Quarterly Report

1-2020

MEYER BURGER

Meyer Burger Group

Meyer Burger is a leading technology company with a global presence, specialising in innovative systems and production equipment for the photovoltaic (solar) industry. As an internationally renowned premium brand, Meyer Burger offers its customers in the PV industry dependable precision products and innovative solutions for the manufacture of high-efficiency solar cells and solar modules.

The comprehensive product range is complemented by a worldwide service network with spare and wearing parts, consumables, process know-how, maintenance and after-sales service, training courses and additional services. Meyer Burger is represented in the respective key markets in Europe and Asia and has subsidiaries and its own service centers in China, Germany Japan, Korea, Malaysia, Switzerland, Singapore, Taiwan and the USA.

Key Figures

Consolidated income statement

in TCHF	1.1.–31.3.2020	1.1.–31.3.2019
Net sales	27 232	43 615
Operating income after costs of products and services	10 955	27 801
in % of net sales	40.2%	63.7%
EBITDA	–14 862	–11 205
in % of net sales	–54.6%	–25.7%
EBIT	–17 254	–14 944
in % of net sales	–63.4%	–34.3%
Net result	–20 593	–15 740

Consolidated balance sheet

in TCHF	31.3.2020	31.12.2019
Total assets	244 632	274 610
Current assets	161 428	182 666
Non-current assets	83 204	91 944
Current liabilities	90 016	93 638
Non-current liabilities	3 585	4 812
Equity	151 031	176 160
Equity ratio	61.7%	64.1%

Meyer Burger uses certain key figures to measure its performance that are not defined by Swiss GAAP FER. As these key figures are not defined by Swiss GAAP FER, there might be limited comparability to similar figures presented by other companies. In order to better explain these key figures, the following definitions are presented:

- "Operating income after costs of products and services" corresponds to total income including other operating income, e.g. gain from sale of group companies less changes in inventories or finished and semi-finished products and machines before acceptance, cost of products and services and capitalised goods and services.
- "EBITDA" corresponds to the operating result (EBIT) before depreciation on tangible fixed assets and amortisation of intangible assets, the financial result, the result from investment in associates, the non-operating result and income taxes.
- "EBIT" corresponds to the operating result, before the financial result, the result from investment in associates, the non-operating result and income taxes.

Management Report 1st Quarter 2020

Dear Shareholders

At the Annual General Meeting held on 13 May 2020, Meyer Burger announced that it was considering plans for establishing an own large-scale cell and module production in Germany. The reason for this fundamental change of direction is the finding that MBTN was not able to generate profits from its undisputed technological leadership in recent years. MBTN has shaped the development of photovoltaics along the entire value chain and set the industry's essential standards, such as the diamond wire saw technology, the PERC technology and precision measurement technology for solar modules. A large proportion of the solar modules produced worldwide today are based on technologies developed by Meyer Burger. By selling its machines, however, Meyer Burger relinquished control of its technology and largely left the realisation of the added value creation to its customers.

The Board of Directors of Meyer Burger has decided that Meyer Burger will in the future manufacture production machines for heterojunction/SmartWire as a rule exclusively for its own use only and will aim to become a leading global producer of solar cells and solar modules. In so doing, the entire value chain remains with Meyer Burger. The protection of the proprietary technology and the know-how can be strengthened, and future improvements of the production facilities will no longer be shared with third parties. The standard equipment business and the service business are expected to be continued.

Sehr geehrte Aktionärinnen, sehr geehrte Aktionäre

Im Rahmen der ordentlichen Generalversammlung am 13. Mai 2020 hatte Meyer Burger bekannt gegeben, Pläne für eine eigene gross skalierte Zell- und Modulproduktion in Deutschland zu prüfen. Grund für diesen fundamentalen Richtungswechsel ist die Erkenntnis, dass Meyer Burger aus ihrer unbestrittenen Technologieführerschaft in den letzten Jahren keinen Gewinn erzielen konnte. Meyer Burger hat die Entwicklung der Photovoltaik entlang der gesamten Wertschöpfung geprägt und setzt die wesentlichen Standards der Industrie, wie zum Beispiel die Diamantdrahtsägen-Technologie, die PERC-Technologie und Präzisionsmesstechnik für Solarmodule. Ein Grossteil der heute weltweit produzierten Solarmodule basiert auf Technologien von Meyer Burger. Mit dem Verkauf ihrer Maschinen gab Meyer Burger jedoch ihre Technologie aus der Hand und überliess die Realisierung des geschaffenen Mehrwerts weitestgehend ihren Kunden.

Der Verwaltungsrat der Meyer Burger hat entschieden, Produktionsmaschinen für die Heterojunction/SmartWire grundsätzlich nur noch exklusiv zum eigenen Gebrauch herzustellen und beabsichtigt, Meyer Burger zu einem technologisch führenden Hersteller von Solarzellen und Solarmodulen zu transformieren. Dadurch bleibt die gesamte Wertschöpfung bei Meyer Burger. Die proprietäre Technologie und das Know-how werden besser geschützt, künftige Verbesserungen der Fertigungsanlagen werden nicht mehr mit Dritten geteilt. Weitergeführt werden das Geschäft mit Standardequipment und das Servicegeschäft.

New business model with significant profit potential

The change from a machine supplier to a vertically integrated module manufacturer is the right and next logical step to secure an appropriate share of the value that our globally leading technology generates.

With heterojunction/SmartWire, Meyer Burger has developed next-generation photovoltaic technology and made it ready for the market. The heterojunction/SmartWire technology is more efficient and more profitable than the current standard Mono-PERC and than other heterojunction technologies currently available. The high performance of the modules at comparatively low production costs are expected to enable us to enter both the high-margin and disproportionately fast-growing segment of roof top systems and the more price-sensitive solar power utility segment. On this basis, the Board of Directors believes that the company can achieve a unique position within the photovoltaic industry and with sizable margins create substantial and sustainable added value for its shareholders.

Meyer Burger delivered the proof of concept of heterojunction/SmartWire in mass production at the end of 2019 by successfully establishing a 600 MW production line for a client. The proceeds from the capital increase are expected to be used primarily to build up production capacities and the sales organisation. Meyer Burger will save significant time and economic resources by acquiring existing production sites in Germany.

Meyer Burger intends to start production in the first half of 2021 and to gradually expand it in the following years. There are currently letters of intent from potential customers in Europe and the USA to purchase over 2 GW per year. Initially, PV modules are envisaged to be produced primarily for the attractive segment of roof top systems. Meyer Burger is aiming for an annual production capacity of 400 MW during this phase. The Board of Directors expects that this production volume will enable the newly positioned Meyer Burger Group to achieve an operating profit.

Neues Geschäftsmodell mit bedeutendem Gewinnpotenzial

Der Wandel vom Maschinenanbieter zum vertikal integrierten Modulhersteller ist der richtige und konsequente Schritt, um uns einen angemessenen Anteil am Wert zu sichern, den unsere global führende Technologie generiert.

