Report to fiscal year

2020

MEYER BURGER

Key Figures

Consolidated income statement

in TCHF	2020	2019
		restated
Net sales	90 457	262 013
Operating income after costs of products and services[1]	37 856	144 497
in % of net sales	41.8%	55.1%
EBITDA[2]	–44 600	1 133
in % of net sales	–49.3%	0.4%
EBIT[3]	–58 083	–15 523
in % of net sales	–64.2%	–5.9%
Net result for the year	–64 478	–22 941

[1] "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 work in progress and capitalized goods and services.

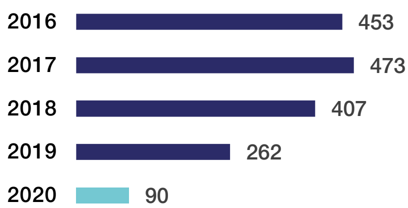
[2] "EBITDA" corresponds to the operating result (EBIT) before depreciation on tangible fixed assets and amortization on intangible assets, the financial result, the result from investment in associates, the non-operating result and income taxes.

[3] "EBIT" corresponds to the operating result, before the financial result, the result from investment in associates, the non-operating result and income taxes.

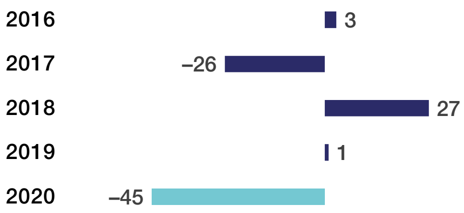
Consolidated balance sheet

in TCHF	31.12.2020	31.12.2019
		restated
Total assets	296 807	267 538
Current assets	222 964	182 666
Non-current assets	73 843	84 872
Current liabilities	34 302	93 638
Non-current liabilities	2 733	4 812
Equity	259 772	169 088
Equity ratio	87.5%	63.2%

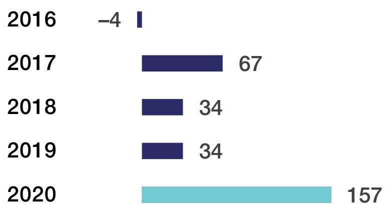
Net sales in CHF million



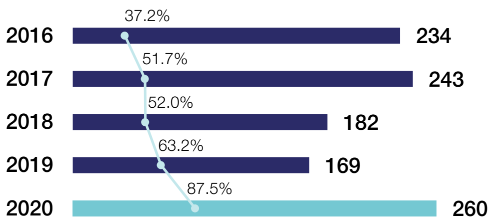
EBITDA restated in CHF million



Net cash position in CHF million[4]



Equity and Equity ratio in CHF million and %



[4] The net cash position corresponds to cash and cash equivalents, including bank balances with restricted use (31.12.2020: CHF 17.3 million, 31.12.2019: CHF 26.3 million, previous years: none), net of interest-bearing financial liabilities.

Contents

The Annual Report 2020 is available on the company website:
https://www.meyerburger.com/en/investors/financial-reports-publications/

Letter to Shareholders

Dear Shareholders

2020 is the year in which the new Meyer Burger came into being. In June, the Board of Directors decided that we should transform ourselves from a supplier of production equipment to a technologically leading manufacturer of solar cells and solar modules, keeping the heterojunction and SmartWire Connection technologies (SWCT®) exclusively for our own use. The company thus benefits in the long term from the technological and cost leadership based on its patent-protected cutting-edge technology. This new business model is significantly expanding the value chain and is scalable with the solar market, which is experiencing strong growth worldwide.

All projects on track

At the extraordinary General Meeting on 10 July 2020, shareholders approved an ordinary capital increase with targeted gross proceeds of CHF 165 million, giving the green light for the realignment. The Board of Directors and the Executive Board announced plans to start production in the second quarter of 2021 with an annual capacity of 400 MW each of solar cells and solar modules.

At the beginning of March 2021, we can state with satisfaction that we are on track with all the projects necessary for successful implementation. The cell factory and the module factory will open on schedule at the end of May. In Bitterfeld-Wolfen, Meyer Burger will use its most advanced production machinery to manufacture highly efficient solar cells. In Freiberg, the largest and most modern plant of its kind in Europe will start operating, equipped with highly automated module production lines.

