led by Katharina Fischer, CFO & Group Vice President.

### **Annual general meeting 2024**

The annual general meeting was held at Munters headquarters in Kista, Stockholm, Sweden on Thursday March 21. The AGM resolved in accordance with the Nomination Committee's proposal and re-elected board members Helen Fash Gillstedt, Maria Håkansson, Anders Lindqvist, Magnus Nicolin, Kristian Sildeby and Sabine Simeon-Aissaoui and elected Elizabeth Carey Nugent.

### *Nomination Committee for the AGM 2025*

In September, the Nomination Committee of Munters Group AB was appointed. The Nomination Committee comprises the following members: Magnus Fernström, FAM AB, Chairman of the Nomination Committee, Celia Grip, Swedbank Robur Funds, Mats Larsson, First Swedish National Pension Fund, and Philip Mesch, Odin Fund Management.

The Nomination Committee shall prepare proposals for the 2025 Annual General Meeting regarding Chairman of the Board, auditor, remuneration to the Board divided between the Chairman and the other Board members as well as remuneration for committee work, remuneration to the company's auditor and, if necessary, proposal for changes to the instruction for the Nomination Committee.

### **Significant risks & uncertainties**

The Group's significant risks and uncertainties can be divided into four categories: strategic, operational, financial and regulatory risks. In these categories, there are both risks due to political and macroeconomic trends and specific risks directly linked to the business carried out by the Group. A risk assessment is carried out on an annual basis and the purpose is to identify and address the most important risks.

Munters products are used in complex customer processes. Quality and contract obligations are critical and could result in claims from damages. The Group depends to some extent on key customers and key personnel. Considering that Munters is a company with geographically widespread operations and many small organizational units, there is a risk of failure to comply with relevant regulations in the business ethics area, e.g. anti-bribery rules.

A risk assessment is performed annually for the purpose of identifying and remedying the most important risks. Munters' primary risks are defined as the company's most important identified risks and are presented on the pages 56–59 and 67–68 of this report.

The Group's financial risks mainly consist of currency, interest and financing. Munters works actively with insurance solutions, and Group-wide policies are governed by central guidelines. These include general liability and product liability, property, business interruptions, transportation, director and officer liability insurance and employment practice liability, the main purpose of which is to prevent property damage and business interruptions. A more extensive description of financial risks and how these are managed can be found in Note 3.

### **Parent company**

The parent company has no sales of goods and services to external customers. Cash and cash equivalents at the end of the year amounted to MSEK 0 (3).

### **Share capital and ownership in Munters Group AB**

The share capital of 5,533,735 SEK comprises of 184,457,817 shares with a par value of SEK 0.03 per share, whereof 1,916,377 are treasury shares, which corresponds to 1.0% of the shares. The shares in Munters Group AB are listed on Nasdaq Stockholm under the name MTRS. The ten largest owners in Munters Group AB hold a total of 61.3 % (60.7) of outstanding shares. Of these, FAM AB holds 28.0 % (28.0). No other shareholder holds more than ten percent of the shares, either directly or indirectly, in Munters Group AB.

### **Proposal on distribution of dividend**

At the disposal of the Annual General Meeting are the following earnings; KSEK 3,466,935. The Board of Directors of Munters Group AB proposes that the Annual General Meeting 2025 resolves that a dividend of SEK 1.60 be paid for 2024, in total MSEK 292, and that other retained earnings amounting to MSEK 3,175 be carried forward.

### Provisions in articles of association

The Annual General Meeting is charged with appointing and dismissing Board members. The Annual General Meeting also decides on changes to the Articles of Association.

### Proposal regarding guidelines for the remuneration of senior executives

The main changes to the existing guidelines proposed by the Board of Directors comprise updates of the guidelines' promotion of the company's business strategy, long-term interests and sustainability as well as the examples of weighted sustainability goals that the non-financial criteria linked to the long-term variable cash salary may consist of, adjustment of the maximum levels of the annual variable cash salary for the CEO and for the long-term variable cash salary for the other members of the Group Management as well as supplementation of the long-term variable cash salary for members of the Group Management who are business area presidents with an additional component linked to a financial criterion for each business area

The Board of Directors proposes that the 2025 annual general meeting resolve on guidelines for the remuneration of senior executives to be in force until further notice, pursuant to the following.

The group of executives encompassed by the guidelines comprises the CEO and other members of the Group Management. The guidelines also encompass any remuneration to board members, other than board fees. The guidelines shall apply to remuneration agreed, and amendments to remuneration already agreed, after adoption of the guidelines by the 2025 annual general meeting. The guidelines do not apply to any remuneration resolved by the general meeting.

*The guidelines' promotion of the company's business strategy, long-term interests and sustainability* Munters business strategy is to be a global leader in energy-efficient and sustainable climate solutions. Our solutions enable energy efficient production processes with reduced carbon dioxide emissions for our customers. Using innovative technologies, Munters ensures the optimal climate for mission-critical industrial applications and processes by providing energy-efficient climate control solutions, including air treatment, cooling, dehumidification, and related services such as installation, maintenance, and digital monitoring systems. The largest segments include industry, data centers, food, pharmaceuticals, and agriculture, where precise temperature and humidity control are essential for efficiency, sustainability, and operational performance.

Munters conducts operations in three business areas:

**AirTech** is a global leader in energy-efficient air treatment solutions, providing climate control technologies that ensure optimal humidity levels for industrial applications.

**FoodTech** is a leading provider of advanced software and control systems designed to optimize climate management and operational efficiency across the entire food production value chain, including livestock farming and greenhouses.

**Data Center Technologies** is a leading provider of advanced climate cooling solutions, offering a wide range of energy-efficient technologies such as air handling, evaporative cooling, and heat rejection. These solutions help different data center operators achieve sustainable and reliable operations.

For further information regarding Munters business strategy, see Munters website (<https://www.munters.com/en-us/about-us/our-strategy/>).

A prerequisite for the successful implementation of Munters business strategy and safeguarding of the company's long-term interests, including its sustainability, as well as delivery on the ambitions the company has, is that the company is able to recruit and retain qualified personnel. In order to do so, Munters must be able to offer a competitive total remuneration based on market terms, which these guidelines enable.

Variable cash remuneration covered by these guidelines shall aim to promote the company's business strategy and long-term interests, including its sustainability.

#### *Types of remuneration, etc.*

The remuneration shall be on market terms and may consist of the following components: fixed annual cash salary, variable cash salary, pension and other benefits. Additionally, the general meeting may – irrespective of these guidelines – resolve on, for example, share and share price-related remuneration.

#### *Fixed cash salary*

The fixed cash salary shall reflect the demands and responsibility that the position entails as well as individual performance. The fixed cash salary shall be revised annually.

#### *Variable cash salary*

Variable cash salary may consist of annual variable cash salary and / or long-term variable cash salary.

The annual variable cash salary shall be maximized to 60 per cent of the fixed annual cash salary for the CEO and 50 per cent of the fixed annual cash salary for the other members of the Group Management. The satisfaction of criteria for awarding variable cash salary shall be measured over a period of one year.

The annual variable cash salary shall be linked to predetermined and measurable financial criteria, such as operating result and working capital. By linking the remuneration of the senior executives to the company's earnings and financing of its operating activities, the criteria promote the implementation of the company's business strategy and long-term interests, including its sustainability. Furthermore, the criteria for variable cash salary shall be designed so that they do not encourage excessive risk taking.

With the exception of what is stated below regarding members of the Group Management who are business area presidents, the long-term variable cash salary shall be awarded after one, two, and three years, respectively, and shall be maximized to a total of 150 per cent of the annual fixed cash salary for the CEO, and 60 per cent of the annual fixed cash salary for other members of the Group Management, distributed pro-rata over the three years. The satisfaction of criteria for pay out of long-term variable cash salary shall be measured during a one-, two- and three-year period, respectively, before pay out.

Such long-term variable cash salary shall be linked to predetermined and measurable financial criteria (weighting 70 per cent) and non-financial criteria (weighting 30 per cent). The financial criteria may consist of, for example, adjusted EBITA and Operating Working Capital and the non-financial criteria may consist of, for example, weighted sustainability goals (such as annual reduction of direct (scope 1) and indirect (scope 2) emissions measured in tonnes of carbon dioxide or indirect emissions per unit sold (Scope 3, Category 11) measured in tonnes of carbon dioxide, annual percentage of woman leaders who have been appointed within the group, and annual service growth).

In addition, members of the Group Management who are business area presidents may be entitled to additional long-term variable cash salary that shall be maximized to 10 per cent of the annual fixed cash salary and be linked to a predetermined and measurable financial criterion for the relevant business area. The financial criterion may consist of, for example, adjusted EBITA or Annual Recurring Revenue, and may be different for each business area. The satisfaction of criterion for pay out of such long-term variable cash salary shall be measured during a three-year period before pay out.

By linking the remuneration of the senior executives to the company's earnings, financing of day-to-day

operations, and sustainability, the criteria promote the implementation of the company's business strategy and long-term interests, including its sustainability. The criteria for long-term variable cash salary shall be designed so that they do not encourage excessive risk-taking.

A certain part of the net amount after tax of paid out as long-term variable cash salary is expected to be invested in Munters shares, according to the share ownership policy which the Board of Directors has adopted. The entire net amount after tax is expected to be invested in Munters shares until the holding in value corresponds to 200 per cent of the gross annual fixed cash salary for the CEO and 100 per cent of the gross annual fixed cash salary for other members of the Group Management. When such a holding has been achieved, half of the net amount after tax is expected to be invested in Munters shares.

To which extent the criteria for awarding variable cash salary have been satisfied shall be evaluated when the measurement period has ended. The Board of Directors is responsible for the evaluation so far as it concerns variable cash salary to the CEO. The Remuneration Committee is responsible for the evaluation so far as it concerns variable cash salary to other members of the Group Management. For financial objectives, the evaluation shall be based on the latest financial information made public by the company.

Terms and conditions for both annual variable cash salary and long-term variable cash salary shall be designed so that the Board of Directors, if exceptional economic circumstances prevail, has the option of limiting or refraining from payment if such a measure is considered reasonable.

Additional variable cash remuneration may be awarded in extraordinary circumstances, provided that such extraordinary arrangements are limited in time and only made on an individual basis, either for the purpose of recruiting or retaining executives, or as remuneration for extraordinary performance beyond the individual's ordinary tasks. Such remuneration may not exceed an amount corresponding to 50 per cent of the fixed annual cash salary and shall not be paid more than once per year and per individual. Resolution on such remuneration shall be made by the Board of Directors based on a proposal from the Remuneration Committee.

#### *Pension*

For the CEO, pension benefits, including health insurance, shall be defined contribution. Variable cash salary shall not qualify for pension benefits. Pension contributions for defined contribution pension shall amount to not more than 35 per cent of the fixed annual cash salary.

For other members of the Group Management, pension benefits, including health insurance, shall be defined contribution unless the executive concerned is subject to defined benefit pension under mandatory collective agreement provisions. Variable cash salary shall qualify for pension benefits to the extent required by mandatory collective agreement provisions applicable to the executive. Pension contributions for defined contribution pension shall amount to not more than 35 per cent of the fixed annual cash salary.

#### **Other benefits and compensation**

Other compensation may consist of other benefits that are customary and in line with market terms, such as medical insurance, life insurance and company cars, which shall not constitute a significant part of the total remuneration. Such benefits may amount to not more than 10 per cent of the fixed annual cash salary.

For employments governed by rules other than Swedish, pension benefits and other benefits may be duly adjusted for compliance with mandatory rules or established local practice, taking into account, to the extent possible, the overall purpose of these guidelines.

#### **Consultancy fee to board members**

In specific cases, and for a limited time, Munters board members elected by the general meeting may be able to be remunerated for services within their respective areas of expertise, which does not constitute board work. For these services (including services performed by a board member wholly-owned company), a fee on market terms can be paid, provided that such services contribute to the implementation of Munters business strategy and safeguarding of Munters long-term interests, including its sustainability. Such consultancy fee may, for each board member, in no case exceed one year's board fee.

#### **Termination of employment**

Fixed cash salary during the notice period and severance pay, as well as remuneration for any non-com-

pete restrictions, shall in total not exceed an amount corresponding to the fixed cash salary for two years for the CEO and 18 months for other members of the Group Management. Severance pay shall not be paid if notice of termination of employment is made by the CEO and other members of the Group Management. The notice period between the company and the CEO, and other members of the Group Management, shall not exceed 6 months.

Remuneration for any non-compete restrictions shall compensate for any loss of income and shall only be paid for such period as the former executive does not have the right to severance pay. The remuneration shall amount to not more than 60 per cent of the fixed annual cash salary at the time of termination of employment, unless otherwise provided by mandatory collective agreement provisions, and shall be payable during the period subject to the non-compete restriction, which shall not exceed 12 months after termination of employment.

#### **Salary and employment conditions for employees**

In the preparation of the Board of Directors' proposal for these remuneration guidelines, salary and employment conditions for employees of the company and the group's Swedish operations have been taken into account by including information on the employees' total remuneration, the components of the remuneration and increase and growth rate over time, in the Remuneration Committee's and the Board of Directors' basis of decision when evaluating whether the guidelines and the limitations set out herein are reasonable. In the company, i.e. in Munters Group AB, there are only eight employees (and all are senior executives).

#### **Preparation and decision-making process**

The Board of Directors has established a Remuneration Committee. The committee's tasks include, among other things, preparing the Board of Directors' decision to propose guidelines for remuneration to senior executives. The Board of Directors shall prepare a proposal for new guidelines at least every fourth year and submit the proposal to the annual general

meeting. The guidelines shall be in force until new guidelines are adopted by the general meeting. The Remuneration Committee shall also monitor and evaluate programs for variable remuneration for the Group Management, the application of the guidelines for remuneration to senior executives as well as the current remuneration structures and compensation levels in the company. The CEO and other members of the Group Management do not participate in the Board of Directors' processing of and resolutions regarding remuneration-related matters in so far as they are affected by such matters.

Remuneration to the CEO is prepared by the Remuneration Committee and decided by the Board of Directors.

Remuneration to other members of the Group Management is prepared by the CEO and decided by the Remuneration Committee.

#### **Derogation from the guidelines**

The Board of Directors may temporarily resolve to derogate from the guidelines resolved by the general meeting, in whole or in part, if in a specific case there is special cause for the derogation and a derogation is necessary to serve the company's long-term interests, including its sustainability, or to ensure the company's financial viability. As stated above, the Remuneration Committee's tasks include preparing the Board of Directors' resolutions in remuneration-related matters, which includes preparing any resolutions to derogate from the guidelines.

#### **Significant events after the balance sheet date**

In January 2025, the minority shareholders of MTech exercised their put options related to their shareholdings in MTech of 33.4%. 80% of the purchase price is expected to be paid in the first half of 2025 and the remaining 20% in the first half of 2026. The fair value of the options amounts to MSEK 1,142 as of the balance sheet date.

In the beginning of February 2025, Munters signed an agreement to divest the FoodTech Equipment offering to Grain & Protein Technologies (GPT), owned by American Industrial Partners (AIP) for MEUR 97.5 (approximately BSEK 1.1) on a cash and debt free basis.

The Equipment offering includes fans, ventilation and cooling systems as well as production of CELdek (evaporative cooling pads), generating annual net sales of MSEK 1,925 and an adjusted EBITA of MSEK 226 in 2024.

Production and sales of CELdek product line in Americas is excluded from the divestment and will be fully integrated into the business area AirTech, which would have added approximately MSEK 200 in annual net sales based on 2024 for the AirTech Americas region.

As of the first quarter 2025, the FoodTech Equipment offering will be carved out and reported as discontinued operations.

**Corporate governance report and sustainability report**  
Munters Group AB has chosen to prepare the Corporate Governance Report and Sustainability Report as a separate document from the Annual Report.

The Corporate Governance Report is outlined on Pages 44–55 and the Sustainability Report on Pages 3–4, 10, 13–24 and 61–109. The Sustainability Report now also includes Munters taxonomy report. For descriptions of risks and controls in conjunction with preparation of the consolidated accounts, refer to the Corporate Governance Report.

#### **Financial statements and notes**

The Group's income and financial position in other respects are presented in the following statements of comprehensive income, financial position, cash flows and changes in equity, as well as in the Notes. The Parent Company's income and financial position in other respects are presented in the following income statement and balance sheet, statement of changes in equity, cash flow statement and notes. All amounts are in millions of Swedish kronor (MSEK) unless otherwise specified.

Totals quoted in tables and statements may not always be the exact sum of the individual items because of rounding differences. The aim is that each line item should correspond to its source and rounding differences may therefore arise.

# Consolidated statement of comprehensive income

| MSEK  | Note       | 2024         | 2023         |
|---|------------|--------------|--------------|
| Net sales   | 4, 5       | 15,453       | 13,930       |
| Cost of good sold   |            | -10,131      | -9,508       |
| <b>Gross profit</b>   |            | <b>5,322</b> | <b>4,422</b> |
| Selling expenses  |            | -1,523       | -1,281       |
| Administrative expenses   |            | -1,435       | -1,106       |
| Research and development costs  |            | -454         | -360         |
| Other operating income and expenses                                   | 9          | -58          | -82          |
| Share of earnings in associates                                       | 17         | -12          | -8           |
| <b>Operating profit</b>   | 5, 6, 7, 8 | <b>1,841</b> | <b>1,586</b> |
| Financial income  | 10         | 49           | 26           |
| Financial expenses  | 10         | -404         | -357         |
| <b>Profit after financial items</b>                                   |            | <b>1,485</b> | <b>1,255</b> |
| Tax   | 11         | -465         | -463         |
| <b>Net income</b>   |            | <b>1,020</b> | <b>792</b>   |
| Attributable to Parent Company shareholders                           |            | 973          | 784          |
| Attributable to non-controlling interests                             |            | 47           | 8            |
| <b>Earnings per share attributable to Parent Company shareholders</b> |            |              |              |
| Earnings per share before dilution, SEK                               | 12         | 5.33         | 4.30         |
| Earnings per share after dilution, SEK                                | 12         | 5.33         | 4.30         |

| MSEK   | Note | 2024         | 2023        |
|--|------|--------------|-------------|
| <b>Other comprehensive income</b>  |      |              |             |
| <i>Items that may be reclassified subsequently to profit and loss:</i>             |      |              |             |
| Exchange-rate differences on translation of foreign operations                     | 21   | 449          | -274        |
| <i>Items that will not be reclassified to profit and loss:</i>                     |      |              |             |
| Actuarial gains and losses on defined-benefit pension obligations inc. payroll tax | 25   | 16           | -46         |
| Income tax effect not to be reclassified to profit and loss                        | 11   | -3           | 9           |
| <b>Other comprehensive income</b>  |      | <b>462</b>   | <b>-311</b> |
| <b>Total comprehensive income</b>  |      | <b>1,482</b> | <b>481</b>  |
| Attributable to Parent Company shareholders  |      | 1,436        | 478         |
| Attributable to non-controlling interests  |      | 46           | 4           |

# Consolidated statement of financial position

| MSEK                                   | Note      | 2024          | 2023          |
|--|-----------|---------------|---------------|
| <b>ASSETS</b>                          |           |               |               |
| <b>Non-current assets</b>              |           |               |               |
| Intangible assets                      | 8, 13     | 11,149        | 8,081         |
| Property, plant and equipment          | 8, 14     | 1,789         | 1,097         |
| Right-of-Use assets                    | 8, 15     | 1,000         | 672           |
| Participations in associated companies | 17        | 54            | 25            |
| Other financial assets                 | 17, 23    | 189           | 95            |
| Deferred tax assets                    | 11        | 403           | 292           |
| <b>Total non-current assets</b>        |           | <b>14,584</b> | <b>10,262</b> |
| <b>Current assets</b>                  |           |               |               |
| Inventory                              | 18        | 2,283         | 1,726         |
| Accounts receivable                    | 3, 19, 23 | 2,567         | 2,038         |
| Derivative instruments                 | 23        | 4             | 0             |
| Current tax assets                     |           | 178           | 84            |
| Other receivables                      | 23        | 240           | 135           |
| Prepaid expenses and accrued income    | 20        | 593           | 954           |
| Cash and cash equivalents              | 23        | 1,530         | 1,532         |
| <b>Total current assets</b>            |           | <b>7,395</b>  | <b>6,469</b>  |
| <b>TOTAL ASSETS</b>                    |           | <b>21,979</b> | <b>16,731</b> |

| MSEK  | Note   | 2024          | 2023          |
|---|--------|---------------|---------------|
| <b>EQUITY AND LIABILITIES</b>                             |        |               |               |
| <b>Equity</b>   |        |               |               |
| Attributable to Parent Company shareholders               | 21     |               |               |
| Share capital   |        | 6             | 6             |
| Other capital contributions                               |        | 5,144         | 5,144         |
| Reserves  |        | 1,272         | 822           |
| Profit brought forward                                    |        | -527          | -715          |
| <b>Equity attributable to Parent Company shareholders</b> |        | <b>5,894</b>  | <b>5,257</b>  |
| Non-controlling interests                                 |        | 14            | 1             |
| <b>Total equity</b>                                       |        | <b>5,908</b>  | <b>5,258</b>  |
| <b>Non-current liabilities</b>                            |        |               |               |
| Interest-bearing liabilities                              | 23, 24 | 3,780         | 4,151         |
| Lease liabilities   | 23, 24 | 847           | 553           |
| Provisions for pensions                                   | 25     | 277           | 280           |
| Other provisions  | 26     | 90            | 62            |
| Other non-current liabilities                             | 23     | 803           | 636           |
| Deferred tax liabilities                                  | 11     | 598           | 455           |
| <b>Total non-current liabilities</b>                      |        | <b>6,394</b>  | <b>6,135</b>  |
| <b>Current liabilities</b>                                |        |               |               |
| Interest-bearing liabilities                              | 23, 24 | 2,734         | 980           |
| Lease liabilities   | 23, 24 | 237           | 167           |
| Other provisions  | 26     | 249           | 145           |
| Accounts payable  | 23     | 1,789         | 1,294         |
| Derivative instruments                                    | 23     | 3             | 33            |
| Current tax liabilities                                   |        | 108           | 78            |
| Advances from customers                                   | 4      | 1,821         | 1,355         |
| Other current liabilities                                 | 23     | 1,242         | 92            |
| Accrued expenses and deferred income                      | 27     | 1,496         | 1,193         |
| <b>Total current liabilities</b>                          |        | <b>9,677</b>  | <b>5,337</b>  |
| <b>TOTAL EQUITY AND LIABILITIES</b>                       |        | <b>21,979</b> | <b>16,731</b> |

# Consolidated statement of changes in equity

## Attributable to Parent Company shareholders

| MSEK   | Share capital | Other capital contributed | Reserves | Profit brought forward | Total | Non-controlling interests | Total equity |
|--|---------------|---------------------------|----------|------------------------|-------|---------------------------|--------------|
| <b>Opening balance, January 1, 2024</b>                      | 6             | 5,144                     | 822      | -715                   | 5,257 | 1                         | 5,258        |
| Net income   | -             | -                         | -        | 973                    | 973   | 47                        | 1,020        |
| Other comprehensive income                                   | -             | -                         | 450      | 13                     | 463   | -1                        | 462          |
| <b>Total comprehensive income</b>                            | -             | -                         | 450      | 986                    | 1,436 | 46                        | 1,482        |
| <b>Transactions with owners in their capacity as owners:</b> |               |                           |          |                        |       |                           |              |
| Exercised share options                                      | -             | -                         | -        | 1                      | 1     | -                         | 1            |
| Acquisition of non-controlling interests                     | -             | -                         | -        | -                      | -     | 9                         | 9            |
| Change in non-controlling interests                          | -             | -                         | -        | 43                     | 43    | -43                       | -            |
| Put/call option related to non-controlling interests         | -             | -                         | -        | -604                   | -604  | -                         | -604         |
| Dividends paid   | -             | -                         | -        | -237                   | -237  | -                         | -237         |
| <b>Total transactions with owners</b>                        | -             | -                         | -        | -798                   | -798  | -34                       | -832         |
| <b>Closing balance, December 31, 2024</b>                    | 6             | 5,144                     | 1,272    | -527                   | 5,894 | 14                        | 5,908        |
| <b>Opening balance, January 1, 2023</b>                      | 6             | 5,144                     | 1,096    | -943                   | 5,303 | 3                         | 5,307        |
| Net income   | -             | -                         | -        | 784                    | 784   | 8                         | 792          |
| Other comprehensive income                                   | -             | -                         | -269     | -37                    | -306  | -4                        | -311         |
| <b>Total comprehensive income</b>                            | -             | -                         | -269     | 747                    | 478   | 4                         | 481          |
| <b>Transactions with owners in their capacity as owners:</b> |               |                           |          |                        |       |                           |              |
| Exercised share options                                      | -             | -                         | -        | 21                     | 21    | -                         | 21           |
| Change in non-controlling interests                          | -             | -                         | -4       | 8                      | 4     | -4                        | -            |
| Put/call option related to non-controlling interests         | -             | -                         | -        | -377                   | -377  | -                         | -377         |
| Dividends paid   | -             | -                         | -        | -173                   | -173  | -2                        | -175         |
| Share option plan incl. deferred tax                         | -             | -                         | -        | 1                      | 1     | -                         | 1            |
| <b>Total transactions with owners</b>                        | -             | -                         | -4       | -520                   | -524  | -6                        | -530         |
| <b>Closing balance, December 31, 2023</b>                    | 6             | 5,144                     | 822      | -715                   | 5,257 | 1                         | 5,258        |



