

Q1

”Another quarter of record high order intake driven by growing megatrends”

January-March 2022

- Order intake and net sales increased mainly driven by megatrends in digitalization and electrification in business area AirTech.
- The adjusted EBITA-margin was positively impacted by increased customer prices, offset by heightened supply chain constraints due to the war in Ukraine with increased energy, raw material prices and freight costs. Also, a weak Chinese swine market in FoodTech had a dampening effect.
- Leverage (net debt/adjusted EBITDA, LTM*) increased as net debt at end of March increased compared to December 2021. The increase was attributable to increased lending to finance the acquisition of EDPAC in January and inventory build-up as a consequence of volume growth.
- The war in Ukraine has led Munters to suspend all business activities with Russia. Total items affecting comparability (IACs) of MSEK -29 were identified in the first quarter related to the war. IACs of MSEK -18 were recorded as a provision in the quarter and MSEK -11 will be taken as incurred. The majority of the IACs are related to FoodTech and comprises inventory write-downs, a right-sizing severance provision and costs associated with the adaption of the strategy.

Financial summary

MSEK	Q1			LTM*	Full year
	2022	2021	Δ%	Apr-Mar	2021
Order intake	4,133	1,995	107	11,151	9,013
Net sales	2,121	1,612	32	7,857	7,348
Growth	32%	3%		11%	5%
of which organic growth	16%	14%		10%	10%
of which acquisitions and divestments	5%	-		1%	-
of which currency effects	10%	-11%		0%	-5%
Operating profit (EBIT)	134	222	-40	665	753
Adjusted EBITA	201	198	2	892	889
Adjusted EBITA margin, %	9.5	12.3		11.4	12.1
Net income	102	160	-36	457	515
Earnings per share before dilution, SEK	0.57	0.88		2.51	2.81
Earnings per share after dilution, SEK	0.57	0.87		2.51	2.81
Average number of outstanding shares before dilution	181,592,723	181,920,817		182,125,497	182,207,520
Average number of outstanding shares after dilution	181,826,956	182,762,723		182,509,384	182,548,017
Cash flow from operating activities	-26	88		405	519
Net debt	2,938	2,208		2,938	2,389
Net debt/Adjusted EBITDA, LTM				2.6	2.2

* Last twelve months

CEO comments

» **“Another quarter with record high order intake, including the largest order ever won for Munters”**

Continued strong order intake driven by growing megatrends

Demand for our energy-efficient climate solutions remains high driven by the strong megatrends of digitalization and electrification. As a result, business area AirTech reported another quarter with record high order intake, including the largest order ever won for Munters. This order, comprising our customized climate control solutions to a leading data center colocation operator in the US, has a value of approximately MUSD 115. The Irish data center equipment manufacturer, EDPAC, which we acquired in January, contributed positively in the quarter. Services continued to show strong growth in line with our growth strategy for this area. Business area FoodTech also had strong growth, driven by good development in Americas, partly offset by continued weak demand in the swine segment in China. MTech Systems, a company within FoodTech, signed two larger contracts comprising its SaaS solution in the quarter, which will further strengthen our leading position in the digitalizing of the food production value chain.

No material effects from the war in Ukraine

The current tragic situation with the war in Ukraine and imposed sanctions on Russia has led Munters to suspend all business activities in Russia for the foreseeable future. Munters has had approximately 1.5% of net sales p.a. in Russia and no employees.

Price increases made in 2021 coming through and adjustment continues

As anticipated, parts of the price increases in 2021 had a positive effect in the quarter. As earlier communicated, most of the price increases done in 2021 will take effect during 2022 due to longer lead times. As a result of the war in Ukraine supply chain constraints were intensified. To reflect this, we continued to adjust our prices in the quarter intending to fully cover increased costs as well as balancing in- and outflow of goods to manage lead times. We expect supply chain challenges to remain as a consequence of the war in Ukraine and lingering effects from the pandemic.

Investments for growth

In the quarter we continued to invest in expanded and optimized production capacity, further enhancement of our leading, innovate offering as well as in increased digitalization of our ways of working. For example, we expanded our research and development competences to ensure a more energy efficient offering.

Focused investments will continue throughout the year, aiming at creating a stable platform needed in order to capture market opportunities and achieve profitable growth.

Finally, I would like to thank all employees for your dedicated and focused work in the challenging times the world is going through right now.

Klas Forsström, CEO and President



Klas Forsström, President and CEO

Mid-term financial targets

Net sales growth: Annual organic growth of net sales of 5%.
Performance Q1 2022: +16% (14)

Adjusted EBITA-margin: An adjusted EBITA-margin of 14%.
Performance Q1 2022: 9.5% (12.3)

Capital structure: A ratio of net debt to adjusted EBITDA of 1.5x to 2.5x, and may temporarily exceed this level (e. g. as a result of acquisitions). Performance Q1 2022: 2.6x (1.9)

Dividend policy: Munters aim to pay an annual dividend corresponding to 30-50% of its consolidated income after tax for the period. Dividend proposal 2021: 30% (SEK 0.85 per share, totaling MSEK 157)

For full description of the dividend policy, see the Annual and Sustainability report 2021, page 10 or at www.munters.com.

Sustainability

To maintain a sustainable and profitable business, Munters has integrated sustainability in every aspect of the business strategy.

Highlights first quarter 2022:

- 2021 reporting of measurable Scope 1, 2 and 3 emissions in accordance with the Greenhouse Gas Protocol*
- 2021 EU Taxonomy Regulation reporting - 35% of net sales eligible
- New energy and water strategy aiming at decreasing our environmental impact
- Sustainability e-learning for the Board of Directors launched
- Training of key employees on how to incorporate environmental impact in capital expenditure evaluations
- Strengthening sustainability focus within our product development, i.e. recruitment of a Global Eco Design Manager

*See the Munters Annual and Sustainability report 2021, pages 40-49, for further information on goals and outcome or at www.munters.com.

Financial performance

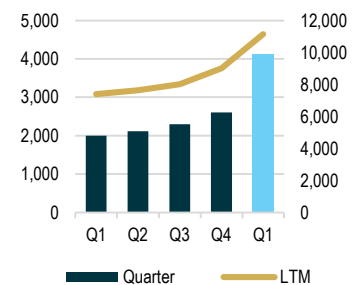
**Order intake Q1,
currency adjusted change**
+91%

**Net sales Q1,
currency adjusted change**
+21%

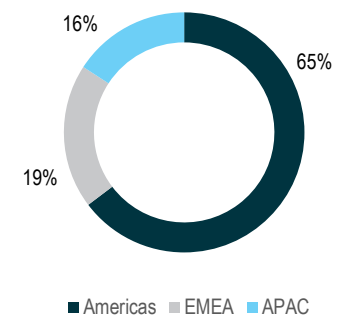
Adj. EBITA-margin Q1
9.5 %

MSEK	Q1			LTM	Full year
	2022	2021	Δ%	Apr-Mar	2021
Order intake	4,133	1,995	107	11,151	9,013
AirTech	3,446	1,483	132	8,853	6,890
FoodTech	698	520	34	2,344	2,166
Other and eliminations	-11	-8	39	-47	-43
Net sales	2,121	1,612	32	7,857	7,348
AirTech	1,628	1,195	36	5,795	5,362
FoodTech	505	425	19	2,107	2,028
Other and eliminations	-11	-8	40	-45	-42
Adjusted EBITA	201	198	2	892	889
AirTech	206	181	14	799	774
FoodTech	21	39	-45	193	210
Other and eliminations	-26	-21	21	-99	-95
Adjusted EBITA margin, %	9.5	12.3		11.4	12.1
AirTech	12.6	15.1		13.8	14.4
FoodTech	4.3	9.1		9.2	10.4

Quarterly order intake, (MSEK)



Order intake per region Q1, 2022 (MSEK)



ORDER INTAKE

January-March 2022

Order intake increased by +107%, a currency adjusted increase of +91% and an organic growth of +87%, mainly driven by strong growth in Data Centers and the Battery sub-segment in AirTech. The order backlog increased +129% to MSEK 6,350 (2,769), currency adjusted +118%.