Customer interest is high; the first framework agreements have been signed with well-known customers. The sales organization is growing, as we have been able to recruit experienced sales professionals in many European countries – and the USA. For the

Sehr geehrte Aktionärinnen, sehr geehrte Aktionäre

2020 ist das Geburtsjahr der neuen Meyer Burger. Der Verwaltungsrat hatte im Juni entschieden, sich vom Lieferanten von Produktionsmaschinen zu einem führenden Hersteller von Solarzellen und Solarmodulen zu wandeln, der seine Heterojunction/SmartWire Technologie (SWCT®) nur noch exklusiv zum eigenen Gebrauch nutzt. Das Unternehmen profitiert damit langfristig von der Technologie- und Kostenführerschaft seiner patentgeschützten Spitzentechnologie. Dieses neue Geschäftsmodell erweitert die Wertschöpfungskette deutlich und ist mit dem weltweit stark wachsenden Solarmarkt skalierbar.

Alle Projekte auf Kurs

Die ausserordentliche Generalversammlung der Meyer Burger Technology AG hat am 10. Juli einer ordentlichen Kapitalerhöhung mit dem angestrebten Bruttoerlös von CHF 165 Millionen mit 81,4 Prozent zugestimmt und damit grünes Licht für die Neuausrichtung gegeben. Verwaltungsrat und Geschäftsleitung stellten in Aussicht, die Produktion im zweiten Quartal 2021 mit einer jährlichen Kapazität von je 400 MW Solarzellen und Solarmodulen zu starten.

Anfang März 2021 dürfen wir zufrieden feststellen, dass wir mit allen zur erfolgreichen Umsetzung notwendigen Einzelprojekten auf Kurs sind. Die Zellfabrik und die Modulfabrik werden plangemäss Ende Mai eröffnet. In Bitterfeld-Wolfen wird Meyer Burger seine neusten Produktionsmaschinen nutzen, um hocheffiziente Solarzellen herzustellen. In Freiberg wird die grösste und modernste Anlage ihrer Art in Europa umgerüstet und ausgestattet mit hochautomatisierten Modulfertigungslinien.

Das Kundeninteresse ist gross, erste Rahmenverträge mit namhaften Kunden sind unterzeichnet. Die Vertriebsorganisation wächst; wir konnten in vielen europäischen Ländern erfahrene Vertriebsprofis für uns gewinnen, inklusive den USA. Für die erste Phase benötigen wir für alle Bereiche insgesamt

Franz Richter
Chairman
Meyer Burger
Technology AG

Gunter Erfurt
Chief Executive Officer
Meyer Burger
Technology AG

first phase, we need a total of about 350 employees for all areas – more than thousand applications have been received so far. Fortunately, a large number of employees at the current Hohenstein-Ernstthal location are willing to move to the new sites. As we will have to reduce personnel there, this will significantly reduce the restructuring measures.

Due to the realignment, sales from the old business model declined to CHF 90.5 million. In addition, divestments led to a further income of CHF11.8 million. Fortunately, a gross profit margin of CHF 37.9 million or 41.8% was achieved. However, the operating costs in the past year of transformation were no longer in line with sales, resulting in an EBITDA of CHF –44.60 million. Regular depreciation, specific value adjustments on assets no longer in use, the financial result and a loss from investments in associated companies contributed to the annual result of CHF –64.5 million.

The balance sheet structure was stabilized by the capital increase in July 2020. It forms a solid foundation for the transformation. The equity ratio is 87.5%. Net debt is now strongly positive due to the repayment of the convertible bond of CHF 26.8 million and the disposal of the outstanding mortgage. Meyer Burger has no significant outstanding debt financing for the period, which may change again in the context of expanding the new business model. In 2020, Meyer Burger reported reduced net working capital of CHF 48.9 million, reflecting the decline in production and sales activities. Due to initial investments in the cell and module production, property, plant and equipment increased to CHF 38.1 million.

rund 350 Mitarbeitende – mehr als tausend Bewerbungen sind bisher eingegangen. Erfreulich zahlreich sind auch Mitarbeitende am Standort Hohenstein-Ernstthal bereit, an die neuen Standorte zu wechseln. Da wir dort Personal reduzieren müssen, verringern sich somit die Restrukturierungsmassnahmen deutlich.