Mit Heterojunction/SmartWire hat Meyer Burger die Photovoltaiktechnologie der nächsten Generation entwickelt und zur Marktreife gebracht. Die Heterojunction/SmartWire-Technologie ist effizienter und ertragsstärker als der aktuelle Standard Mono-PERC wie auch als andere derzeit erhältliche Heterojunction-Technologien. Die hohe Leistungsfähigkeit der Module bei vergleichsweise geringen Produktionskosten ermöglicht sowohl den Eintritt in das margenstarke und überproportional schnell wachsende Segment der Dachanlagen als auch in das preissensitivere Solarkraftwerksegment. Auf dieser Grundlage kann das Unternehmen nach Auffassung des Verwaltungsrats eine einzigartige Positionierung in der Photovoltaik-Industrie erreichen und mit attraktiven Margen einen substanziellen und nachhaltigen Mehrwert für ihre Aktionäre schaffen.

Mit dem erfolgreichen Aufbau einer 600-MW-Produktionslinie für einen Kunden hat Meyer Burger Ende 2019 den Anwendungsbeweis der Heterojunction/SmartWire in der Massenproduktion erbracht. Mit den Erlösen aus der Kapitalerhöhung sollen in erster Linie Produktionskapazitäten und die Vertriebsorganisation aufgebaut werden. Mit der geplanten Übernahme von bereits bestehenden Produktionsstandorten in Deutschland spart Meyer Burger signifikant Zeit und Geld.

Meyer Burger beabsichtigt, die Produktion im ersten Halbjahr 2021 zu starten und sie in den folgenden Jahren schrittweise auszuweiten. Aktuell liegen Kaufabsichtserklärungen von potenziellen Kunden aus Europa und der USA im Umfang von über 2 GW pro Jahr vor. Zunächst sollen PV-Module in erster Linie für das attraktive Segment der Dachanlagen hergestellt werden. Meyer Burger strebt in dieser Phase eine jährliche Produktionskapazität von 400 MW an. Der Verwaltungsrat rechnet damit, dass die neu ausgerichtete Meyer Burger Gruppe bereits mit diesem Produktionsvolumen einen operativen Gewinn erreichen kann.

In line with the demand for Meyer Burger's high-quality products, it is intended to increase capacity to 1.4 GW of cell and 0.8 GW of module production by the beginning of 2022 through the raising of a total of around CHF 180 million in borrowed capital in 2021. On this basis, Meyer Burger expects annual sales of CHF 400 million – CHF 450 million and an EBITDA margin of 25%–30% from 2022 onwards.

Simplified organisational structure, lower fixed costs

In the first quarter of 2020, we were able to simplify our organisational structure and significantly lowered the fixed cost base. Through restructuring, our workforce was reduced to 730 employees (in full-time equivalents, FTE) at the end of the first quarter of 2020. At the same time, our personnel and operating expense declined by 33.8% compared to the first quarter of 2019, to CHF 25.8 million. Starting in mid-March, we had to introduce short-time working at our sites in Hohenstein-Ernstthal (Germany) as well as Thun and Hauterive (Switzerland) due to the COVID-19 pandemic. However, the strategically important projects are not affected by this measure. We expect to see the full effect of our cost reduction measures until the end of 2020.

Incoming orders and net sales

Not only Meyer Burger has been affected by the COVID-19 pandemic, but also our business partners and major investment projects in the solar sector. Business remained below expectations overall. In this difficult market environment and due to the failure of a major project order to materialise, Meyer Burger had incoming orders of CHF 21.6 million (Q1 2019: CHF 47.1 million). Adjusted for divestments and currency effects, the orders received fell by 45.9%. Orders on hand as of 31 March 2020 amounted to CHF 88.6 million (31.12.2019: CHF 104.8 million). The book-to-bill ratio was 0.79 for the first quarter of 2020 (1.08 in Q1 2019).

Der Nachfrage nach den hochwertigen Produkten von Meyer Burger entsprechend, ist beabsichtigt durch Aufnahme von insgesamt rund CHF 180 Millionen Fremdkapital im 2021 die Kapazität bis Anfang 2022 auf 1,4 GW Zell- und 0,8 GW Modulproduktion anzuheben. Meyer Burger erwartet auf dieser Basis ab 2022 einen jährlichen Umsatz von CHF 400 Millionen – CHF 450 Millionen und eine EBITDA Marge von 25% – 30%.

Vereinfachte Organisationsstruktur, tiefere Fixkosten

Im ersten Quartal 2020 haben wir unsere Organisationstruktur vereinfacht und die Fixkostenbasis deutlich gesenkt. Im Rahmen der Restrukturierung wurde der Personalbestand per Ende erstes Quartal 2020 auf 730 Mitarbeitende (in Vollzeitstellen, FTE) reduziert. Gleichzeitig sind unsere Personal- und Betriebskosten im Vergleich zum ersten Quartal 2019 um 33.8% auf CHF 25.8 Millionen gesunken. Ab Mitte März mussten wir aufgrund der COVID-19-Pandemie an unseren Standorten in Hohenstein-Ernstthal (Deutschland) sowie Thun und Hauterive (Schweiz) Kurzarbeit einführen. Die strategisch zentralen Projekte sind von dieser Massnahme jedoch nicht betroffen. Den vollen Effekt unserer Kostensenkungsmassnahmen erwarten wir bis Ende 2020.

Auftragseingang und Nettoumsatz

Von der COVID-19-Pandemie waren im ersten Quartal nicht nur Meyer Burger selbst, sondern auch unsere Geschäftspartner sowie grosse Investitionsprojekte im Solarbereich betroffen. Insgesamt blieb die Geschäftstätigkeit unter den Erwartungen. In diesem schwierigen Marktumfeld und wegen Ausbleibens eines grösseren Projektauftrages erzielte Meyer Burger einen Auftragseingang von CHF 21.6 Millionen (Q1 2019: CHF 47.1 Millionen). Bereinigt um Devestitionen und Wechselkurseffekte sank der Bestellungseingang um 45.9%. Der Auftragsbestand belief sich per 31. März 2020 auf CHF 88.6 Millionen (31.12.2019: CHF 104.8 Millionen). Die Book-to-Bill Ratio (Verhältnis Auftragseingang zu Nettoumsatz) lag im ersten Quartal 2020 bei 0.79 (Q1 2019: Verhältnis von 1.08).

Der Nettoumsatz sank im Vergleich zur Vorjahresperiode auf CHF 27.2 Millionen (Q1 2019: CHF 43.6 Millionen, bereinigt um Devestitionen CHF 35.9 Millionen). Positive Währungseinflüsse machten rund CHF 1.6 Millionen aus. Bereinigt um Währungseffekte und Devestitionen lag der organische Umsatzrückgang der weitergeführten

Net sales dropped to CHF 27.2 million compared to the previous year (Q1 2019: CHF 43.6 million or CHF 35.9 million after adjusting for divestments). Positive currency effects accounted for around CHF 1.6 million. Adjusted for currency effects and divestments, the organic decline in sales recorded in the retained business areas was –20.5%. The regional sales mix has changed slightly from the previous year, although Asia remains the most important sales region for Meyer Burger: Asia accounted for 68.9% of net sales during the first quarter of 2020 (57.1% in Q1 2019), Europe for 21.4% (35.6% in Q1 2019) and the Americas for approx. 9.7% (7.3% in Q1 2019).

Operating income after costs of products and services was CHF 11.0 million (CHF 27.8 million in Q1 2019), with a margin of 40.2% during the first quarter of 2020 (63.7% in Q1 2019).