# Consolidated cash flow statement

| MSEK  | Note | 2024         | 2023         |
|---|------|--------------|--------------|
| <b>Operating activities</b>   |      |              |              |
| Operating profit  |      | 1,841        | 1,586        |
| <i>Reversal of non-cash items:</i>  |      |              |              |
| Depreciation and amortization   |      | 644          | 484          |
| Other profit/loss items not affecting liquidity                             |      | 21           | 43           |
| Change in provisions  |      | 76           | -11          |
| <b>Cash flow before interest and tax</b>                                    |      | <b>2,581</b> | <b>2,102</b> |
| Paid financial items  |      | -334         | -312         |
| Taxes paid  |      | -623         | -390         |
| <b>Cash flow from operating activities before change in working capital</b> |      | <b>1,624</b> | <b>1,400</b> |
| <b>Cash flow from changes in working capital:</b>                           |      |              |              |
| Change in accounts receivable   |      | -165         | -11          |
| Change in inventory   |      | -137         | 271          |
| Change in accrued income  |      | 440          | -267         |
| Change in accounts payable  |      | 293          | -60          |
| Change in advances from customers   |      | 191          | -299         |
| <b>Cash flow from change in operating working capital</b>                   |      | <b>621</b>   | <b>-366</b>  |
| Change in other working capital   |      | 122          | 31           |
| <b>Cash flow from change in working capital</b>                             |      | <b>744</b>   | <b>-335</b>  |
| <b>Cash flow from operating activities</b>                                  |      | <b>2,367</b> | <b>1,066</b> |

| MSEK  | Note | 2024          | 2023          |
|---|------|---------------|---------------|
| <b>Investing activities</b>                                     |      |               |               |
| Business acquisitions   | 30   | -1,680        | -744          |
| Investments in associated companies                             |      | -37           | -             |
| Investments in participations and securities in other companies |      | -89           | -4            |
| Sale of property, plant and equipment                           |      | 1             | 0             |
| Investments in property, plant and equipment                    | 14   | -762          | -323          |
| Investments in intangible assets                                | 13   | -298          | -347          |
| <b>Cash flow from investing activities</b>                      |      | <b>-2,865</b> | <b>-1,418</b> |
| <b>Financing activities</b>                                     |      |               |               |
| Exercised share options   |      | 1             | 21            |
| Loans raised  | 24   | 2,664         | 2,268         |
| Amortization of loans   | 24   | -1,796        | -887          |
| Repayment of lease liabilities                                  | 24   | -181          | -156          |
| Dividends paid  | 21   | -237          | -173          |
| Dividends paid to non-controlling interests                     |      | -             | -2            |
| Other changes to financing activities                           |      | 18            | -60           |
| <b>Cash flow from financing activities</b>                      |      | <b>467</b>    | <b>1,011</b>  |
| Cash flow for the period  |      | -30           | 658           |
| Cash and cash equivalents at January 1                          |      | 1,532         | 914           |
| Exchange-rate difference in cash and cash equivalents           |      | 28            | -40           |
| <b>Cash and cash equivalents at December 31</b>                 | 23   | <b>1,530</b>  | <b>1,532</b>  |

## Parent company income statement

| MSEK                                      | Note | 2024       | 2023      |
|---|------|------------|-----------|
| Net sales                                 |      | -          | -         |
| <b>Gross profit</b>                       |      | -          | -         |
| Administrative costs                      |      | -15        | -11       |
| Other operating income and expenses       | 9    | 2          | 32        |
| <b>Operating profit</b>                   |      | <b>-13</b> | <b>21</b> |
| Financial income and expenses             | 10   | -29        | -18       |
| <b>Profit before tax</b>                  |      | <b>-41</b> | <b>3</b>  |
| Tax                                       | 11   | -          | -0        |
| <b>Net income</b>                         |      | <b>-41</b> | <b>3</b>  |
| <b>STATEMENT OF COMPREHENSIVE INCOME</b>  |      |            |           |
| Net income                                |      | -41        | 3         |
| Other comprehensive income, net after tax |      | -          | -         |
| <b>Total comprehensive income</b>         |      | <b>-41</b> | <b>3</b>  |

## Parent company balance sheet

| MSEK  | Note | 2024         | 2023         |
|---|------|--------------|--------------|
| <b>ASSETS</b>                                   |      |              |              |
| <b>Non-current assets</b>                       |      |              |              |
| Participations in subsidiaries                  | 16   | 4,098        | 4,098        |
| Deferred tax assets                             |      | 4            | 4            |
| <b>Total non-current assets</b>                 |      | <b>4,102</b> | <b>4,102</b> |
| <b>Current assets</b>                           |      |              |              |
| Other receivables                               |      | 0            | 1            |
| Prepaid expenses and accrued income             | 20   | 2            | 1            |
| Current tax assets                              |      | 1            | 1            |
| Receivables from subsidiaries                   |      | 17           | 10           |
| Cash and cash equivalents                       |      | 0            | 3            |
| <b>Total current assets</b>                     |      | <b>19</b>    | <b>15</b>    |
| <b>TOTAL ASSETS</b>                             |      | <b>4,122</b> | <b>4,117</b> |
| <b>EQUITY AND LIABILITIES</b>                   |      |              |              |
| <b>Equity</b>                                   |      |              |              |
| Share capital                                   | 21   | 6            | 6            |
| Share premium reserve                           |      | 4,136        | 4,136        |
| Other capital contributions                     |      | 18           | 18           |
| Profit brought forward                          |      | -646         | -413         |
| Net income                                      |      | -41          | 3            |
| <b>Total equity</b>                             |      | <b>3,472</b> | <b>3,750</b> |
| <b>Non-current liabilities</b>                  |      |              |              |
| Provisions for pensions and similar commitments |      | 5            | 1            |
| <b>Total non-current liabilities</b>            |      | <b>5</b>     | <b>1</b>     |
| <b>Current liabilities</b>                      |      |              |              |
| Accounts payable                                |      | 2            | 3            |
| Accrued expenses and deferred income            | 27   | 54           | 32           |
| Liabilities to subsidiaries                     |      | 581          | 327          |
| Other liabilities                               |      | 7            | 4            |
| <b>Total current liabilities</b>                |      | <b>644</b>   | <b>366</b>   |
| <b>TOTAL EQUITY AND LIABILITIES</b>             |      | <b>4,122</b> | <b>4,117</b> |

# Parent company change in equity

| MSEK   | Restricted equity | Unrestricted equity   |                             |                        |            | Total equity |
|--|-------------------|-----------------------|-----------------------------|------------------------|------------|--------------|
|  | Share capital     | Share premium reserve | Other capital contributions | Profit brought forward | Net income |              |
| <b>Opening balance, January 1, 2024</b>                      | 6                 | 4,136                 | 18                          | -413                   | 3          | 3,750        |
| Net income   | -                 | -                     | -                           | -                      | -41        | -41          |
| <b>Transactions with owners in their capacity as owners:</b> |                   |                       |                             |                        |            |              |
| Exercised share options                                      | -                 | -                     | -                           | 1                      | -          | 1            |
| To be carried forward  | -                 | -                     | -                           | 3                      | -3         | -            |
| Dividends paid   | -                 | -                     | -                           | -237                   | -          | -237         |
| <b>Total transactions with owners</b>                        | -                 | -                     | -                           | -233                   | -41        | -277         |
| <b>Closing balance, December 31, 2024</b>                    | 6                 | 4,136                 | 18                          | -646                   | -41        | 3,472        |
| <b>Opening balance, January 1, 2023</b>                      | 6                 | 4,136                 | 18                          | -265                   | 4          | 3,899        |
| Net income   | -                 | -                     | -                           | -                      | 3          | 3            |
| <b>Transactions with owners in their capacity as owners:</b> |                   |                       |                             |                        |            |              |
| Exercised share options                                      | -                 | -                     | -                           | 21                     | -          | 21           |
| To be carried forward  | -                 | -                     | -                           | 4                      | -4         | -            |
| Dividends paid   | -                 | -                     | -                           | -173                   | -          | -173         |
| Share option plan incl. deferred tax                         | -                 | -                     | -                           | 1                      | -          | 1            |
| <b>Total transactions with owners</b>                        | -                 | -                     | -                           | -147                   | -1         | -148         |
| <b>Closing balance, December 31, 2023</b>                    | 6                 | 4,136                 | 18                          | -413                   | 3          | 3,750        |

# Parent company cash flow statement

| MSEK   | Not | 2024       | 2023       |
|--|-----|------------|------------|
| <b>Operating activities</b>  |     |            |            |
| Profit before tax  |     | -41        | 3          |
| Profit/loss items not affecting liquidity                                    |     | 4          | -2         |
| Taxes paid   |     | -          | -0         |
| <b>Cash flow from operating activities before changes in working capital</b> |     |            |            |
|  |     | -37        | 2          |
| Cash flow from changes in working capital                                    |     | 16         | 15         |
| <b>Cash flow from operating activities</b>                                   |     | <b>-20</b> | <b>16</b>  |
| <b>Financing activities</b>  |     |            |            |
| Exercised share options  |     | 1          | 21         |
| Loans raised from subsidiaries   |     | 254        | 139        |
| Dividends paid   | 21  | -237       | -173       |
| <b>Cash flow from financing activities</b>                                   |     | <b>17</b>  | <b>-13</b> |
| Cash flow for the period   |     | -3         | 3          |
| Cash and cash equivalents at January 1                                       |     | 3          | 0          |
| <b>Cash and cash equivalents at December 31</b>                              |     | <b>0</b>   | <b>3</b>   |

# Notes

## NOTE 1 Company information and general accounting principles

Munters Group AB, corp. reg. no. 556819-2321, is a Swedish public limited company registered in Sweden with registered office in Stockholm, Sweden. The address of the headquarter is Borgarfjordsgatan 16 in Kista.

This Annual Report and Consolidated Accounts were signed by the Board of Directors for Munters Group AB on March 4, 2025, and approved for release by the Board on the same date. The income statements and balance sheets for the Parent Company and the Group published in the Annual Report and Consolidated Accounts is to be adopted by the Annual General Meeting on May 15, 2025.

### General accounting principles

The most material accounting policies applied in preparing the financial reports are reported below. Other accounting principles that Munters deem to be essential will be presented under the respective note.

In general, the same principles applies for both the Parent Company as for the Group. To the extent which the Parent Company's accounting policies differ from those of the Group, or to which it was deemed important to explain the principle applied in the Parent Company, is indicated under a separate heading at the end of this Note.

### Basis of preparation

The Consolidated Accounts were prepared in accordance with IFRS<sup>®</sup> accounting standards as adopted by the EU, the Swedish Annual Accounts Act and the Swedish Corporate Reporting Board's recommendation RFR 1 – Supplementary Accounting Rules for Corporate Groups. The Parent Company's Annual Report has been prepared in accordance with the Annual Accounts Act and with the application of the Swedish Corporate Reporting Board's recommendation RFR 2 – Accounting for Legal Entities. IFRS rules for measurement and disclosure are thus applied, with the exception of the deviations indicated in the section titled Accounting Policies of the Parent Company.

### New and amended IFRS applied by the Group

Amendments in IAS 1 *Presentation of Financial Statements* regarding classification of liabilities and disclosure requirements, especially regarding liabilities with covenants, are effective from January 1, 2024. The amendments have resulted in some additional disclosures in note 24 but have not had any other significant impact on Munters financial statements.

No other new and/or amended accounting standards effective from January 1, 2024, that have been applied by the Group from this date, has had any significant impact on the financial statements of the Group.

### New and amended IFRS that have not started being applied

A number of new standards and interpretations enter into force for the financial year beginning after 1 January 2024 and have not been applied to the preparation of this financial report. None of these new IFRS or IFRIC changes are expected to have a significant impact on the Group's financial statements.

IFRS 18 *Presentation and Disclosure in Financial Statements* will replace IAS 1 *Presentation of Financial Statements* and will be applied from January 1, 2027, given that the EU endorses the standard. The new standard means that new requirements of presentation of income and expenses are applied in the income statement, these will be divided into five different categories. Furthermore, two mandatory subtotals are established ("Operating profit" and "Profit before financing and taxes"). Additionally, the standard mandates requirements of specific MPMS (Management-defined performance measures). Finally, the current options regarding disclosure of cash flow statement are removed. The effects on the financial statements of the Group from the standard has not yet been fully assessed.

### Basis of consolidation

The Consolidated Accounts encompass Munters Group AB and its subsidiaries. Subsidiaries are all companies over which the Group has a controlling influence.

The financial statements for the Parent Company and its subsidiaries included in the Consolidated Accounts refer to the same period and have been prepared in accordance with the accounting policies that apply to the Group. All intra-group transactions, revenues, costs, gains, or losses that arise in transactions between companies included in the Consolidated Accounts have been eliminated.

The Consolidated Accounts are prepared in SEK, which is the functional and reporting currency of the Parent Company. Results of operations and financial condition for all Group companies that have a functional currency other than the reporting currency are translated into the Group's reporting currency.

Transactions in foreign currencies are translated to the functional currency using the currency rates on the transaction date. Exchange rate differences on operating receivables and operating liabilities are recognized in Operating profit, while exchange rate differences attributable to financial assets and liabilities are recognized as financial income or financial expense. Realized and unrealized exchange rate differences are thus recognized in income for the year.

The following significant foreign exchange rates have been used in translating accounts:

| Currency | Country        | Average rate |       | Closing rate |       |
|----------|----------------|--------------|-------|--------------|-------|
|          |                | 2024         | 2023  | 2024         | 2023  |
| AUD      | Australia      | 6.97         | 7.05  | 6.86         | 6.82  |
| CAD      | Canada         | 7.71         | 7.86  | 7.64         | 7.58  |
| CNY      | China          | 1.47         | 1.50  | 1.51         | 1.41  |
| DKK      | Denmark        | 1.53         | 1.54  | 1.54         | 1.49  |
| EUR      | Euro zone      | 11.43        | 11.48 | 11.49        | 11.10 |
| GBP      | United Kingdom | 13.50        | 13.20 | 13.85        | 12.77 |
| INR      | India          | 0.13         | 0.13  | 0.13         | 0.12  |
| JPY      | Japan          | 0.07         | 0.08  | 0.07         | 0.07  |
| NOK      | Norway         | 0.98         | 1.01  | 0.97         | 0.99  |
| SGD      | Singapore      | 7.91         | 7.90  | 8.11         | 7.60  |
| THB      | Thailand       | 0.30         | 0.30  | 0.32         | 0.29  |
| USD      | US             | 10.56        | 10.61 | 11.00        | 10.04 |
| ZAR      | South Africa   | 0.58         | 0.58  | 0.59         | 0.55  |

### Accounting principles of the Parent Company

The Parent Company's Annual Report has been prepared in accordance with the Annual Accounts Act and with the application of the Swedish Corporate Reporting Board's recommendation RFR 2 – Accounting for Legal Entities. This means that IFRS are applied with the deviations and additions presented below.

### Statutory sustainability report

Munters Group AB has prepared a sustainability report in accordance with the Sixth Chapter of the Annual Accounts Act, paragraph 11. The report relates to the Group and also constitutes Munters Communication on Progress (CoP) report according to the Global Compact. The report consist of pages 3–4, 10, 13–24 och 61–109.

### Financial statements

Under the requirements in RFR 2, the Parent Company's financial statements deviate from those presented for the Group. This means that the Parent Company has the following five statements in the Annual Report: income statement, other comprehensive income, balance sheet, statement of cash flow and statement of changes in equity.

## NOTE 1 Company information and general accounting principles, cont.

### *Financial instruments – Recognition and measurement*

The Parent Company does not apply IFRS 9 Financial Instruments. Instead, measurements are based on the acquisition costs of assets and liabilities.

### *Ownership of subsidiaries*

Holdings in subsidiaries are recognized in the Parent Company using the cost method. If there are indications of a decline in value, the value is tested and, if required, the holdings are impaired.

### *Group contributions*

The Parent Company recognized all Group contributions, paid and received, as appropriations.

### *Shareholders' contributions*

Shareholders' contributions from the Parent Company are recognized directly in the receiver's equity and capitalized in the shares and participations of the Parent Company, to the extent impairment is not required.

### *Leasing*

In the event that the Parent Company has any leases, these are not recognized in the balance sheet but are expensed linearly over the contract period of the lease.

## NOTE 2 Significant estimates and assessments

In preparing the financial statements, Group Management and the Board of Directors makes assessments and assumptions that affect the final accounts and disclosures. These assessments are based on experience and the various assumptions that management and the Board consider reasonable under the prevailing circumstances. The conclusions thus drawn form the basis for determinations concerning carrying amounts of assets and liabilities in cases where they cannot be readily determined using information from other sources. Actual outcomes may differ from these assessments, if other assumptions are made or other conditions applied. The estimates and assessments that are considered to have the greatest impact on Munters earnings and financial position are outlined below.

### *Measurement of goodwill*

The Group tests for impairment of goodwill each year. This test requires an estimation of parameters affecting future cash flows and a determination of a discount rate. Then the recoverable amount of each individual cash-generating unit is established by calculating the value in use. Note 13 presents the significant assumptions made to test goodwill and describes the effects of reasonable and possible changes to the assumptions on which the calculations were based. At the end of 2024 the Group recognized goodwill to a value of MSEK 7,769 (5,822).

### *Acquired intangible assets and establishing useful lives*

When businesses are acquired, the intangible assets acquired are measured at fair value. In cases where there is an active market for the acquired assets, the fair value is determined based on prices in that market. Because active markets are often lacking for these assets, valuation models have been developed to estimate fair values. One example of a valuation model is discounted future cash flows. These assets are amortized based on established useful lives. Company management makes assumptions and judgements regarding how long each asset will generate financial benefits for the Group. At the end of 2024 the Group recognized Technology, Customer relationships and Brands to a value of MSEK 1,816 (1,367).

### *Development expenses*

Determining whether an intangible asset resulting from development should be recognized as an asset requires an assessment of the extent to which certain specific conditions are satisfied. With regard to capitalized development projects, management's assessment is that their technical and financial feasibility are confirmed. At the end of 2024 the Group recognized intangible assets regarding product development to a value of MSEK 671 (482).

### *Deferred tax assets on loss carry-forwards*

The Group recognizes deferred tax assets on loss carry-forwards to the extent that it is probable such losses can be deducted from future profits. The actual outcome may deviate from the assessments made because of factors such as changes in the business climate or to tax regulations.

As the end of 2024 the Group's total tax loss carry-forward was MSEK 1,793 (1,586). In the consolidated balance sheet, a tax value of capitalized loss carry-forward was recognized in the amount of MSEK 37 (22).

### *Put/call options*

Munters has call options to acquire outstanding shares in the partly owned companies MTech Systems and InoBram. The Sellers have the equivalent call options to sell their shares. The purchase price for outstanding shares at exercise of the options is determined based on EBITDA the year before exercise. The options are measured at fair value in the consolidated balance sheet of the Group, based on Management's best assessment of the future EBITDA. Actual results may differ from these assumptions and impact the final purchase price.

### *Contingent purchase considerations*

A contingent purchase consideration in connection with acquisitions is often dependent on future financial performance related to the acquired unit. Actual results may differ from these assumptions, which involve changing a previously recognized contingent consideration.

### *Warranty provision*

Munters warranty provision is based upon management's best estimates of amounts necessary to settle future and existing claims. The provision is based on historical trends of units sold and payment amounts, combined with current understanding of the status of existing claims. Regular evaluations are made of the adequacy of these provisions, and they are adjusted when appropriate. However, the future realized outcome for settling the warranty claims can differ materially from the provision recorded.

### *Revenue recognition*

A number of customer contracts fulfill the requirement to be recognized over time based on the degree of completion. The forecasts for each contract constitute an estimate of final revenue and expenses.

### *Leasing*

When defining the lease period, management takes into account all available information that provides a financial incentive to exercise an extension option, or not to exercise an option to terminate a contract. Opportunities to extend a contract are included only in the lease period if it is reasonable certain to extend the contract (or not terminate the contract). The majority of the extension options in lease agreements of office premises and vehicles have not been included in the reported lease liability as the Group can compensate the assets without significant costs or interruptions in the business.

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## NOTE 3 Financial risk management

Through its operations in a global environment, Munters is exposed to several different financial risks, such as currency risk, interest rate risk, credit risk, and liquidity risk.

The financial risks are controlled and managed based on a financial policy approved by the Board of Directors. The policy covers the entire Group and is updated on an annual basis. The purpose of the policy is to create a framework for managing the various financial risks. Risk management and financing activities are handled centrally by CFO and the Group Treasury function, monitored and controlled by the Board of Directors, Audit Committee and CEO. The overall objective is to limit the volatility attributable to financial factors in the income statement and balance sheet, protect financial assets and future cash flows, as well as optimize the Group's financing and meet financial covenants in banking agreements. The Treasury function, which acts as the Group's internal bank, identifies, evaluates, and hedges financial risks in close cooperation with the Group's operational units.

| Currency     | Percentage of revenue |             | Percentage of costs |             |
|--------------|-----------------------|-------------|---------------------|-------------|
|              | 2024                  | 2023        | 2024                | 2023        |
| USD          | 55.0%                 | 52.8%       | 46.6%               | 47.3%       |
| EUR          | 22.7%                 | 18.8%       | 21.7%               | 18.7%       |
| CNY          | 6.5%                  | 12.7%       | 5.9%                | 11.1%       |
| INR          | 3.3%                  | 1.4%        | 3.4%                | 1.7%        |
| SEK          | 2.9%                  | 2.8%        | 10.6%               | 8.9%        |
| JPY          | 1.7%                  | 1.6%        | 2.8%                | 1.8%        |
| GBP          | 1.1%                  | 2.8%        | 0.4%                | 2.1%        |
| BRL          | 0.9%                  | 1.5%        | 0.8%                | 1.7%        |
| AUD          | 0.8%                  | 0.8%        | 0.6%                | 0.5%        |
| SGD          | 0.7%                  | 0.8%        | 0.2%                | 0.5%        |
| DKK          | 0.7%                  | 0.8%        | 0.6%                | 0.5%        |
| KRW          | 0.6%                  | 0.6%        | 0.4%                | 0.5%        |
| Other        | 3.0%                  | 2.6%        | 6.0%                | 5.2%        |
| <b>Total</b> | <b>100%</b>           | <b>100%</b> | <b>100%</b>         | <b>100%</b> |

### Currency risk

Due to Munters' global presence, the Group is exposed to transaction exposure by transactions in foreign currency and through translation exposure when translating income statements and balance sheets into SEK.

### Transaction exposure

Group internal sales in foreign currency primarily occur through the Group's production companies, which invoice the Group's sales companies in their functional currency. By doing so, transaction exposure and hedging operations are concentrated to a few companies in the Group.

The hedging of transaction exposure shall primarily occur through so-called natural hedges, whereby incoming and outgoing cash flows in foreign currencies are matched to minimize the net exposure. For example, Munters has decided to have a major part of its external loans in USD to get a natural hedge towards the large inflows of USD presented in the table above. Otherwise, hedging shall primarily occur through forward selling of currency.

The value of forward contracts at year-end was MSEK -3.3 (-33.4), see Note 23. Munters does not apply hedge accounting for these financial instruments.

A significant proportion of Munters' income and expense is generated in foreign currencies, of which the most significant are presented in the table above. The geographic distribution of Munters' production plants results in a matching of revenues and expenses in local currencies, which limits the currency exposure.