Im Zuge der Neuausrichtung reduzierte sich der Umsatz aus dem alten Geschäftsmodell auf CHF 90,5 Millionen. Zudem führten Devestitionen zu weiteren Erträgen von CHF11.8 Millionen. Erfreulicherweise konnte so eine Bruttogewinnmarge von CHF 37,9 Millionen beziehungsweise 41,8% erzielt werden. Die operativen Kosten waren in diesem Jahr der Transformation jedoch nicht mehr umsatzgemäss, sodass sich ein EBITDA von CHF –44.6 Millionen ergab. Durch reguläre Abschreibungen sowie spezifische Wertberichtigungen auf nicht mehr genutzten Aktiven, dem Finanzergebnis und einem Verlust aus Beteiligungen an assoziierten Unternehmen resultierte ein Jahresergebnis von CHF –64.5 Millionen.

Die Bilanzstruktur wurde durch die Kapitalerhöhung im Juli 2020 stabilisiert. Sie bildet ein solides Fundament für die Transformation. Die Eigenkapitalquote beträgt 87,5%. Die Nettoverschuldung ist aufgrund der Rückzahlung der Wandelanleihe von CHF 26,8 Millionen sowie dem Abgang der ausstehenden Hypothek nun stark positiv. Meyer Burger hat zum Bilanzstichtag keine wesentlichen ausstehenden Fremdfinanzierungen, was sich im Rahmen des Ausbaus des neuen Geschäftsmodells erwartungsweise wieder ändern kann. Zum Stichtag wies Meyer Burger ein reduziertes Nettoumlaufvermögen

Considerable market potential

Solar energy is a steadily growing global market and, in the long term, the cheapest of all renewable forms of electricity generation – as well as ecologically necessary. Meyer Burger's premium products help to achieve permanently higher yields in energy generation compared to the photovoltaic products available on the market.

The European Green Deal, the election of Joe Biden as President of the USA, and the realignment of the economy after the corona pandemic are a global boon to the solar industry. It was therefore not unexpected that the public sector pledged up to 22.5 million euros so far for the development of our environmentally friendly solar cell production – 15 million euros of environmental aid alone came from the state of Saxony-Anhalt and the Federal Republic of Germany.

Thanks

2020 was a challenging year. The Board of Directors and the Executive Board would like to thank all employees for their willingness to support Meyer Burger's new strategy and – each in his or her own position – to actively help turn the plans into reality. A great compliment for this.

Last but not least, we would like to thank you, our shareholders. You have placed your trust in us during a difficult phase and invested in Meyer Burger's new business model. We are not quite there yet. But we are confident that this year we will achieve the goals that we have set.

von CHF 48,9 Millionen aus, was die zwischenzeitlich verminderte Produktions- und Verkaufstätigkeit reflektiert. Aufgrund erster Investitionen in die Zell- und Modulfertigungen stieg das Sachanlagevermögen auf CHF 38,1 Millionen.

Beträchtliches Marktpotenzial

Solarenergie ist global ein stetig wachsender Riesenmarkt und langfristig die preiswerteste aller erneuerbaren Erzeugungsarten für Strom – sowie ökologisch notwendig. Die Premiumprodukte von Meyer Burger verhelfen zu dauerhaft höheren Erträgen bei der Energiegewinnung im Vergleich zu den marktüblichen Photovoltaik-Produkten.

Der europäische Green Deal, die Wahl Joe Bidens zum Präsidenten der USA und die Neuausrichtung der Wirtschaft nach der Corona-Pandemie verleihen der Solarindustrie weltweit Rückenwind. Es kam deshalb nicht unerwartet, dass uns für den Aufbau unserer umweltfreundlichen Solarzellenproduktion die öffentliche Hand bisher bis zu 22,5 Mio. Euro zugesichert hat – allein 15 Mio. Euro Umweltschutzbeihilfe das Land Sachsen-Anhalt und die Bundesrepublik Deutschland.

Dank

2020 war ein herausforderungsreiches Jahr. Der Verwaltungsrat und die Geschäftsleitung danken allen Mitarbeitenden für ihre Bereitschaft, die Neuausrichtung von Meyer Burger zu unterstützen und – jeder an seiner Stelle – tatkräftig mitzuhelfen, die Pläne in die Realität umzusetzen. Ein grosses Kompliment dafür.

Nicht zuletzt danken wir Ihnen, sehr geehrte Aktionärinnen und Aktionäre. Sie haben uns in einer schwierigen Phase Vertrauen geschenkt und ins neue Geschäftsmodell von Meyer Burger investiert. Noch sind wir nicht ganz am Ziel. Aber wir sind zuversichtlich, dass wir in diesem Jahr erreichen, was wir uns vorgenommen haben.