Order intake in AirTech increased by +132%, a currency adjusted increase of +113% and an organic growth of +108%, with increased order intake in all regions. The strong growth was mainly driven by Data Centers that received a large order to a leading Data Center colocation operator in the US valued at approximately MUSD 115. Excluding this order, order intake increased 60% in the quarter. The Industrial segment in Humidity Control Technologies (HCT) and especially the Battery sub-segment had good development in EMEA. The Food sub-segment also continued to see good growth. Clean Technologies had a flat order intake, on the back of a strong first quarter 2021. Services experienced growth in all regions, with especially strong growth in APAC.

Order intake in FoodTech increased by +34%, a currency adjusted increase of +25%, with strong growth in Americas and good growth in EMEA. In region APAC, China had a weak development with lower level of new constructions as the swine market continued to be weak due to overcapacity and outbreaks of the African Swine Fever (ASF). In Americas both Climate Solutions and Digital Solutions had strong growth. The broiler segment in Climate Solutions in the US had strong growth. In EMEA, order intake increased because of increased customer prices while the underlying market weakened as a consequence of the war in Ukraine. Digital solutions grew in the US, mainly because a large SaaS deal in MTech was signed in the beginning of the year with an order value of about MUSD 19.

NET SALES

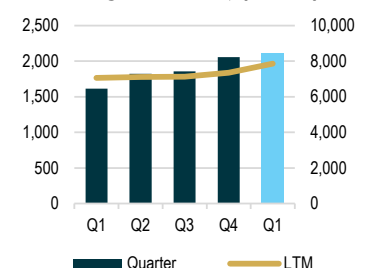
January-March 2022

Net sales increased +32%, a currency adjusted increase of +21% and an organic growth of +16%, driven mainly by an increase in the Battery sub-segment and Services in business area AirTech. Services net sales amounted to 14% of total net sales.

AirTech increased +36%, a currency adjusted increase of +26% and an organic growth of +19%, with growth in all regions. Growth was driven mainly by the Industrial segment in HCT and especially the Battery sub-segment as well as Services. Both the Battery sub-segment and Services grew in all regions. Clean Technologies had good growth in the quarter driven by both the power market and the process market, especially in the US and India. Data Center had good growth mainly because of growth in Europe through EDPAC that was acquired in January. Services amounted to 19% of total net sales.

FoodTech increased +19%, a currency adjusted increase of +10%, mainly driven by good growth in Climate Solut

Quarterly net sales, (MSEK)



ions in the US and in EMEA. The war in Ukraine had a negative impact on operations as supply chain challenges were elevated and Munters suspended sales to Russia and Belarus. In 2021 Russia represented about 4% of net sales in FoodTech. Net sales declined in APAC mainly as China had a weak development on the back of a strong first quarter 2021. In China the swine market was negatively impacted by overcapacity and continued outbreaks of ASF.

RESULTS

Adjusted EBITA excludes Items Affecting Comparability, IAC, see pages 4-5 for disclosure of the IACs.

January-March 2022

The gross margin amounted to 29.2% (33.3). During the quarter we saw some positive effects from our price increases and we continued to adjust customer prices to mitigate higher costs. This was offset by intensified supply chain constraints, higher raw material prices and freight costs following the war in Ukraine. Also, a changed business mix in AirTech with more larger projects and lower net sales in China for FoodTech had a negative impact on the margin.

Adjusted EBITDA was MSEK 260 (250), corresponding to an adjusted EBITDA-margin of 12.3% (15.5). Adjusted EBITA was MSEK 201 (198), corresponding to an adjusted EBITA-margin of 9.5% (12.3). Depreciation amounted to MSEK -59 (-52), whereof depreciation of leased assets was MSEK -29 (-26).

Adjusted EBITA for business area AirTech amounted to MSEK 206 (181), corresponding to an EBITA-margin of 12.6% (15.1). Effects from customer price increases have had a positive effect, offset by increased energy, raw material and transport prices. The operational challenges a production unit in the industrial sub-segment experienced as a consequence of supply chain constraints in the fourth quarter 2021 continued to weigh on the margin in the first quarter.

Adjusted EBITA in business area FoodTech was MSEK 21 (39), corresponding to an adjusted EBITA-margin of 4.3% (9.1). The margin declined mainly due to lower volumes in China and continued investment in Digital Solutions, partly offset by an increased margin in Climate Solutions in the US. Also, intensified supply chain constraints with increased energy and raw material prices and freight costs had a negative impact on the margin, mainly in region EMEA.

Adjusted EBITA for Other amounted to MSEK -26 (-21). Other mainly includes costs for corporate staff functions.

Operating profit (EBIT) was MSEK 134 (222), corresponding to an operating margin of 6.3% (13.8). Amortization and write-downs on intangible assets in the first quarter was MSEK -23 (-17), where MSEK -9 (-7) related to amortization of intangible assets from acquisitions.

ITEMS AFFECTING COMPARABILITY (IAC)

Items affecting comparability (IAC) in the first quarter were mainly related to activities connected with the on-going strategy implementation and with the effect from the war in Ukraine. Business area FoodTech incurred MSEK -17 related to the strategy implementation launched in May 2021. Costs were mainly linked to consultancy work and product pruning aiming at strengthening the equipment position. Business area AirTech incurred MSEK -12 related to the strategy implementation launched in 2020. The mid-term positive impacts from the strategy implementation measures on going in FoodTech was revised in the quarter as an effect of the war in the Ukraine. It was revised from previously MSEK 70 in 2023 to MSEK 50.

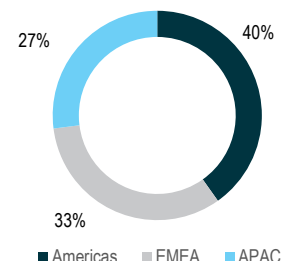
IACs related to the war in Ukraine amounted to MSEK -18 in the quarter, with MSEK -17 in FoodTech and MSEK -1 in AirTech. The IACs were mainly linked to inventory write-downs and a right-sizing severance provision.

In addition, Munters incurred other IACs of MSEK +4, which is a net of released provisions associated with the discontinued operation in Dison of MSEK +8 and MSEK -4 related to M&A activities. Since operations has ceased in Dison and Munters is no longer reporting any discontinued operation, the released provisions have been adjusted for comparability. Covid-19-related IACs affected the fourth quarter with MSEK -1.