EBITDA and EBIT

Personnel expenses dropped by CHF 11.6 million or 40.2% compared to the previous year, to CHF 17.2 million (Q1 2019: CHF 28.8 million), due to the divestment of non-strategic business areas. We were thus able to further increase the flexibility of our organisation. Other operating expenses stood at CHF 8.6 million (–15.7% compared to Q1 2019).

Due to the decline in sales, EBITDA was below the level for the same period in the previous year. The figure was CHF –14.9 million in the first quarter of 2020 (CHF –11.2 million in Q1 2019).

Write-offs totaled CHF 2.4 million (CHF 3.7 million in Q1 2019). The result at the EBIT level was CHF –17.3 million (CHF –14.9 million in Q1 2019).

Group result

The net financial result in the first quarter of 2020 amounted to CHF –2.7 million (CHF –1.9 million in Q1 2019). Financial expense in Q1 2020 included interest expense for the convertible bond of CHF –0.5 million (Q1 2019: CHF –0.5 million).

The valuation of intercompany loans to foreign subsidiaries led to positive unrealised foreign currency translation effects of CHF 1.5 million (Q1 2019: CHF <0.1 million). In addition, there were other unrealised currency translation effects of CHF –3.4 million (Q1 2019: CHF –0.4 million), interest expense for mortgage loans and other interest expense of CHF –0.1 million (Q1 2019: CHF –0.4 million), and other financial expense of CHF –0.2 million (Q1 2019: CHF –0.6 million). The share of result from associated companies amounted to CHF –0.7 million.

Geschäfte bei –20.5%. Der Umsatzmix nach Regionen hat sich im Vergleich zum Vorjahr leicht verändert, wobei Asien nach wie vor die wichtigste Absatzregion für Meyer Burger bleibt: Asien verzeichnete 68.9% (Q1 2019: 57.1%), Europa 21.4% (Q1 2019: 35.6%) und Americas rund 9.7% (Q1 2019: 7.3%) des Nettoumsatzes im ersten Quartal 2020.

Die Betriebsleistung nach Materialaufwand und Vorleistungen belief sich auf CHF 11.0 Millionen (Q1 2019: CHF 27.8 Millionen), mit einer Marge von 40.2% im ersten Quartal 2020 (Q1 2019: 63.7%).

EBITDA und EBIT

Die Personalkosten sanken um CHF 11.6 Millionen bzw. 40.2% gegenüber der Vorjahresperiode auf CHF 17.2 Millionen (Q1 2019: CHF 28.8 Millionen), mitunter auch aufgrund der Devestition nicht strategischer Geschäftsbereiche. Damit gelang es, die Organisation nochmals flexibler zu aufzustellen. Der sonstige Betriebsaufwand lag bei CHF 8.6 Millionen (–15.7% im Vergleich zu Q1 2019).

Aufgrund des Umsatzrückgangs lag das EBITDA unter dem Vergleichswert der Vorjahresperiode. Der Wert erreichte im ersten Quartal 2020 CHF –14.9 Millionen (Q1 2019: CHF –11.2 Millionen).

Die Abschreibungen beliefen sich auf CHF 2.4 Millionen (Q1 2019: CHF 3.7 Millionen). Das Ergebnis auf Stufe EBIT lag bei CHF –17.3 Millionen (Q1 2019: CHF –14.9 Millionen)

Konzernergebnis

Das Finanzergebnis netto betrug im ersten Quartal 2020 CHF –2.7 Millionen (Q1 2019: CHF –1.9 Millionen). Im Finanzaufwand im Q1 2020 enthalten sind Zinsaufwendungen für die Wandelanleihe von CHF –0.5 Millionen (Q1 2019: CHF –0.5 Millionen).

Die Bewertung von Intercompany-Darlehen an ausländische Tochtergesellschaften führte zu nicht realisierten positiven Fremdwährungseffekten von CHF 1.5 Millionen (Q1 2019: CHF <0.1 Millionen). Des Weiteren sind übrige nicht realisierte Fremdwährungseffekte von CHF –3.4 Millionen (Q1 2019: CHF –0.4 Millionen), Zinsen für Immobiliendarlehen und übrige Zinsen von CHF –0.1 Millionen (Q1 2019: CHF –0.4 Millionen), sowie übriger Finanzaufwand von CHF –0.2 Millionen (Q1 2019: CHF –0.6 Millionen) im Finanzergebnis enthalten. Das anteilige Ergebnis assoziierter Unternehmen betrug CHF –0.7 Millionen.

Tax income in the first quarter of 2020 stood at CHF 0.0 million (tax income of CHF 1.1 million in Q1 2019).

Meyer Burger generated a group result of CHF –20.6 million in the first quarter of 2020 (CHF –15.7 million in Q1 2019).

Balance sheet as of 31 March 2020

The balance sheet total stood at CHF 244.6 million (CHF 274.6 million as of 31.12.2019). Cash and cash equivalents amounted to CHF 26.1 million. In addition, the Group has CHF 26.3 million of liquidity with limited availability within the scope of guarantee facilities for customer prepayments. Including liquidity with limited availability, the net cash position stood at CHF 23.3 million (31.12.2019: CHF 33.1 million). Tangible fixed assets amounted to CHF 32.0 million. The financial liability was CHF 93.6 million. Equity stood at CHF 151.0 million (CHF 176.2 million as of 31.12.2019). The equity ratio was 61.7% as of 31 March 2020 (64.1% as of 31.12.2019).

Cash flow

Cash flow from operating activities amounted to CHF –7.8 million (CHF –13.5 million in Q1 2019). The cash flow from investment activities was CHF –1.6 million (CHF –1.7 million in Q1 2019). This resulted in a free cash flow of CHF –9.4 million (CHF –15.2 million in Q1 2019). Cash flow from financing activities stood at CHF +0.5 million (CHF 0.0 million in Q1 2019).

Outlook

At this time, Meyer Burger enjoys a market environment with outstanding opportunities

– The old PERC photovoltaic technology is largely exhausted. With its heterojunction/SmartWire technology, Meyer Burger believes it currently possesses the most promising technology to drive the industry's next performance leap.
– The European and global market potential is considerable. In Germany, renewable energies are to supply 65% of electricity by 2030, and Europe is to become climate-neutral by 2050. In Germany alone, the German government has set a photovoltaic expansion target of 98 GW. With its Energy Strategy 2050, Switzerland also wants to increase energy efficiency and promote renewable energies such as photovoltaics. According to the will of the Federal Council, Switzerland's basic supply of electricity should in future consist of Swiss electricity from 100% renewable energies as standard. Due to limited space, especially in Western Europe, highly efficient technology is particularly important for achieving these goals.

Für das erste Quartal 2020 fiel ein Steuerertrag von CHF 0.0 Millionen an (Q1 2019: Steuerertrag von CHF 1.1 Millionen).

Meyer Burger hat im ersten Quartal 2020 ein Konzernergebnis von CHF –20.6 Millionen erwirtschaftet (Q1 2019: CHF –15.7 Millionen).