F. Richter

Franz Richter
Chairman

Gunter Erfurt
Chief Executive Officer

Management Report 2020

Strategic realignment

What a year for Meyer Burger: The reporting period ends so very differently than it began. Meyer Burger is reinventing itself. The company from Switzerland stands for a new beginning, the “renaissance” of the entire European solar industry. This time, it aims to succeed where others failed years ago: Bringing industrial mass production of solar components back to Europe.

With this goal in mind, Meyer Burger is in the process of transforming itself from a pure equipment supplier to a manufacturer of solar modules and cells. In doing so, Meyer Burger does not intend to bring just any solar modules to the market. The key terms are “high efficiency” and “heterojunction/SmartWire”. Behind this is nothing other than a complete technology change in the industry, which is often compared to the upgrade from 4G to 5G in the mobile phone sector.

Meyer Burger can claim to have optimized the new technology in a unique way and brought it to mass production. The improved processes are patent-protected, and the resulting products are protected in the important markets. This technological lead is the basis for the conviction that the new business model will bring sustainable success. Production costs and prices are controlled in such a way that the company becomes and remains profitable.

Momentum & market

Meyer Burger's new plans come at an extraordinary time. A pandemic has the world in its grip and is showing its limits. Suddenly, global issues are coming into focus, supply chains are becoming tangible, the issues of energy supply and climate change can no longer be ignored, they are acute. The year 2021 will be a decisive year for people around the world, and it will also be for the people at Meyer Burger. In the company's nearly 70-year history, it has probably never had as much tailwind as it does today.

In the long term, solar energy is the cheapest of all renewable ways of generating electricity. In addition, the technology is ecologically advantageous and increasingly desired both socially and politically. Solar is a key driver of the energy transition. The global and European market potential is immense, and the use of solar power is steadily increasing. Worldwide, more than 630 gigawatts (GW) of solar capacity were installed at the end of 2020, 53 GW of which were in Germany. Taking into account the need for sector coupling, continuous annual additions are expected in Europe, resulting in a substantial market size.

The overall political context is now giving enormous impetus to the development of the German and European solar industry. The relevant keywords here are Climate Protection Plan 2030, energy transition targets, Green Deal and Green Recovery. A strategic autonomy of Europe can be strengthened very concretely with photovoltaics in a critical infrastructure area and expanded in the future. A large-scale PV industry underpins political priorities such as the Green Deal with concrete projects and makes ambitious climate targets in combination with domestic value creation finally realistic.

Capital increase & targets

Business development in 2020 reflects the ongoing strategic realignment. Order intake, sales and margins still refer to Meyer Burger’s prior business as an equipment manufacturer, which will be superseded by cell and module production in the future. It also includes the effects from the divestments made in 2020.

Meyer Burger achieved incoming orders of CHF 44.3 million in the fiscal year 2020, compared to CHF 188.3 million in 2019. Adjusted for divestments, incoming orders decreased by 78.6%. Orders on hand as at 31 December 2020 amounted to CHF 36.2 million (31 December 2019: CHF 105.1 million). The book-to-bill ratio was 0.49 for the fiscal year 2020 (0.72 for 2019).

Restructuring Meyer Burger

Switzerland remains the home of Meyer Burger. This is where the heart beats and an important part of the brain works. Because it is in Switzerland that engineers ensure that Meyer Burger stays at the forefront of global solar technology with its technological developments. The Meyer Burger Research team in Neuchâtel has been working on novel solar cells for years together with one of the world's most renowned solar research institutes, the CSEM in Switzerland. In 2020, they were able to report a record: The new generation of solar cells achieved an efficiency of 25.4 percent. This is one of the highest efficiencies ever achieved for industrial wafers.

The process uses contacting only on the backside to convert additional sunlight into electricity and creates the prerequisite for simplified, cost-optimized production of ultra-high efficiency crystalline silicon modules. The focus of this work is on the implementation of new photovoltaic technologies in industrial mass production with the aim of increasing average efficiencies at the module level and achieving the corresponding reduction in manufacturing costs.

Not far from the technology team in Switzerland are colleagues from Pasan, a wholly owned subsidiary of Meyer Burger Technology Ltd. The company develops industrial applications for measuring solar cells and modules for customers worldwide and is the market leader in this field. Pasan has also developed measurement and testing equipment for Meyer Burger's new manufacturing facilities.

Meyer Burger's new modules come from the development department at its headquarters in Thun. Here, a large team of specialists is working to ensure that the highly efficient solar cells also become highly efficient modules.