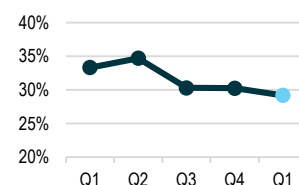
Items affecting comparability in the first quarter last year mainly related to strategy implementation within business area AirTech and legal cases outside the ordinary business operation related to a previous customer claim that was settled and an insurance compensation received linked to a previous exchange of specific components at a customer site within the European Data Center business.

For further information, see the reconciliation of Munters alternative performance measures on page 19.

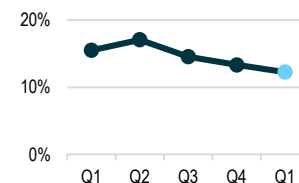
Net sales per region Q1, 2022 (MSEK)



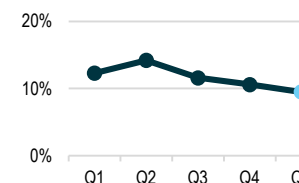
Quarterly gross margin, %



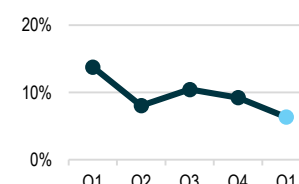
Quarterly adjusted EBITDA margin, %



Quarterly adjusted EBITA margin, %



Quarterly EBIT margin, %



MSEK	Q1		LTM	2021
	2022	2021	Apr-Mar	Full year
Covid-19 related items	-1	-0	-1	-1
Implementation refined strategy	-12	-7	-29	-25
Russia impact related items	-1	-	-1	-
Other items affecting comparability	8	62	22	76
AirTech	-5	54	-9	50
Covid-19 related items	-0	-0	-1	-1
Implementation refined strategy	-17	-0	-111	-95
Russia impact related items	-17	-	-17	-
Other items affecting comparability	0	-	-1	-1
FoodTech	-35	-1	-131	-97
Covid-19 related items	-	-	-	-
Implementation refined strategy	-	-4	-	-4
Russia impact related items	-	-	-	-
Other items affecting comparability	-4	-9	-7	-12
Other	-4	-12	-7	-16
Covid-19 related items	-1	-1	-3	-2
Implementation refined strategy	-28	-12	-140	-124
Russia impact related items	-18	-	-18	-
Other items affecting comparability	4	54	14	63
Total	-44	41	-147	-62

FINANCIAL ITEMS

Financial income and expenses for the first quarter amounted to MSEK -23 (-25). The financial expenses are positively impacted by lower interest rates paid compared to same quarter last year. This was partly offset by a negative effect from exchange rate effects as the USD has strengthened against the SEK. Interest expense on lease liabilities amounts to MSEK -4 (-4) in the first quarter. The average weighted interest rate including fees per end of the quarter was 2.6% (3.0).

TAXES

Income taxes for the first quarter was MSEK -10 (-38). The effective tax rate in the first quarter was 9% (19%).

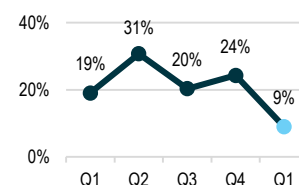
The lower effective tax rate is mainly driven by revaluation effects on deferred taxes in Sweden and Mexico. In addition, a mix effect related to difference in foreign tax rates compared to the Swedish tax rate impacted the effective tax rate positively.

EARNINGS PER SHARE

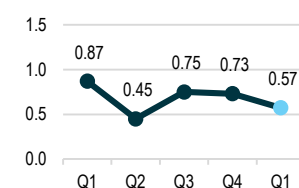
Net income attributable to Parent Company's ordinary shareholders amounted to MSEK 104 (160) for the first quarter. Earnings per share, before dilution, in the first quarter 2022 was SEK 0.57 (0.88). Earnings per share, after dilution, in the first quarter 2022 was SEK 0.57 (0.87).

The average number of outstanding ordinary shares in the first quarter, for the purpose of calculating earnings per share, was 181,592,723 before dilution and 181,826,956 after dilution.

Quarterly tax rate, %



Quarterly EPS, SEK



FINANCIAL POSITION

Interest-bearing liabilities amounted to MSEK 3,200 (2,853). Cash and cash equivalents amounted to MSEK 565 (916) as of March 31.

Munters primary financing facilities consists of a term loan of MUSD 165 and a Revolving Credit Facility (RCF) of MEUR 250 with final maturity date in June 2026. The facilities are granted by a group of six banks and have no mandatory amortization requirement. Since November 2021 Munters has linked sustainability targets to the loan facilities to support the ambition for an environmentally and socially sustainable growth. The primary financing facilities have one financial covenant, consolidated net debt in relation to adjusted EBITDA, with some adjustments made in accordance with the loan agreement. 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.

Munters also has a backup facility of MSEK 750 maturing in 2023 which is secured by a guarantee from EKN (The Swedish Export Credit Agency).

Net debt as of March 31 amounted to MSEK 2,938 compared to MSEK 2,208 at the end of March 2021 and MSEK 2,389 at the end of December 2021. The increase in net debt is related to increase of debt to fund the acquisition of EDPAC. For more information about reconciliation of net debt and leverage see page 21.

Net debt in relation to Adjusted EBITDA was 2.6x compared to 2.2x at end of December 2021. The leverage ratio increased as a consequence of an acquisition funded by debt as well as a build-up of working capital where mainly inventory has increased as an effect of strong growth in order intake.

At quarter end the term loan facility of MUSD 165 was fully drawn. Of the RCF of MEUR 250 (formerly MEUR 185) an amount of MEUR 124 (46) was utilized in EUR, SEK and USD. Unutilized of the RCF as of March 31 amounted to MEUR 126 (139). Along with the primary loan facilities, an amount of MSEK 34 (8) in local debt is outstanding in i.e. Ireland, Brazil, and India. The backup facility with EKN was entirely unutilized.

Average capital employed for the last twelve months was MSEK 7,345 (7,229). Return on capital employed (ROCE) for last twelve months was 9.1% (11.3). ROCE where EBIT plus financial income is adjusted for items affecting comparability (IAC) and average capital employed adjusted for goodwill, for the last twelve months was 26.3% (29.1). ROCE decreased mainly because of a slightly higher capital employed and a reduced operating margin.

CASH FLOW

Cash flow from operating activities was MSEK -26 (88) in the first quarter. The negative cash flow is due to a lower level of operating earnings compared to 2021, as well as a negative impact from working capital.

Cash flow from changes in working capital had a negative impact of MSEK -202 (-138) in the first quarter. The negative effect is mainly due to increased inventory and account receivables, partly offset by increased advances from customers and accounts payables.

Total cash flow for the first quarter amounted to MSEK -119 (-71). Total cash flow was negatively impacted by an acquisition of MSEK -300. External borrowings increased by MSEK 349.

PARENT COMPANY

The parent company for the Group is Munters Group AB. The parent company does not engage in sales of goods and services to external customers. Cash and cash equivalents at the end of the period amounted to MSEK 0 (59).

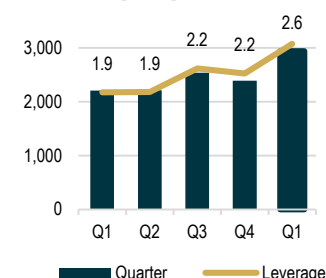
CORPORATE

Other reported an EBITA of MSEK -26 (-21). The increase was due to expansion of Corporate staff functions focusing on work with streamlining and digitalization ways of working. Corporate staff functions as well as investments in Munters Frontier are accounted for within Other. Munters Frontier was established in 2021 with the objective of continuously improving Munters' footprint through investments in start-ups with promising technologies.