Bilanz per 31. März 2020

Die Bilanzsumme lag bei CHF 244.6 Millionen (31.12.2019: CHF 274.6 Millionen). Die flüssigen Mittel beliefen sich auf CHF 26.1 Millionen. Zusätzlich verfügt die Gruppe über CHF 26.3 Millionen Liquidität mit beschränkter Verfügbarkeit im Rahmen von Garantielinien für Kundenanzahlungen. Inklusive der Liquidität mit beschränkter Verfügbarkeit belief sich die Netto-Cash-Position auf CHF 23.3 Millionen (31.12.2019: CHF 33.1 Millionen). Die Sachanlagen betrugen CHF 32.0 Millionen. Das Fremdkapital lag bei CHF 93.6 Millionen. Das Eigenkapital betrug CHF 151.0 Millionen (31.12.2019: CHF 176.2 Millionen). Die Eigenkapitalquote per 31. März 2020 lag bei 61.7% (31.12.2019: 64.1%).

Cashflow

Der operative Cashflow lag bei CHF –7.8 Millionen (Q1 2019: CHF –13.5 Millionen). Der Cashflow aus Investitionstätigkeit lag bei CHF –1.6 Millionen (Q1 2019: CHF –1.7 Millionen). Damit erreichte der Free Cashflow CHF –9.4 Millionen (Q1 2019: CHF –15.2 Millionen) Der Cashflow aus Finanzierungstätigkeit lag bei CHF +0.5 Millionen (Q1 2019: CHF 0.0 Millionen).

Ausblick

Aktuell bietet sich für Meyer Burger ein Marktumfeld mit herausragenden Chancen:

– Die alte PERC-Photovoltaiktechnologie ist weitestgehend ausgereizt. Meyer Burger verfügt mit der Heterojunction/SmartWire-Technologie über die derzeit vielversprechendste Technologie, um den nächsten Leistungssprung der Industrie anzutreiben.
– Das europäische und globale Marktpotenzial ist beträchtlich. In Deutschland sollen bis 2030 erneuerbare Energien 65% des Stroms liefern, Europa soll bis 2050 klimaneutral werden. Allein in Deutschland hat die Bundesregierung dafür ein Photovoltaik-Ausbauziel von 98 GW beschlossen. Auch die Schweiz will mit der Energiestrategie 2050 die Energieeffizienz steigern und erneuerbare Energien wie die Photovoltaik fördern. Nach dem Willen des Bundesrates soll in Zukunft die Grundversorgung der Schweiz standardmässig aus Schweizer Strom aus 100% erneuerbaren Energien bestehen. Aufgrund begrenzter Flächen, vor allem in Westeuropa, ist eine hocheffiziente Technologie zum Erreichen dieser Ziele besonders wichtig.

– With the European Green Deal, the European climate targets and the plans for the reorientation of the economy after the Corona pandemic, the current European industrial policy context is giving the solar industry a tailwind. Solar energy is the world's most cost-effective, environmentally, and climate-friendly technology for generating electricity and a significant factor for strategic autonomy in the energy sector. With local production, Europe can secure access to the leading technology for power generation of the future, build up a local value chain that is robust against crises and exploit know-how generated in Europe.

Affordable solar power for everyone is the vision of the new Meyer Burger. The company is determined to make a contribution to the environmentally friendly restructuring of the European industry and create up to 3,500 direct jobs in the medium term. Local production reduces time in the supply chain, transport routes and thus CO_2 emissions.

The company is hard at work to implement this step in its own production. We are convinced that the transition to a module manufacturer offers the best growth prospects for Meyer Burger.

Thank you for your continued trust in Meyer Burger.

Yours sincerely,

– Mit dem europäischen Green Deal, den europäischen Klimazielen und den Plänen für die Neuausrichtung der Wirtschaft nach der Corona-Pandemie verleiht der aktuelle europäische industriepolitische Kontext der Solarindustrie Rückenwind. Solarenergie ist weltweit die kostengünstigste, umwelt- und klimafreundlichste Technologie, um Strom zu erzeugen, und ein signifikanter Faktor für strategische Autonomie im Energiesektor. Europa kann sich mit lokaler Fertigung Zugriff auf die künftig führende Technologie zur Stromerzeugung sichern, eine lokale und gegen Krisen robuste Wertschöpfungskette aufbauen und in Europa generiertes Know-how hierzulande verwerten.

Bezahlbarer Solarstrom für alle ist die Vision der neuen Meyer Burger. Das Unternehmen will einen Beitrag zum umweltfreundlichen Umbau der europäischen Industrie leisten und mittelfristig bis zu 3500 direkte Arbeitsplätze schaffen. Lokale Fertigung reduziert zeitliche Lieferketten, Transportwege und damit den CO_2-Ausstoss.

Das Unternehmen arbeitet mit Hochdruck an der Umsetzung dieses Schritts in die eigene Fertigung. Wir sind überzeugt, dass die Entwicklung zum Modulhersteller die besten Wachstumsperspektiven für Meyer Burger bietet.

Wir danken Ihnen für Ihr anhaltendes Vertrauen in Meyer Burger.

Freundliche Grüsse

F. Richter

Dr Franz Richter
Chairman of the Board
of Directors

Dr Gunter Erfurt
Chief Executive Officer

Consolidated Balance Sheet

in TCHF	31.3.2020		31.12.2019	
Assets				
Current assets				
Cash and cash equivalents	26 140		35 548	
Trade receivables	9 075		14 431	
Other current receivables	50 147		46 898	
Net receivables from production contracts	25 652		35 137	
Inventories	45 923		46 795	
Prepaid expenses and accrued income	4 491		3 857	
Total current assets	**161 428**	**66.0%**	**182 666**	**66.5%**
Non-current assets				
Financial assets	10 927		10 915	
Investments in associates	23 830		27 158	
Property, plant and equipment	31 986		32 859	
Intangible assets	4 799		5 800	
Deferred tax assets	11 662		15 212	
Total non-current assets	**83 204**	**34.0%**	**91 944**	**33.5%**
Total assets	**244 632**	**100.0%**	**274 610**	**100.0%**
Liabilities and equity				
Liabilities				
Current liabilities				
Financial liabilities	26 407		26 186	
Trade payables	13 247		17 274	
Net liabilities from production contracts	5 980		6 774	
Customer prepayments	9 586		7 182	
Other liabilities	3 153		3 084	
Provisions	8 564		11 179	
Accrued expenses and prepaid income	23 079		21 959	
Total current liabilities	**90 016**	**36.8%**	**93 638**	**34.1%**
Non-current liabilities				
Financial liabilities	2 350		1 889	
Other liabilities	384		748	
Provisions	774		794	
Deferred tax liabilities	77		1 381	
Total non-current liabilities	**3 585**	**1.5%**	**4 812**	**1.8%**
Total liabilities	**93 601**	**38.3%**	**98 450**	**35.9%**
Equity				
Share capital	34 259		34 259	
Capital reserves	1 001 235		1 001 228	
Treasury shares	–4 270		–5 610	
Reserve for share-based payments	2 452		4 283	
Accumulated losses	–882 645		–858 000	
Total equity	**151 031**	**61.7%**	**176 160**	**64.1%**
Total liabilities and equity	**244 632**	**100.0%**	**274 610**	**100.0%**

The Notes starting on page 15 are an integral part of the consolidated financial statements.