Munters' sensitivity to variations in exchange rates is presented in the table below. The analysis includes transaction exposure and is based on EBIT for 2024. All other factors influencing earnings are assumed unchanged in the calculation.

| SEK +10% compared with | Estimated effect on EBIT<br>MSEK |
|------------------------|----------------------------------|
| USD                    | -253.5                           |
| EUR                    | -66.3                            |
| CNY                    | -23.8                            |
| GBP                    | -14.9                            |
| SGD                    | -8.9                             |
| INR                    | -6.1                             |
| AUD                    | -5.3                             |
| KRW                    | -4.1                             |
| ILS                    | 9.9                              |
| JPY                    | 13.3                             |
| MXN                    | 15.1                             |
| CZK                    | 26.1                             |
| Other currencies       | -17.3                            |
| <b>Total</b>           | <b>-335.8</b>                    |

### Translation exposure

A large proportion of Munters' subsidiaries have net assets in their functional currency, which is different from the Group's reporting currency. When these are translated into SEK, translation differences arise which are recognized in other comprehensive income. Translation differences attributable to net investments in foreign currency are not hedged. However, pursuant to the financial policy, this is monitored and calculated regularly to determine its impact on earnings and financial position. The effect on other comprehensive income of the translation of foreign sub-

idiaries' net assets into SEK totaled MSEK 449 (-274). This refers mainly to subsidiaries that have USD, EUR, and CNY as functional currency.

### Interest rate risk

Interest rate risk refers to the risk of the value of financial instruments and interest-bearing assets and liabilities changing due to changes in interest rate levels. To ensure efficiency and risk control according to policy, the majority of the borrowings are managed by the Group Treasury function.

Munters is exposed to interest rate risk through interest-bearing borrowings, which are one of the Group's sources of financing in addition to equity and cash flow from operating activities. Interest-bearing borrowings consist primarily of long-term bank loans with a variable interest rate. In addition, few subsidiaries are permitted to keep individual third party bank debt. The Group has no significant interest-bearing assets besides bank balances, so revenues and cash flow from operating activities are largely independent of changes in market interest rates.

The Group had at the end of 2024 no outstanding interest rate derivatives.

### Interest exposure

The average fixed interest term for the Group's external loans was 2.2 months (2.6) at year-end 2024. If the interest rate increases by one percentage in all countries where Munters has loans or investments, the impact on net financial income and expense would be approximately MSEK -52 (-40). This sensitivity analysis assumes that all other factors, such as exchange rates, remain unchanged.

### Credit risk

Credit risk is the risk of Munters incurring losses due to a counterparty failing to pay.

### Credit exposure

For Munters, the predominant portion of credit risk relates to accounts receivable. Munters works actively to limit this risk. An approved credit rating is required for a counterparty to be approved. Advance payment is generally encouraged, and a partial advance payment is a requirement when the value of the order is a significant amount and delivery extends over a long period of time. Accounts receivable are also mainly spread among many customers, primarily companies in different industries and with wide geographical distribution, which limits concentration of the credit risk.

To ensure that the Group's accounts receivables are paid, the management of receivables is regulated in a special policy. According to this policy, each business unit must have established and documented processes for handling unpaid receivables. The documented processes include specifications of time limits for taking various actions, including legal action, as well as who is responsible at various stages of the process. Documentation of actions taken ensures that follow-up is possible. The measures are matched to amounts and to different groups of customers and business areas in a manner that will result in efficient handling of overdue accounts receivable.

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## NOTE 3 Financial risk management, cont.

### Counterparty exposure

A list of approved counterparties and maximum exposure to each approved counterparty is established in the financial policy. Approved counterparties should be characterized by high ethical values and have a credit rating of at least A-/A2 according to Standard & Poor's/Moody's credit assessments. Exceptions may sometimes be made for local banks, but such cases must have the advance approval of the CFO.

### Liquidity risk

Liquidity risk refers to the risk of Munters, at a given point in time, not having sufficient liquidity to cover expected or unforeseen expenses. The liquidity reserve is defined as bank balances or invested funds that can be released within two banking days without any additional or minor cost, plus any unutilized credit facilities, committed for minimum 12 months, less any outstanding uncommitted debt. Management continually monitors forecasts of Group cash flows and liquidity reserves to ensure that the Group has sufficient funds to satisfy the needs of operating activities and to cover interest payments and loan repayments. According to the financial policy, the long-term liquidity reserve shall exceed an amount equivalent to 10% of the rolling twelve months Net Sales with an annual review. A risk to go below the permitted threshold level requires immediate actions. At the end of 2024, the Group had unutilized credit facilities of MSEK 1,733 (1,317). The Group's total liquidity reserve less restricted cash per end of 2024 amounted to MSEK 2,916 (2,464).

Group Treasury works actively to ensure an effective cash management structure within the Group by centralizing the liquidity to the parent company through cash pools and other form of sweeping mechanisms. Cash surplus shall primarily be used to repay external debt. The Group's cash and cash equivalents shall be deposited in bank accounts or high-liquidity interest-bearing instruments. Any surplus liquidity in subsidiaries shall be deposited with Group Treasury. By securing accessibility to guaranteed long-term credit facilities, spreading maturities and sources of financing for borrowings, the Group will avoid expensive financing and refinancing difficulties. For more information about the Group's borrowings, see Note 24.

### Capital structure

Munters aims to have a capital structure that ensures long-term stability in operations, satisfies various investment requirements and safeguards the value of the Group. Munters endeavors to ensure that Group's subsidiaries shall have an optimal capital structure relating to financing requirements, foreign exchange and tax regulations in each jurisdiction. Subsidiary financing shall mainly be done by internal loans or capital contributions. Requirements in the Groups external loan agreement and common praxis following the type of business of the individual subsidiary and country shall be taken into consideration when deciding form of financing. An analysis of the subsidiaries' capital structure is done on a yearly basis to secure that the different requirements are met.

## NOTE 4 Net sales

### Satisfaction of performance obligations and payment terms

Munters overall supply consists of goods, such as equipment, components and spare parts, and services, such as installation, startup commissioning and maintenance services.

Customer contracts range from pure component deliveries, mainly within FoodTech and in segment Clean Technologies within AirTech, to contracts comprising equipment, installation, start-up and commissioning services, within other parts of AirTech and Data Center Technologies.

The performance obligation to deliver goods within AirTech and FoodTech is in the majority of contracts satisfied when Munters delivers the goods according to the delivery terms in the contract, however there are contracts within AirTech that are satisfied over time as Munters produces the goods. The performance obligation to deliver goods in Data Center Technologies is satisfied over time as Munters produces the goods. This because the Data Centers customer contracts are customer-specific deliveries without alternative use for Munters and with the right to recover cost incurred with a reasonable profit margin if the customer should decide to terminate the contract.

Installation, startup and commissioning services are services satisfied over time as Munters performs. The same relates to aftermarket services, such as maintenance services and extended warranties, and services and subscription contracts within Munters software delivery.

Allocation of the transaction price in a customer contract with several performance obligations is based on standalone selling prices.

### Allocation of Net sales

| 2024, MSEK                           | Data Center  |              |              | Total         |
|--------------------------------------|--------------|--------------|--------------|---------------|
|                                      | AirTech      | Technologies | FoodTech     |               |
| Goods transferred at a point in time | 5,885        | 305          | 2,061        | 8,252         |
| Goods transferred over time          | 1,640        | 3,931        | 376          | 5,947         |
| Services transferred over time       | 664          | 155          | 434          | 1,254         |
| <b>Total</b>                         | <b>8,190</b> | <b>4,392</b> | <b>2,872</b> | <b>15,453</b> |

| 2023, MSEK                           | Data Center  |              |              | Total         |
|--------------------------------------|--------------|--------------|--------------|---------------|
|                                      | AirTech      | Technologies | FoodTech     |               |
| Goods transferred at a point in time | 5,457        | 641          | 1,672        | 7,770         |
| Goods transferred over time          | 2,106        | 2,682        | 335          | 5,123         |
| Services transferred over time       | 647          | 85           | 305          | 1,037         |
| <b>Total</b>                         | <b>8,210</b> | <b>3,407</b> | <b>2,313</b> | <b>13,930</b> |

### Contract balances

Accounts receivables are non-interest bearing receivables with a general payment term of 30–90 days. Within FoodTech and segment Clean Technologies within AirTech revenue recognition and billing in general aligns. However, within FoodTech there are contracts with billing annual-ly in advance. These contracts qualifies for revenue recognition over time and therefore deferred revenue balances arises.

Within AirTech it is common with advanced billings, which creates advances from customers. Within AirTech the great majority of customer contracts qualifies for at a point in time revenue recognition meaning that once equipment are delivered, revenue is recognized fully for that performance obligation and any advances in the balance sheet is netted off and remaining balance is recognized as an accounts receivable.

Within segment Data Center Technologies the great majority of the customer contracts qualifies for over time revenue recognition meaning that as soon as the measurement of progress of a performance obligation exceeds any advanced billings contract assets are recognized due to the fact that billing terms does not allow for further billing until further milestones have been reached.

### Contract balances

| MSEK                          | 2024  | 2023  |
|-------------------------------|-------|-------|
| <b>Contract assets</b>        |       |       |
| Accounts receivable (Note 19) | 2,567 | 2,038 |
| Accrued income (Note 20)      | 329   | 732   |
| <b>Contract liabilities</b>   |       |       |
| Advances from customers       | 1,821 | 1,355 |
| Deferred revenue (Note 27)    | 73    | 92    |

### Transaction price allocated to remaining performance obligations

The aggregate transaction price allocated to remaining performance obligations at the balance sheet date amounts to MSEK 11,603 whereof MSEK 8,980 is expected to be recognized as revenue during 2025 and MSEK 2,623 is expected to be recognized as revenue during 2026 or later.

Per December 31, 2023 the aggregate transaction price allocated to remaining performance obligations amounted to MSEK 11,333.



## NOTE 5 Operating segments

### Reportable operating segments

The Group's reportable operating segments have been identified from a management perspective. Thus, the segment information disclosed is based on internal reporting to the chief operating decision maker, which at Munters has been equated with Group Management. The Group's operations are managed and reported by three business segments: AirTech, Data Center Technologies and FoodTech.

AirTech manufactures and markets products and holistic solutions for controlling humidity and improving the indoor climate. Customers' manufacturing processes and warehousing are becoming more efficient and product quality, shelf life, and hygiene are improving. Data Center Technologies is a leading supplier of advanced climate cooling solutions using a wide range of heat rejection technologies. FoodTech manufactures

and markets energy-efficient products and systems to create the right indoor climate for the animal husbandry and horticultural industries.

The business areas are consolidated applying the same policies as for the Group. Transactions between business areas are conducted on market terms. Key control and reporting concepts are order intake, net sales, EBIT, and operating working capital.

Business area Data Center Technologies has got a large customer, net sales from this customer, represents 15% of Munters total net sales in 2024.

### Geographic information

The information to the right is based on where customers have their registered head office.

|   | AirTech      |              | Data Center Technologies |              | FoodTech     |              | Other and elimination |             | Total         |               |
|---|--------------|--------------|--------------------------|--------------|--------------|--------------|-----------------------|-------------|---------------|---------------|
|   | 2024         | 2023         | 2024                     | 2023         | 2024         | 2023         | 2024                  | 2023        | 2024          | 2023          |
| MSEK  |              |              |                          |              |              |              |                       |             |               |               |
| Order intake                                    | 7,365        | 6,796        | 4,088                    | 4,948        | 2,874        | 2,433        | -68                   | -61         | 14,259        | 14,166        |
| Order backlog                                   | 2,986        | 3,250        | 7,604                    | 7,206        | 1,012        | 877          | -                     | -           | 11,603        | 11,333        |
| Net sales, external                             | 8,189        | 8,210        | 4,392                    | 3,407        | 2,872        | 2,313        | -                     | -           | 15,453        | 13,930        |
| Net sales, internal                             | 15           | 16           | 0                        | 1            | 47           | 50           | -61                   | -67         | -             | -             |
| <b>Net sales</b>                                | <b>8,204</b> | <b>8,226</b> | <b>4,392</b>             | <b>3,408</b> | <b>2,918</b> | <b>2,363</b> | <b>-61</b>            | <b>-67</b>  | <b>15,453</b> | <b>13,930</b> |
| <b>Adjusted EBITA</b>                           | <b>1,113</b> | <b>1,278</b> | <b>920</b>               | <b>519</b>   | <b>464</b>   | <b>222</b>   | <b>-167</b>           | <b>-181</b> | <b>2,330</b>  | <b>1,839</b>  |
| Amort. intangible assets                        | -49          | -39          | -24                      | -22          | -122         | -80          | -54                   | -15         | -250          | -157          |
| Items affecting comparability                   | -114         | -49          | -12                      | -            | -127         | -35          | 14                    | -12         | -240          | -96           |
| <b>Operating profit (EBIT)</b>                  | <b>949</b>   | <b>1,190</b> | <b>884</b>               | <b>497</b>   | <b>215</b>   | <b>107</b>   | <b>-208</b>           | <b>-208</b> | <b>1,841</b>  | <b>1,586</b>  |
| Change in acc. receivable                       | 49           | 195          | -260                     | -182         | 32           | -30          | 15                    | 7           | -165          | -11           |
| Change in inventory                             | -121         | 147          | -100                     | 39           | 40           | 85           | 44                    | -           | -137          | 271           |
| Change in accrued income                        | 100          | -100         | 334                      | -165         | 7            | -2           | -                     | -           | 440           | -267          |
| Change in acc. payable                          | 58           | -105         | 253                      | 36           | 21           | 2            | -39                   | 7           | 293           | -60           |
| Change in adv. from customers                   | -49          | -537         | 271                      | 256          | 13           | -19          | -44                   | -           | 191           | -299          |
| <b>Cash flow from operating working capital</b> | <b>36</b>    | <b>-400</b>  | <b>496</b>               | <b>-16</b>   | <b>113</b>   | <b>37</b>    | <b>-24</b>            | <b>13</b>   | <b>621</b>    | <b>-366</b>   |
| <b>Other disclosures</b>                        |              |              |                          |              |              |              |                       |             |               |               |
| Investments                                     | 660          | 286          | 176                      | 93           | 136          | 137          | 87                    | 155         | 1,060         | 670           |
| Number of employees                             | 3,380        | 3,345        | 903                      | 615          | 990          | 870          | 139                   | 150         | 5,412         | 4,981         |

### External net sales

| MSEK                      | 2024          | 2023          |         |
|---------------------------|---------------|---------------|---------|
| US                        | 7,945         | 7,104         |         |
| China                     | 857           | 1,835         |         |
| Germany                   | 630           | 495           |         |
| India                     | 591           | 226           | NOTE 1  |
| Canada                    | 534           | 386           | NOTE 2  |
| Ireland                   | 403           | 170           | NOTE 3  |
| United Kingdom            | 397           | 443           | NOTE 4  |
| Brazil                    | 362           | 207           | NOTE 5  |
| Sweden                    | 319           | 273           | NOTE 6  |
| Japan                     | 299           | 245           | NOTE 7  |
| Mexico                    | 297           | 231           | NOTE 8  |
| Italy                     | 253           | 173           | NOTE 9  |
| Belgium                   | 230           | 173           | NOTE 10 |
| France                    | 226           | 204           | NOTE 11 |
| Netherlands               | 197           | 151           | NOTE 12 |
| Poland                    | 193           | 140           | NOTE 13 |
| United Arab Emirates      | 159           | 52            | NOTE 14 |
| Australia                 | 141           | 140           | NOTE 15 |
| South Korea               | 137           | 138           | NOTE 16 |
| Denmark                   | 135           | 108           | NOTE 17 |
| Spain                     | 125           | 103           | NOTE 18 |
| Singapore                 | 121           | 101           | NOTE 19 |
| Other countries           | 903           | 831           | NOTE 20 |
| <b>Total</b>              | <b>15,453</b> | <b>13,930</b> | NOTE 21 |
| <i>Non-current assets</i> |               |               | NOTE 22 |
| MSEK                      | 2024          | 2023          | NOTE 23 |
| US                        | 1,533         | 1,062         | NOTE 24 |
| Sweden                    | 1,312         | 757           | NOTE 25 |
| Ireland                   | 368           | 119           | NOTE 26 |
| Netherlands               | 285           | 17            | NOTE 27 |
| India                     | 255           | 140           | NOTE 28 |
| China                     | 247           | 69            | NOTE 29 |
| Other countries           | 769           | 675           | NOTE 30 |
| <b>Total</b>              | <b>4,770</b>  | <b>2,838</b>  | NOTE 31 |

The information presented in the table above regarding non-current assets is grouped according to assets location, i.e. where the entity carries on its production of goods and services. Non-current assets consist of tangible assets, right-of-use assets and intangible assets excluding goodwill and brands with an indefinite useful life

## NOTE 6 Cost by nature

|                           | Group          |                |
|---------------------------|----------------|----------------|
|                           | 2024           | 2023           |
| MSEK                      |                |                |
| Material cost             | -6,616         | -6,007         |
| Personnel costs (Note 32) | -4,062         | -3,638         |
| Depreciation              | -644           | -484           |
| Other purchase costs etc  | -2,220         | -2,125         |
| <b>Total</b>              | <b>-13,543</b> | <b>-12,254</b> |

## NOTE 7 Fees to auditors

Fees and remuneration recognized as an expense to the Group's auditors during the period are shown below. Audit engagement refers to the statutory audit of the annual report and accounts, as well as the administration of the Board of Directors and the President, other tasks which the Company's auditors are responsible for performing, and advice or other assistance occasioned by observations in such audits or the performance of other similar tasks. Tax advice is consulting on fiscal issues. Other services are advice that cannot be attributed to any of the above-mentioned categories.

|   | Group         |               | Parent Company |              |
|---|---------------|---------------|----------------|--------------|
|   | 2024          | 2023          | 2024           | 2023         |
| KSEK                                    |               |               |                |              |
| <b>Ernst &amp; Young</b>                |               |               |                |              |
| Audit engagements                       | 14,726        | 13,970        | 896            | 715          |
| Audit business beyond audit engagements | 600           | 700           | 100            | 84           |
| Tax advice                              | 1,167         | 1,496         | -              | 138          |
| Other services                          | 697           | 1,289         | 498            | 865          |
| <b>Other auditors</b>                   |               |               |                |              |
| Audit engagements                       | 1,297         | 1,009         | -              | -            |
| Tax advice                              | 1,344         | 461           | -              | -            |
| Other services                          | 3,066         | 325           | -              | -            |
| <b>Total</b>                            | <b>22,897</b> | <b>19,250</b> | <b>1,494</b>   | <b>1,802</b> |

## NOTE 8 Depreciation, amortization and impairment loss

Amortization of intangible assets and depreciation of property, plant, and equipment are based on the historical acquisition cost and the estimated useful life of different groups of assets. For assets acquired during the period, depreciation or amortization is calculated from the acquisition date. Depreciation and amortization are charged primarily on a straight-line basis over the following useful lives.

|   |               |
|---|---------------|
| Research and development work               | 3–5 years     |
| Patent, licenses, brands (with useful life) | 3–10 years    |
| Customer relationships                      | 7–12 years    |
| Technology                                  | 6–8 years     |
| Brands (with indefinite useful life)        | Not amortized |
| Machinery and equipment                     | 3–15 years    |
| Buildings                                   | 25–33 years   |

Depreciation, amortization, and impairment losses on non-current assets were charged to income for the year as shown below:

|                                | Group       |             |
|--------------------------------|-------------|-------------|
|                                | 2024        | 2023        |
| MSEK                           |             |             |
| Cost of sales                  | -304        | -249        |
| Selling expenses               | -124        | -89         |
| Administrative expenses        | -101        | -55         |
| Research and development costs | -115        | -91         |
| <b>Total</b>                   | <b>-644</b> | <b>-484</b> |

## NOTE 9 Other operating income and expenses

|  | Group      |            | Parent Company |           |
|--|------------|------------|----------------|-----------|
|  | 2024       | 2023       | 2024           | 2023      |
| MSEK                                     |            |            |                |           |
| Capital gains on sale of tangible assets | 0          | 0          | -              | -         |
| Internal operating income                | -          | -          | 2              | 32        |
| Government grants related to R&D         | 23         | 12         | -              | -         |
| Restructuring costs                      | -94        | -34        | -              | -         |
| Exchange rate differences                | 11         | -29        | -              | -0        |
| Other                                    | 1          | -31        | -              | -         |
| <b>Total</b>                             | <b>-58</b> | <b>-82</b> | <b>2</b>       | <b>32</b> |

Restructuring expenses are mainly related to on-going strategy implementation initiatives within AirTech and FoodTech.

## NOTE 10 Financial income and expenses

|                                  | Group       |             | Parent Company |            |
|----------------------------------|-------------|-------------|----------------|------------|
|                                  | 2024        | 2023        | 2024           | 2023       |
| MSEK                             |             |             |                |            |
| <b>Financial income</b>          |             |             |                |            |
| Interest income, other           | 49          | 26          | 0              | 0          |
| Other financial income           | 0           | 0           | -              | -          |
| <b>Total</b>                     | <b>49</b>   | <b>26</b>   | <b>0</b>       | <b>0</b>   |
| <b>Financial expenses</b>        |             |             |                |            |
| Interests expenses, subsidiaries | -           | -           | -29            | -17        |
| Interest expenses, loans         | -317        | -275        | -              | -          |
| Interest expenses, leases        | -51         | -42         | -              | -          |
| Financing fees                   | -21         | -25         | -              | -          |
| Exchange-rate differences        | 5           | 4           | 0              | -0         |
| Other financial expenses         | -20         | -18         | -              | -          |
| <b>Total</b>                     | <b>-404</b> | <b>-357</b> | <b>-29</b>     | <b>-18</b> |
| <b>Net financial items</b>       | <b>-355</b> | <b>-331</b> | <b>-29</b>     | <b>-18</b> |

## NOTE 11 Income taxes

| MSEK  | Group        |              | Parent Company |           |
|---|--------------|--------------|----------------|-----------|
|   | 2024         | 2023         | 2024           | 2023      |
| Current tax   | -566         | -428         | -              | 0         |
| Deferred tax  | 101          | -35          | -              | -0        |
| <b>Income tax of the year</b>                               | <b>-465</b>  | <b>-463</b>  | <b>-</b>       | <b>-0</b> |
| <b>Reconciliation of effective tax</b>                      |              |              |                |           |
| <b>Profit/loss before tax</b>                               | <b>1,485</b> | <b>1,255</b> | <b>-41</b>     | <b>3</b>  |
| Tax according to prevailing tax rate for the Parent Company | -306         | -259         | 8              | -1        |
| <b>Tax effect of:</b>                                       |              |              |                |           |
| Differences attributable to foreign tax rates               | -98          | -69          | -              | -         |
| Non-deductible expenses                                     | -62          | -12          | -6             | -0        |
| Non-taxable income  | 29           | 29           | 0              | 1         |
| Utilization of losses not recognized                        | 18           | 6            | -              | -         |
| Tax losses not recognized                                   | -41          | -70          | -3             | -         |
| Impairment of deferred tax assets on loss carry-forward     | -            | -80          | -              | -         |
| Remeasurement of deferred tax due to changes in tax rates   | 7            | 17           | -              | -         |
| Tax attributable to prior years                             | -3           | -10          | -              | -         |
| Withholding tax   | -19          | -8           | -              | -         |
| Other   | 9            | -8           | -              | -         |
| <b>Tax recognized in income statement</b>                   | <b>-465</b>  | <b>-463</b>  | <b>-</b>       | <b>-0</b> |

### Tax attribute to components of OCI

| MSEK  | Group     |           |
|---|-----------|-----------|
|   | 2024      | 2023      |
| Deferred tax attributable to:                                     |           |           |
| Actuarial gains and losses on defined benefit pension obligations | -3        | 9         |
| Exchange rate differences recognized in OCI                       | -6        | 10        |
| <b>Total</b>  | <b>-9</b> | <b>19</b> |

### Deferred tax assets

| MSEK                           | Group      |            |
|--------------------------------|------------|------------|
|                                | 2024       | 2023       |
| Intangible assets              | 53         | 3          |
| Property, plant and equipment  | 10         | 11         |
| Inventory                      | 102        | 56         |
| Provisions for pensions        | 16         | 20         |
| Lease liabilities              | 254        | 174        |
| Loss carry-forward             | 37         | 22         |
| Other deferred tax assets      | 217        | 169        |
| Netting of deferred tax assets | -287       | -162       |
| <b>Closing balance</b>         | <b>403</b> | <b>292</b> |

### Deferred tax liabilities

| MSEK                                | Group      |            |
|-------------------------------------|------------|------------|
|                                     | 2024       | 2023       |
| Intangible assets                   | 527        | 404        |
| Property plant and equipment        | 52         | 52         |
| Right-of-Use assets                 | 231        | 159        |
| Other deferred tax liabilities      | 76         | 1          |
| Netting of deferred tax liabilities | -287       | -162       |
| <b>Closing balance</b>              | <b>598</b> | <b>455</b> |

Reconciliation of net change in deferred tax assets from the beginning of the year to the end of year:

### Change in deferred taxes

| MSEK                                   | Group       |             |
|--|-------------|-------------|
|  | 2024        | 2023        |
| Opening balance                        | -162        | -144        |
| Changes recorded in this year's profit | 101         | -35         |
| Tax on amounts recorded in OCI         | -9          | 19          |
| Acquisition of subsidiaries            | -100        | -5          |
| Exchange-rate differences              | -25         | 3           |
| <b>Closing balance</b>                 | <b>-195</b> | <b>-162</b> |

Deferred tax assets for pension provisions refer to the difference between the calculation of defined benefit pension obligations based on local tax legislation and IAS 19 Employee Benefits.