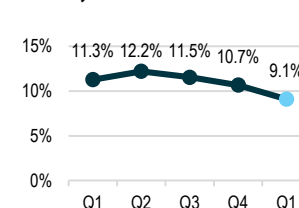
EMPLOYEES

The number of permanent FTEs (Full Time Equivalents), at March 31, 2022 was 3,545 (3,201). The amount of FTEs at March 31, 2022 in business area AirTech was 2,651 (2,327), in FoodTech 808 (803) and at Group functions 86 (72).

Net Debt per quarter



ROCE, %



Ten largest shareholders

As of 31 Mar	Total (%)
FAM AB	28.0
ODIN Funds	9.0
Forth Swedish National Pension Fund	7.8
First Swedish National Pension Fund	7.2
Swedbank Robur Fund	6.5
Columbia Threadneedle C WorldWide Asset Management	2.6
La Financière de l'Echiquier	2.4
Vanguard	2.0
Capital Group	1.5

Source: Monitor

OUTSTANDING SHARES AND REPURCHASES

As of March 31, 2022, Munters held 2,847,680 treasury shares of the total outstanding shares of 184,457,817. The average number of outstanding ordinary shares in the first quarter, for the purpose of calculating earnings per share, was 181,592,723 before dilution and 181,826,956 after dilution.

DIVIDEND PROPOSAL

The Board of Directors proposes a dividend of SEK 0.85 (0.70) per share for 2021, in total MSEK 157 (129). This represents 30 per cent of the net income 2021.

OTHER EVENTS

Acquisition of EDPAC – In January, Munters announced it has acquired EDPAC, an Ireland-based manufacturer of data center cooling equipment and air handling systems for a purchase price of MEUR 29. The acquisition is part of Munters strategy to grow in the prioritized data center segment and strengthens its presence in Europe through the acquisition. EDPAC reported net sales of MEUR 17 and an adjusted EBITDA of MEUR 1.7 in the financial year ending April 2021.

FoodTech secures important SaaS contract – In February, Munters announced that MTech Systems, a Munters company within business area FoodTech, has signed an important contract to deliver its SaaS solution. The contract is a recognition of FoodTech's strategy with a clear direction to connect the entire food production value chain with innovative software and precision farming equipment.

The nomination committee's proposals for AGM 2022 – Presented in February, the nomination committee's proposals regarding Chairman of the meeting, the number of members of the Board of Directors and alternate members, fees for the members of the Board of Directors and fees for the auditor, as well as election of members of the Board of Directors and the Chairman of the Board of Directors of Munters Group AB. The nomination committee proposes that the board members Håkan Buskhe, Helen Fasth Gillstedt, Kristian Sildeby and Anna Westerberg should be re-elected as board members, and that Magnus Nicolin, Maria Håkansson and Anders Lindqvist should be elected as new board members in Munters. Magnus Lindqvist, Per Hallius, Lena Olving and Juan Vargues have declined re-election. The nomination committee also proposes that Magnus Nicolin should be elected as chairman of the board of directors.

Munters Annual and Sustainability report 2021 – On March 3, Munters published the Annual and Sustainability Report 2021 on www.munters.com in English and Swedish.

EVENTS AFTER THE CLOSE OF THE PERIOD

Annual General Meeting 2022 – The annual general meeting will be held on Wednesday, May 18. Due to the coronavirus and in order to reduce the risk of spreading the virus, the board of directors has decided that the general meeting should be conducted by way of postal vote pursuant to temporary legislation being in effect in 2021. This means that the general meeting will be held without the physical presence of shareholders, representatives or third parties. The shareholders will therefore only be able to exercise their voting rights by postal voting. Information on the resolutions passed at the meeting will be made available on May 19 as soon as the result of the postal voting has been finally confirmed. An interview with the president and CEO Klas Forsström and the chairman of the board of directors Magnus Lindqvist will be made available on Munters website, www.munters.com, on May 13. More information about the Annual General Meeting can be found on www.munters.com.

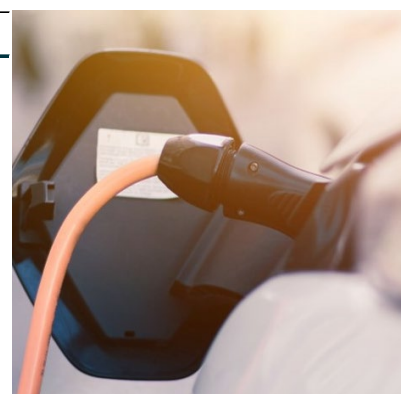
AirTech



Business area AirTech is a global leader in energy-efficient air treatment for industrial and commercial applications. We offer solutions for mission-critical processes that require exact control of moisture and temperature, with a focus on energy-efficiency and sustainable climate systems. Our climate systems also provide better indoor air quality and comfort, as well as increased production capacity.

- Order intake in AirTech increased with increased order intake in all regions. The strong growth was mainly driven by Data Centers in the US. The Industrial segment in Humidity Control Technologies (HCT) and especially the Battery sub-segment had good development in EMEA. Services experienced growth in all regions, with especially strong growth in APAC.
- Net sales increased with growth in all regions. Growth was driven mainly by the Industrial segment in HCT and especially the Battery sub-segment as well as Services. Clean Technologies had good growth and Data Center grew because of the acquisition of EDPAC in the quarter.
- Effects from price increases had a positive impact on the adjusted EBITA-margin, offset by increased energy, raw material and transport prices. The operational challenges in the industrial sub-segment continued to weigh on the margin in the first quarter.

MSEK	Q1			LTM	Full year
	2022	2021	Δ%	Apr-Mar	2021
Order intake	3,446	1,483	132	8,853	6,890
Growth	132%	10%		69%	35%
Net sales	1,628	1,195	36	5,795	5,362
Growth	36%	6%		16%	9%
of which organic growth	19%				
of which acquisitions and divestments	7%				
of which currency effects	11%				
Operating profit (EBIT)*	190	228	-17	745	783
Adjusted EBITA	206	181	14	799	774
Growth	14%	81%		4%	12%
Adjusted EBITA margin, %	12.6	15.1		13.8	14.4



*A reclassification in regards to amortization has been made between the business areas in periods prior to Q1-22 impacting EBIT.

FoodTech



Business area FoodTech is one of the world's leading suppliers of innovative, energy-efficient climate systems for livestock farming and greenhouses, as well as software for controlling and optimizing the entire food production value chain. Our solutions increase productivity while contributing to sustainable food production, where strict requirements are placed on quality, animal health and food safety.

- Order intake increased in regions Americas and EMEA. In region APAC, China had a weak development. In Americas both Climate Solutions and Digital Solutions had good growth. In EMEA, order intake increased driven by higher customer prices while the underlying market weakened as a consequence of the war in Ukraine.
- Net sales increased mainly driven by good growth in Climate Solutions in the US and EMEA. The war in Ukraine had a negative impact as supply chain challenges were elevated and Munters suspended sales to Russia and Belarus. Net sales declined in APAC on the back of a strong first quarter 2021.
- The adjusted EBITA-margin declined mainly due to lower volumes in China and continued investment in Digital Solutions, partly offset by an increased margin in Climate Solutions in the US. Also, intensified supply chain constraints with increased energy and raw material prices and freight costs had a negative impact on the margin, mainly in region EMEA.

