

Welcome, my name is Ann-Sofi Jönsson and I am responsible for Investor Relations. Today we will do an interview before our Annual General Meeting (AGM). With me here today, I have our Chairman of the Board, Magnus Lindquist and our President and CEO, Klas Forsström. Like many other companies, we will hold our Annual General Meeting this year via postal voting. For us, it is important that you get to take part in both Magnus and Klas' reflections on the past year and that you also get answers to the questions you may have and that we answer the questions that we have received. Then I would like to welcome our President and CEO Klas Forsström and our Chairman of the Board Magnus Lindquist.

Question:

My first question to you is Magnus, if you could describe how you view the development of Munters in 2020?

Magnus:

Thank you, 2020 was really a special year marked by the corona pandemic. I think, in any case, it contributed to that major megatrends such as sustainability and digitalization accelerated, areas where Munters is perfectly positioned with its operations.

Munters management and all employees managed to handle the pandemic in a fantastic way and in addition to that deliver a strong result and start implementing their long-term strategy in an excellent way.

On behalf of the board, I would therefore like to thank not only Klas but all employees in Munters for a fantastic job in 2020, which has also continued in 2021, we must say as these are still tough times.

During the year, we also followed how Munters continued with its strategy of launching new innovations, such as our AI-based software solutions for the food industry. They offer in a unique way several of the world's major food producers full control over the entire production chain so that we can help our customers both improve animal health, which of course is the most important but at the same time also operate in an efficient and high quality way and therefore also increase profits and reduce waste. Digitizing our customer processes and customer solutions provides great growth potential for Munters and has a strong focus in our innovation work.

Question:

Thank you Magnus, then I want to turn to you Klas. What are your thoughts on the past year?

Klas:

First of all, I would like to say that 2020 has been an exceptional year not only for Munters but for the whole world.

Despite the ongoing pandemic, our employees have really managed to handle the balance of constantly working here and now and fighting against what the pandemic has done and at the same

time continue to work with our long-term implementation of our strategy. I am really deeply impressed by how well they have succeeded.

In terms of results, Munters strengthened during the year, we had currency-adjusted an increased order intake, it was driven primarily by the swine segment in China but also the industrial segment within AirTech. In terms of invoicing, it was a good year for Munters, also there China's swine segment, but the industrial segment, primarily in lithium batteries but also in the pharma industry, grew. In total, we landed on a result of SEK 906 for 2020 (adjusted EBITA).

In addition, we continued to our work with continuous efficiency improvements and I think it really also gave results during the year, not least through a very strong cash flow where we have been successful. It increased almost 50 percent during the year.

And as Magnus mentioned, we have launched a new strategy. First and foremost, we have reorganized, we have made a shift and we are becoming even more customer-oriented and the entire value chain is now transferred out in the business areas. But we have also strengthened the management team with important skills to take Munters on a very exciting journey ahead.

Another area that we have focused on in 2020 is sustainability. Sustainability is a megatrend that is very well in line with how Munters is positioned. It is about energy efficiency improvements and it is about a sustainable way of working. It is also present in our Purpose. We have followed up and seen how we work in our production facilities, established a reporting process and quality in this, but we have also begun work on how we can focus ourselves in the future. In addition to that, we have also worked with employee safety, the environment and diversity during the year.

Question:

Thank you Klas – interesting.

Magnus - how does the Board view Munters work with sustainability?

Magnus:

Yes, sustainability, just as Klas said, is a question of the future and survival really and not only for our planet but also for all companies of course. Here, Munters is uniquely positioned through all the products and solutions we deliver that help our customers become more resource efficient with energy and water and at the same time also help them achieve their environmental and climate goals to ultimately a more sustainable planet. So we do things that actually make the world a better place.

In addition to that, sustainability is central to everything that Munters does and how the business is conducted, as Klas described before, responsible entrepreneurship and increasing diversity, strengthening health and safety, of course reducing carbon dioxide emissions and contributing positively to the community where we operate locally and of course internationally.

To really show how important we on the Board think it is, we already suggested a year ago that we would include sustainability goals in the long-term financial goals for the incentive programs that apply to management and other senior executives, and that is something that we will continue in the future. So that it is a very important part to drive value creation in the company.

Question:

Thanks. Klas, when it comes to long-term - in 2020 we launched a new strategy, could you explain the cornerstones of the strategy and what we want to achieve with our strategic ambitions?

Klas:

Absolutely Ann-Sofi, our strategy consists of main strategic elements: Customers, Markets, Innovation, Excellence in everything we do and not least our Employees.

In addition, the strategy is also based on a Purpose, we are a purpose-driven company: "For customer success and a healthier planet". This is really central to our entire strategy and everything we do going forward.

And let me start with **customers**: We are a customer-centric company. Our strength lies in our application knowledge, the knowledge that has been built into Munters for many, many years. This knowledge gives us the opportunity to create unique, customized climate solutions that reduce customer's energy consumption or create better animal health. Here we will be even better, that is why we have changed our organization to be close to the customer, capture what the customer feels and thinks but also sometimes challenge the customer in a positive way and present solutions to problems that they themselves have not yet found. Value based selling is central in the future.