Deferred tax assets relating to loss carry-forwards are recognized to the extent that it is deemed likely that the losses will be used to offset taxable income.

At year-end, there were tax loss-carry forwards in the group companies amounting to MSEK 1,793 (1,586), whereof the majority maybe carried for an unlimited period of time.

Loss carry-forwards for which deferred tax assets are not recognized totaled MSEK 1,645 (1,498). Consequently, deferred tax assets on loss carry-forwards totaling MSEK 147 (88) were recognized. These losses mainly relate to subsidiaries in Belgium and China. In all countries, losses may be carried forward for an unlimited period of time.

Deferred tax liabilities are mainly attributable to the surplus values identified in connection with the acquisition of Munters AB in 2010.

Munters is within scope of the OECD Pillar II model rules. Pillar II was enacted in Sweden, the jurisdiction in which the Parent Company is incorporated, and is effective as of January 1, 2024. The Group applies the exception in IAS 12 to recognizing and disclosing information about deferred tax assets and liabilities related to Pillar II income taxes.

Under the legislation, the Group is liable to pay a top-up tax for the difference between its GloBE effective tax rate per jurisdiction and the 15% minimum rate. No material top-up tax expense was recognized during the year.

## NOTE 12 Earnings per share per share

| KSEK  | 2024        | 2023        |
|---|-------------|-------------|
| Net income                                  | 1,019,904   | 792,078     |
| Attributable to Parent Company shareholders | 973,024     | 783,965     |
| Attributable to non-controlling interests   | 46,880      | 8,113       |
| <b>Average number of outstanding shares</b> |             |             |
| Before dilution                             | 182,537,692 | 182,274,370 |
| After dilution                              | 182,537,692 | 182,284,750 |
| Whereof treasury shares                     | 1,916,377   | 1,933,033   |
| Earnings per share before dilution, SEK     | 5.33        | 4.30        |
| Earnings per share after dilution, SEK      | 5.33        | 4.30        |

Computing earnings per share, basic and diluted, is based on the net income attributable to the Parent Company's ordinary shareholders. The number of shares used in the calculation consists of a weighted average of outstanding ordinary shares during the year. The average share price during the year exceeded the exercise price for the two employee stock option programs outstanding, implying a minor dilution effect on the number of average outstanding shares for the year.

## NOTE 13 Intangible assets

| 2024 Group, MSEK                               | Goodwill     | Brands       | Technology  | Customer relationships | Internally generated intangible assets | Other intangible assets | Total         |
|--|--------------|--------------|-------------|------------------------|--|-------------------------|---------------|
| <b>Acquisition cost</b>                        |              |              |             |                        |  |                         |               |
| Opening balance                                | 6,214        | 1,199        | 721         | 1,156                  | 772                                    | 597                     | 10,660        |
| Capital expenditure                            | -            | -            | 1           | -                      | 193                                    | 537                     | 731           |
| Acquisition of subsidiaries                    | 1,531        | 138          | -           | 301                    | 60                                     | 13                      | 2,044         |
| Sold/scrapped etc                              | -            | -            | -           | -                      | 44                                     | -                       | 44            |
| Reclassifications                              | -            | -            | -           | -                      | 4                                      | -8                      | -4            |
| Exchange-rate differences                      | 431          | 85           | 52          | 74                     | 64                                     | 5                       | 710           |
| <b>Closing balance</b>                         | <b>8,177</b> | <b>1,422</b> | <b>774</b>  | <b>1,531</b>           | <b>1,137</b>                           | <b>1,144</b>            | <b>14,184</b> |
| <b>Accumulated amortization and impairment</b> |              |              |             |                        |  |                         |               |
| Opening balance                                | -392         | -10          | -653        | -1,046                 | -291                                   | -187                    | -2,579        |
| Sold/scrapped etc                              | -            | -            | -           | -                      | -44                                    | -                       | -44           |
| Amortization of the year                       | -            | -            | -37         | -42                    | -106                                   | -64                     | -249          |
| Exchange-rate differences                      | -15          | -1           | -49         | -73                    | -25                                    | -1                      | -164          |
| <b>Closing balance</b>                         | <b>-407</b>  | <b>-11</b>   | <b>-739</b> | <b>-1,161</b>          | <b>-466</b>                            | <b>-252</b>             | <b>-3,036</b> |
| <b>Closing carrying amount</b>                 | <b>7,769</b> | <b>1,411</b> | <b>35</b>   | <b>370</b>             | <b>671</b>                             | <b>892</b>              | <b>11,149</b> |
| <b>2023 Group, MSEK</b>                        |              |              |             |                        |  |                         |               |
| <b>Acquisition cost</b>                        |              |              |             |                        |  |                         |               |
| Opening balance                                | 5,753        | 1,230        | 737         | 1,107                  | 612                                    | 436                     | 9,877         |
| Capital expenditure                            | -            | 1            | -           | -                      | 189                                    | 157                     | 347           |
| Acquisition of subsidiaries                    | 679          | -            | 6           | 76                     | -                                      | 12                      | 773           |
| Sold/scrapped etc                              | -            | -            | -2          | -                      | -2                                     | -5                      | -9            |
| Exchange-rate differences                      | -218         | -33          | -20         | -28                    | -26                                    | -4                      | -328          |
| <b>Closing balance</b>                         | <b>6,214</b> | <b>1,199</b> | <b>721</b>  | <b>1,156</b>           | <b>772</b>                             | <b>597</b>              | <b>10,660</b> |
| <b>Accumulated amortization and impairment</b> |              |              |             |                        |  |                         |               |
| Opening balance                                | -394         | -11          | -654        | -1,044                 | -220                                   | -167                    | -2,491        |
| Sold/scrapped etc                              | -            | -            | 2           | -                      | 2                                      | 5                       | 9             |
| Amortization of the year                       | -            | -            | -19         | -27                    | -83                                    | -27                     | -157          |
| Exchange-rate differences                      | 2            | 0            | 19          | 26                     | 10                                     | 2                       | 60            |
| <b>Closing balance</b>                         | <b>-392</b>  | <b>-10</b>   | <b>-653</b> | <b>-1,046</b>          | <b>-291</b>                            | <b>-187</b>             | <b>-2,579</b> |
| <b>Closing carrying amount</b>                 | <b>5,822</b> | <b>1,189</b> | <b>68</b>   | <b>110</b>             | <b>482</b>                             | <b>410</b>              | <b>8,081</b>  |

### Intangible assets

#### Goodwill

In the year, Goodwill has increased by MSEK 1,513 as a result of business acquisitions. Further information about the acquisitions is found in Note 30.

#### Technology

The item mainly consists of technology identified in conjunction with the acquisition of MTech Systems during 2017.

#### Customer relationships

The item consists of customer relationships identified in conjunction with the acquisition of subsidiaries. During the year customer relationships of 301 MSEK related to the acquisition of subsidiaries were added.

#### Internally generated intangible assets

Internally generated intangible assets relates to recognized development costs.

#### Other intangible assets

Other intangible assets include patents, tradenames, licenses, and similar rights mainly in Sweden. During the year, Munters has signed a contract amounting to MSEK 434 regarding ERP-licenses. The amount is included in capital expenditure from Other intangible assets but will be paid and amortized over ten years.

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## NOTE 13 Intangible assets, cont.

### Impairment testing of goodwill and brands

The values of goodwill and brands are tested annually, or more frequently if necessary, to ensure that the value does not deviate negatively from book value. The carrying amounts for goodwill and brands were tested per October 31, since then, no impairment indication has occurred. Goodwill and brands with an indefinite useful life are allocated to the Group's cash-generating units, which are the smallest identifiable groups of assets that, as part of continual usage, generate cash inflows that are substantially independent of other assets or groups of assets. The Group's cash-generating units consists of the Groups three business areas: AirTech, Data Center Technologies and FoodTech.

#### Recognized goodwill per cash-generating unit

| MSEK                           | 2024         | 2023         |
|--------------------------------|--------------|--------------|
| AirTech                        | 4,494        | 4,078        |
| Data Center Technologies       | 869          | 213          |
| FoodTech                       | 2,406        | 1,532        |
| <b>Carrying closing amount</b> | <b>7,769</b> | <b>5,822</b> |

#### Recognized brands per cash-generating unit

| MSEK                           | 2024         | 2023         |
|--------------------------------|--------------|--------------|
| AirTech                        | 1,185        | 1,043        |
| FoodTech                       | 227          | 145          |
| <b>Closing carrying amount</b> | <b>1,411</b> | <b>1,189</b> |

Goodwill as of December 31, 2024 amounted to MSEK 7,769 (5,822). The increase is explained by acquisitions and exchange-rate effects, mainly as a result of a weaker SEK against USD compared to prior year.

Management estimates that brands have an indefinite useful life because there is no predictable limit for the period of time during which the brand is expected to generate net payments for the company.

Impairment testing of recognized goodwill and brands has been based on recoverable amounts for cash-generating units established through calculating future value in use. Future cash flows for the first five years are mainly based on the strategic plan for 2025–2027 approved by the Board and Group Management, and projections thereof. The growth rate in the terminal period after the first five years has been determined as 2.5% (2.5).

Significant assumptions used to calculate values in use are sales growth and the EBITA margin, utilization of operating capital employed, other capital employed and the discount rate. Management has established the growth rate forecast based on previous results and expectations about future market trends by operating segment based on the adopted strategic plan. These assessments take into account various economic indicators and internal and external analyses thereof. Also taken into account are important aspects of financial performance described in the Group's strategic plan.

This year's impairment test did not result in any impairment, nor did the previous year's test.

The calculations for 2024 used a nominal discount rate (average weighted cost of capital before tax) of 11.1% (12.4).

A sensitivity analysis for the parameters discount rate, sales growth and EBIT margin has been performed for each cash-generating unit, as below. The effects refer to a change in the individual parameter, all else being equal.

### Sensitivity analysis

#### Discount rate

An increase in the discount rate of one percent would reduce the recoverable amount of each cash-generating unit as follows: AirTech -16%, Data Center Technologies -15% and FoodTech -16%. The change would not result in an impairment being required for any of the cash-generating units.

#### Net sales growth

A decrease in the net sales growth in the terminal period of one percentage would reduce the recoverable amount of each cash-generating unit as follows: AirTech -13%, Data Center Technologies -13% och FoodTech -13%. The change would not result in an impairment being required for any of the cash-generating units.

#### EBITA margin

A decrease in the EBITA margin in the terminal period of one percentage would reduce the recoverable amount of each cash-generating unit as follows: AirTech -11%, Data Center Technologies -8% och FoodTech -9%. The change would not result in an impairment being required for any of the cash-generating units.

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## NOTE 14 Property, plant and equipment

| 2024 Group, MSEK                               | Buildings and land | Plant and machinery | Equipment, tools, fixtures and fittings | Construction in progress | Total         |
|--|--------------------|---------------------|---|--------------------------|---------------|
| <b>Acquisition cost</b>                        |                    |                     |   |                          |               |
| Opening balance                                | 611                | 1,150               | 784                                     | 271                      | 2,815         |
| Capital expenditure                            | 102                | 95                  | 35                                      | 531                      | 762           |
| Acquisition of subsidiaries                    | 23                 | 11                  | 14                                      | 3                        | 51            |
| Sold/scrapped etc                              | 31                 | -47                 | 50                                      | -1                       | 33            |
| Reclassifications                              | 7                  | 95                  | 23                                      | -121                     | 4             |
| Exchange-rate differences                      | 39                 | 77                  | 44                                      | 28                       | 188           |
| <b>Closing balance</b>                         | <b>812</b>         | <b>1,381</b>        | <b>951</b>                              | <b>710</b>               | <b>3,853</b>  |
| <b>Accumulated depreciation and impairment</b> |                    |                     |   |                          |               |
| Opening balance                                | -318               | -832                | -569                                    | -                        | -1,718        |
| Depreciation of the year                       | -24                | -88                 | -75                                     | -                        | -187          |
| Sold/scrapped etc                              | -32                | 45                  | -57                                     | -                        | -44           |
| Exchange-rate differences                      | -24                | -53                 | -37                                     | -                        | -115          |
| <b>Closing balance</b>                         | <b>-398</b>        | <b>-929</b>         | <b>-738</b>                             | <b>-</b>                 | <b>-2,064</b> |
| <b>Closing carrying amount</b>                 | <b>415</b>         | <b>452</b>          | <b>213</b>                              | <b>710</b>               | <b>1,789</b>  |
| <b>2023 Group, MSEK</b>                        |                    |                     |   |                          |               |
| <b>Acquisition cost</b>                        |                    |                     |   |                          |               |
| Opening balance                                | 499                | 1,080               | 720                                     | 176                      | 2,475         |
| Capital expenditure                            | 40                 | 72                  | 90                                      | 121                      | 323           |
| Acquisition of subsidiaries                    | 94                 | 26                  | 14                                      | 1                        | 134           |
| Sold/scrapped                                  | -                  | -8                  | -21                                     | -                        | -30           |
| Reclassifications                              | -                  | 13                  | 5                                       | -19                      | -             |
| Exchange-rate differences                      | -23                | -33                 | -24                                     | -8                       | -87           |
| <b>Closing balance</b>                         | <b>611</b>         | <b>1,150</b>        | <b>784</b>                              | <b>271</b>               | <b>2,815</b>  |
| <b>Accumulated depreciation and impairment</b> |                    |                     |   |                          |               |
| Opening balance                                | -315               | -794                | -542                                    | -                        | -1,650        |
| Depreciation of the year                       | -13                | -67                 | -65                                     | -                        | -145          |
| Sold/scrapped                                  | -                  | 7                   | 20                                      | -                        | 27            |
| Exchange-rate differences                      | 9                  | 22                  | 18                                      | -                        | 50            |
| <b>Closing balance</b>                         | <b>-318</b>        | <b>-832</b>         | <b>-569</b>                             | <b>-</b>                 | <b>-1,718</b> |
| <b>Closing carrying amount</b>                 | <b>293</b>         | <b>318</b>          | <b>215</b>                              | <b>271</b>               | <b>1,097</b>  |

### Property, plant and equipment

Depreciation is based on acquisition cost of the assets and applied estimated useful lives are presented in Note 8.

#### Buildings and land

The carrying amount of Buildings and land amount to MSEK 415 (293). During the year the value has increased by MSEK 23 due to acquisitions (see Note 30). The carrying amount for land amounts to MSEK 66 (57).

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## NOTE 15 Right-of-use assets

| 2024 Group, MSEK                               | Buildings and land | Plant and machinery | Equipment, tools, fixtures and fittings | Total        |
|--|--------------------|---------------------|---|--------------|
| <b>Acquisition cost</b>                        |                    |                     |   |              |
| Opening balance                                | 680                | 321                 | 107                                     | 1,107        |
| New contracts                                  | 384                | 15                  | 92                                      | 491          |
| Acquisition of subsidiaries                    | 16                 | -                   | 3                                       | 20           |
| Sold/scrapped                                  | -63                | -51                 | -31                                     | -146         |
| Exchange-rate differences                      | 47                 | 19                  | 5                                       | 72           |
| <b>Closing balance</b>                         | <b>1,064</b>       | <b>303</b>          | <b>176</b>                              | <b>1,542</b> |
| <b>Accumulated depreciation and impairment</b> |                    |                     |   |              |
| Opening balance                                | -193               | -189                | -54                                     | -435         |
| Depreciation of the year                       | -126               | -42                 | -42                                     | -210         |
| Sold/scrapped                                  | 46                 | 51                  | 29                                      | 126          |
| Exchange-rate differences                      | -12                | -11                 | -2                                      | -25          |
| <b>Closing balance</b>                         | <b>-285</b>        | <b>-191</b>         | <b>-68</b>                              | <b>-542</b>  |
| <b>Closing carrying amount</b>                 | <b>779</b>         | <b>113</b>          | <b>108</b>                              | <b>1,000</b> |
| <b>2023 Group, MSEK</b>                        |                    |                     |   |              |
| <b>Acquisition cost</b>                        |                    |                     |   |              |
| Opening balance                                | 636                | 342                 | 102                                     | 1,078        |
| New contracts                                  | 88                 | 4                   | 37                                      | 128          |
| Sold/scrapped                                  | -18                | -13                 | -29                                     | -60          |
| Exchange-rate differences                      | -25                | -11                 | -2                                      | -39          |
| <b>Closing balance</b>                         | <b>680</b>         | <b>321</b>          | <b>107</b>                              | <b>1,107</b> |
| <b>Accumulated depreciation and impairment</b> |                    |                     |   |              |
| Opening balance                                | -114               | -163                | -51                                     | -327         |
| Depreciation of the year                       | -105               | -45                 | -32                                     | -183         |
| Sold/scrapped                                  | 17                 | 12                  | 29                                      | 58           |
| Exchange-rate differences                      | 9                  | 6                   | 1                                       | 16           |
| <b>Closing balance</b>                         | <b>-193</b>        | <b>-189</b>         | <b>-54</b>                              | <b>-435</b>  |
| <b>Closing carrying amount</b>                 | <b>487</b>         | <b>131</b>          | <b>54</b>                               | <b>672</b>   |

### Right-of-use assets

Munters leases various offices, warehouses, equipment and vehicles. In addition, Munters leases a significant share of its manufacturing facilities around the world. The leases are normally signed for fixed periods, but with the option to extend some contracts. The terms are negotiated separately for each lease and contain a number of covenants.

The leases only include variable payments that are based on an index, which is taken into account in the valuation of the lease liability and the right-of-use asset on the day the index is remeasured. The leases contain both lease and non-lease components and it is only the lease component that has been included in the calculation of the lease liability and the right-of-use asset.

Options to extend or terminate a lease are included in a number of the Group's leases. The terms are used to maximize flexibility in the management of the assets used in operations. The overwhelming share of the options to extend or terminate leases can only be exercised by the Group and not by the lessor.

Payments regarding short-term leases and low value leases are expensed linearly in the income statement over the leasing period. Short-term leases are leasing contracts with period no longer than 12 months. Low-value leases includes IT equipment, telephones and office furniture.

Note 24 discloses the lease liabilities associated with the leased assets.

Total interest expenses, which are included in financial expenses, amounted to MSEK -51 (-45) during the year. Depreciations and write downs for the year amounted to MSEK -210 (-183).

Short-term leases and leases of low-value assets were expensed for MSEK 12 (9). These leases will entail payments of MSEK 7 (11) during the years 2025-2029 and MSEK 2 (2) for 2030 and beyond.

The total cash flow from leases recognized in the balance sheet in 2024 was MSEK -233 (-198) and is presented partly under financing activities as repayment of lease liabilities and partly under the operating activities as paid interest, see Note 24

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## NOTE 16 Participations in subsidiaries

| Direct shareholding, 100%                    | Country        | Carrying amount | Material indirect shareholdings   | Country        | %   |
|--|----------------|-----------------|---|----------------|-----|
| Munters Holding AB (CRN 556818-9749)         | Sverige        | 4,098           | Munters Air Treatment Equipment (Beijing) Co., Ltd                        | China          | 100 |
| Registered office: Stockholm                 |                |                 | Munters Air Treatment Equipment (Jiangsu) Co., Ltd                        | China          | 100 |
|  |                | <b>4,098</b>    | Munters de Mexico S de RL de CV   | Mexico         | 100 |
|  |                |                 | Hotraco Agri BV   | Netherlands    | 100 |
| <b>Material indirect shareholdings</b>       | <b>Country</b> | <b>%</b>        | Hotraco Export BV   | Netherlands    | 100 |
| AB Carl Munters (CRN 556035-1198)            | Sweden         | 100             | Hotraco Group Beheer BV   | Netherlands    | 100 |
| Munters AB (CRN 556041-0606)                 | Sweden         | 100             | Hotraco Group BV  | Netherlands    | 100 |
| Munters Europe AB (CRN 556380-3039)          | Sweden         | 100             | Munters Netherland Holding BV   | Netherlands    | 100 |
| Munters Frontier Invest AB (CRN 556904-0891) | Sweden         | 100             | Munters Netherlands BV  | Netherlands    | 100 |
| Proflute AB (CRN 556558-3415)                | Sweden         | 100             | Munters AS  | Norway         | 100 |
| Tobo Component AB (CRN 556695-4532)          | Sweden         | 100             | Munters Pte Ltd   | Singapore      | 100 |
| Geoclima Australia Pty Ltd                   | Australia      | 100             | Geoclima Iberica S.L  | Spain          | 100 |
| Munters Pty Ltd                              | Australia      | 100             | Munters Spain S.A.U.  | Spain          | 100 |
| Munters Belgium SA                           | Belgium        | 100             | Geoclima HVAK UK  | UK             | 100 |
| Munters Brasil Industria e Comércio Ltda     | Brazil         | 100             | Munters Ltd   | UK             | 100 |
| MTech Systems America Latina Ltda            | Brazil         | 66              | Munters (Pty) Ltd   | South Africa   | 100 |
| Inobram Assessoria e Servicos Ltda           | Brazil         | 60              | Munters Korea Co., Ltd  | South Korea    | 80  |
| Munters A/S                                  | Denmark        | 100             | Geoclima Asia Co., Ltd.   | Thailand       | 100 |
| Munters Finland OY                           | Finland        | 100             | Munters Company Ltd   | Thailand       | 100 |
| Munters France S.A.S.                        | France         | 100             | Munters (Thailand) Co., Ltd   | Thailand       | 100 |
| Hotraco Technologies India Pvt, Ltd.         | India          | 100             | Munters Czech s.r.o.  | Czech Republic | 100 |
| Munters India Humidity Control Private Ltd   | India          | 100             | Munters-Form Endüstri Sistemleri Sanayive Ticaret A.Ş.                    | Türkiye        | 100 |
| ZECO Aircon Ltd                              | India          | 100             | EDPAC International GmbH  | Germany        | 100 |
| EDPAC Holdings Ltd                           | Ireland        | 100             | Munters Beteiligungs GmbH   | Germany        | 100 |
| Munters Corp Ireland                         | Ireland        | 100             | Munters Euroform GmbH   | Germany        | 100 |
| Munters Ireland Limited                      | Ireland        | 100             | Munters GmbH  | Germany        | 100 |
| Munters Israel Ltd                           | Israel         | 100             | Munters Reventa GmbH  | Germany        | 100 |
| Airprotech S.r.l                             | Italy          | 100             | Automated Environments LLC  | US             | 80  |
| Althermo S.r.l.                              | Italy          | 100             | Geoclima USA Inc  | US             | 100 |
| COM40 S.r.l.                                 | Italy          | 100             | Hotraco US Inc.   | US             | 100 |
| Crom S.r.l.                                  | Italy          | 100             | Munters Corporation   | US             | 100 |
| Geoclima International S.r.l.                | Italy          | 100             | Munters Frontier US Holdco Inc.   | US             | 100 |
| Geoclima Italia S.r.l.                       | Italy          | 100             | MTech Systems USA, LLC  | US             | 66  |
| Hecolima S.r.l.                              | Italy          | 100             | Munters (Vietnam) Co., Ltd  | Vietnam        | 100 |
| Munters Italy Holding S.r.l.                 | Italy          | 100             |   |                |     |
| Munters Italy SpA                            | Italy          | 100             | Accumulated acquisition cost regarding participations in subsidiaries per |                |     |
| Munters K.K.                                 | Japan          | 100             | December 31 amounted to MSEK 4,098 (4,098) in the Parent Company.         |                |     |
| Munters Canada Inc                           | Canada         | 100             | No restrictions exist regarding Group's access to the subsidiaries        |                |     |
| Jiangyin SAT Air Treatment Equipment Co Ltd  | China          | 100             | assets, as a result of regulations or minorities.                         |                |     |

## NOTE 17 Participations in associated companies and other financial assets

| Associate company/ CRN/ Registered office      | Ownership, % | 2024      | 2023      |
|--|--------------|-----------|-----------|
| BarnTools LLC, 622795, US                      | 25.0         | 54        | 24        |
| Mooij India Technologies India pvt Ltd., India | 50.0         | 0         | -         |
| Combient Catalyst AB, 556345-6378, Sweden      | 49.9         | -         | 1         |
| <b>Carrying amount</b>                         |              | <b>54</b> | <b>25</b> |

During the year a share earnings in associates of MSEK -12 (-8) regarding BarnTools LLC has been recognized in profit and loss.