MSEK	Q1			LTM	Full year
	2022	2021	Δ%	Apr-Mar	2021
Order intake	698	520	34	2,344	2,166
Growth	34%	1%		7%	-1%
Net sales	505	425	19	2,107	2,028
Growth	19%	-5%		0%	-5%
of which organic growth	10%				
of which currency effects	9%				
Operating profit (EBIT)*	-25	29	-185	17	71
Adjusted EBITA	21	39	-45	193	210
Growth	-45%	-25%		-35%	-32%
Adjusted EBITA margin, %	4.3	9.1		9.2	10.4



*A reclassification in regards to amortization has been made between the business areas in periods prior to Q1-22 impacting EBIT.

About Munters

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.

Short facts

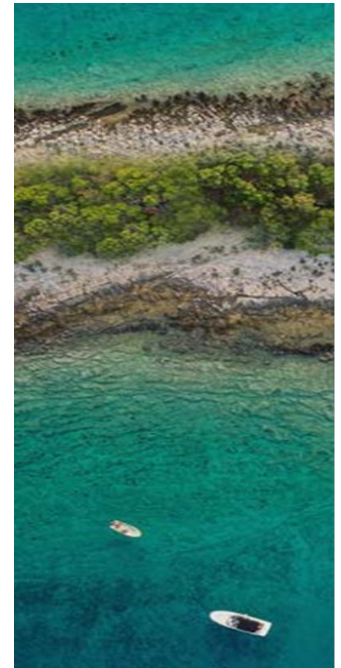
- ~3,500 employees (FTEs)
- 30 countries with sales and manufacturing
- 17 production units
- 23% women in management
- Two business areas: AirTech and FoodTech

In 2021 AirTech generated 73% of the total net sales of Munters and FoodTech 27%.

Purpose

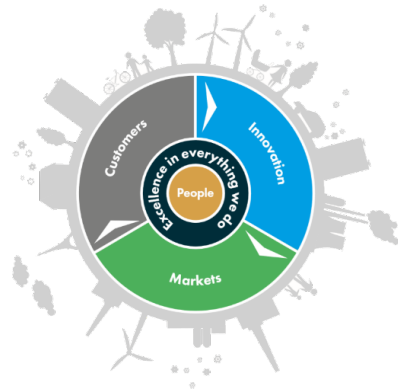
For customer success and a healthier planet

Curiosity and a drive to create pioneering technologies are part of our DNA. Our climate solutions are mission-critical to our customers' success and contribute to a more sustainable planet.



The strategy of Munters

Munters has a strong position in most of our markets. We see great opportunities to improve and strengthen our market position and to achieve our mid-term financial targets and deliver on our strategy. The key to success is how we respond in working toward our goals. Our overarching strategic priorities show which areas we regard as important to our success. For each strategic priority we have clear action plans and ambitions what we want to achieve. Sustainability is a priority issue reflected in every strategic priority.



People - Employees are the hub of our business and their safety and health is a priority. Diversity and inclusion are important to us, since we are convinced that diversity leads to stronger innovation. Through collaboration and a passion for creating energy-efficient solutions for our customers and partners, we contribute to our customers' success and a better world.

Customers - We help our customers succeed by supplying high-quality climate solutions that make them more sustainable. Our success is built on close, long-term relationships and a deep understanding of the customer's business and future needs. Our strategy is to continue to build customer insight and utilize our broadbased expertise on applications, technology and components to supply attractive solutions and services.

Innovation - Curiosity and an ambition to create pioneering technologies are part of our DNA. We will stay at the forefront of the industry's development and contribute to sustainable development through our energy- and resource-efficient climate solutions. We continue to invest in our core technologies, solutions and digitization to optimize our product portfolio and our innovative production technology.

Market - Munters is active around the world and climate change, digitization and population growth are the key markets drivers. Our resources are focused on strengthening our position in areas where we can be a market leader and growing the service business. With high-quality, resource-efficient solutions and a conscious effort to reduce our own climate impact, we contribute to sustainable development.

Excellence in everything we do - Our aim is to increase efficiency and quality in everything we do and to reduce our climate impact. Munters' operations all share responsible business practices and high ethical standards with a respect for human rights, diversity, and health and safety in the workplace.



Quarterly overview Group and Segments

Group	2022	2021				2020**				2021	2020**	
	MSEK	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Full year	Full year
Order backlog	6,367	4,198	3,525	3,018	2,769	2,253	2,664	2,660	2,808	4,198	2,253	
Order intake	4,133	2,605	2,295	2,118	1,995	1,611	1,919	1,870	1,849	9,013	7,249	
Net sales	2,121	2,057	1,857	1,822	1,612	1,841	1,833	1,773	1,566	7,348	7,015	
Operating profit (EBIT)	134	190	194	147	222	250	245	103	110	753	707	
Net income	102	133	138	84	160	172	163	39	57	515	432	
Amortization and write-down	-23	-18	-18	-21	-17	-17	-30	-20	-20	-74	-87	
Items affecting comparability (IAC)	-44	-9	-3	-91	41	22	4	-138	-	-62	-111	
Adjusted EBITA	201	217	215	259	198	245	271	260	130	889	906	
Adjusted EBITA margin, %	9.5	10.6	11.6	14.2	12.3	13.3	14.8	14.7	8.3	12.1	12.9	
AirTech												
MSEK	2022	2021				2020**				2021	2020**	
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Full year	Full year	
External order backlog	5,466	3,498	2,837	2,318	2,129	1,737	2,025	2,003	2,186	3,498	1,737	
Order intake	3,446	2,110	1,802	1,495	1,483	1,172	1,354	1,231	1,343	6,890	5,101	
External net sales	1,626	1,560	1,338	1,264	1,193	1,321	1,270	1,205	1,127	5,355	4,924	
Transactions between segments	1	2	3	1	2	2	9	2	0	7	13	
Operating profit (EBIT)*	190	216	158	182	228	230	180	46	89	783	545	
Amortization and write-down*	-10	-8	-8	-7	-7	-7	-21	-10	-11	-31	-49	
Items affecting comparability (IAC)	-5	10	1	-15	54	26	3	-125	-	50	-95	
Re-allocation of internal services	-1	-1	-10	-	-	0	-	-	-	-11	0	
Adjusted EBITA	206	214	174	205	181	211	198	181	100	774	689	
Adjusted EBITA margin, %	12.6	13.7	13.0	16.2	15.1	15.9	15.4	15.0	8.8	14.4	14.0	
FoodTech												
MSEK	2022	2021				2020**				2021	2020**	
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Full year	Full year	
External order backlog	901	700	687	700	640	516	640	656	622	700	516	
Order intake	698	508	502	636	520	450	575	656	515	2,166	2,196	
External net sales	495	496	519	558	419	520	563	568	440	1,993	2,091	
Transactions between segments	10	12	8	9	6	11	9	7	9	35	35	
Operating profit (EBIT)*	-25	7	43	-8	29	64	87	83	43	71	277	
Amortization and write-down*	-12	-9	-9	-13	-9	-8	-8	-9	-8	-40	-34	
Items affecting comparability (IAC)	-35	-16	-5	-75	-1	6	0	-6	-	-97	1	
Re-allocation of internal services	-	2	-4	-	-	0	-	-	-	-2	0	
Adjusted EBITA	21	31	61	80	39	66	95	98	52	210	310	
Adjusted EBITA margin, %	4.3	6.0	11.6	14.1	9.1	12.3	16.5	17.1	11.5	10.4	14.6	
Other and eliminations												
MSEK	2022	2021				2020**				2021	2020**	
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Full year	Full year	
Order intake	-11	-13	-9	-14	-8	-11	-10	-17	-10	-43	-48	
Transactions between segments	-11	-14	-11	-10	-8	-12	-18	-8	-9	-42	-48	
Operating profit (EBIT)*	-31	-33	-7	-27	-35	-44	-22	-27	-23	-101	-115	
Amortization and write-down*	-1	-1	-1	-1	-1	-1	-1	-1	-1	-4	-4	
Items affecting comparability (IAC)	-4	-3	0	0	-12	-10	-0	-7	-	-16	-18	
Re-allocation of internal services	1	-1	14	-	-	-0	-	-	-	13	-0	
Adjusted EBITA	-26	-28	-20	-26	-21	-32	-21	-19	-22	-95	-94	