Consolidated Income Statement

in TCHF	1.1.–31.3.2020		1.1.–31.3.2019	
Net sales	**27 232**	**100.0%**	**43 615**	**100.0%**
Other operating income	1 968		1 063	
Currency translation gains and losses on trade receivables and customer prepayments	1 950		407	
Income	**31 150**		**45 085**	
Changes in inventories of finished and semi-finished products and machines before acceptance	–6 462		28 039	
Cost of products and services	–14 811		–46 032	
Capitalised goods and services	1 077		709	
Operating income after costs of products and services	**10 955**	**40.2%**	**27 801**	**63.7%**
Personnel expenses	–17 243		–28 836	
Operating expenses	–8 574		–10 170	
Earnings before interests, taxes, depreciation and amortisation (EBITDA)	**–14 862**	**–54.6%**	**–11 205**	**–25.7%**
Depreciation and impairment on property, plant, equipment	–1 511		–2 504	
Amortisation and impairment on intangible assets	–882		–1 235	
Earnings before interests and taxes (EBIT)	**–17 254**	**–63.4%**	**–14 944**	**–34.3%**
Financial result	–2 678		–1 891	
Result from investments in associates	–678		–	
Ordinary result	**–20 610**	**–75.7%**	**–16 836**	**–38.6%**
Non-operating result	5		–	
Earnings before taxes	**–20 605**	**–75.7%**	**–16 836**	**–38.6%**
Income taxes	12		1 095	
Result	**–20 593**	**–75.6%**	**–15 740**	**–36.1%**
Attributable to				
Shareholders of Meyer Burger Technology Ltd	–20 593		–15 740	
in CHF				
Earnings per share in CHF				
Basic earnings per share	–0.03		–0.02	
Diluted earnings per share	–0.03		–0.02	

The Notes starting on page 15 are an integral part of the consolidated financial statements.

Meyer Burger uses certain key figures to measure its performance that are not defined by Swiss GAAP FER. As these key figures are not defined by Swiss GAAP FER, there might be limited comparability to similar figures presented by other companies. In order to better explain these key figures, the following definitions are presented:

- "Operating income after costs of products and services" corresponds to total income including other operating income, e.g. gain from sale of group companies less changes in inventories or finished and semi-finished products and machines before acceptance, cost of products and services and capitalised goods and services.
- "EBITDA" corresponds to the operating result (EBIT) before depreciation on tangible fixed assets and amortisation of intangible assets, the financial result, the result from investment in associates, the non-operating result and income taxes.
- "EBIT" corresponds to the operating result, before the financial result, the result from investment in associates, the non-operating result and income taxes.

Consolidated Statement of Changes in Equity

in TCHF	Attributable to shareholders of Meyer Burger Technology Ltd	
	Share capital	Capital reserves
Equity as at 1.1.2019	**31 144**	**968 324**
Result	–	–
Currency translation differences recognised in reporting period	–	–
Capital increase	3 114	31 595
Sale/use of treasury shares	–	–5
Share-based payments	–	–
Transfer of shares for employees to the plan participants after vesting period	–	
Reclassification	–	1 062
Equity at 31.3.2019	**34 259**	**1 000 976**
Equity as at 1.1.2020	**34 259**	**1 001 228**
Result	–	–
Currency translation differences recognised in reporting period	–	–
Sale/use of treasury shares	–	7
Share-based payments	–	–
Transfer of shares for employees to the plan participants after vesting period	–	–
Equity as at 31.3.2020	**34 259**	**1 001 235**

The Notes starting on page 15 are an integral part of the consolidated financial statements.

Attributable to shareholders of Meyer Burger Ltd						
Treasury shares	Reserve for share-based payments	Currency translation differences	Offset goodwill	Other retained earnings	Accumulated losses	Total equity
–8741	4307	–26117	–213555	–573652	–813324	181711
–	–	–	–	–15740	–15740	–15740
–	–	–1099	–	–	–1099	–1099
–	–	–	–	–	–	34709
–7	–	–	–	–	–	–12
–	541	–	–	–	–	541
951	–951	–	–	–	–	–
–	–1062	–	–	–	–	–
–7797	2835	–27216	–213555	–589392	–830163	200111
–5610	4283	–27468	–217231	–613302	–858000	176160
–	–	–	–	–20593	–20593	–20593
–	–	–4052	–	–	–4052	–4052
–12	–	–	–	–	–	–5
–	–479	–	–	–	–	–479
1352	–1352	–	–	–	–	–
–4270	2452	–31520	–217231	–633895	–882645	151031

Condensed Consolidated Cash Flow Statement

in TCHF	1.1.–31.3.2020	1.1.–31.3.2019
Result	**–20593**	**–15740**
Non-cash items	–126	1639
Decrease of net working capital	12950	643
Cash flow from operating activities	**–7769**	**–13458**
Investments in property, plant and equipment	–1598	–2298
Sale of property, plant and equipment	48	711
Investments in intangible assets	–71	–118
Cash flow from investing activities	**–1621**	**–1705**
Change in (current) financial liabilities	511	25
Cash flow from financing activities	**511**	**25**
Change in cash and cash equivalents	**–8879**	**–15138**
Cash and cash equivalents at beginning of period	**35548**	**89799**
Currency translation differences on cash and cash equivalents	–529	209
Cash and cash equivalents at end of period	**26140**	**74870**

The Notes starting on page 15 are an integral part of the consolidated financial statements.

Condensed Notes to the Consolidated Financial Statements

General information

Meyer Burger Technology Ltd is a public limited company constituted in accordance with Swiss law. The address of the company's registered office is Schorenstrasse 39, 3645 Gwatt/Thun, Switzerland. Meyer Burger Technology Ltd registered shares (ticker: MBTN) are listed on the SIX Swiss Exchange in Zurich. The fiscal year of Meyer Burger Technology Ltd runs from 1 January to 31 December.

The Board of Directors approved these consolidated interim financial statements of Meyer Burger Group for publication on 18 June 2020. The auditors have conducted a review of the statements. For the report on the review, see page 21.

The Group currency (reporting currency) is the Swiss Franc (CHF). The consolidated statements are presented in thousands of Swiss Francs.

Meyer Burger is a leading global technology company specialising in innovative systems and processes based on semiconductor technologies. The company's focus is on photovoltaics (solar industry) while its competencies and technologies also cover important areas of the semiconductor and the optoelectronic industries as well as other selected high-end markets based on semiconductor materials. As an international brand, Meyer Burger offers its customers in the PV industry superior products and innovative solutions for the manufacturing processes of solar cells and connection technologies. Meyer Burger provides substantial added value to its customers and clearly differentiates itself from its competitors by focusing on the core technologies of the value chain. A worldwide service network with spare parts, consumables, process know-how, customer support, after-sales services, training and other services complements the company's comprehensive product portfolio. Meyer Burger is represented in Europe, Asia and North America in the respective key markets, and has subsidiaries and own service centres in China, Germany, India, Korea, Malaysia, the Netherlands, Switzerland, Singapore, Taiwan and the USA.

Significant Accounting Policies

The significant accounting and valuation policies are described in detail in the Annual Report for the year ended 31 December 2019. The policies described have been applied consistently to the reporting periods presented.

1.1 Basis of accounting

The consolidated interim financial statements have been prepared in accordance with the standards of Swiss GAAP FER 31 "Additional recommendations for listed companies", which allows some simplification of the reporting and disclosures compared to the preparation of annual financial statements. These standards give a true and fair view of the net assets, financial position and results of operations.

No amendments to the Swiss GAAP FER Standards have come into force that are relevant to Meyer Burger.