### Other financial assets

| MSEK                    | 2024       | 2023      |
|-------------------------|------------|-----------|
| Non-current receivables | 25         | 29        |
| Financial investments   | 164        | 66        |
| <b>Carrying amount</b>  | <b>189</b> | <b>95</b> |

Financial investments are holdings in investees over which the Group does not hold a significant influence. Generally, this means that Munters' shareholding corresponds to less than 20 percent of the voting rights. Financial investments are recognized and measured at fair value through profit and loss.

## NOTE 18 Inventory

| MSEK                                | 2024         | 2023         |
|-------------------------------------|--------------|--------------|
| Raw materials and consumables       | 1,206        | 998          |
| Products in progress                | 400          | 301          |
| Finished goods and goods for resale | 638          | 405          |
| Projects in progress                | 6            | 8            |
| Advances to suppliers               | 33           | 14           |
| <b>Total</b>                        | <b>2,283</b> | <b>1,726</b> |

Impairment losses on inventories are based on the age of the items and the turnover rate. Most of the write-downs and reversal of write-downs are related to the obsolescence that is made at each period end. No significant part of the inventory is valued at the net realizable value.



## NOTE 18 Inventory, cont.

### Inventory provision

| MSEK                                 | 2024        | 2023        |
|--------------------------------------|-------------|-------------|
| Opening balance                      | -173        | -159        |
| Acquisition of subsidiaries          | -4          | -3          |
| Write down current year              | -88         | -63         |
| Reversal of previous year write-down | 46          | 45          |
| Exchange-rate differences            | -11         | 7           |
| <b>Closing balance</b>               | <b>-230</b> | <b>-173</b> |

## NOTE 19 Accounts receivable

### Time analysis of accounts receivable, net after provision for expected credit loss.

| MSEK                   | 2024         | 2023         |
|------------------------|--------------|--------------|
| Current                | 1,499        | 1,183        |
| < 30 days              | 666          | 421          |
| 30–90 days             | 254          | 245          |
| 91–180 days            | 74           | 123          |
| > 180 days             | 73           | 67           |
| <b>Closing balance</b> | <b>2,567</b> | <b>2,038</b> |

Provision for expected credit losses corresponded to 5% (3) of total receivables and changed as follows:

### Provision for expected credit losses

| MSEK                             | 2024        | 2023       |
|----------------------------------|-------------|------------|
| Opening balance                  | -68         | -42        |
| Provision for anticipated losses | -78         | -31        |
| Acquisition of subsidiaries      | -10         | -19        |
| Realized losses                  | 6           | 12         |
| Reversals of unutilized amounts  | 29          | 9          |
| Exchange-rate differences        | -4          | 3          |
| <b>Closing balance</b>           | <b>-124</b> | <b>-68</b> |

The group applies the simplified approach under IFRS 9 Financial Instruments to measure expected credit losses. This "expected credit loss model" uses a lifetime expected loss allowance for all trade receivables. The model is based on historical default rates over the expected life of the trade receivables adjusted for forward looking estimates. Based on Munters historical statistic from confirmed credit losses the historical default rate has an insignificant effect on the credit loss provision and therefore the provision for bad debt is built on individual forward-looking estimates.

## NOTE 20 Prepaid expenses and accrued income

|   | Group      |            | Parent Company |          |
|---|------------|------------|----------------|----------|
| MSEK                                    | 2024       | 2023       | 2024           | 2023     |
| Prepaid leases                          | 17         | 10         | -              | -        |
| Prepaid insurance premiums              | 41         | 37         | 1              | 0        |
| Accrued income                          | 329        | 732        | -              | -        |
| Prepaid expenses for goods and services | 13         | 6          | -              | 1        |
| Other items                             | 192        | 168        | 0              | -        |
| <b>Closing balance</b>                  | <b>593</b> | <b>954</b> | <b>2</b>       | <b>1</b> |

## NOTE 21 Equity

### Share capital

The share capital of 5,533,735 (5,533,735) SEK comprises of 184,457,817 (184,457,817) shares with a par value of 0.03 (0.03) SEK per share. The shares in Munters Group AB are listed on Nasdaq Stockholm under the symbol MTRS. The ten largest owners in Munters Group AB hold a total of 61.3% (60.7) of outstanding shares. Of these, FAM AB holds 28.0% (28.0). No other shareholder holds more than ten percent of the shares, either directly or indirectly.

### Holding of treasury shares

As of December 31, 2024 Munters Group AB hold 1,916,377 treasury shares (1,933,033 at December 31, 2023), equal to 1.0% of the registered share capital. The shares have a par value of SEK 0.03 per share. The shares have been repurchased in prior years following a decision by the Board of Directors in Munters Group AB ("Munters") pursuant to authorization granted by the Annual General Meeting.

The number of outstanding shares at December 31, 2024, amounts to 182,541,440.

### Dividend during the period

A dividend has been paid during the year in accordance with the Board of Directors' proposal to the Annual General Meeting for 2024, implying 30% of 2023 earnings, a total of MSEK 237 and a dividend per share of SEK 1.30. No dividend is paid on treasury shares.

## NOTE 21 Equity, cont.

### Reserves – Translation reserve

The reserve for exchange rate differences consists of differences that arise when the income statements and balance sheets of foreign subsidiaries are translated into SEK.

### Reserve for exchange-rate differences

|  |              |
|--|--------------|
| <b>Opening balance January 1, 2023</b>   | <b>1,096</b> |
| Exchange-rate differences                | -284         |
| Tax attributable to reserves             | 10           |
| <b>Closing balance December 31, 2023</b> | <b>822</b>   |
| Exchange-rate differences                | 456          |
| Tax attributable to reserves             | -6           |
| <b>Closing balance December 31, 2024</b> | <b>1,272</b> |

## NOTE 22 Proposed distribution of earnings

The following earnings (in KSEK) are at the disposal of the Annual General Meeting:

### Unrestricted equity in Parent Company:

| KSEK   | 2024             |
|--|------------------|
| <b>Unrestricted equity at the start of the year:</b>               | <b>3,744,836</b> |
| Dividend   | -237,298         |
| Exercise of share options  | 763              |
| Income of the year   | -41,365          |
| <b>Total</b>   | <b>3,466,935</b> |
| <b>The board proposes that earnings be distributed as follows:</b> |                  |
| Dividend   | 292,066          |
| To be carried forward  | 3,174,869        |
| <b>Total</b>   | <b>3,466,935</b> |

According to the dividend policy adopted by Munters' Board of Directors, Munters shall aim to pay an annual dividend corresponding to 30–50 percent of the profit for the year. Decisions on any dividend proposals are made by the Board, taking into account Company's financial position, investment needs, acquisitions and liquidity.

In 2024 Munters showed a continued strong growth as well as improved profitability and reduced leverage. The Board therefore proposes a dividend of 1.60 SEK (1.30) per share for 2024, totaling MSEK 292 (237), which corresponds to 30 percent of the profit for the year 2024.

## NOTE 23 Financial instrument by category

### Book value of financial assets and liability by category

| MSEK  | 2024         | 2023         |
|---|--------------|--------------|
| <b>Financial assets measured at amortized cost</b>                        |              |              |
| Other non-current financial assets  | 25           | 29           |
| Accounts receivable   | 2,567        | 2,038        |
| Other current receivables   | 240          | 135          |
| Cash and cash equivalents   | 1,530        | 1,532        |
| <b>Closing balance</b>  | <b>4,362</b> | <b>3,734</b> |
| <b>Financial assets measured at fair value through profit/loss</b>        |              |              |
| Financial investments   | 164          | 66           |
| Currency derivatives whose cash flows are not subject to hedge accounting | 4            | 0            |
| <b>Closing balance</b>  | <b>168</b>   | <b>66</b>    |
| <b>Total</b>  | <b>4,531</b> | <b>3,801</b> |

| MSEK  | 2024          | 2023         |
|---|---------------|--------------|
| <b>Financial liabilities measured at amortized cost</b>                   |               |              |
| Non-current interest bearing liabilities                                  | 3,780         | 4,151        |
| Non-current interest bearing leasing liabilities                          | 847           | 553          |
| Current interest bearing liabilities                                      | 2,734         | 980          |
| Current interest bearing leasing liabilities                              | 237           | 167          |
| Accounts payable  | 1,789         | 1,294        |
| Accrued expenses  | 20            | 22           |
| Other non-current liabilities   | 398           | 4            |
| Other current liabilities   | 148           | 92           |
| <b>Closing balance</b>  | <b>9,952</b>  | <b>7,262</b> |
| <b>Financial liabilities measured at fair value through profit/loss</b>   |               |              |
| Currency derivatives whose cash flows are not subject to hedge accounting | 3             | 33           |
| Acquisition option  | 1,498         | 632          |
| <b>Closing balance</b>  | <b>1,501</b>  | <b>665</b>   |
| <b>Total</b>  | <b>11,453</b> | <b>7,927</b> |

### Fair value of assets and liabilities

The carrying amounts of interest-bearing assets and liabilities in the statement of financial position may deviate from their fair value for reasons such as changes in market interest rates. Munters deems that the interest rate on interest-bearing liabilities is in line with market terms at December 31, 2024, and the fair value at the end of the reporting period therefore in all material aspects corresponds to the carrying amount.

The fair value of financial instruments such as accounts receivable, accounts payable, and other non-interest-bearing financial assets and liabilities, which are recognized at amortized cost less any impairment, is deemed equal to the carrying amount because of the short maturities of these instruments.

### Financial investments

Financial investments are holdings in investees over which the Group does not hold a significant influence. Generally, this means that Munters' shareholding corresponds to less than 20 percent of the voting rights. Financial investments are recognized at fair value in the statement of financial position. They are measured in accordance with IFRS 9 and categorized in level 3 in the fair value hierarchy.

### Derivate instruments

The Group's derivatives, recognized at fair value in the statement of financial position, are measured according to IFRS 9 categorized in level 2 according to the fair value hierarchy to IFRS 13. This means that fair value is based on data for the asset or liability other than quoted prices on an active market for identical assets or liabilities that are observable either directly (as quoted prices) or indirectly (derived from quoted prices).

At year-end, there were forward currency contracts in the Group as follows below.

|              | 2024                             |                 | 2023                             |                 |
|--------------|----------------------------------|-----------------|----------------------------------|-----------------|
|              | Nominal amount in local currency | Carrying amount | Nominal amount in local currency | Carrying amount |
| EUR/SEK      | 695                              | -3.1            | 56                               | -34.6           |
| JPY/SEK      | 1,304                            | -2.0            | 300                              | -0.3            |
| USD/CAD      | 6                                | 3.7             | 21                               | -1.9            |
| USD/SEK      | -741                             | 3.9             | -                                | -               |
| Other        | -                                | -2.0            | -                                | 3.3             |
| <b>Total</b> |                                  | <b>0,4</b>      |                                  | <b>-33,4</b>    |

Positive net amount refer to purchases, negative net amounts refer to sales. The forward contracts fall due during 2025.

### Financial assets and liabilities that are offset, or which are covered by a legally binding master netting arrangement or similar agreement

Financial assets and liabilities that can be offset against each other consist of foreign exchange derivatives covered by a legally binding master netting arrangement. By the year-end 2024 currency contracts have been offset. The carrying amounts of such assets and liabilities are listed above.

### Contingent purchase price considerations and put/call options

Contingent purchase price considerations are classified as financial liabilities and remeasured at fair value each month. Remeasurement gains and losses are recognized in the income statement.

Munters holds call options and has issued put options regarding non-controlling interests, which were agreed on in conjunction with the business combinations. The Group recognizes non-controlling interest initially and allocates this part of the income. The difference between liabilities for the options and the non-controlling participations to which the options refer is recognized directly in equity and disclosed separately from other changes in equity.

The groups contingent purchase price considerations and put/call options, recognized at fair value in the statement of financial position, are measured in accordance with IFRS 9 and is categorized as level 3 in the fair value hierarchy.

The Group holds put/call options from the acquisition of MTech Systems. The options can be exercised from 1 January, 2025, and the put option was exercised by the minority shareholders in January 2025. 80% of the transaction price is expected to be paid in the first half of 2025 and the remaining 20% in the first half of 2026. As per December 31, 2024, the fair value of the option is MSEK 1,142 (MSEK 562 December 31, 2023).

The put/call option from the acquisition of InoBram is recognized at fair value in the statement of financial position. Munters acquired 60 per cent of the company but the agreement includes a put/call option for Munters to acquire the remaining 40 per cent of the company in 2027. The exercise period for the sellers put option begins in March, 2026. The fair value of the option amounts to MSEK 121 (MSEK 37 as of 31 Dec, 2023) as of the balance sheet date.

### Holdbacks and contingent purchase price considerations

| MSEK   | 2024         | 2023       |
|--|--------------|------------|
| Opening balance                              | 632          | 217        |
| Valuation put/call options                   | -            | 37         |
| Holdbacks                                    | 212          | 37         |
| Remeasurement put/call option                | 567          | 352        |
| Reclassification                             | 17           | -          |
| Payments                                     | -29          | -          |
| Changes recognized in other operating income | -3           | -          |
| Discounting                                  | 38           | 25         |
| Exchange-rate differences                    | 64           | -35        |
| <b>Closing balance</b>                       | <b>1,498</b> | <b>632</b> |

## NOTE 24 Interest bearing liabilities

### Interest bearing liabilities, non-current

Munters has several borrowing arrangements both in form of loan facilities from a group of banks and bilateral loan arrangements. The total loan facilities portfolio, including unutilized loan facilities, amounts to approximately MSEK 8,100 with a weighted average maturity for outstanding loans of 1.6 years.

As of December 31, the total Interest-bearing liabilities amounted to MSEK 6,514 (5,131). The table outlines the long- and short-term debt on Group level together with local bank debt in group companies. Munters' financial policy regulates the management of external borrowings.

The loan agreements regarding Term loan and RCF, totaling MSEK 6,349 have a financial covenant; consolidated net debt in relation to adjusted EBITDA, with some adjustments made in accordance with the loan agreements. The accounting standard for leases, IFRS 16, does not affect the covenant calculation according to the loan agreement

definition and neither does the net pension liability.

The Group's forecasted performance in relation to the limits stipulated by the covenant is closely monitored. This ensures that the Group fulfills its commitments to external lenders and minimizes the liquidity and financing risk.

Compliance with covenants against external creditors is tested quarterly. At December 31, 2024, the covenant was met.

Total amount of unutilized credit facilities is showed in Note 3 under header Liquidity Risk.

The total average weighted interest rate including both long- and short-term financing at the end of the year was 4.7% (6.3) and 5.3% (6.8) including financing cost. Financing fees activated in balance sheet amounts to MSEK 8 which will be allocated to P&L over the lifetime or respective loan.

The amount of Term loan is deducted by financing cost capitalized in balance sheet.

### Interest-bearing loans

| 2024-12-31   | Interest rate    | 2025         | 2026         | 2027       | 2028       | 2029-      | Total        | Whereof non-current |
|--------------|------------------|--------------|--------------|------------|------------|------------|--------------|---------------------|
| Term loan    | Variable         | 1,034        | 1,807        | -          | -          | -          | 2,841        | 1,807               |
| RCF          | Variable         | 1,588        | 1,148        | 193        | 193        | 386        | 3,508        | 1,920               |
| Other loans  | Fixed / variable | 112          | 12           | 6          | 37         | -          | 164          | 52                  |
| <b>Total</b> |                  | <b>2,734</b> | <b>2,967</b> | <b>199</b> | <b>228</b> | <b>386</b> | <b>6,514</b> | <b>3,780</b>        |

### Changes in interest-bearing liabilities

Munters has during the year net decreased borrowings in USD and SEK, and increased borrowings in EUR mainly for the purpose of financing acquisitions. A smaller part of changes in debt is also caused by currency effects originating from fluctuations in EUR and USD exchange rate.

| MSEK   | 2024         | 2023         |         |
|--|--------------|--------------|---------|
| Opening balance                                  | 5,131        | 3,721        | NOTE 2  |
| Acquisition of subsidiaries                      | 294          | 138          | NOTE 3  |
| Loans raised                                     | 2,664        | 2,268        | NOTE 4  |
| Amortization of loans                            | -1,796       | -887         | NOTE 5  |
| Non-cash movements                               | 4            | 3            | NOTE 6  |
| Exchange-rate differences                        | 217          | -112         | NOTE 7  |
| <b>Closing balance</b>                           | <b>6,514</b> | <b>5,131</b> | NOTE 8  |
| Whereof non-current interest-bearing liabilities | 3,780        | 4,151        | NOTE 9  |
| Whereof current interest-bearing liabilities     | 2,734        | 980          | NOTE 10 |

### Changes in lease liabilities

Munters had during the year the following changes related to lease liabilities, involving signing of new lease agreements, amortization of current agreements and interest and currency effects.

| MSEK                                  | 2024         | 2023       |         |
|---------------------------------------|--------------|------------|---------|
| Opening balance                       | 719          | 774        | NOTE 11 |
| New and updated contracts             | 493          | 126        | NOTE 12 |
| Acquisition of subsidiaries           | 19           | -          | NOTE 13 |
| Cancelled contracts                   | -20          | -4         | NOTE 14 |
| Capitalized interest                  | 51           | 45         | NOTE 15 |
| Amortization of leasing contracts     | -233         | -198       | NOTE 16 |
| Exchange rate differences             | 53           | -25        | NOTE 17 |
| <b>Closing balance</b>                | <b>1,083</b> | <b>719</b> | NOTE 18 |
| Whereof non-current lease liabilities | 847          | 553        | NOTE 19 |
| Whereof current lease liabilities     | 237          | 167        | NOTE 20 |

### Maturity analysis of lease liabilities

The remaining undiscounted lease payments have the following due date

### Undiscounted leasing liabilities

| MSEK                          | 2024         | 2023       |         |
|-------------------------------|--------------|------------|---------|
| Remaining term 1 year or less | 238          | 178        | NOTE 21 |
| Remaining term 1 to 5 years   | 573          | 416        | NOTE 22 |
| Remaining term over 5 years   | 545          | 362        | NOTE 23 |
| <b>Total</b>                  | <b>1,356</b> | <b>956</b> | NOTE 24 |

## NOTE 25 Provisions for pensions

| 2024 Group, MSEK                                   | Present value of DBO | Plan assets | Net pension provision |
|--|----------------------|-------------|-----------------------|
| <b>Opening balance</b>                             | <b>283</b>           | <b>-3</b>   | <b>280</b>            |
| <b>Recognized in profit/loss</b>                   |                      |             |                       |
| Current service cost                               | 11                   | -           | 11                    |
| Interest cost/income                               | 9                    | -           | 9                     |
|  | <b>20</b>            | <b>-</b>    | <b>20</b>             |
| <b>Recognized in other comprehensive income</b>    |                      |             |                       |
| Gains/losses from changes in financial assumptions | -14                  | -           | -14                   |
| Experience adjustments                             | -                    | -           | -                     |
|  | <b>-14</b>           | <b>-</b>    | <b>-14</b>            |
| <b>Transactions</b>                                |                      |             |                       |
| Benefits paid to employer                          | -9                   | -0          | -9                    |
| Benefits paid by to plan assets                    | 0                    | 0           | 0                     |
|  | <b>-9</b>            | <b>0</b>    | <b>-9</b>             |
| Exchange-rate differences                          | 0                    | 0           | 0                     |
| <b>Closing balance</b>                             | <b>280</b>           | <b>-3</b>   | <b>277</b>            |
| 2023 Group, MSEK                                   | Present value of DBO | Plan assets | Net pension provision |
| <b>Opening balance</b>                             | <b>246</b>           | <b>-19</b>  | <b>227</b>            |
| <b>Recognized in profit/loss</b>                   |                      |             |                       |
| Current service cost                               | 6                    | -           | 6                     |
| Interest cost/income                               | 8                    | -           | 8                     |
|  | <b>15</b>            | <b>-</b>    | <b>15</b>             |
| <b>Recognized in other comprehensive income</b>    |                      |             |                       |
| Gains/losses from changes in financial assumptions | 21                   | -           | 21                    |
| Experience adjustments                             | 24                   | -           | 24                    |
|  | <b>44</b>            | <b>-</b>    | <b>44</b>             |
| <b>Transactions</b>                                |                      |             |                       |
| Benefits paid to employer                          | -7                   | 0           | -7                    |
| Benefits paid by to plan assets                    | -                    | 0           | -                     |
| Transfers  | -16                  | 16          | -                     |
|  | <b>-23</b>           | <b>16</b>   | <b>-7</b>             |
| Exchange-rate differences                          | 0                    | 0           | 0                     |
| <b>Closing balance</b>                             | <b>283</b>           | <b>-3</b>   | <b>280</b>            |

The Group finances pension plans for its employees in several countries. These plans mainly follow practice in the country in question and may be defined-contribution or defined-benefit plans or a combination of both. The most important defined-benefit pension plans cover employees in Sweden, Belgium, Italy and France. In France and Italy, provisions are made for mandatory remuneration when employment ceases. For senior executives of the Group, there are guidelines regarding pension rights and pension plans described in Note 33.

Provisions for pensions amount to MSEK 277 (280) at the balance sheet date, whereof the defined-benefit plans in Sweden constitute MSEK 265 (267) representing 96% of the Groups provisions recognized under IAS 19. The calculations are primarily based on final salary and the plans are unfunded. The pension plans in Italy and France, which constitute 2% respectively 1% of total pension provisions, are also unfunded.

The Swedish pension plans (known as ITP plans) supplement the country's social insurance system, and result from agreements between employer and employee organizations. ITP plans mainly comprise retirement pensions, disability pensions and survivor's pensions.

The ITP plan has two parts, firstly, ITP1, which is a defined-contribution pension plan applying to employees born in 1979 or later, and secondly, ITP2, which is a defined-benefit pension plan applying to employees born before 1979. White-collar employees within the Group in Sweden were covered by both these parts. The ITP2 plan is managed within Munters in the FPG/ PRI system. Financing occurs through provisions to an account in the balance sheet, safeguarded by credit insurance from the mutual insurance company Försäkringsbolaget PRI Pensionsgaranti.

Defined-benefit pension plans subjects the Group to different kinds of risk attributable to increases in life expectancy, inflation and salary.

In the Group, there are also defined-contribution plans that mainly comprise retirement pensions, disability pensions and survivor's pensions. The premiums are paid continuously during the year by each Group company to separate legal entities, such as insurance companies. The size of the premium is based on salary. The cost of these defined-contribution plans for the period totaled MSEK 131 (122).

Plan assets comprise insurance contracts signed with independent insurance companies. No portion of plan assets was invested in the Company's equity instruments, debt instruments, real estate, or other assets used by the Company. The Group only has a minor share of funded plans.

### Significant actuarial assumptions

| Weighted values, %               | Sweden |      |
|----------------------------------|--------|------|
|                                  | 2024   | 2023 |
| Discount rate                    | 3.55   | 3.25 |
| Future inflation                 | 2.00   | 2.00 |
| Future wage and salary increases | 2.75   | 2.75 |
| Pension increases                | 2.00   | 2.00 |
| Social security increases        | 2.75   | 2.75 |

At the end of the reporting period, the discount rate is derived from a functioning market based on investment-grade corporate bonds adjusted for the duration of the commitment.