*A reclassification in regards to amortization has been made between the segments in periods prior to Q1-22 impacting EBIT.

**Relates to Munters continuing operation during this period.

Condensed income statement

MSEK	Q1		LTM	Full year
	2022	2021	Apr-Mar	2021
Net sales	2,121	1,612	7,857	7,348
Cost of goods sold	-1,502	-1,075	-5,421	-4,994
Gross profit	619	537	2,436	2,354
Selling expenses	-238	-191	-892	-844
Administrative costs	-164	-135	-584	-556
Research and development costs	-58	-37	-183	-162
Other operating income and expenses	-25	48	-112	-39
Operating profit	134	222	665	753
Financial income and expenses	-23	-25	-82	-84
Profit/Loss after financial items	112	197	583	668
Tax	-10	-38	-125	-153
Net income for the period	102	160	457	515
Attributable to Parent Company shareholders	104	160	457	513
<i>Attributable to non-controlling interests</i>	-3	0	-0	3
Average number of outstanding shares before dilution*	181,592,723	181,920,817	182,125,497	182,207,520
Average number of outstanding shares after dilution*	181,826,956	182,762,723	182,509,384	182,548,017
Earnings per share before dilution, SEK	0.57	0.88	2.51	2.81
Earnings per share after dilution, SEK	0.57	0.87	2.51	2.81
Other comprehensive income				
<i>Other comprehensive income that may be reclassified to profit or loss in subsequent periods:</i>				
Exchange-rate differences on translation of foreign operations	62	161	169	268
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</i>				
Actuarial gains and losses on defined-benefit pension obligations, incl. payroll tax	13	35	-26	-3
Income tax effect not to be reclassified to profit or loss	-3	-7	4	-0
Other comprehensive income, net after tax	73	189	148	264
Total comprehensive income for the period	174	349	605	779
Attributable to Parent Company shareholders	177	349	607	779
Attributable to non-controlling interests	-3	-0	-2	1

*Excluding shares held in own custody.

Condensed balance sheet

MSEK	2022-03-31	2021-03-31	2021-12-31
ASSETS			
NON-CURRENT ASSETS			
Goodwill	4,511	4,144	4,248
Patents, licenses, brands, and similar rights	1,728	1,435	1,586
Buildings and land	276	236	239
Plant and machinery	464	474	469
Equipment, tools, fixtures and fittings	191	163	185
Construction in progress	102	52	78
Financial assets	21	19	20
Deferred tax assets	296	255	278
Total non-current assets	7,590	6,778	7,103
CURRENT ASSETS			
Raw materials and consumables	649	387	532
Products in process	251	119	170
Finished products and goods for resale	391	259	347
Projects in progress	12	7	11
Advances to suppliers	12	7	12
Accounts receivable	1,505	982	1,394
Prepaid expenses and accrued income	462	428	368
Derivative instruments	3	8	1
Current tax assets	48	51	52
Other receivables	80	89	78
Cash and cash equivalents	565	916	674
Total current assets	3,979	3,253	3,639
TOTAL ASSETS	11,569	10,031	10,742

Condensed balance sheet

MSEK	2022-03-31	2021-03-31	2021-12-31
EQUITY AND LIABILITIES			
EQUITY			
Shareholders' equity	4,536	4,093	4,360
Non-controlling interests	4	5	3
Total equity	4,539	4,099	4,363
NON-CURRENT LIABILITIES			
Interest-bearing liabilities	3,067	2,760	2,636
Provisions for pensions and similar commitments	313	271	324
Other provisions	43	40	41
Other liabilities	143	140	140
Deferred tax liabilities	408	388	405
Total non-current liabilities	3,974	3,599	3,546
CURRENT LIABILITIES			
Interest-bearing liabilities	134	93	114
Advances from customers	804	549	648
Accounts payable	802	522	771
Accrued expenses and deferred income	975	745	998
Derivative instruments	-	0	-
Current tax liabilities	56	65	40
Other liabilities	113	104	100
Provisions for pensions and similar commitments	9	9	9
Other provisions	163	246	153
Total current liabilities	3,056	2,333	2,833
TOTAL EQUITY AND LIABILITIES	11,569	10,031	10,742

CONDENSED STATEMENT OF CHANGES IN EQUITY

MSEK	2022-03-31	2021-03-31	2021-12-31
Opening balance	4,363	3,751	3,751
Total comprehensive income for the period	174	349	779
Exercised share options	2	-	40
Change in non-controlling interest	-	-	-1
Put/call option related to non controlling interests	-	-1	-4
Dividends paid	-	-	-129
Repurchase of shares	-	-	-69
Share option plan inc deferred tax	0	-0	-5
Other	-	-	1
Closing balance	4,539	4,099	4,363
Total shareholders' equity attributable to:			
The parent company's shareholders	4,536	4,093	4,360
Non-controlling interests	4	5	3

Condensed cash flow statement

MSEK	Q1		LTM	Full year
	2022	2021	Apr-Mar	2021
OPERATING ACTIVITIES				
Operating profit	134	222	665	753
Reversal of non-cash items				
Depreciation, amortization and impairments	82	69	316	303
Other profit/loss items not affecting liquidity	-6	-6	16	16
Change in provisions				
Provisions	10	-6	-81	-97
Cash flow before interest and tax	220	279	915	974
Paid financial items	-19	-20	-98	-99
Taxes paid	-25	-33	-173	-181
Cash flow from operating activities before changes in working capital	176	226	644	694
Cash flow from changes in working capital	-202	-138	-239	-175
Cash flow from operating activities	-26	88	405	519
INVESTING ACTIVITIES				
Business acquisitions	-300	-	-300	-
Investments in participations and securities in other companies	-3	-	-3	-
Sale of tangible fixed assets	1	1	2	2
Investment in tangible assets	-39	-22	-155	-138
Investment in intangible assets	-75	-36	-243	-204
Cash flow from investing activities	-417	-58	-699	-341
FINANCING ACTIVITIES				
Exercised share options	2	-	42	40
Loan raised	580	24	2,868	2,311
Amortization of loans	-232	-99	-2,683	-2,550
Repayment of lease liabilities	-27	-26	-106	-105
Repurchase of shares	-	-	-69	-69
Dividends paid	-	-	-129	-129
Cash flow from financing activities	323	-101	-78	-503
Cash flow for the period	-119	-71	-372	-324
Cash and cash equivalents at period start	674	970	916	970
Exchange-rate differences in cash and cash equivalents	11	17	21	28
Cash and cash equivalents at period end	565	916	565	674