The operational headquarter is located at Meyer Burger's largest production site in Hohenstein-Ernstthal in Germany. This is where the new technologies from in Switzerland are transferred to industrial mass production processes. The industrialization of new technologies has been taking place at this site for many years, and a technical center and a demo line shorten the path from the laboratory to machine construction – as of this year, no longer for customers worldwide, but only for Meyer Burger itself. Most of the new machines currently being installed at the new sites come from Hohenstein-Ernstthal. Another part comes from Thun.

In Hohenstein-Ernstthal and Thun in particular, internal restructuring has taken place in order to optimally position the two sites for the future. From there, some employees will move to the new production sites.

In addition to the build-up, there have also been adjustments: Meyer Burger disposed of the microwave and plasma technology company Muegge GmbH and its 100 employees during the reporting period and sold the company at a profit.

New production: set-up and reconstruction

With the production sites in "Solar Valley" in Thalheim (city of Bitterfeld-Wolfen, Saxony-Anhalt) and in Freiberg (Saxony), Meyer Burger is bringing two of Europe's most traditional solar sites back to life. Everything is going according to plan at the new manufacturing sites. With cutting-edge technology in global demand from engineers in research and development and skilled workers in production, the company is creating new jobs. With a team of around 350 employees at both sites, production is scheduled to start in the second quarter of 2021.

In the previous months, the factory in Freiberg, which remains the largest and most modern solar module production facility in Europe, was rebuilt. Meyer Burger itself had supplied many of the machines there ten years ago. Now the equipment had to be adapted to the new technology and the new module sizes. Modern equipment complements the set-up of the production facility in such a way that in the future it will be possible to produce here in a highly automated manner in accordance with Industry 4.0 standards.

In Bitterfeld-Wolfen, 150 kilometers away, Meyer Burger employees have prepared the 27,000 square meter former solar cell factory for its second life. They have adapted the infrastructure, renewed the ventilation systems and renovated the industrial floor of the three large production halls. Currently, they are preparing to bring in the new machines for the production of highly efficient solar cells.

The new production facility is being built to particularly environmentally friendly standards. A report by the Fraunhofer Institute for Solar Energy Systems confirms that solar cell production based on Meyer Burger's heterojunction technology has significant environmental benefits compared to conventional manufacturing. Meyer Burger's investments are considered exceptionally innovative and sustainable. On this basis, the state of Saxony-Anhalt and the Federal Republic of Germany pledged up to €15 million in environmental aid for setting up production in Thalheim at the end of 2020.

Net sales

Net sales reached CHF 90.5 million (2019: CHF 262.0 million) and accordingly declined by 65.5%. Adjusted for divestments and currency effects, the organic decline in sales for the continuing operations was 63.6%. Sales development further decreased to

CHF 39.5 million in the second half of 2020 from CHF 51.0 million in the first half of 2020. The regional sales mix has changed slightly from the previous year, although Asia remained the most important sales region for Meyer Burger: Asia accounted for 64% of net sales in 2020 (72% in 2019), while Europe accounted for 30% (23% in 2019) and the Americas for 6% (5% in 2019).The regional sales mix is expected to change under the new business model.

Operating income after cost of products and services

The operating income after cost of products and services was CHF 37.9 million (CHF 144.5 million in 2019, restated), reflecting a margin of 41.8% (2019: 55.1%). The operating income in 2020 includes gains of CHF 11.8 million from the divestments of subsidiaries Muegge and Gerling and the PiXDRO business. Excluding the divestments, the operating income after cost of products and services would have been CHF 26.1 million, reflecting a margin of 28.8%.

Operating expenses

Personnel expenses declined by 48.3% to CHF –53.9 million. This decline is influenced by the current divestments, but mostly based on the efforts to restructure and prepare the organization in the course of the ongoing business transformation under strict cost management. Other operating expenses in the fiscal year 2020 amounted to CHF –28.5 million, a decline of 26.9% compared to 2019.

EBITDA

Due to the phase out of the current business, sales declined strongly and were not yet counterbalanced by sales of solar cells and modules. Even with the strict cost reductions, EBITDA was below the level achieved in the previous year and totaled CHF –44.6 million in the fiscal year 2020 (CHF 1.1 million in 2019, restated). The EBITDA margin was –49.3% compared to 0.4% a year earlier.

EBIT

Depreciation, amortization and impairments totaled CHF 13.5 million (CHF 16.7 million in 2019 restated). This decline can be attributed to the divestments of the current and prior year as well as the fact that the depreciation and amortization of certain assets was completed during the previous year. The result at the EBIT level amounted to CHF –58.1 million (CHF –15.5 million in 2019 restated).