1.2 Changes in scope of consolidation

Sale of inkjet printing business (PiXDRO)

On 2 April 2020, Meyer Burger announced the closing on the sale of its inkjet printing business (PiXDRO) located within Meyer Burger (Netherlands) B.V., Eindhoven, Netherlands as per 31 March 2020. The transaction price was settled in cash EUR 3.9 million (CHF 4.1 million) in April 2020. The business generated CHF 0.7 million net revenues and contributed CHF –0.7 million to the interim ordinary result of the period under review. The Group recorded a gain on sale of the divestment of CHF 0.1 million that is presented in the “Other operating income” of the consolidated income statement.

Oxford Photovoltaics Limited

In March 2019, Meyer Burger acquired 67,403 shares of Oxford Photovoltaics Limited, London, United Kingdom. The transaction price was settled in Meyer Burger shares with a total value of CHF 37.3 million originating from the capital increase in March 2019 and included directly allocated costs of CHF 1.2 million. In July 2019, Meyer Burger called its option to buy 1,729 additional shares for a cash consideration of CHF 1.0 million. As of 31 December 2019, the 69,132 shares held corresponded to 19.76% of ordinary shares of Oxford Photovoltaics Limited. Oxford Photovoltaics Limited was founded in 2010 as a spin-out from University of Oxford in the United Kingdom and has developed perovskite tandem solar cells, which form the basis of the strategic partnership with Meyer Burger.

Due to the strategic partnership in the industrialisation of Oxford Photovoltaics Limited’s technologies and Board membership of a Meyer Burger representative, significant influence of Meyer Burger over Oxford Photovoltaics Limited was identified and thus the investment is classified as an associated company and included in the scope of consolidation at equity since its acquisition on 28 March 2019 including its fully owned subsidiary Oxford PV Germany GmbH. The purchase price allocation was finalised by the end of 2019. The investment value of CHF 39.6 million was allocated to the acquired net asset value as reflected in the company’s financial statements and to additionally identified intangible assets, specifically technologies, of CHF 30.2 million and included a goodwill of CHF 9.4 million.

The loss shared in the first quarter 2020 amounts to CHF 0.7 million

Sale of Wafering Business

On 7 February 2019, Meyer Burger announced the sale of its wafering and service business for photovoltaic and special materials (e.g. semiconductor and sapphire glass industry) to Precision Surfacing Solutions (PSS). This transaction was completed in April 2019. Accordingly, the results of the first quarter 2019 still include the wafering business while the effects of the sale were booked in the second quarter 2019.

Meyer Burger Wafering Technologies GmbH was founded in connection with the sale of the wafering business as a company established under Swiss law located in Gwatt/Thun, Switzerland. After the transfer of the wafering business, the company was sold and left the scope of consolidation end of April 2019. The wafering business contributed third-party sales of CHF 5.9 million and an ordinary result of CHF –1.2 million to the group result for the four months in 2019.

1.3 Foreign currency translation

The following translation rates into Swiss Francs were used:

		Closing rate			Average rate		
	Unit	31.3.2020	31.12.2019	31.3.2019	1st Q 2020	2019	1st Q 2019
European Euro (EUR)	1	1.0585	1.0854	1.1181	1.0668	1.1124	1.1324
US Dollar (USD)	1	0.9661	0.9662	0.9952	0.9675	0.9937	0.9970
British Pound (GBP)	1	1.1941	1.2757	1.3027	1.2426	1.2674	1.2979
Chinese Yuan Renminbi (CNY)	100	13.6082	13.8789	14.8295	13.8630	14.3811	14.7765
Japanese Yen (JPY)	100	0.8902	0.8901	0.8984	0.8883	0.9118	0.9053
Indian Rupee (INR)	100	1.2769	1.3536	1.4386	1.3351	1.4111	1.4142
South-Korean Won (KRW)	100	0.0789	0.0837	0.0876	0.0810	0.0852	0.0886
Malayan Ringgit (MYR)	100	22.3643	23.6198	24.3924	23.1449	23.9885	24.3703
Singapore Dollar (SGD)	1	0.6771	0.7183	0.7349	0.6982	0.7284	0.7359
Taiwan Dollar (TWD)	100	3.1865	3.2265	3.2260	3.2131	3.2155	3.2337

Assets and liabilities in balance sheets of foreign Group companies are translated into Swiss Francs at the closing rate, income statements at the average rate. Equity is translated at historical exchange rates. Any resulting foreign currency translation differences are offset against equity.

Notes to the Balance Sheet

Total assets decreased to CHF 244.6 million as at 31 March 2020, which equals a 10.9% decrease compared to CHF 274.6 million as at 31 December 2019.

Based on the operating results, cash and cash equivalents decreased from CHF 35.5 million to CHF 26.1 million as detailed in the cash flow statement. Other receivables include additional cash pledged for securing the guarantee limit within the syndicated bank loan of CHF 24.7 million and additional cash pledges of CHF 1.6 million. Other current receivables also include the outstanding consideration for the sale of the inkjet printing business. Deferred tax assets decreased by CHF 3.6 million mainly due to the tax assets transferred with the sale of the inkjet printing business.

Total liabilities decreased by 4.9% to CHF 93.6 million. Short-term financial liabilities mainly include the outstanding convertible bond. The convertible bond matures at 100% of its nominal value on 24 September 2020, unless previously redeemed, converted or repurchased and cancelled. Total provisions decreased from CHF 12.0 million to CHF 9.3 million, mainly including a decrease in provisions for onerous contracts, restructuring and warranties.

Equity decreased by CHF 25.1 million from 31 December 2019 to 31 March 2020, mainly due to the group result. In the first quarter 2019, Meyer Burger carried out a capital increase. Meyer Burger Technology Ltd issued 62,288,420 registered shares out of its existing authorised capital. The issuance increased Meyer Burger's listed share capital to CHF 34,258,691.70, divided into 685,173,834 registered shares with a nominal value of CHF 0.05 each. As the newly registered shares were used to settle the investment in Oxford PV, the capital increase was cash-neutral.

Notes to the Income Statement

In the first quarter 2020, net sales reached CHF 27.2 million (Q1 2019: CHF 43.6 million).The operating income after cost of products and services was CHF 11.0 million (Q1 2019: CHF 27.8 million), reflecting a margin of 40.2% (2019: 63.7%). The operating income in Q1 2020 includes gains of CHF 0.1 million from the divestment of the PiXDRO business in the Netherlands.

Personnel expenses declined by 40.2% to CHF 17.2 million compared to the first quarter 2019. This decline is the result of divestments, restructuring of the organisation and strict cost management. Operating expenses in Q1 2020 amounted to CHF 8.6 million, a decline of 15.7% compared to Q1 2019. Due to the decline in sales and current under-utilisation of capacities, EBITDA was below the level achieved in Q1 2019 and totalled CHF –14.9 million in Q1 2020 (Q1 2019: –11.2 million).The EBITDA margin was –54.6% (Q1 2019 –25.7%).

Depreciation and amortisation totalled CHF 2.4 million (Q1 2019: CHF 3.7 million).The result at the EBIT level amounted to CHF –17.3 million (Q1 2019: CHF –14.9 million). The net financial result was CHF –2.7 million (Q1 2019: CHF –1.9 million).