Parent company

CONDENSED INCOME STATEMENT

MSEK	Q1		LTM	Full year
	2022	2021	Apr-Mar	2021
Net sales	-	-	-	-
Gross profit/loss	-	-	-	-
Administrative costs	-2	0	-13	-12
Other operating expenses	1	-1	13	11
Profit/Loss before interest and tax (EBIT)	-1	-2	0	0
Financial income and expenses	-0	0	-1	-1
Profit/Loss after financial items	-2	-2	-1	-1
Group contributions	-	-	8	8
Profit/Loss before tax	-2	-2	7	7
Tax	0	0	1	1
Net income for the period	-2	-1	8	8

CONDENSED STATEMENT OF COMPREHENSIVE INCOME

MSEK	Q1		LTM	Full year
	2022	2021	Apr-Mar	2021
Profit/Loss for the period	-2	-1	8	8
Other comprehensive income, net after tax	-	-	-	-
Comprehensive income for the period	-2	-1	8	8

Parent company

CONDENSED BALANCE SHEET

MSEK	2022-03-31	2021-03-31	2021-12-31
ASSETS			
NON-CURRENT ASSETS			
Participations in subsidiaries	4,097	4,102	4,094
Other financial assets	3	4	5
Total non-current assets	4,100	4,106	4,100
CURRENT ASSETS			
Prepaid expenses and accrued income	1	1	1
Current tax assets	1	0	1
Receivables from subsidiaries	15	28	13
Cash and cash equivalents	-	59	0
Total current assets	17	89	15
TOTAL ASSETS	4,118	4,195	4,115

MSEK	2022-03-31	2021-03-31	2021-12-31
EQUITY AND LIABILITIES			
EQUITY			
Share capital	6	6	6
Share premium reserve	4,136	4,135	4,136
Profit brought forward	-116	32	-128
Income for the period	-2	-1	8
Total equity	4,023	4,171	4,022
NON-CURRENT LIABILITIES			
Provisions for pensions and similar commitments	2	1	2
Total non-current liabilities	2	1	2
CURRENT LIABILITIES			
Accounts payable	3	1	3
Accrued expenses and deferred income	15	19	18
Liabilities to subsidiaries	68	-	65
Other liabilities	7	2	4
Total current liabilities	92	22	91
TOTAL EQUITY AND LIABILITIES	4,118	4,195	4,115

Other disclosures

ACCOUNTING POLICIES

This report has been prepared, with regards to the Group, in accordance with IAS 34 *Interim Financial Reporting*, recommendation RFR 1 of the Swedish Financial Reporting Board and the Swedish Annual Accounts Act and, with regards to the Parent Company, in accordance with recommendation RFR 2 of the Swedish Financial Reporting Board and the Swedish Annual Accounts Act. The accounting principles applied correspond to those presented in the Annual- and Sustainability report 2021 (Note 1).

DEFINITION OF KEY FINANCIAL INDICATORS

The Group presents certain financial metrics in the Interim Report that are not defined in accordance with IFRS. The Group is of the opinion that these metrics provide valuable complementary information, in that they enable an evaluation of the Group's performance. The financial metrics are calculated in accordance with the definitions presented on page 129 in the Annual and Sustainability Report 2021.

TRANSACTIONS WITH RELATED PARTIES

There have been no transactions with related parties during the period.

ENVIRONMENTAL IMPACT AND ENVIRONMENTAL POLICY

Munters' operations affect the external environment through air and water emissions, the handling of chemicals and waste, transport of input goods and finished products to and from Munters factories. Munters is committed to constant vigilance regarding the environmental impact of its operations. Munters is committed to complying with all laws and to continuously promoting improvements in all Environment, Health & Safety (EHS) aspects, wherever Munters conducts business. Munters constantly seeks opportunities to reduce risk and to create a safer, healthier, more diverse and more environmentally friendly workplace for our employees, customers, communities, and the overall environment. Munters' manufacturing facilities all over the world are committed to working according to an EHS Management Program. The purpose of the EHS Program is to ensure regulatory compliance, actively prevent injuries, and reduce the impact that our business has on the environment.

RISKS AND 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 for 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.

Financial risks mainly consist of currency, interest and financing risks. Munters works actively with insurance solutions, and group-wide insurances are governed by central guidelines. This includes for example coverage for general liability and product liability, property, business interruption, transportation, the liability of Board members and the CEO and employment practices liabilities.

During 2022 the lingering Covid-19 pandemic led to continued supply chain challenges especially in region APAC and China.

The war in Ukraine has not resulted in a material effect for Munters in the first quarter 2022. Munters has app. 1.5 per cent of annualized net sales in Russia, and no employees in the area.

The war has led to items affecting comparability (IACs) of MSEK 29, of which MSEK -18 is recorded in the quarter as a provision and MSEK -11 will be taken as incurred. The IACs are related to inventory write-downs, a right-sizing severance provision and costs associated with the adaptation of the strategy as business in Russia have been suspended.

The indirect effects seen from the war are mainly related to material prices and logistics. For example, in general material prices have increased and some logistical routes have been cut off in Asia and Europe.

A more detailed description of the Group's risks and how they are managed can be found in the Annual- and Sustainability report 2021 on pages 54-58.

ALLOCATION OF NET SALES

The majority of customer contracts within Munters business segments AirTech and FoodTech fulfill the requirements to recognize net sales at a point in time, however there are a number of customer contracts within the segments that requires to recognize net sales over time, especially in AirTech segment Data Centers, which is reflected in the below matrix. In addition to unit/equipment sales, Munters provides different kinds of services to customers such as installation, commissioning, startup and maintenance. Net sales from services are recognized over time as these services are performed. The services transferred over time in the matrix below is not equivalent to the net sales from Services mentioned on the business segment pages earlier in this interim report. This is due to the fact that part of the net sales within Services are recognized at a point in time, such as spare parts. Net sales from the discontinued operation is all recognized over time.

Q1 2022			
MSEK	AirTech	FoodTech	Total
Goods transferred at a point in time	1,178	418	1,595
Goods transferred over time	332	37	368
Services transferred over time	117	41	158
Total net sales	1,626	495	2,121

Q1 2021			
MSEK	AirTech	FoodTech	Total
Goods transferred at a point in time	780	372	1,152
Goods transferred over time	325	14	339
Services transferred over time	89	33	122
Total net sales	1,193	419	1,612

FAIR VALUE OF FINANCIAL INSTRUMENTS

MSEK	2022-03-31	2021-03-31	2021-12-31
Opening balance	137	121	121
Payments	-	6	-
Discounting	-	3	4
Exchange-rate differences for the period	3	-	13
Closing balance	141	129	137

The Group's derivatives, recognized at fair value in the statement of financial position, are measured according to IFRS 9 and are categorized as level 2 in the fair value hierarchy. The derivatives amounted to MSEK

3 (8) in financial assets and to MSEK 0 (0) in financial liabilities. The Group's put/call acquisition option, recognized at fair value in the statement of financial position, are measured according to IFRS 9 and are categorized in level 3 in the fair value hierarchy. The opening balance for the period relates to the put/call option from the acquisition of MTech Systems in 2017, which is based on EBITDA for the 12 months prior to execution and matures in January 2023. The change in the period relates to a currency translations on the put/call option.