Financial result and result from investment in associates

The financial result, net, was CHF –3.4 million (2019: CHF –7.9 million). Financial expense in the fiscal year 2020 included interest expense for the convertible bond of CHF –1.5 million (2019: CHF –2.0 million). The valuation of intercompany loans to foreign subsidiaries led to financial gain from unrealized positive foreign currency translation effects of CHF 6.1 million (2019: CHF –4.2 million). In addition there were other unrealized currency translation effects of CHF –6.2 million (2019: CHF 0.9 million), interest expense for mortgage loans and other interest expense of CHF –0.7 million (2019: CHF –1.0 million), other financial expense of CHF –1.2 million (2019: CHF –1.7 million) and interest income of CHF <0.1 million (2019: CHF 0.1 million). The proportionate result from investments in associates due to the acquired interest in Oxford PV amounted to CHF –2.8 million (2019: CHF –3.0 million).

Non-operating result

The non-operating result amounted to CHF 0.1 million. In the previous year, the non-operating result included the gain from the sale of the investment property portion of CHF 4.0 million.

Taxes

Tax expenses for the fiscal year 2020 were CHF –0.3 million (2019: CHF –0.5 million restated). Tax expenses related to current income taxes on profits for the fiscal year 2020 were CHF –0.6 million and deferred income taxes were CHF 0.4 million.

Net result

Meyer Burger generated a Group result of CHF –64.5 million in the fiscal year 2020 (2019: CHF –22.9 million restated). The net result per share was CHF –0.04 (2019: CHF –0.03).

Balance sheet as at 31 December 2020

The balance sheet total increased compared to the previous year, mainly because of the capital increase which started Meyer Burger's business transformation towards cell and module production. The balance sheet total stood at CHF 296.8 million (31 December 2019: CHF 267.5 million restated). Cash and cash equivalents stood at CHF 139.7 million (31 December 2019: CHF 35.5 million). In addition, the Group held CHF 17.3 million of restricted cash (31 December 2019: CHF 26.3 million), which is pledged for guarantee facilities used for customer prepayments. Property, plant and equipment increased to CHF 38.1 million (31 December 2019: CHF 32.9 million) mainly based on the net effect of divestments and the investments made in the new production facilities in Freiberg, Germany and Bitterfeld-Wolfen, Germany. Total liabilities declined to CHF 34.3 million (31 December 2019: CHF 93.6 million restated) due to the repayment of the convertible bond and the overall reduction of operating liabilities in the year of transformation. Equity stood at CHF 259.8 million (31 December 2019:

CHF 169.1 million restated). The equity ratio was 87.5% as at 31 December 2020 (31 December 2019: 63.2% restated).

Cash flow

Cash flow from operations was CHF –34.9 million (2019: CHF –83.5 million). The negative cash flow from operations is mainly attributable to the result partially offset by the overall decrease in net working capital. Cash flow from investing activities was CHF 11.3 million (2019: CHF 59.6 million). This positive cash flow is the result of the divestments of the subsidiaries Muegge and Gerling and the PiXDRO business in the Netherlands, the release of bank deposits with restricted use and the investments made in the new production facilities in Freiberg, Germany and Bitterfeld-Wolfen, Germany. Cash flow from financing activities was CHF 127.9 million (2019: CHF –29.5 million) and mainly includes the net proceeds from the capital increase and the repayment of the convertible bond.

R&D investments

Meyer Burger invested a total of CHF 26.2 million or about 29% of net sales in R&D during 2020 (2019: CHF 32.7 million; about 12% of net sales). Research and development expenses are not capitalized in the balance sheet but recognized as expenses. The strategic focus on HJT/SmartWire connection technologies entails the divestment of non-core activities and a concentration of future R&D activities on cell and module production. Meyer Burger expects to keep its annual R&D expenses at a steady level.

Currencies

In 2020, 4% of net sales were generated in Swiss Francs (2019: 2%), 73% in Euros (2019: 81%), 9% in US dollars (2019: 9%), whereas other currencies amounted to 14% (2019: 8%). To maintain a natural hedge, Meyer Burger strives to have as great a share of sales as possible in the currencies in which subsidiaries provide their services. To hedge against residual currency risks, the company can use forward currency contracts where necessary. It does not hedge against foreign currency risks on the carrying amounts of foreign subsidiaries or on the conversion of the earnings of these subsidiaries, however. Meyer Burger did not enter into any hedges in 2020 and 2019.