When it comes to the **markets**, we act on strong mega trends. An overall megatrend is about climate change and not least energy efficiency, sustainable products and what it can do for customers but not least animal health and here we have solutions.

Our ambition in the market is to be a leader, to be on the medal podium and to constantly improve our way of working in the right prioritized markets.

The third area **Innovation** is something I am really passionate about. An innovative company that is the core of success going forward. We have a very long history of innovations in Munters, it started with Carl Munters and has continued to shape us in a good way. Here, too, it is about creating energy-efficient solutions, creating customer value. It is about for example lithium batteries, to help the world to change, it is about improved animal health and the use of less antibiotics by having a good climate in animal stables and so on. All this boils down to optimal climate solutions where we are strong.

In 2020, to name one area, we launched a solution we call SyCool, a system for data centers that minimizes and virtually eliminates water consumption for data center customers, an area that is very important to many of them.

In addition, we work with group-wide processes and working methods, all with the aim of maximizing the impact of efficiency, and I think that a very good area is our movement in terms of capital efficiency and our improved capital flow.

Our fourth strategic ambition is to create **quality and excellence in everything in everything we do**. Overall efficiency it is something that is central to the entire group. It is about creating scalability, it is about creating improved use of our capital, about something that we have done very well during the year is the improved cash flow and to reduce our leverage.

In addition to that during the year, we decided to leave an area in North America within the commercial segment. It was an area where we saw that we were not close to our strategy, it was not

profitable and we did not have the right products for the niche. We have also consolidated in the Netherlands and this is work that continues to constantly improve the way we work.

Last but not least in our strategy concentrated around our **employees**, it is the utmost central in our strategy. This has been a very special year, it has created a lot of work to mitigate the pandemic and at the same time to be forward-looking and implement strategic change. And I am really deeply impressed by the work our employees has done to handle both sides of this coin. I would like to extend a big humble thank you to the good work that has been done.

Question:

Thanks Klas. Then I would like to turn to you Magnus. In the notice of this year's Annual General Meeting, it can be seen that you on the Board propose a new long-term share-based incentive program for senior executives. Could you explain a little about how you reasoned?

Magnus:

Absolutely, first of all, the Board believes, which is also noticeable in other companies, that increased shareholding among employees is good for everyone because then you get a common agenda, common motivation and a common profit if the company actually does better. So moving to a more share-based program is something that is also not only motivating but also easier to understand, easier to manage and also easier to present to any new employees or people who are not so financially knowledgeable so that you should familiarize yourself with other complicated different types of instruments.

We have evaluated a number of different proposals and we have come to the conclusion that a cash-based long-term shareholder program is what is probably best for Munters and our employees. This is something we are now proposing to the Annual General Meeting and it is more of an information item for the AGM and we will also then continuously report outcomes according to a number of different set long-term objectives, financial as well as non-financial, and we will of course also discuss the effectiveness of this program and constantly develop it in the future.

Question:

Thanks Magnus.

Klas - now 2021 has already started and now we are in May, could you give a brief account of how the start of the year 2021 has been for Munters?

Klas:

Absolutely, 2021 was characterized during the first quarter by improved market conditions. There was continued good development in the industrial segment in AirTech, mainly the pharma part but also the battery part, and we started the year strong with growth and also improved profitability.

But even more, we continued to implement our strategy. It was very gratifying that, thanks to the strong market in North America in data center, we decided to make an investment in increased capacity and improved efficiency in the production of our data center units. In Sweden, we invested even more in our development resources and our innovation. We inaugurated a research and development center with a lab here in Kista, very gratifying.

We also evaluated FoodTech and concluded in a new updated strategy. A strategy that includes continued development in innovation and streamlining of what we call the equipment part. But even more an acceleration of and driving our market forward in the data and software part where we can create a lot of value for large food producers around the world.

The main effect of the Covid-19 pandemic in the first quarter was very much about disruptions and challenges in the supply chain. It was something that not only affected Munters but something that affected the entire manufacturing industry in the world. For us, it was about mitigating it, concerning everything from container transports to managing increases in raw material costs. I think our organization has handled it in a very good way, but here we must continue to be on our guard. In this regard, the ripple effects of the pandemic will continue in the coming months.

Question:

Thanks Klas.

To conclude this interview, Klas - could you say a few words about where Munters is right now on the journey towards strengthening the profitable growth?

Gladly Ann-Sofi, Munters focus is on innovation and continued development of our strong products and what we deliver to our markets and customers. It includes both our own developments, collaboration but also acquisitions in the future.

In addition, today we have technologically leading solutions, we are close to the customer and capture customer requirements in a good way. Not only customer requirements we see today but also customer requirements in the future. And I am absolutely convinced that we will continue this work well into the future and I usually say that Munters' best time is still ahead of us. Thanks!

- So thank you both for that discussion today, thank you.