Munters deems that the interest rate on interest-bearing liabilities are in line with market terms at March 31, 2022, and the fair value at the end of the reporting period therefore in all material aspects corresponds to the carrying amount.

RECONCILIATION OF ALTERNATIVE PERFORMANCE MEASURES

Below is a reconciliation of Munters adjusted performance measures from items affecting comparability. In the first quarter 2022, these items mainly originated from the activities connected with the strategy implementation within business area FoodTech, communicated through a press release in May 2021, as well as from implementation activities related to the refined strategy within AirTech communicated during 2020 a total of MSEK -28. In addition, Munters incurred MSEK -18 in

items affecting comparability related to the Russian invasion of Ukraine, mostly connected with inventory write-downs and a rightsizing severance provision. Munters has also incurred M&A related IACs of MSEK -4, Covid-19-related IACs of MSEK -1 and MSEK 8 in Other IACs from a release of a provision in the discontinued operation from previous years related to the Data Center business in Dison confirmed no longer required. During the first quarter last year Munters mainly incurred IACs related to the implementation of the refined strategy within FoodTech and AirTech, IACs related to legal cases outside the ordinary business, a received insurance reimbursement and Covid-19-related IACs.

MSEK	Q1		Full year	
	2022-03-31	2021-03-31	LTM	Jan-Dec
Adjusted EBITDA	260	250	1,115	1,105
Amortizations and write-downs of tangible assets	-59	-52	-223	-216
Adjusted EBITA	201	198	892	889
Amortizations and write-downs of intangible assets	-23	-17	-75	-70
Adjusted operating profit (EBIT)	178	181	817	819
Restructuring activities	-28	-12	-145	-128
Russia impact related one-time items	-18	0	-18	0
Acquisition-related costs in a business acquisition	-4	0	-11	-6
Legal cases outside the ordinary business operation	0	-7	0	-7
Proceeds insurance reimbursements from legal cases	0	61	0	61
Received government grants/government assistance	0	1	3	3
Corona related expenses	-1	-1	-5	-5
Other	8	0	24	16
Operating profit (EBIT)	134	222	665	753

BUSINESS ACQUISITIONS

In January 2022, Munters announced the acquisition of EDPAC, an Irish manufacturer of cooling equipment for data centers and air treatment systems, with a preliminary purchase price of MEUR 29, approximately MSEK 300. EDPAC manufactures precision cooling equipment and various air handling systems and is also a manufacturing partner for Munters Oasis systems. Sales of Munters products account for approximately seven per cent of EDPAC's total revenue. The acquisition adds complementary products to Munters' existing data center offering and is part of Munters' strategy to grow in the prioritized data center segment. EDPAC reported net sales amounting to MEUR 17 and an adjusted

EBITDA of MEUR 1.7 for the financial year ended April 2021. The company is headquartered in Carrigaline, Ireland, with two manufacturing facilities in the country and the number of full-time employees is approximately 150. EDPAC has a strong customer base with sales mainly in Europe and with a smaller part in the Middle East, South America and Asia. The allocation of the purchase price resulted in surplus values related to customer relationships of MSEK 55, trademarks of MSEK 11 and a residual goodwill of MSEK 198. Acquisition related costs including stamp duty amounted to MSEK 8. Below is a list of paid purchase price and acquired net assets.

MSEK	2022-03-31
Information about acquired net assets and goodwill	
Cash purchase consideration paid	301
Total purchase consideration	301
Fair value of acquired net assets	-104
Goodwill	198
Acquired net assets at time of acquisition	
Property, plant and equipment	46
Customer relationships	55
Trademarks	11
Inventory	35
Accounts receivable	71
Prepaid expenses and accrued income	1
Other current assets	11
Cash and cash equivalents	1
Total assets	232
Non-current interest-bearing liabilities	2
Current interest-bearing liabilities	50
Accounts payable	29
Accrued expenses and deferred income	36
Deferred tax liabilities	8
Current income tax	2
Total liabilities	128
Net identifiable assets and liabilities	104
Cash purchase consideration paid	-301
Cash and cash equivalents in acquired company	1
Change in the Group's cash and cash equivalents on acquisition	-300

RECONCILIATION OF NET DEBT AND LEVERAGE

MSEK	2022-03-31	2021-03-31	2021-12-31
CURRENT ASSETS			
Cash and cash equivalents	-565	-916	-674
NON-CURRENT LIABILITIES			
Interest-bearing liabilities, excluding leases	2,798	2,484	2,362
Interest-bearing lease liabilities	268	276	274
Provisions for pensions	292	255	303
CURRENT LIABILITIES			
Interest-bearing liabilities, excluding leases	32	7	11
Interest-bearing lease liabilities	102	86	102
Accrued expenses	5	10	5
Provisions for pensions	6	6	6
Total Net debt	2,938	2,208	2,389
Operating profit (EBIT)	665	814	753
Depreciations	-236	-216	-228
Amortization and write-down	-80	-84	-74
EBITDA	981	1,114	1,056
Items affecting comparability	-134	-70	-49
Adjusted EBITDA, LTM	1,115	1,184	1,105
Net debt/Adjusted EBITDA, LTM	2.6	1.9	2.2

This report has not been subject to review by the company's auditors.

INFORMATION AND REPORTING DATES

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You are welcome to join a webcast or telephone conference on April 22 at 9:00am CEST, when President and CEO Klas Forsström, together with Group Vice President and CFO Annette Kumlien, will present the report.

Webcast:

<https://tv.streamfabriken.com/munters-q1-2022>

Dial-in number for the telephone conference:

SE: +46856642707

UK: +443333009032

US: +16467224903

This interim report, presentation material and a link to the webcast will be available on <https://www.munters.com/en/investor-relations/>

Financial calendar:

May 18, 2022: Annual General Meeting 2022

July 15, 2022: Interim report January-June 2022

October 21, 2022: Interim report January-September 2022

February 9, 2023: Full year report January-December 2022

This information is information that Munters Group AB is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above, at 07.30am CEST on April 22, 2022.

Munters Group AB, Corp. Reg. No. 556819-2321

About Munters Group

Munters is a global leader in energy efficient air treatment and climate solutions. Using innovative technologies, Munters creates the perfect climate for customers in a wide range of industries. Munters has been defining the future of air treatment since 1955. Today, around 3,500 employees carry out manufacturing and sales in more than 30 countries. Munters Group AB reported annual net sales of more than SEK 7 billion in 2021 and is listed on Nasdaq Stockholm. For more information, please visit www.munters.com.

Every care has been taken in the translation of this interim report. In the event of discrepancies, the Swedish original will supersede the English translation. The addition of the totals presented may result in minor rounding differences.