Assumptions about life span are based on public statistics and experience from mortality surveys in each country, and are set in consultation with actuarial experts. As of this year, for Swedish pension plans, the most current life span investigation DUS23. Munters budgeted fees for defined-benefit obligations ("DBO") equal to MSEK 10 (12) for 2025.

### Sensitivity analysis – effect of a 0.5% change

| MSEK             | Sweden |       |
|------------------|--------|-------|
|                  | -0.5%  | +0.5% |
| Discount rate    | 28     | -24   |
| Future inflation | -20    | 22    |

The table shows the effect on the liability of a 0.5% change in discount rate and future inflation. The sensitivity analysis is performed by changing one actuarial assumption while the other remain constant. This is a simplified method as actuarial assumptions are usually correlated.

### Age analysis - expected payments

| MSEK                      | 2024      | 2023      |
|---------------------------|-----------|-----------|
| Within the next 12 months | 7         | 7         |
| Between 1-2 years         | 8         | 7         |
| Between 2-5 years         | 26        | 24        |
| <b>Total</b>              | <b>40</b> | <b>38</b> |

The table shows expected payments related to pension benefits in Sweden over the coming five years (undiscounted). The weighted average duration of the defined-benefit obligations in Sweden is 17 (18) years.

## NOTE 26 Other provisions

| 2024 Group, MSEK                  | Warranty provisions | Restructuring | Other provisions | Total      |
|-----------------------------------|---------------------|---------------|------------------|------------|
| <b>Opening balance</b>            | <b>107</b>          | <b>33</b>     | <b>67</b>        | <b>207</b> |
| Acquisition of subsidiaries       | 11                  | -             | 34               | 45         |
| Additional provisions             | 45                  | 83            | 23               | 151        |
| Utilized during the year          | -6                  | -37           | -13              | -57        |
| Reversal of unutilized provisions | -8                  | -1            | -5               | -14        |
| Exchange-rate differences         | 6                   | 1             | 0                | 7          |
| <b>Closing balance</b>            | <b>155</b>          | <b>79</b>     | <b>105</b>       | <b>338</b> |

| 2023 Group, MSEK                  | Warranty provisions | Restructuring | Other provisions | Total      |
|-----------------------------------|---------------------|---------------|------------------|------------|
| <b>Opening balance</b>            | <b>94</b>           | <b>54</b>     | <b>67</b>        | <b>216</b> |
| Acquisition of subsidiaries       | -                   | -             | 9                | 9          |
| Additional provisions             | 50                  | 22            | 5                | 77         |
| Utilized during the year          | -11                 | -35           | -3               | -49        |
| Reversal of unutilized provisions | -22                 | -7            | -9               | -38        |
| Exchange-rate differences         | -4                  | -1            | -2               | -7         |
| <b>Closing balance</b>            | <b>107</b>          | <b>33</b>     | <b>67</b>        | <b>207</b> |

### Provisions consist of:

| MSEK                   | 2024       | 2023       |
|------------------------|------------|------------|
| Non-current portion    | 90         | 62         |
| Current portion        | 249        | 145        |
| <b>Closing balance</b> | <b>338</b> | <b>207</b> |

During the year, provisions for warranties amounting to MSEK 45 (50) was recognized. Calculation of the provision for warranty costs takes place on a standard basis with an amount equal to the average cost of warranty costs in relation to turnover during the most recent 24-month period, adjusted by amounts for known warranty claims exceeding the standard provision. Provision for warranty commitments is related to the given warranty period. Warranty costs are classified as cost of goods sold.

During the year, provisions for restructuring programs of MSEK 83 (22) was recognized. The amount includes restructuring programs in AirTech of MSEK 66, reflecting various measures identified and implemented to mitigate the weaknesses in the battery sub-segment. The program is expected to be finalized, in all material aspects, during 2025.

Other provisions primarily consist of personnel related provisions.

## NOTE 27 Accrued expenses and deferred income

| MSEK                            | Group        |              | Parent Company |           |
|---------------------------------|--------------|--------------|----------------|-----------|
|                                 | 2024         | 2023         | 2024           | 2023      |
| Personnel related expenses      | 767          | 625          | 51             | 32        |
| Goods received not yet invoiced | 195          | 123          | -              | -         |
| Commissions                     | 71           | 86           | -              | -         |
| Interest expenses               | 20           | 22           | 1              | -         |
| Deferred income                 | 73           | 92           | -              | -         |
| Audit and lawyers fees          | 20           | 19           | 2              | 0         |
| Other                           | 349          | 224          | 1              | -         |
| <b>Closing balance</b>          | <b>1,496</b> | <b>1,193</b> | <b>54</b>      | <b>32</b> |

Deferred revenue mainly refers to subscription agreements within Munters software business.

## NOTE 28 Pledged assets, contingent assets and contingent liabilities

### Contingent liabilities

| MSEK  | Group      |            | Parent Company |            |
|---|------------|------------|----------------|------------|
|   | 2024       | 2023       | 2024           | 2023       |
| PRI guarantees                                | -          | -          | 3              | 3          |
| Guarantees from banks and insurance companies | 245        | 208        | 421            | 433        |
| <b>Closing balance</b>                        | <b>245</b> | <b>208</b> | <b>424</b>     | <b>436</b> |

PRI guarantees refers to pension liabilities in Sweden. Guarantees from banks and insurance companies are operational guarantees, such as advances and completion guarantees. Within Munters there are no pledged assets.

### Litigations

Munters is involved in a small number of commercial disputes. It is the management's assessment that none of these disputes, where there has not been a provision recorded, will involve an outflow of resources.

Munters subsidiary in the United States, Munters Corporation is, and has historically been, named as co-respondent in asbestos-related cases. In the past few years, Munters Corporation has won a number of cases through summary judgments, and these are no longer in progress.

Munters Corporation is of the firm opinion that the remaining claims are unfounded. Munters Corporation has coverage for the asbestos-related claims through several insurance policies subject to certain reservations, the insurance companies have confirmed that, until further notice, they will pay a significant portion of the expenses for legal defence. The company is currently also party to a dispute in New Jersey, US, regarding environmental damage to a property that had previously been leased by a company acquired by Munters and later merged with one of Munters subsidiaries in the US. An investigation of the cause and extent of the environmental damage is ongoing and is under supervision by New Jersey Department of Environmental Protection ("NJDEP"). Although a potential environmental liability is difficult to estimate, the company assesses that there is insurance cover for any environmental liability.

## NOTE 29 Transactions with related parties

The shares in Munters Group AB are held by FAM AB by 28.0% (28.0). Other related parties to Munters include other portfolio companies managed by FAM AB and Munters Board of Directors and Group Management. During the year no significant transactions with related companies occurred.

The Parent Company has a related party relationship with its subsidiaries. Information about participations in subsidiaries is provided in Note 16. Transactions between Munters Group AB and its subsidiaries have been carried out on market terms.

Remuneration for individual members of the Board and senior executives is presented in Note 33. Munters has not provided guarantees or securities to or on behalf of Board members or senior executives.

## NOTE 30 Business combinations

### Consolidated acquisitions 2024 and 2023

| Company (Country)           | Business area | Month acquired | No. of employees | Net sales |
|-----------------------------|---------------|----------------|------------------|-----------|
| <b>2024</b>                 |               |                |                  |           |
| Airprotech (IT)             | AirTech       | May            | 52               | MEUR 30   |
| Automated Environments (US) | FoodTech      | Jul            | 13               | MUSD 10   |
| Geoclima (IT)               | DCT           | Oct            | 165              | MEUR 40   |
| Hotraco (NL)                | FoodTech      | Oct            | 140              | MEUR 41   |
| <b>2023</b>                 |               |                |                  |           |
| Tobo Component (SE)         | AirTech       | May            | 14               | MSEK 76   |
| SIFT (FR)                   | AirTech       | Jun            | 17               | MEUR 3    |
| InoBram (BR)                | FoodTech      | Jun            | 150              | MBRL 53   |
| ZECO (IN)                   | AirTech       | Oct            | 600              | MSEK 510  |

The table shows approximate number of permanent full time employees at the acquisition date. Net sales refer to estimated sales in the year prior to the acquisition.

#### 2024

In May, Munters closed the acquisition of Airprotech, an Italian company within VOC abatement systems. The acquisition enhances Munters Clean Technology portfolio and supports cleaner production for European industries.

In July, Munters acquired a majority share in Automated Environments (AEI), a US-based company specializing in automated control systems for the layer industry. The acquisition is part of the FoodTech strategy to serve food producers with an extensive portfolio of Digital solutions. Munters will initially have an 80% share in AEI but the agreement stipulates the remaining 20% to be acquired by the end of 2026. Accordingly, 100% of AEI is consolidated as from the acquisition date.

In October, Munters closed the acquisition of Geoclima, an Italian manufacturer of air- and water-cooled chillers. Geoclima's product offering completes Munters Data Center Technologies (DCT) cooling portfolio enhancing the company's ability to offer full solutions to the total data center cooling market.

As per the balance sheet date, the acquisition analysis for Airprotech, AEI and Geoclima are preliminary with respect to valuation of intangible assets.

In October, Munters also acquired Hotraco, a Dutch leading developer of control systems and sensors for the agricultural sector, thus strengthening Munters FoodTech position in Europe. It marks another step in the strategy to create a digital ecosystem built around data capture platforms and software that supports a more efficient and sustainable food production.

Net sales of acquired companies from the date of acquisition amounted to MSEK 430. Operating profit amounted to MSEK 32 and net income to MSEK 26.

Acquired entities net sales in 2024 amounted to 1,443 MSEK and operating profit was MSEK 225. Acquisition related costs in 2024 amounted to MSEK 52 (29).

#### 2023

In May Munters acquired 100% of the shares in Tobo Component, a Swedish manufacturer of humidification components. The company is based in Tobo, Sweden, and has been a subcontractor to Munters for several years, delivering pads, cassettes and modules.

In June Munters acquired 100% of the shares in SIFT, a French service-company within the industry of climate control and cold storage, mainly active in north of France. The acquisition strengthen Munters market share within service, and builds a local presence in strategic areas.

In June the acquisition of a majority share in InoBram was completed. InoBram is a Brazilian manufacturer of control components and accessories for the broiler- and swine segments. Through innovative software, sensors and online solutions, the farmers and food producers get tools that helps improve animal health and increase energy efficiency in their operation.

Munters has acquired 60% of the shares in InoBram and has an option to acquire the remaining 40% of the shares in 2027. The sellers have an option to sell the outstanding shares in 2026 or 2027. The acquisition supports Munters' strategy to grow within digital solutions for agriculture- and food producing industry, and connect the complete value chain of the food production.

In October Munters acquired ZECO, an Indian manufacturer of air handling solutions. The acquisition strengthens Munters' offer of dehumidification to the Indian market.

### Purchase price

|  | 2024          | of which Hotraco | 2023        |         |
|--|---------------|------------------|-------------|---------|
| MSEK   |               |                  |             |         |
| Cash purchase consideration paid                       | 1,884         | 746              | 901         |         |
| Holdback and deferred considerations                   | 214           | -                | 37          |         |
| Adjusted purchase price from prior years acquisition   | 29            | -                | -           | NOTE 1  |
| Put/call option  | -             | -                | 37          | NOTE 2  |
| <b>Total purchase consideration</b>                    | <b>2,125</b>  | <b>746</b>       | <b>974</b>  | NOTE 3  |
| Fair value of acquires net sales                       | -595          | -166             | -295        | NOTE 4  |
| <b>Goodwill</b>  | <b>1,531</b>  | <b>580</b>       | <b>679</b>  | NOTE 5  |
|  |               |                  |             | NOTE 6  |
| <b>Fair value of acquired net assets</b>               |               |                  |             |         |
|  |               |                  |             | NOTE 7  |
| MSEK   | 2024          | of which Hotraco | 2023        | NOTE 8  |
| Intangible assets                                      | 513           | 320              | 95          | NOTE 9  |
| Property, plant and equipment                          | 51            | 12               | 134         | NOTE 10 |
| Right-of-use assets                                    | 20            | 3                | -           | NOTE 11 |
| Other non-current assets                               | 14            | 2                | 14          | NOTE 12 |
| Inventory  | 301           | 78               | 116         | NOTE 13 |
| Current receivables                                    | 327           | 107              | 115         | NOTE 14 |
| Cash and cash equivalents                              | 260           | 27               | 156         | NOTE 15 |
| <b>Total assets</b>                                    | <b>1,486</b>  | <b>549</b>       | <b>629</b>  | NOTE 16 |
| Non-controlling interest                               | 9             | -                | -           | NOTE 17 |
| Non-current interest-bearing liabilities               | 52            | -                | 101         | NOTE 18 |
| Leasing liabilities                                    | 19            | 3                | -           | NOTE 19 |
| Deferred tax liabilities                               | 112           | 64               | 16          | NOTE 20 |
| Other non-current liabilities                          | 38            | 1                | 4           | NOTE 21 |
| Current interest-bearing liabilities                   | 242           | 180              | 38          | NOTE 22 |
| Accounts payable                                       | 117           | 59               | 120         | NOTE 23 |
| Other current liabilities                              | 302           | 76               | 56          | NOTE 24 |
| <b>Total liabilities</b>                               | <b>891</b>    | <b>383</b>       | <b>334</b>  | NOTE 25 |
| <b>Net identifiable assets and liabilities</b>         | <b>595</b>    | <b>166</b>       | <b>295</b>  | NOTE 26 |
|  |               |                  |             | NOTE 27 |
| <b>Goodwill from acquisitions</b>                      | <b>1,531</b>  | <b>580</b>       | <b>679</b>  | NOTE 28 |
|  |               |                  |             | NOTE 29 |
| Cash purchase consideration paid                       | -1,884        | -746             | -901        | NOTE 30 |
| Cash and cash equivalents in acquired companies        | 260           | 27               | 156         | NOTE 31 |
| Payments related to acquisitions in prior years        | -56           | -                | -           | NOTE 32 |
| <b>Change in the Group's cash and cash equivalents</b> | <b>-1,680</b> | <b>-719</b>      | <b>-744</b> | NOTE 33 |
|  |               |                  |             | NOTE 34 |
|  |               |                  |             | NOTE 35 |

## NOTE 31 Average number of employees and gender distribution

### Average number of employees

| Group           | 2024         |                 | 2023         |                 |
|-----------------|--------------|-----------------|--------------|-----------------|
|                 | Number       | of which men, % | Number       | of which men, % |
| US              | 1,468        | 78              | 1,404        | 79              |
| India           | 787          | 93              | 291          | 91              |
| Sweden          | 578          | 66              | 523          | 66              |
| Mexico          | 392          | 68              | 332          | 68              |
| China           | 327          | 77              | 341          | 77              |
| Brazil          | 284          | 74              | 229          | 76              |
| Germany         | 237          | 79              | 238          | 79              |
| Italy           | 203          | 76              | 134          | 75              |
| Czech Republic  | 202          | 76              | 220          | 80              |
| Ireland         | 152          | 91              | 132          | 90              |
| Israel          | 136          | 76              | 136          | 76              |
| United Kingdom  | 105          | 74              | 100          | 74              |
| Netherlands     | 76           | 81              | 49           | 78              |
| Japan           | 68           | 82              | 67           | 82              |
| Belgium         | 48           | 85              | 39           | 79              |
| France          | 41           | 78              | 50           | 84              |
| Australia       | 34           | 82              | 32           | 81              |
| Singapore       | 29           | 72              | 25           | 72              |
| South Africa    | 22           | 68              | 23           | 69              |
| Thailand        | 22           | 70              | 20           | 70              |
| South Korea     | 21           | 57              | 21           | 62              |
| Denmark         | 18           | 72              | 19           | 78              |
| Türkiye         | 16           | 75              | 15           | 67              |
| Spain           | 16           | 81              | 14           | 79              |
| Other countries | 69           | 86              | 63           | 83              |
| <b>Total</b>    | <b>5,351</b> | <b>78</b>       | <b>4,516</b> | <b>77</b>       |

### Gender distribution – Board of Directors and Group Management

At year-end, the Board of Directors consisted of three men and four women. Group Management, including the CEO, consisted of five men and four women.

## NOTE 32 Salaries, other remuneration and social security expenses

| MSEK                      | Group        |              | Parent Company |           |
|---------------------------|--------------|--------------|----------------|-----------|
|                           | 2024         | 2023         | 2024           | 2023      |
| Salaries and remuneration | 3,178        | 2,870        | 68             | 42        |
| Social security expenses  | 742          | 639          | 22             | 16        |
| Pension expenses          | 142          | 130          | 9              | 9         |
| <b>Total</b>              | <b>4,062</b> | <b>3,639</b> | <b>99</b>      | <b>68</b> |

## NOTE 33 Remuneration to the Board and Senior Executives

### Guidelines

The group of executives encompassed by the guidelines comprises the CEO and other members of the group management. The guidelines also encompass any remuneration to board members, other than board fees. The guidelines shall apply to remuneration agreed, and amendments to remuneration previously agreed, after adoption of the guidelines by the 2024 annual general meeting. The guidelines do not apply to any remuneration resolved on by the Annual General Meeting.

### The guidelines' promotion of the company's business strategy, long term interests and sustainability

Munters business strategy is to be a global leader in energy-efficient and sustainable climate solutions. Our solutions enable energy efficient production processes with reduced carbon dioxide emissions for our customers. Using innovative technologies, Munters creates the perfect climate for demanding and sophisticated industrial applications and processes, of which the largest segments are food, pharmaceuticals, and agriculture.

Munters conduct operations in three business areas:

- AirTech is a global leader in energy-efficient air treatment for industrial and commercial fields of application.
- Data Center Technologies is a leading supplier of advanced climate cooling solutions using a wide range of heat rejection technologies that create sustainable climate solutions for data center operators worldwide.
- FoodTech is one of the world's leading suppliers of innovative and energy-efficient climate systems for livestock farming and greenhouses, as well as software for controlling and optimising the entire food production value chain.

A prerequisite for the successful implementation of Munters business strategy and safeguarding of the company's long-term interests, including its sustainability, as well as delivery on the ambitions the company has, is that the company is able to recruit and retain qualified personnel. In order to do so, Munters must be able to offer a competitive total remuneration based on market terms, which these guidelines enable.

## NOTE 33 Remuneration to the Board and Senior Executives, cont.

Variable cash remuneration covered by these guidelines shall aim to promote the company's business strategy and long-term interests, including its sustainability.

### Types of remuneration

The remuneration shall be on market terms and may consist of the following components: fixed annual cash salary, variable cash salary, pension and other benefits. Additionally, the general meeting may – ir-respective of these guidelines – resolve on, for example, share and share price-related remuneration.

### Fixed cash salary

The fixed cash salary shall reflect the demands and responsibility that the position entails as well as individual performance. The fixed cash salary shall be revised annually.

### Variable cash salary

Variable cash salary may consist of annual variable cash salary and/or long-term variable cash salary.

The annual variable cash salary shall be maximized to 50 percent of the fixed annual cash salary for the CEO and other senior executives. The satisfaction of criteria for awarding variable cash salary shall be measured over a period of one year.

The annual variable cash salary shall be linked to predetermined and measurable financial criteria, such as operating result and working capital. By linking the remuneration of the senior executives to the company's earnings and financing of its operating activities, the criteria promote the implementation of the company's business strategy and long-term interests, including its sustainability. Furthermore, the criteria for variable cash salary shall be designed so that they do not encourage excessive risk taking.

The long-term variable cash salary shall be linked to predetermined and measurable financial criteria (weighting 70 percent) and non financial criteria (weighting 30 percent). The financial criteria may consist of, for example adjusted EBITA and Operating Working Capital and the non-financial criteria may consist of, for example, weighted sustainability goals (such as the annual increase in the share of electricity from renewable sources in our production facilities, the annual share of female managers who have been appointed within the group, as well as the annual service growth within the group). By linking the remuneration of the senior executives to the company's earnings, financing of day-to-day operations, and sustainability, the criteria promote the implementation of the company's business strategy and long-term interests, including its sustainability. The criteria for long-term variable cash salary shall be designed so that they do not encourage excessive risk-taking.

A certain part of the net amount after tax of paid out as long-term variable cash salary is expected to be invested in Munters shares, according to the share ownership policy which the Board has adopted. The entire net amount after tax is expected to be invested in Munters shares until the holding in value corresponds to 200 percent of the gross

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## NOTE 33 Remuneration to the Board and Senior Executives, cont.

annual fixed cash salary for the CEO and 100 percent of the gross annual fixed cash salary for other members of Group Management. When such a holding has been achieved, half of the net amount after tax is expected to be invested in Munters shares.

To which extent the criteria for awarding variable cash salary have been satisfied shall be evaluated when the measurement period has ended. The Board of Directors is responsible for the evaluation so far as it concerns variable cash salary to the CEO. The Remuneration Committee is responsible for the evaluation so far as it concerns variable cash salary to other members of the Group Management. For financial objectives, the evaluation shall be based on the latest financial information made public by the company.

Terms and conditions for both annual variable cash salary and long-term variable cash salary shall be designed so that the Board of Directors, if exceptional economic circumstances prevail, has the option of limiting or refraining from payment if such a measure is considered reasonable.

Additional variable cash remuneration may be awarded in extraordinary circumstances, provided that such extraordinary arrangements are limited in time and only made on an individual basis, either for the purpose of recruiting or retaining executives, or as remuneration for extraordinary performance beyond the individual's ordinary tasks. Such remuneration may not exceed an amount corresponding to 50 percent of the fixed annual cash salary and shall not be paid more than once per year and per individual. Resolution on such remuneration shall be made by the Board of Directors based on a proposal from the Compensation Committee.

### Pension

For the CEO, pension benefits, including health insurance, shall be defined contribution. Variable cash salary shall not qualify for pension benefits. Pension contributions for defined contribution pension shall amount to not more than 35 percent of the fixed annual cash salary.

For other members of the group management, pension benefits, including health insurance, shall be defined contribution unless the executive concerned is subject to defined benefit pension under mandatory collective agreement provisions. Variable cash salary shall qualify for pension benefits to the extent required by mandatory collective agreement provisions applicable to the executive. Pension contributions for defined contribution pension shall amount to not more than 35 percent of the fixed annual cash salary.

### Other benefits and compensation

Other compensation may consist of other benefits that are customary and in line with market terms, such as medical insurance, life insurance and company cars, which shall not constitute a significant part of the total remuneration. Such benefits may amount to not more than 10 percent of the fixed annual cash salary.

For employments governed by rules other than Swedish, pension benefits and other benefits may be duly adjusted for compliance with mandatory rules or established local practice, taking into account, to the extent possible, the overall purpose of these guidelines.

### Consultancy fee to Board members

In specific cases, and for a limited time, Munters Board members elected by the general meeting may be able to be remunerated for services within their respective areas of expertise, which does not constitute board work. For these services (including services performed by a Board member wholly-owned company), a fee on market terms can be paid, provided that such services contribute to the implementation of Munters business strategy and safeguarding of Munters long-term interests, including its sustainability. Such consultancy fee may, for each Board member, in no case exceed one year's Board fee.

### Termination of employment

Fixed cash salary during the notice period and severance pay, as well as remuneration for any non-compete restrictions, shall in total not exceed an amount corresponding to the fixed cash salary for two years for the CEO and 18 months for other members of the group management. Severance pay shall not be paid if notice of termination of employment is made by the CEO and other members of the group management. The notice period between the company and the CEO, and other members of the group management, shall not exceed six months.

Remuneration for any non-compete restrictions shall compensate for any loss of income and shall only be paid for such period as the former executive does not have the right to severance pay. The remuneration shall amount to not more than 60 percent of the fixed annual cash salary at the time of termination of employment, unless otherwise provided by mandatory collective agreement provisions, and shall be payable during the period subject to the non-compete restriction, which shall not exceed 12 months after termination of employment.

### Salary and employment conditions for employees

In the preparation of the Board of Directors' proposal for these remuneration guidelines, salary and employment conditions for employees of the company and the group's Swedish operation have been taken into account by including information on the employees' total remuneration, the components of the remuneration and increase and growth rate over time, in the Compensation Committee's and the Board of Directors' basis of decision when evaluating whether the guidelines and the limitations set out herein are reasonable. In the company, i.e. in Munters Group AB, there are only seven employees (all are senior executives).