Workforce

Employees (FTE)	2020	2019	2018[1]	2017	2016[2]
Total at year-end	**548**	805	1191	1276	1 435
Operations	185	304	481	587	605
Research, Development	162	213	281	232	297
Sales, Services	126	189	281	322	345
Finance, Administration	75	99	148	135	188

1 Definitions of certain individual functions were changed in accordance with new company HR policies. As a result, transfers from Operations (formerly Production, Logistics) to Research/Development and Finance/Administration functions occurred in 2018.
2 Number of FTEs as at 31 December 2016, adjusted by 70 people who had already left the company by the end of 2016 in connection a structural program.

Employees

At the end of 2020, Meyer Burger employed about 576 people (or 548 full time equivalents [FTEs]), with permanent working contracts (2019: 805 FTEs). In addition, the Group employed 10 temporary full-time workers (2019: 48 temporary full-time employees) and 21 apprentices (2019: 27 apprentices). The change in the number of employees during the fiscal year 2020 is mainly a result of the ongoing business transformation, as well as the divestments made. The average number of full-time employees in 2020 was 559 FTEs (2019: 998 FTEs).

– For more information on Human Resources issues see page 18.

Risk management

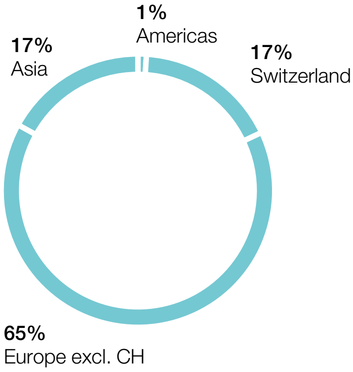
Meyer Burger uses various risk management instruments to manage its strategic, financial and operational risks. The Board of Directors has primary responsibility for evaluating strategic risks. Financial and operational risks are mainly assessed by the Executive Board. The results are submitted to the Board of Directors at regular intervals and any necessary countermeasures determined. Risk management is integrated within the company's management processes and involves Planning, Finance & Controlling, Internal Audit, Production & Logistics, Research & Development, Product Management, Sales, IT, Corporate Communications, Human Resources, and external Tax and Legal Consulting.

– For information about financial risk management see Note 3 on page 92.

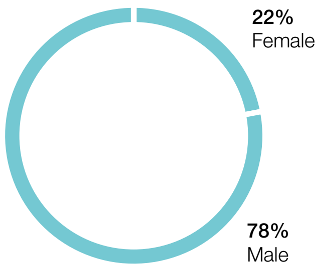
Occupational safety is of major importance to Meyer Burger. Risks are minimized and a high degree of process safety is achieved through careful analysis of operating procedures and the provision of employee training.

– For information about employees see the next section and the corresponding part of the Sustainability Report on page 18.

Employee structure by region in 2020 in %



Employee structure by gender in 2020 in %



Sustainability

With the transformation of our business model from photovoltaic (PV) production equipment manufacturing to the integrated production of PV cells and modules, we make sustainability our number 1 priority (GRI 102-2). We aim to become the most sustainable PV company in the world. Sustainability naturally is an integral part of Meyer Burger's business. Consequently, we always strive to implement the most sustainable solutions in our ongoing operations. This report reflects on the progress made during 2020 and shows the high ambitions we set for ourselves in the near future. Accordingly, the scope of this report was extended to better reflect the strong prioritization of sustainability for Meyer Burger (GRI 102-49).

Our organization is executively led by our CEO Gunter Erfurt and our CFO Jürgen Schiffer and is responsibly governed by the four members of our Board of Directors with comprehensive experience and expertise enabling an integrated view on the company's operations (GRI 102-18). The management is also directly responsible for the handling of economic, environmental, and social strategic topics (GRI 102-20, GRI 102-26, GRI 102-32). Meyer Burger Technology AG (GRI 102-1) is a large-scale publicly listed Swiss solar energy company headquartered in Thun, Switzerland with main operations in Germany (Freiberg, Bitterfeld-Wolfen, Hohenstein-Ernstthal) and Switzerland (Thun, Neuchâtel), as well as sales and service organizations throughout Asia, the U.S. and Europe (GRI 102-3, GRI 102-4, GRI 102-5, GRI 102-6, GRI 102-7). The data in this report sets a focus on Meyer Burger's operations in Germany, being the center of gravity in the ongoing transformation. We globally operate in line with our sustainability mindset.