Other Information

1.4 Segment reporting

Based on the management structure, the activities of Meyer Burger Group are clustered into the reportable business segments “Photovoltaics” and “Specialised Technologies”.

Net sales by segments from 1 January 2020 to 31 March 2020

in TCHF	Photovoltaics	Specialised Technologies	**Total**	Consolidation	**Total after consolidation**
Net sales thirds	19332	7900	**27232**	–	**27232**
Net sales intersegment	10	297	**307**	–307	**–**
Net sales	**19342**	**8197**	**27539**	**–307**	**27232**

Net sales by segments from 1 January 2019 to 31 March 2019

in TCHF	Photovoltaics	Specialised Technologies	**Total**	Consolidation	**Total after consolidation**
Net sales thirds	29335	14280	**43615**	–	**43615**
Net sales intersegment	99	1413	**1512**	–1512	**–**
Net sales	**29434**	**15693**	**45127**	**–1512**	**43615**

Photovoltaics: The Photovoltaics segment largely comprises the core business of photovoltaics and covers the processes of wafering, solar cells, solar modules and solar systems with its portfolio of systems, production equipment and services. The wafering business was sold as of 30 April 2019 and thus is included in the above figures in the interim period 2019. Meyer Burger pursues the strategically long-term technology approach of considering core technologies of the photovoltaic value chain and optimally harmonising the technologies along the different processes (cells and connection technologies). Significant efficiency improvements in cells and modules can be achieved by using the latest technologies, which will continue to substantially reduce our customers’ production costs (total cost of ownership).

Specialised Technologies: With Specialised Technologies, Meyer Burger uses technologies that are successfully deployed in photovoltaics, particularly in the field of applying or removing layers on different substrates and materials as well as for slicing crystalline and other hard and brittle materials, in a wide range of other high-tech markets. Muegge’s microwave and plasma technologies are used in biotechnology and environmental technology. PiXDRO inkjet print technology is used in the semiconductor industry as a pioneering technology and is included in the figures above for the interim periods until completion of sale as of 31 March 2020. For the first quarter 2019, this segment also included the business of AIS Automation Dresden GmbH, which was sold on 24 October 2019, and its software business.

As outlined above, Meyer Burger currently manages its operations in different operating business units, which are grouped into the reporting business segments “Photovoltaics” and “Specialised Technologies”. Disclosure of the segment results would lead to much higher transparency in terms of our cost and margin structure than that of our relevant competitors, and we would be the only company to present detailed information on segment profitability. Most of our relevant competitors are companies without publicly available financial information or are large companies with large reporting segments in which comparable information is diluted accordingly. The disclosure of segment results would therefore lead to a considerable competitive disadvantage for Meyer Burger compared to its competitors. In addition, such information may have negative impacts on the company’s negotiating position with customers and suppliers. For this reason, Meyer Burger Group does not disclose profitability measures for the segments.

1.5 Related party transactions

The related parties consist primarily of shareholders, members of the Board of Directors and of the Executive Board, and associated companies.

The company procures consultancy services from Meyerlustenberger Lachenal Attorneys at Law. Dr Alexander Vogel, up to 2 May 2019 the Chairman of the Board of Directors, is a partner in this law firm. The scope of the services procured amounted to CHF 0.4 million in the first quarter of 2019. Of the compensation to related parties as described above, CHF 0.1 million had not yet been paid as at 31 March 2019.

Since the acquisition of the equity share of Oxford Photovoltaics Limited, the company is also an identified related party. While no transactions occurred with Oxford Photovoltaics Limited in the first three months 2019, Meyer Burger has entered into a formal Collaboration Agreement with Oxford Photovolatics Limited that sets the basis of the collaboration and future transactions. In the first quarter of 2020, Meyer Burger received no orders from Oxford PV Germany GmbH, but conducted sales transactions with the associated company for CHF 3.1 million. Prepayments received per 31 March 2020 amounted to CHF 20.4 million.

As of 31 March 2020, no other transactions were conducted or receivables or liabilities outstanding towards other related parties or associated companies. All business relations with related parties are conducted at arm’s length. No unusual transactions were either effected with the main shareholders or other related parties.

1.6 Contingent liabilities

in TCHF	31.3.2020	31.12.2019
Guarantees (not product-related)	10 200	10 200
Other	782	782
Total contingent liabilities	**10 982**	**10 982**

During 2019, Meyer Burger entered into the sales contract for the building in Thun. With the contract, Meyer Burger guarantees a minimum level of annual rent payments to the buyer. The guarantee is limited to CHF 10 million over its duration until 30 June 2024 and Meyer Burger has the right to take over any defaulted rent contract and sub-let the respective space during this time. Meyer Burger also carries the external costs, should any court proceeding against tenants be taken during this time. Such payments are secured by a retention of CHF 0.2 million. Meyer Burger assesses the likelihood of such defaults as low and accordingly presents them as contingent liabilities. The other contingent liabilities of CHF 0.8 million relate to unlikely customer claims.

1.7 Going concern

During the quarter ended 31 March 2020, Meyer Burger Group incurred a net result of TCHF –20,593 (31 March 2019: TCHF –15,740) and a negative cash flow from operating activities of TCHF –7,769 (31 March 2019: negative cash flows of TCHF 13,459). The disappointing performance reflected the continued difficult market conditions suffered by the PV manufacturing business that have adversely affected Meyer Burger's business over the past years. Additionally, the outbreak of the COVID-19 pandemic in China and its global circulation intensified the distress in Meyer Burger's key end markets over the past months.

The continuing viability of Meyer Burger Group and its ability to continue as a going concern is dependent upon the success of the measures taken by Meyer Burger in its continuing efforts in making sustainable profits and stabilising its capital basis and liquidity. Meyer Burger will face increased capital requirements in the third quarter of 2020 as the outstanding unsecured convertible bond with a nominal value of CHF 26.8 million will fall due. Meyer Burger is planning specific measures to address the related course of action and to increase liquidity including the sale of further assets/non-core businesses.

Meyer Burger is planning and taking measures to secure the long-term viability of its business. Specifically, Meyer Burger plans to change its strategy and aims to transform itself from a supplier of machines to a manufacturer of technologically leading cells and solar modules to utilise its technological and cost leadership to generate sustainable positive returns. This transformation comes with additional financing needs and Meyer Burger will propose a capital increase targeting gross proceeds of around CHF 165 million at the upcoming extraordinary shareholders' meeting on 10 July 2020. The minimum amount required to embark on the strategic transformation is set at CHF 150 million and the capital increase will not be executed if this amount cannot be reached (all-or-nothing transaction). Accordingly, the significant risk exists that Meyer Burger might fail to raise capital and implement the strategic transformation, and then would not be able to continue as a going concern.

Overall, a material uncertainty that may cast significant doubt regarding the going-concern capability of Meyer Burger Group exists. However, the Board of Directors assumes that Meyer Burger Technology Ltd can be successful in the above matters and, accordingly, has prepared the consolidated financial statements on a going-concern basis.

1.8 Events after the reporting date

At the Annual General Meeting on 13 May 2020, Meyer Burger announced that it was considering plans for its own large-scale cell and module production in Germany. Meyer Burger is following these plans to change its strategy and aims to transform itself from a supplier of machines to a manufacturer of technologically leading cells and solar modules. The Board will ask its shareholders for a capital increase at the extraordinary general meeting on 10 July 2020 to finance the upcoming investments.