### Preparation and decision-making process

The Board of Directors has established a Compensation Committee. The committee's tasks include, among other things, preparing the Board of Directors' decision to propose guidelines for remuneration to senior executives. The Board of Directors shall prepare a proposal for new guidelines at least every fourth year and submit the proposal to the Annual General Meeting. The guidelines shall be in force until new guidelines are adopted by the Annual General Meeting. The Compensation Committee shall also monitor and evaluate programs for variable remuneration for the group management, the application of the guidelines for remuneration to senior executives as well as the current remuneration structures and compensation levels in the company. The CEO and other members of the group management do not participate in the Board of Directors' processing of and resolutions regarding remuneration-related matters in so far as they are affected by such matters. Remuneration to the CEO is prepared by the Compensation Committee and decided by the Board of Directors. Remuneration to other members of the group management is prepared by the CEO and decided by the Compensation Committee.

### Derogation from the guidelines

The Board of Directors may temporarily resolve to derogate from the guidelines resolved by the Annual General Meeting, in whole or in part, if in a specific case there is special cause for the derogation and a derogation is necessary to serve the company's long-term interests, including its sustainability, or to ensure the company's financial viability. As stated above, the Compensation Committee's tasks include preparing the Board of Directors' resolutions in remuneration-related matters, which includes preparing any resolutions to derogate from the guidelines.

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## NOTE 33 Remuneration to the Board and Senior Executives, cont.

| 2024, KSEK  | Board fee/<br>Base salary | Variable<br>remuneration | Other<br>benefits | Pension<br>expenses | Share based<br>payments | Total         |
|---|---------------------------|--------------------------|-------------------|---------------------|-------------------------|---------------|
| <b>Members of the Board:</b> (4 women and 3 men)  |                           |                          |                   |                     |                         |               |
| Magnus Nicolin, chairman of the Board and chairman of the remuneration committee                    | 1,506                     |                          |                   |                     |                         | 1,506         |
| Helen Fasth Gillstedt, board member and chairman of the audit committee                             | 751                       |                          |                   |                     |                         | 751           |
| Sabine Simeon-Aissaoui, board member and chairman of the investment committee                       | 634                       |                          |                   |                     |                         | 634           |
| Maria Håkansson, board member   | 637                       |                          |                   |                     |                         | 637           |
| Anders Lindqvist, board member  | 556                       |                          |                   |                     |                         | 556           |
| Kristian Sildeby, board member  | 794                       |                          |                   |                     |                         | 794           |
| Elizabeth Carey Nugent, board member since the AGM March 21, 2024                                   | 437                       |                          |                   |                     |                         | 437           |
| Anna Westerberg, board member and chairman of the investment committee until the AGM March 21, 2024 | 148                       |                          |                   |                     |                         | 148           |
| CEO Klas Forsström  | 8,769                     | 17,342                   | 251               | 3,072               | -                       | 29,435        |
| <b>Other Senior Executives,</b> (4 women and 5 men)   | 19,240                    | 15,527                   | 1,088             | 6,236               | -                       | 42,091        |
| <b>Total</b>  | <b>33,470</b>             | <b>32,869</b>            | <b>1,339</b>      | <b>9,308</b>        | <b>-</b>                | <b>76,352</b> |

| 2023, KSEK  | Board fee/<br>Base salary | Variable<br>remuneration | Other<br>benefits | Pension<br>expenses | Share based<br>payments | Total         |
|---|---------------------------|--------------------------|-------------------|---------------------|-------------------------|---------------|
| <b>Members of the Board:</b> (4 women and 3 men)                        |                           |                          |                   |                     |                         |               |
| Magnus Nicolin, chairman of the Board                                   | 1,414                     |                          |                   |                     |                         | 1,414         |
| Helen Fasth Gillstedt, board member and chairman of the audit committee | 717                       |                          |                   |                     |                         | 717           |
| Anna Westerberg, board member and chairman of the investment committee  | 585                       |                          |                   |                     |                         | 585           |
| Maria Håkansson, board member   | 545                       |                          |                   |                     |                         | 545           |
| Anders Lindqvist, board member  | 523                       |                          |                   |                     |                         | 523           |
| Kristian Sildeby, board member  | 739                       |                          |                   |                     |                         | 739           |
| Sabine Simeon-Aissaoui, board member since the AGM May 17, 2023         | 329                       |                          |                   |                     |                         | 329           |
| Håkan Buskhe, board member until the AGM May 17, 2023                   | 281                       |                          |                   |                     |                         | 281           |
| CEO Klas Forsström  | 8,137                     | 8,337                    | 385               | 2,578               | 243                     | 19,680        |
| Other Senior Executives (3 women and 3 men)                             | 15,666                    | 9,583                    | 1,112             | 5,532               | 203                     | 32,095        |
| <b>Total</b>  | <b>28,935</b>             | <b>17,919</b>            | <b>1,497</b>      | <b>8,110</b>        | <b>445</b>              | <b>56,907</b> |

### Board of Directors

Fees to the Chairman of the Board and other external Board members are paid in accordance with the decision of the Annual General Meeting. No board fees are paid to the company's CEO or to the employee representatives.

Salaries and other remuneration paid to the Board for the year 2024 amounted to KSEK 5,461 (5,133) excluding social security contributions. In accordance with the resolution of the 2024 Annual General Meeting, the fee for external board members elected at the AGM amounted to

KSEK 1,305 to the Chairman of the Board and KSEK 495 each to other external members of the Board.

### The Committees

In addition to these amounts, the AGM has decided to pay a fee for committee work shall be paid to board members elected at the meeting, with a total amount of KSEK 265 to the chairman of the audit committee, and with KSEK 157.5 to each of the other members of the audit committee, a total amount of KSEK 140 to the chairman of the remuneration committee and KSEK 70 to the other members of the remuneration committee and KSEK 175 to the chairman of the investment committee, and KSEK 87.5 to each of the other members of the investment committee.

### President and CEO

According to the agreement, Munters President and CEO, Klas Forsström, has a fixed annual salary of KSEK 8,769. In addition, there is a variable cash salary linked to Munters annual incentive program, which amounts to a maximum of 50 percent of the fixed salary.

The variable remuneration also includes the cost from the first measurement period in the long-term cash program launched in 2024 (LTIP 2024), as well as the cost for the second measurement period in the long-term cash program launched in 2023 (LTIP 2023), and the cost for the third measurement period in the long-term cash program launched in 2022 (LTIP 2022).

The total variable salary for the financial year 2024 thus amounted to a total of KSEK 17,342 (8,337).

### Other Senior Executives

Salaries and other remuneration to other senior executives for the year 2024 amounted to KSEK 42,091 (32,095) excluding social security contributions.

### Munters annual incentive program

Munters annual incentive program (Performance Pay) for senior executives and other managers within the Group, is based on predetermined and measurable financial criteria, measured during the financial year. All senior executives except the business area managers are measured 100 percent on the Group's result.

The business area managers are measured 70 percent on the business area's result, and a share of 30 percent on the Group's result. In 2024, the criteria were related to Munters operating profit (adjusted EBITA) and operating working capital, with a strong connection to Munters medium-term goals and the needs the company sees as essential to pursue during the year.

During the year the Board of Directors implemented a cash based long term incentive program (LTIP 2024) for senior executives and key personnel within the group, see Note 34 and guidelines for remuneration of senior executives in this note for further information regarding the program.

## NOTE 34 Long term incentive programs

### Long-term cash-based incentive programs 2021, 2022, 2023 och 2024

On behalf of the Board, the Company has introduced a long-term cash-based incentive program for senior executives and key personnel within the Group in 2021, 2022, 2023 and 2024. The programs link the participants' compensation to the company's earnings, financing of the current operations, and sustainability. In that way they promote the implementation of the company's business strategy and long-term interests, including its sustainability. The programs have a three-year earning period, and the outcome is paid out after one, two, and three years, respectively, distributed pro rata over the three years. Fulfillment of criteria for the payment of long-term variable cash salary must be measured over a one-, two- or three-year period before the payment. Participants in the program are expected to invest the net payout in Munters shares until they reach a defined investment level. The board nominates the CEO and Munters group management; each member of the group management has nominated additional participants. A total of 72 employees were nominated for the program in 2021, 74 employees for the program in 2022, 82 employees for the program 2023 and 85 employees for the program 2024. Each category has a maximum opportunity based on the participant's current annual base salary percentage. For senior executives, the program is regulated in the remuneration guidelines approved by the Annual General Meeting, and for other participants, the outcome amounts to a maximum of 30 percent of the gross annual base salary. The performance criteria in the program are linked to predetermined and measurable financial criteria (weighting 70 percent) and non-financial criteria (weighting 30 percent). The financial criteria can consist of, for example, adjusted EBITA and operational working capital, and the non-financial criteria can consist of, for example, weighted sustainability goals, such as share of renewable electricity in the Group's production facilities, the share of women leaders within the Group, and service growth.

### Employee stock option program 2020

At the Annual General Meeting in May 2020, it was resolved in accordance with the Board's proposal to introduce a performance based longterm employee stock option program to members of Group Management and certain other key employees ("LTIP 2020"). The program should comprise no more than 1,699,000 employee stock options to be granted to members of Group Management and certain other key employees, approximately 74 employees in total. A total of 70 employees accepted the offer, resulting in 1,580,000 employee stock options, whereof 90,000 cash settled.

Each employee stock option that is not cash settled shall entitle the holder to acquire one share in the company at an exercise price of SEK 45.82. Each cash settled employee stock option shall entitle the holder to a cash amount equivalent to the value of one share in the company, calculated as the volume-weighted average price paid for the company's shares on Nasdaq Stockholm during a period of ten business days immediately prior to the exercise of the option, with a deduction of the exercise price described above.

The share options are vested over a three-year period and the participants shall be able to exercise the employee stock options during a one-year period as of the last date of the vesting period.

Exercise of the employee stock options shall, as a rule, be conditional upon the program participant still being employed by the Group at time of exercise and during the full vesting period.

The options are divided into three series. Exercise of the employee stock options for all series are dependent on the extent to which performance targets are satisfied related to the compounded annual growth rate of the adjusted EBITA, the compounded annual growth rate of net sales and a composite sustainability target consisting of three sub-components, are met during 2020–2022.

The assessed fair value on the grant date, June 30, 2020, was SEK 14.43 per option. The fair value on the grant date is independently determined using an adjusted form of the Black-Scholes model, see more information on the data to the model further below. The program was completed in April 2024, and has not entailed any costs during the year.

Below is a summary of allotted and outstanding options (including synthetic) in the plans.

| Change in stock options   | 2024     | 2023          |
|---------------------------|----------|---------------|
| Opening balance           | 16,656   | 1,317,288     |
| Exercised during the year | -16,656  | -480,188      |
| Forfeited during the year | -        | -820,444      |
| <b>Closing balance</b>    | <b>-</b> | <b>16,656</b> |

| Outstanding share options | 2024-12-31 | 2023-12-31    |
|---------------------------|------------|---------------|
| LTIP 2020                 | -          | 16,656        |
| <b>Total</b>              | <b>-</b>   | <b>16,656</b> |

### Fair value of allotted option

The estimated fair value on the grant date for LTIP 2020 was SEK 14.43 per option. The fair value on the grant date is estimated using an adjusted form of the Black-Scholes model, which includes a Monte Carlo simulation model that takes into account the exercise price, the term of the option, the impact of dilution (where material), the share price on the grant date and expected price volatility of the underlying share, the expected dividend yield, the risk-free interest rate for the term of the option, and the correlations and volatilities of peer group companies. The inputs in the model for options allotted has been;

- the options are allotted for no consideration and vested over a three-year period. Vested options can be exercised within one year after vesting
- exercise price: LTIP 2020: 45.82 SEK
- allotment date: LTIP 2020: 30 June 2020
- maturity date: LTIP 2020: 30 June 2023
- share price on the grant date: LTIP 2020: 49 SEK
- expected price volatility of the share: LTIP 2020: 40 %
- expected dividend yield: LTIP 2020: 0
- risk-free interest rate: LTIP 2020: -0.41 %

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## NOTE 35 Reconciliation of alternative performance measures

In this Annual Report as well as in the quarterly interim reports, there are references to a number of performance measures. Some of the measures are defined in IFRS, others are alternative performance measures and are not disclosed in accordance with applicable financial reporting frameworks or other legislations. The performance measures are used by the Group to assist both investors and management in analyzing Munters' business. In the section "Definitions of key financial indicators" the performance measures found in this Annual Report are described, defined and the reason for use disclosed.

Below is a reconciliation of the most important alternative key performance indicators used by Munters.

|  | 2024         | 2023         |
|--|--------------|--------------|
| <b>Adjusted EBITA and EBITDA</b>                 |              |              |
| Operating profit                                 | 1,841        | 1,586        |
| <i>Adjusted for:</i>                             |              |              |
| Items affecting comparability (IAC)              | 240          | 96           |
| Amortization intangible assets from acquisitions | 61           | 45           |
| Amortization other intangible assets             | 189          | 111          |
| <b>Adjusted EBITA</b>                            | <b>2,330</b> | <b>1,839</b> |
| Depreciation of tangible assets                  | 394          | 327          |
| <b>Adjusted EBITDA</b>                           | <b>2,724</b> | <b>2,166</b> |
| <b>Items affecting comparability (IAC)</b>       |              |              |
| Restructuring costs                              | 94           | 34           |
| Acquisition costs                                | 52           | 29           |
| Strategic review of FoodTech etc.                | 93           | 32           |
| <b>Total</b>                                     | <b>240</b>   | <b>96</b>    |
| <b>Net debt</b>                                  |              |              |
| Cash and cash equivalents                        | -1,530       | -1,532       |
| Interest-bearing liabilities                     | 6,514        | 5,131        |
| Leasing liabilities                              | 1,083        | 719          |
| Provisions for pensions                          | 277          | 280          |
| Accrued financial expenses                       | 20           | 22           |
| <b>Net debt</b>                                  | <b>6,364</b> | <b>4,620</b> |
| Adjusted EBITDA                                  | 2,724        | 2,166        |
| <b>Net debt/EBITDA</b>                           | <b>2.3</b>   | <b>2.1</b>   |

|  | 2024         | 2023         |
|--|--------------|--------------|
| <b>Operating working capital</b>                 |              |              |
| Inventory  | 2,283        | 1,726        |
| Accounts receivable                              | 2,567        | 2,038        |
| Accounts payable                                 | -1,789       | -1,294       |
| Advances from customers                          | -1,821       | -1,355       |
| Accrued income                                   | 329          | 732          |
| Deferred income                                  | -73          | -92          |
| <b>Operating working capital</b>                 | <b>1,497</b> | <b>1,755</b> |
| <b>Operating working capital/Net sales</b>       |              |              |
| Average operating working capital last 12 months | 1,573        | 1,974        |
| Net sales  | 15,453       | 13,930       |
| <b>Operating working capital/Net sales</b>       | <b>10.2%</b> | <b>14.2%</b> |

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# Assurance 2024

The undersigned assures that the Annual Report has been prepared in accordance with generally accepted accounting principles, and that the consolidated accounts have been prepared in accordance with international accounting standards as referred to in Regulation EC 1606/2002 of the European Parliament and of the Council of July 19, 2002, on the application of international accounting standards, provide a true and fair view of the Company's and the Group's financial position and earnings, and that the Board of Directors' report and the Board of Directors' report for the Group provide a fair view of the development of the Company's and the Group's operations, financial position, and earnings and describe material risks and uncertainties to which the Company and the companies in the Group are exposed

Stockholm, March 4, 2025

**Magnus Nicolin**  
*Chairman of the Board*

**Klas Forsström**  
*President and CEO*

**Sabine Simeon-Aissaoui**  
*Board member*

**Helen Fasth Gillstedt**  
*Board member*

**Maria Håkansson**  
*Board member*

**Anders Lindqvist**  
*Board member*

**Kristian Sildeby**  
*Board member*

**Elizabeth Carey Nugent**  
*Board member*

**Simon Henriksson**  
*Board member,  
employee representative*

**Robert Wahlgren**  
*Board member,  
employee representative*

Our Auditor's report was submitted on  
March 6, 2025

Ernst & Young AB

**Andreas Troberg**  
*Authorized Public Accountant*

# Auditor's report

To the general meeting of the shareholders of Munters Group AB, corporate identity number 556819-2321

## Report on the annual accounts and consolidated accounts

### Opinions

We have audited the annual accounts and consolidated accounts of Munters Group AB (publ) for the year 2024. The annual accounts and consolidated accounts of the company are included on pages 110-146 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of 31 December 2024 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2024 and their financial performance and cash flow for the year then ended in accordance with IFRS Accounting Standards, as adopted by the EU, and the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014) Article 11.

### Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section.

We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

### Key Audit Matters

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

### Timing of revenue recognition

#### Description

Revenue from sale of goods is recognized when the performance obligation is transferred to the buyer in accordance with the delivery terms. In cases where the performance obligation is fulfilled over time, revenue is recognized as the goods is produced.

To allocate revenue to different performance obligations and to determine the progress of completion of performance obligations, certain estimates must be made which affects the timing of revenue recognition. As a result of the above, we have assessed that the timing of revenue recognition is a key audit matter.

A description of performance obligations and criteria for revenue recognition is included in note 4.

#### How our audit addressed this key audit matter

In our audit of fiscal year 2024, we have evaluated the company's principles of revenue. We have reviewed the company's processes for revenue recognition and evaluated the internal control within these processes.

We have also audited revenue transactions close to the year-end by reviewing customer agreements and delivery notes to verify that revenue is recognized in the correct period. For significant projects, where applicable, we have evaluated the company's estimates for determining percentage of completion and allocation of revenue to different performance obligations.

Lastly, we have reviewed the disclosures regarding revenue in the annual accounts and consolidated accounts.

### Valuation of goodwill and trademarks

#### Description

Goodwill and trademarks amount to MSEK 9 180 (7 011) in the consolidated statement of financial position. Goodwill and trademarks account for 42% (42%) of the group's total assets. As described in note 2 and note 13 the company annually, or when indicators of impairment are identified, performs an impairment test to verify that the carrying values do not exceed the calculated recoverable amounts. Recoverable amounts are determined by calculating the value in use for the respective cash generating unit using a discounted cash flow model. As also described in note 13, forecasts of future cash flows for the next five years are based on financial plans approved by the board of directors. The financial plans include assumptions of future sales growth and operating margin. Furthermore, assumptions of discount rates and growth beyond the five-year period are required.

The impairment tests for the fiscal year did not result in any impairment. In note 13, the effects on carrying amounts from changes in significant assumptions and estimates are disclosed. Due to the assumptions and estimates made in conjunction with these impairment tests, and due to the total amount of the carrying value, we have considered valuation of goodwill and trademarks as a key audit matter.

#### How our audit addressed this key audit matter

In our audit of the fiscal year 2024, we have evaluated the company's process for preparing impairment tests. We have audited the cash flow models used for the impairment tests and evaluated how cash generating units are identified. We have also evaluated the significant assumptions related to future cash flows and forecasts used in the impairment test by comparing to historical outcome, as well as performing sensitivity analyzes. Furthermore, we have assessed the discount rate used and the assumptions of long-term growth rate after the forecast period by comparisons to peers and external sources. With support from our internal valuation specialists, we have evaluated the valuation methods used.

We have reviewed the disclosures regarding goodwill and trademarks provided in the annual accounts and consolidated accounts.

#### *Other Information than the annual accounts and consolidated accounts*

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1-109. The other information also includes the remuneration report and were obtained before the date of this auditor's report. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### *Responsibilities of the Board of Directors and the Managing Director*

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS accounting standards as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated

accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intends to liquidate the company, to cease operations, or has no realistic alternative but to do so.

The Audit Committee shall, without prejudice to the Board of Director's responsibilities and tasks in general, among other things oversee the company's financial reporting process.

#### *Auditor's responsibility*

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

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, 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 opinions. 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 the company's internal control relevant to our 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.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.

- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's and the group'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 annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. 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 a company and a group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated accounts. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our opinions.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

We must also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or related safeguards applied.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the annual accounts and consolidated accounts, including the most important assessed risks for material misstatement, and are therefore the key audit matters. We describe these matters in the auditor's report unless law or regulation precludes disclosure about the matter.

## Report on other legal and regulatory requirements

### Report on the audit of the administration and the proposed appropriations of the company's profit or loss *Opinions*

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Munters Group AB (publ) for the year 2024 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated (loss be dealt with) in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

#### *Basis for opinions*

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

#### *Responsibilities of the Board of Directors and the Managing Director*

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are neces-

sary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

#### *Auditor's responsibility*

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional skepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined the Board of Directors' reasoned statement and a selection of supporting evidence in order to be able to assess whether the proposal is in accordance with the Companies Act.

#### *The auditor's examination of the ESEF report Opinion*

In addition to our audit of the annual accounts and consolidated accounts, we have also examined that the Board of Directors and the Managing Director have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the Esef report) pursuant to Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528) for Munters Group AB for the financial year 2024.

Our examination and our opinion relate only to the statutory requirements.

In our opinion, the Esef report has been prepared in a format that, in all material respects, enables uniform electronic reporting.

#### *Basis for opinion*

We have performed the examination in accordance with FAR's recommendation RevR 18 Examination of the ESEF report. Our responsibility under this recommendation is described in more detail in the Auditors' responsibility section. We are independent of Munters Group AB in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Responsibilities of the Board of Directors and the Managing Director*

The Board of Directors and the Managing Director are responsible for the preparation of the Esef report in accordance with Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), and for such internal control that the Board of Directors and the Managing Director determine is necessary to prepare the Esef report without material misstatements, whether due to fraud or error.

#### *Auditor's responsibility*

Our responsibility is to obtain reasonable assurance whether the Esef report is in all material respects prepared in a format that meets the requirements of Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), based on the procedures performed.

RevR 18 requires us to plan and execute procedures to achieve reasonable assurance that the Esef report is prepared in a format that meets these requirements.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR 18 and generally accepted auditing standards in Sweden will always detect a ma-

terial misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Esef report.

The audit firm applies ISQM 1 Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or other Assurance or Related Services Engagements which requires the firm to design, implement and operate a system of quality management, including policies and procedures regarding compliance with professional ethical requirements, professional standards and applicable legal and regulatory requirements.

The examination involves obtaining evidence, through various procedures, that the Esef report has been prepared in a format that enables uniform electronic reporting of the annual and consolidated accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order to design audit procedures that are appropriate in the circumstances, the auditor considers those elements of internal control that are relevant to the preparation of the Esef report by the Board of Directors and the Managing Director, but not for the purpose of expressing an opinion on the effectiveness of those internal controls. The examination also includes an evaluation of the appropriateness and reasonableness of assumptions made by the Board of Directors and the Managing Director.

The procedures mainly include a validation that the Esef report has been prepared in a valid XHTML format and a reconciliation of the Esef report with the audited annual accounts and consolidated accounts.

Furthermore, the procedures also include an assessment of whether the consolidated statement of financial performance, financial position, changes in equity, cash flow and disclosures in the Esef report have been marked with iXBRL in accordance with what follows from the Esef regulation.

Ernst & Young AB, Box 7850, 103 99 Stockholm, was appointed auditor of Munters Group AB by the general meeting of the shareholders on the 21 March 2024 and has been the company's auditor since the 2010.

Stockholm, 6 March 2025

Ernst & Young AB

**Andreas Troberg**  
*Authorized Public Accountant*

# Auditor's report on the corporate governance statement

To the general meeting of the shareholders of Munters Group AB (publ.), corporate identity number 556819-2321

## Engagement and responsibility

It is the Board of Directors who is responsible for the corporate governance statement for the year 2024 on page 44-55 and that it has been prepared in accordance with the Annual Accounts Act.

## The scope of the audit

Our examination has been conducted in accordance with FAR's standard RevR 16 The auditor's examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

## Opinions

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2-6 the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the annual accounts and the consolidated accounts and are in accordance with the Annual Accounts Act.

Stockholm 6 March 2025

Ernst & Young AB

**Andreas Troberg**  
*Authorized Public Accountant*

# Auditor's report on the statutory sustainability statement

To the general meeting of the shareholders of Munters Group AB (publ), corporate identity number 556819-2321

## Engagement and responsibility

It is the Board of Directors who is responsible for the statutory sustainability statement for the year 2024 on pages 3-4, 10, 13-24 and 61-109 and that it has been prepared in accordance with the Annual Accounts Act in accordance with the old version in force before 1 July 2024.

## The scope of the audit

Our examination has been conducted in accordance with FAR's auditing standard RevR 12 The auditor's opinion regarding the statutory sustainability statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing

and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

## Opinions

A statutory sustainability statement has been prepared.

Stockholm 6 March 2025

Ernst & Young AB

**Andreas Troberg**  
*Authorized Public Accountant*



# Five-year summary

| Income statement                           | 2024          | 2023          | 2022          | 2021          | 2020         |
|--|---------------|---------------|---------------|---------------|--------------|
| Net sales                                  | 15,453        | 13,930        | 10,386        | 7,348         | 7,015        |
| <b>Adjusted EBITA</b>                      | <b>2,330</b>  | <b>1,839</b>  | <b>1,070</b>  | <b>889</b>    | <b>906</b>   |
| Amortization on intangible assets from acq | -61           | -45           | -35           | -30           | -39          |
| Amortization on other intangible assets    | -189          | -111          | -78           | -44           | -48          |
| Items affecting comparability (IAC)        | -240          | -96           | -75           | -62           | -111         |
| <b>Operating profit (EBIT)</b>             | <b>1,841</b>  | <b>1,586</b>  | <b>881</b>    | <b>753</b>    | <b>707</b>   |
| Financial income and expenses              | -355          | -331          | -142          | -84           | -156         |
| <b>Net income</b>                          | <b>1,020</b>  | <b>792</b>    | <b>577</b>    | <b>515</b>    | <b>432</b>   |
| <b>Balance sheet</b>                       |               |               |               |               |              |
| Non-current assets                         | 14,584        | 10,262        | 9,376         | 7,103         | 6,451        |
| Inventory                                  | 2,283         | 1,762         | 1,956         | 1,073         | 691          |
| Other operating receivables                | 3,583         | 3,211         | 2,958         | 1,893         | 1,462        |
| Cash and cash equivalents                  | 1,530         | 1,532         | 914           | 674           | 970          |
| <b>Total assets</b>                        | <b>21,979</b> | <b>16,731</b> | <b>15,204</b> | <b>10,742</b> | <b>9,574</b> |
| Equity                                     | 5,894         | 5,257         | 5,303         | 4,360         | 3,746        |
| Non-controlling interest                   | 14            | 1             | 3             | 3             | 5            |
| Interest-bearing liabilities               | 7,597         | 5,851         | 4,496         | 2,749         | 2,787        |
| Other operating liabilities                | 8,474         | 5,621         | 5,401         | 3,630         | 3,037        |
| <b>Total equity and liabilities</b>        | <b>21,979</b> | <b>16,731</b> | <b>15,204</b> | <b>10,742</b> | <b>9,574</b> |
| <b>Cash flow</b>                           |               |               |               |               |              |
| Cash flow from operating activities        | 2,367         | 1,066         | 772           | 519           | 959          |
| Cash flow from investing activities        | -2,865        | -1,418        | -1,330        | -341          | -209         |
| Cash flow from financing activities        | 467           | 1,011         | 743           | -503          | -463         |
| <b>Data per share</b>                      |               |               |               |               |              |
| Earnings per share, SEK                    | 5.33          | 4.30          | 3.17          | 2.81          | 2.32         |
| Dividend per share, SEK                    | 1.60*         | 1.30          | 0.95          | 0.85          | 0.70         |
| Closing price at year end, SEK             | 186.00        | 163.50        | 102.90        | 69.95         | 83.00        |
| <b>Key ratios</b>                          |               |               |               |               |              |
| Organic growth, %                          | 5             | 27            | 23            | 14            | -2           |
| Currency adjusted growth, %                | 12            | 29            | 27            | 14            | -2           |
| Adjusted EBITA margin, %                   | 15.1          | 13.2          | 10.3          | 12.1          | 12.9         |
| Operating margin, %                        | 11.9          | 11.4          | 8.5           | 10.2          | 10.1         |
| Net margin, %                              | 6.6           | 5.7           | 5.6           | 7.0           | 6.2          |
| OWC/Net sales, %                           | 10.2          | 14.2          | 12.7          | 13.1          | 13.7         |
| Return on capital employed, %              | 15.3          | 14.4          | 9.9           | 10.7          | 9.5          |
| Net debt/EBITDA                            | 2.3           | 2.1           | 2.9           | 2.0           | 1.8          |
| Average number of employees                | 5,351         | 4,516         | 4,013         | 3,350         | 3,282        |

\* As proposed by the Board, to be paid out in two rounds.

# Definitions of key financial indicators

In this Annual Report as well as in the quarterly interim reports, there are references to a number of performance measures. Some of the measures are defined in IFRS, others are alternative performance measures and are not disclosed in accordance with applicable financial reporting frameworks or other legislations. The performance measures are used by the Group to assist both investors and management in analyzing Munters' business. Below are the performance measures found in this annual report described, defined and the reason for use disclosed.

## Organic growth

Change in net sales compared to the previous period, excluding acquisitions and divestments and currency translation effects. The measure is used by Munters to monitor net sales growth driven by changes in volume and price between different periods.

## Order backlog

Received and confirmed sales orders not yet delivered and accounted for as net sales. Order Backlog is a useful measure to indicate the efficiency of the conversion of received and confirmed sales orders into net sales in future periods.

## Order intake

Received and confirmed sales orders minus cancelled orders during the reporting period. The order intake is an indicator of future revenues and, consequently, an important KPI for the management of Munters' business.

## Operating profit (EBIT)

Earnings before interest and tax. Munters believes that EBIT shows the profit generated by the operating activities.

## Adjusted EBITA

Operating profit, adjusted for amortizations, writedowns of intangible assets and items affecting comparability. Munters believes that using adjusted EBITA is helpful in analyzing our performance as it removes the impact of items considered not to be of recurring character and therefore do not reflect our core operating performance.

## Adjusted EBITA margin

Adjusted EBITA as a percentage of net sales. Munters believes that Adjusted EBITA margin is a useful measure for showing the Company's profit generated by the operating activities.

## Adjusted EBITDA

Operating profit adjusted for items affecting comparability and depreciations, amortizations and writedowns of tangible and intangible assets as well as Right-of-Use assets.

## Adjusted EBITDA margin

Adjusted EBITDA as a percentage of net sales.

## Items affecting comparability (IAC)

Items affecting comparability are events or transactions with significant financial effects, which are relevant for the understanding of the financial performance when comparing the current period to previous periods. Items included are for example, restructuring activities, capital gains and losses from business divestments and M&A related costs.

## Capital employed

Capital employed is calculated as the total equity plus interest bearing liabilities.

## Return on capital employed (ROCE)

Average operating profit (EBIT) plus financial income, divided by the average capital. The average capital employed is calculated based on the last 12 months.

## Cash and cash equivalents

Cash and bank balances plus investments in securities and the like with maturity periods not exceeding three months. This is a measure that highlights the short-term liquidity.

## LTM

LTM (last twelve months) after any key indicator means that the KPI corresponds to an accumulation of previous 12 month reported numbers. The measure highlight trends in different KPIs, which is valuable in order to gain a deeper understanding of the development of the business.

## Net debt

Net debt calculated as interest bearing liabilities, lease liabilities, provisions for pensions and accrued financial liabilities reduced by cash and cash equivalents.

## Number of employees

Number of employees is presented recalculated as full time positions, if not otherwise stated. Average number of employee is calculated as the sum of permanent employees at the end of each of the last 13 months divided by 13.

## Operating working capital (OWC)

Includes accounts receivable, inventory, accrued income, accounts payable and advances from customers.

## Operating working capital / Net sales

Average Operating working capital last 12 months as a percentage of Net sales for the same period.

## Earnings per share

Net income adjusted for the right of preferential shares to dividend, divided by the weighted average number of ordinary shares.

## SaaS recurring revenue

Total recurring revenue from SaaS contracts (Software-as-a-Service) recognized in the period. The KPI is also presented annualized and named SaaS ARR, which is calculated by multiplying SaaS Recurring Revenue in the last quarter by four.

## Equity / assets ratio

Equity (including non-controlling interests) divided by total assets.

## Americas

Refers to North-, Central and South America.

## Service

After-market service and software-as-a-service (SaaS) revenues.

## After-market service

After-market service is defined as sales of spare parts, commissioning and installation, inspections and audits, repairs and other billable services.

## Currency adjusted growth

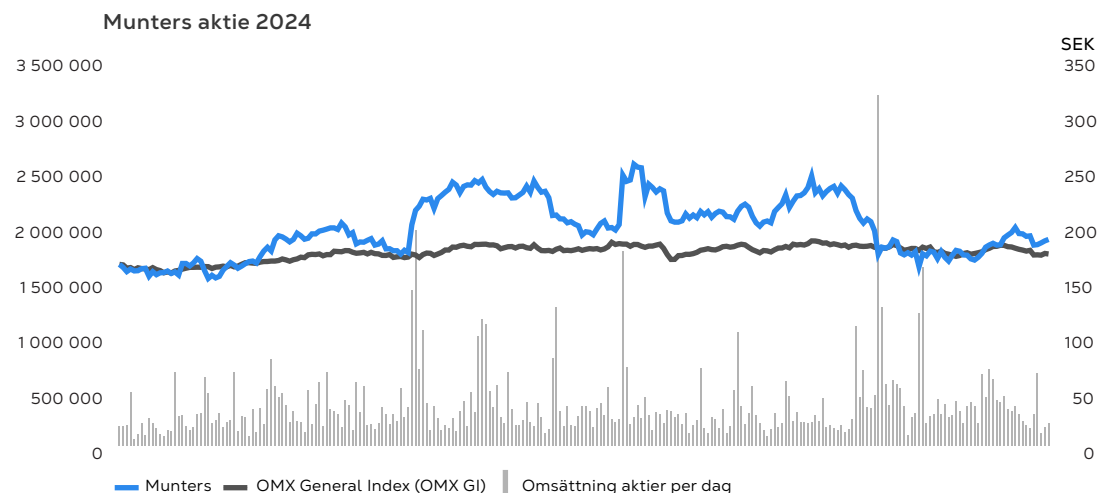
Change in net sales compared to the previous period, adjusted for currency translation effects. The measure is used by Munters to monitor changes in net sales from both organic and inorganic growth between different periods.

A history of innovation and expansion



07 Other

# The share and shareholders



The development of Munters stock was positive during the year. In 2024, the share price increased by +14 percent, while the Stockholm Stock Exchange OMXS30 rose by +4 percent during the same period. The closing price on the last trading day of the year was SEK 186 (163.50), corresponding to a market value of SEK 33.95 billion (30.6). The highest price paid during 2023 was SEK 253.80 (164.60), and the lowest price was SEK 150.80 (87.35).

## Trading in Munters share

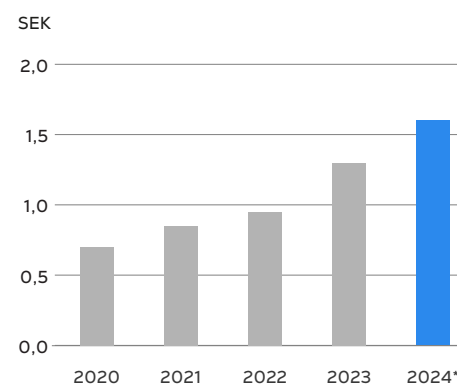
Munters share is listed on Nasdaq Stockholm. In 2024, a total of 248.5 million shares were traded, compared to 237.2 million in the previous year. The average daily trading volume for the year was 362,674 shares, up from 351,863. Trading in Munters shares took place 36 per-

cent on Nasdaq Stockholm and 64 percent on other trading venues, compared to 37 and 63 percent, respectively, in the previous year.

## Dividend

According to the dividend policy adopted by Munters Board of Directors, Munters aims to distribute an annual dividend corresponding to 30–50 percent of the year's net income. Decisions on any dividend proposals are made by the Board, considering the company's financial position, investment needs, acquisitions, and liquidity. The Board proposes a dividend of SEK 1.60 (1.30) per share for 2024 to be paid in two equal installments representing 30 percent of the year's net income.

## Dividend per share



\*Proposed dividend by the board

## Share capital

As of December 31, 2024, there were a total of 184,457,817 shares and voting rights in Munters. Each share has a quota value of SEK 0.03, and the share capital amounts to SEK 5,533,735. Munters' share capital consists of a single class of shares, where each share has the same voting value and entitlement to dividends. According to the Articles of Association, the number of shares must not be less than 150,000,000 and must not exceed 600,000,000. The company's share capital must not be less than SEK 4,500,000 and must not exceed SEK 18,000,000. The company's shares are registered with Euroclear Sweden AB, which administers the company's share register and records shares for individual shareholders. Munters Group AB holds 1,916,377 shares in its own possession related to the employee incentive program.

## Owners

As of December 31, 2024, the number of known shareholders was 15,801, with 36.7 percent of them located outside Sweden at the end of the year. The ten largest individual shareholders held 61.9 percent of the share capital at this time. FAM AB was the largest shareholder, holding 28.0 percent of the share capital.

### The ten largest shareholders as of December 31, 2024

| Owners                                    | MTRS               | Capital        | Votes          | Δ Capital     |
|---|--------------------|----------------|----------------|---------------|
| 1 FAM AB                                  | 51,701,057         | 28.03%         | 28.03%         |               |
| 2 Swedbank Robur Fonder                   | 13,384,325         | 7.26%          | 7.26%          | 1.16%         |
| 3 Capital Group                           | 1,080,4281         | 5.86%          | 5.86%          | 2.67%         |
| 4 Första AP-fonden                        | 9,780,000          | 5.30%          | 5.30%          | -0.37%        |
| 5 ODIN Fonder                             | 6,794,326          | 3.68%          | 3.68%          | -1.95%        |
| 6 Fjärde AP-fonden                        | 6,768,172          | 3.67%          | 3.67%          | -1.39%        |
| 7 Vanguard                                | 5,023,180          | 2.72%          | 2.72%          | 0.15%         |
| 8 Handelsbanken Fonder                    | 3,813,596          | 2.07%          | 2.07%          | 0.76%         |
| 9 Norges Bank Investment Management       | 3,075,371          | 1.67%          | 1.67%          | 0.14%         |
| 10 Nordea Funds                           | 3,018,554          | 1.64%          | 1.64%          | 1.17%         |
| <b>Total the ten largest shareholders</b> | <b>114,162,862</b> | <b>61.89%</b>  | <b>61.89%</b>  | <b>2.33%</b>  |
| <b>Other</b>                              | <b>70,294,955</b>  | <b>38.11%</b>  | <b>38.11%</b>  | <b>-2.33%</b> |
| <b>Total</b>                              | <b>184,457,817</b> | <b>100.00%</b> | <b>100.00%</b> |               |

Number of shareholders as of December 31, 2024: 15,801

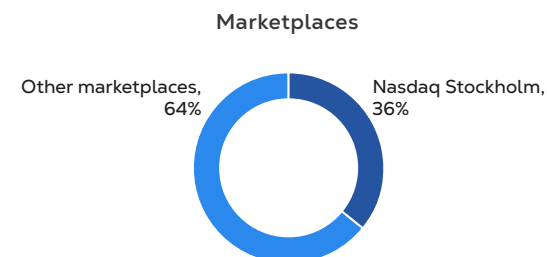
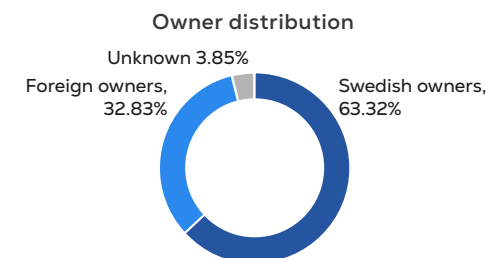
### Shareholding, size distribution

| Holding size            | Shares                 | Capital        | Votes          | Number of known owners | Share of known owners |
|-------------------------|------------------------|----------------|----------------|------------------------|-----------------------|
| 1-1,000                 | 2,298,656 SEK          | 1.25%          | 1.25%          | 14,420                 | 91.26%                |
| 1,001 - 10,000          | 3,196,572 SEK          | 1.73%          | 1.73%          | 1,126                  | 7.13%                 |
| 10,001 - 50,000         | 2,962,266 SEK          | 1.61%          | 1.61%          | 130                    | 0.82%                 |
| 50,001 - 500,000        | 18,092,038 SEK         | 9.81%          | 9.81%          | 88                     | 0.56%                 |
| 500,001 - 1,000,000     | 8,728,393 SEK          | 4.73%          | 4.73%          | 12                     | 0.08%                 |
| 1,000,001 - 10,000,000  | 67,253,867 SEK         | 36.46%         | 36.46%         | 22                     | 0.14%                 |
| 10,000,001 - 20 000,000 | 24,188,606 SEK         | 13.11%         | 13.11%         | 2                      | 0.01%                 |
| 20,000,001 -            | 51,701,057 SEK         | 28.03%         | 28.03%         | 1                      | 0.01%                 |
| Unknown holding size    | 6,036,362 SEK          | 3.27%          | 3.27%          | 0                      | 0.00%                 |
| <b>Total</b>            | <b>184,457,817,SEK</b> | <b>100.00%</b> | <b>100.00%</b> | <b>15,801</b>          | <b>100.00%</b>        |

### Ownership distribution

| Ownership type               | Shares             | Capital        | Votes          | Number of known owners | Proportion of known owners |
|------------------------------|--------------------|----------------|----------------|------------------------|----------------------------|
| Other                        | 4,054,424          | 2.20%          | 2.20%          | 830                    | 5.25%                      |
| Swedish institutional owners | 106,321,328        | 57.64%         | 57.64%         | 74                     | 0.47%                      |
| Foreign institutional owners | 60,702,288         | 32.91%         | 32.91%         | 144                    | 0.91%                      |
| Swedish private individuals  | 7,343,415          | 3.98%          | 3.98%          | 14753                  | 93.37%                     |
| Unknown ownership type       | 6,036,362          | 3.27%          | 3.27%          | 0                      | 0.00%                      |
| <b>Total</b>                 | <b>184,457,817</b> | <b>100.00%</b> | <b>100.00%</b> | <b>15801</b>           | <b>100.00%</b>             |

Source: Modular Finance AB.



### Analysts covering Munters

|                     |                    |
|---------------------|--------------------|
| Karl Bokvist        | ABG Sundal Collier |
| Karl-Oskar Vikström | Berenberg          |
| Carl Deijenberg     | Carnegie           |
| Adela Dashian       | Jefferies          |
| Mats Liss           | Kepler Cheuvreux   |
| Gustav Berneblad    | Nordea             |
| Anders Roslund      | Pareto Securities  |
| Joen Sundmark       | SEB                |
| Lina Blume          | Handelsbanken      |

# From 1955 to today

Carl Munters filed over 1,000 patents in dehumidification and evaporative cooling to control temperature, humidity, and airborne contaminants. His creativity and dedication continue to inspire us at Munters.



## 1950s – The beginning

- In 1955, Munters was founded by Swedish inventor Carl Munters, together with entrepreneur Marcus Wallenberg and others.
- In 1958, the first ground-breaking dehumidifiers were launched, with the Swedish Armed Forces among the first major customers.

## 1960s – Establishment in the USA

- Munters expands in Sweden and internationally. Offices and production facilities are opened in Florida, Texas, and Massachusetts, USA.
- 1964 – The M100 is launched, becoming the best-selling dehumidifier of all time.

## 1970s – The oil crisis

- An international distribution network is established. The 1973 oil crisis and the resulting focus on energy savings create significant market potential for Munters.
- In 1974, Munters is acquired by Incentive AB. A breakthrough order for dehumidifiers in film production is delivered to Agfa, with the technology becoming essential for all film manufacturers.

## 1980s – Broad international expansion

- A more modern Munters emerges with a network of distribution agents. Expansion continues into several new countries.
- 1987 – Munters establishes operations in Japan.
- 1989 – A new production facility for rotor manufacturing in Tobo, Sweden.

## 1990s – Continued expansion

- Munters becomes an international group with operations in over 25 countries and manufacturing in 14 countries. The company positions itself as “The Humidity Expert.” Environmental concerns gain importance, laying the foundation for new products.
- 1997 – Munters is listed on the Stockholm Stock Exchange.

## 2000s – Climate systems for agriculture

- Further investments in sales and production in Asia. Several acquisitions make Munters a world leader in climate systems for animal husbandry and greenhouse cultivation.
- 2005 – A new organizational structure with global divisions is introduced.



## 2010s – Focus on core business

- 2010 – Munters focuses on its core business. Nordic Capital Fund VII acquires Munters, and the company is delisted from the stock exchange.
- 2011 – The Israeli company Rotem, specializing in control and management systems for agricultural applications, is acquired. In 2016, the remaining shares are purchased for full ownership.
- 2017 – Munters acquires a majority stake in the software company MTech Systems, based in Atlanta, USA. Munters is listed on Nasdaq Stockholm, with FAM as the main investor. Carl Munters receives the ASHRAE Pioneers of Industry Award for his groundbreaking inventions.
- 2019 – Klas Forsström becomes President and CEO, and a new strategic plan for stability, profitability, and growth is launched.

## 2020s – Climate-smart solutions

- The strategic plan is updated, and two business areas are established: AirTech and FoodTech. Several acquisitions are made across all business areas.
- 2022 – A new business area, DCT, is formed. New production facilities open in Virginia, USA, and Hodonin, Czech Republic.
- 2023 – The growth journey continues, and market positions are significantly strengthened across all business areas through both organic growth and multiple acquisitions. A strategic review of Equipment within FoodTech is initiated. The Indian company Zeco is acquired to strengthen Munters' position in Asia.
- 2024 – A year of high demand from the data center market but a tougher climate in the battery sector. The strategic review leads to the divestment of the Equipment segment within FoodTech. Acquisitions are made in all three business areas.

# Information for shareholders

## Financial information

Munters uses multiple channels to communicate information about the company's operations and financial performance. The website – [www.munters.com](http://www.munters.com) – is continuously updated with annual reports, quarterly reports, press releases, presentations, and webinars. The annual report and interim reports can be ordered via the website, by email at [investorrelations@munters.com](mailto:investorrelations@munters.com), or by mail at: Munters Group AB, Box 1188, 164 26 KISTA.

Web presentations and conference calls are arranged for analysts, investors, and the press in connection with the publication of the company's quarterly reports. Approximately once a year, a Capital Markets Day is held, offering representatives from the financial market in-depth information about the company's operations. Several times a year, webinars are also arranged, focusing on various growth areas for Munters.

Additionally, representatives from group management regularly meet with analysts, investors, and journalists to ensure they have accurate and up-to-date information. In accordance with the agreement with Nasdaq OMX Stockholm, no market-sensitive information that is not already publicly known is disclosed during these meetings or interactions. Munters applies a quiet period starting on the first day of the month in which financial reporting occurs and lasting until the report is published. During this period, no meetings are held with investors or financial analysts. Ahead of the full-year report, the quiet period begins on January 1.

This report contains forward-looking statements that reflect Munters current expectations regarding future events and its financial and operational development. While Munters believes that the expectations reflected in these forward-looking statements are based on reasonable assumptions, there is no guarantee that they will prove to be correct, as forward-looking statements are subject to both known and unknown risks and uncertainties, as well as various factors that may cause actual results or outcomes to differ materially from those expressed or implied in such statements. Such factors include, but are not limited to, changes in economic, market, competitive, and/or regulatory conditions. Forward-looking statements pertain only to expectations as of the date they were made, and except as required by applicable law, Munters assumes no obligation to update any of them in light of new information or future events.

## Annual general meeting

The Annual General Meeting of Munters Group AB will take place on Wednesday, May 14, 2025, in Kista.

### Right to participate in the meeting

Shareholders who wish to participate in the Annual General Meeting must:

- be registered in the share register maintained by Euroclear Sweden AB on Tuesday, May 6, 2025.
- have registered their participation in accordance with the instructions stated in the notice of the Annual General Meeting.

The notice will be published in April. To be entitled to participate in the Annual General Meeting, shareholders whose shareholding is registered in the name of a trustee must register their shares in their own name in the share register on May 6, 2025. Re-registration may be temporary and requested from the trustee well in advance in accordance with the trustee's procedures. Re-registration by the trustee not later than May 8, 2025 will be taken into consideration in the share register.

Additional information will be stated in the notice convening the Annual General Meeting, which will be published in April.

## Financial calendar

|  |                  |
|--|------------------|
| First quarter report 2025              | April 29, 2025   |
| Annual General Meeting, Stockholm      | May 14, 2025     |
| Second quarter report 2025             | July 18, 2025    |
| Third quarter report 2025              | October 24, 2025 |
| Fourth quarter & full year report 2025 | January 29, 2026 |

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