Also, the COVID-19 pandemic had a significant impact on the world economy and thus also on the global solar industry. Temporary plant closures and restrictions due to the COVID-19 pandemic at customers also delay Meyer Burger's activities. After Meyer Burger's employees at the Hohenstein-Ernstthal (Germany) site have already been working short-time since 16 March 2020, the company also introduced short-time working for its Swiss sites in Thun and Hauterive as from 6 April 2020 onwards. This measure shall help Meyer Burger to compensate for the consequences of COVID-19 pandemic and to reduce personnel costs.

No further events have occurred between 31 March and 18 June 2020, which would have a material effect on the recognised carrying amounts of assets and liabilities of the Meyer Burger Group or would have to be disclosed at this point.

Report on the Review

of Interim consolidated financial statements to the Board of Directors of Meyer Burger Technology AG

Thun

According to your request, we have reviewed the interim consolidated financial statements (consolidated balance sheet, consolidated income statement, consolidated statement of changes in equity, condensed consolidated cash flow statement and condensed notes to the consolidated financial statements / pages 10 to 20) of Meyer Burger Technology AG ("the Group") for the period from 1 January 2020 to 31 March 2020.

These interim consolidated financial statements are the responsibility of the Board of Directors. Our responsibility is to issue a report on these interim consolidated financial statements based on our review.

Our review was conducted in accordance with the Swiss Auditing Standard 910, which requires that a review be planned and performed to obtain limited assurance about whether the interim consolidated financial statements are free from material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim consolidated financial statements have not been prepared, in all material respects, in accordance with the requirements of Swiss GAAP FER 31 relating to interim reporting.

We draw your attention to note 1.7 to the interim consolidated financial statements, which states that the Group is dependent of the successful raise of capital, the implementation of the strategic realignment and Meyer Burger's continuing efforts to increase liquidity including the sale of further assets and non-core business. This indicates the existence of a material uncertainty which may cast significant doubt about the ability of the Group to continue as a going concern. Our conclusion is not qualified in respect of this matter.

PricewaterhouseCoopers AG

René Rausenberger

Yvonne Burger

Bern, 18 June 2020

PricewaterhouseCoopers AG, Bahnhofplatz 10, Postfach, CH-3001 Bern, Switzerland
Telefon: +41 58 792 75 00, Telefax: +41 58 792 75 10, www.pwc.ch

Addresses

Interesting and useful product portfolio information and background knowledge about the entire technology company can be found on the corporate homepage www.meyerburger.com.

All companies within the Meyer Burger Group can be reached using the email address mbtinfo@meyerburger.com.

Group Companies

Meyer Burger Technology Ltd (Holding)
Schorenstrasse 39,
3645 Gwatt (Thun), Switzerland
Phone +41 33 221 28 00,
Fax +41 33 221 28 08

Gerling Applied Engineering, Inc.
P.O. Box 580816, Modesto,
CA, 95358-0816, USA
Phone +1 209 527 8960,
Fax +1 209 527 5385,
Email: sales@muegge-gerling.com,
www.muegge-gerling.de

Hennecke Systems GmbH
Aachener Strasse 100,
53909 Zülpich, Germany
Phone +49 2252 9408 01,
Fax +49 2252 9408 98

Meyer Burger (Switzerland) Ltd
Schorenstrasse 39,
3645 Gwatt (Thun), Switzerland
Phone +41 33 221 28 00,
Fax +41 33 221 25 10

Meyer Burger (Germany) GmbH
An der Baumschule 6–8,
09337 Hohenstein-Ernstthal,
Germany
Phone +49 3723 671 234,
Fax +49 3723 671 1000

Meyer Burger (NL) B.V.
Luchthavenweg 10,
5657 EB Eindhoven, Netherlands
Phone +31 40 2581 581,
Fax +31 40 2350 645

Meyer Burger Research AG
Rouges-Terres 61,
2068 Hauterive, Switzerland
Phone +41 32 566 15 20

Meyer Burger Systems (Shanghai) Co. Ltd
Room 1604,1605-1, 16F, No. 1699
Gubei Road, Minhang District,
201103 Shanghai, China
Phone +86 21 2221 7333,
Fax +86 21 6350 4715

Muegge GmbH
Hochstrasse 4–6,
64385 Reichelsheim, Germany
Phone +49 6164 9307 0,
Fax +49 6164 9307 93
Email info@muegge.de,
www.muegge.de

Pasan SA
Rue Jaquet-Droz 8,
2000 Neuchâtel, Switzerland
Phone +41 32 391 16 00,
Fax +41 32 391 16 99

Sales & Service Companies

Meyer Burger Systems (Shanghai) Co. Ltd
Building 15-1, Block A, No. 52,
Hanjiang Road, New District,
Wuxi City, Jiangsu Province, China
Phone +86 21 2221 7338,
Fax +86 21 6350 4715

Meyer Burger Systems Co. Ltd
3F, Jungdong B/D,
42-2 Heemang-ro 46th, Jangjae-ri,
Baebang-eup 336-857 Asan-si,
Chungcheongnam-do,
Republic of Korea
Phone +82 41 542 8151,
Fax +82 41 542 8150

Meyer Burger Co. Ltd
No. 28, Gaotie 1st Rd., Zhubei City,
Hsinchu County 30273, Taiwan,
R.O.C.
Phone +886 3 6578612,
Fax +886 3 6578524

Meyer Burger India Private Ltd
19B Commerce Avenue,
Mahaganesh Colony, Paud Road,
Pune-411 038, India
Phone +91 20 6900 0208

Service Companies

Meyer Burger KK
Azabu N House 3F,
Azabudai 3-4-23, Minato-ku,
Tokyo 106-0041, Japan
Phone +81 3 3583 3438,
Fax +81 3 4496 4206

MBT Systems Ltd
5562 NE Clara Ln, Hillsboro,
OR, 97124, USA
Phone +1 503 645 3200,
Fax +1 503 645 6707

Meyer Burger (Singapore) Pte. Ltd
20, Tuas South Avenue 14,
1F Building, 637312 Singapore,
Singapore
Phone +65 6686 2170

Meyer Burger Sdn. Bhd.
Level 15, Dpulze Cyberjaya,
Lingkaran Cyber Point Timur,
Cyber 12, 63000 Cyberjaya,
Selangor, Malaysia
Phone +603 8320 8100,
Fax +603 8320 8001

Declaration on forward-looking statements

This document contains statements that constitute "forward-looking" statements, relating to Meyer Burger. Because these forward-looking statements are subject to risks and uncertainties, the reader is cautioned that actual future results may differ from those expressed in or implied by the statements, which constitute projections of possible developments. All forward-looking statements are based only on data available to Meyer Burger at the time of preparing the Quarterly Report 1-2020. Meyer Burger does not undertake any obligation to update any forward-looking statements contained in these documents as a result of new information, future events or otherwise.

The Quarterly Report 1-2020 is also available in electronic form. The Meyer Burger Quarterly Report 1-2020 is published in English only and is therefore the binding version.

The document is also available on the company website: www.meyerburger.com

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MEYER BURGER

Meyer Burger Technology Ltd
Schorenstrasse 39
CH-3645 Gwatt (Thun)
Switzerland
mbtinfo@meyerburger.com
www.meyerburger.com