The company's main stakeholder groups include shareholders, civil society, customers, suppliers, employees and local communities (GRI 102-40). These groups are identified based on the number and depth of interactions with the company (GRI 102-42). Meyer Burger engages in a permanent dialogue with all stakeholders to determine current needs and future trends, especially concerning economic, environmental, and social topics (GRI 102-21, GRI 102-43). In 2020, no concerns were raised in this matter (GRI 102-44).

Sustainability in the spotlight

Meyer Burger places a strong focus on sustainability and promotes sustainable action throughout the group and along its whole value chain. Being a global leader in the solar industry, it is our contribution to society to increase the energy efficiency of solar cells to support the efforts to limit global warming. The historic United Nations Paris Agreement clearly recognizes the crucial role of renewable energies in the transformation of the world's energy system. The 196 signing countries aim to reach a climate neutral world by mid-century. With the cost of solar PV power generation becoming increasingly competitive, the technology has begun to play an important role in reducing the emission of greenhouse gases.

> "Our goal is not only to produce the best and most sustainable solar modules on the planet, but also to be a truly green company and to influence the industry with pioneering sustainability standards and benchmarks."
>
> **Gunter Erfurt, CEO, (GRI 102-14)**

Advancing sustainable innovation

With our progressive technology, we make a valuable contribution to the international PV value chain. Our vision is to facilitate a more sustainable and accessible energy generation for the future. We develop concrete technical solutions to produce highly efficient solar modules, often establishing new industry standards. In this regard, we aim to make these highly-efficient solar modules more accessible to the private and commercial sector while considering economic costs. With continuously improving energy efficiency, we have also reduced overall manufacturing costs and the production footprint, allowing our customers to achieve highly advantageous total cost of ownership in the PV industry.

Towards a waste-free production

Acting in harmony with the environment and respecting societal values, it is most important to us to use natural resources carefully. Currently, certain resources are specially generated and used in the manufacturing process of solar cells and modules. Through reuse, share, repair, refurbishment, remanufacturing and recycling, our vision is to adopt the principles of a circular economy in order to eliminate waste, pollution and carbon emission to a maximum extent. Going even further, Meyer Burger aims at sustainably changing its business model towards the Cradle to Cradle concept (GRI 301).

Cradle to Cradle is Meyer Burger' vision of the future. We implement Cradle to Cradle in our philosophy, daily innovations and we aim to make our products more accessible to society and simplify their usage. Furthermore, we are in permanent dialogue with our suppliers to introduce additional circular economy concepts to increase our positive impact on society and the environment.

Already producing PV systems for qualification purposes, Meyer Burger returns the produced waste into the Cradle to Cradle cycle. In the long-term perspective, we aim to reuse all our materials employed and propose a Cradle to Cradle system to the whole industry.

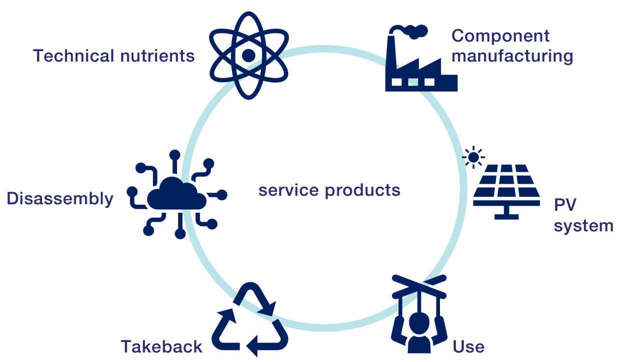
The Cradle to Cradle design was elaborated by Michael Braungart, William McDonough and the EPEA Hamburg and is inspired by the cycle of nature. The purpose of this concept is not only to limit the negative impact of the company on the environment, but to go even further and to have a positive footprint. The objective of Cradle to Cradle is to allow the manufacturing of products to be safe for humanity, healthy for the environment and economically successful. This can be realized through the integration of a safe and potentially unlimited circulation of materials and nutrients. Being chemically harmless, the purpose of Cradle to Cradle is to reuse the nutrients and consequently abolish waste.

Similar to nature, economy should put forth and manufacture products that degrade or recycle themselves after usage just as tree leaves compost themselves and are returned to the soil as biological nutrients. Subsequently, those nutrients are the foundation for additional tree growth, themselves producing leaves. This unlimited cycle should be taken as an example for technical products and production.

Combining innovation, quality and design, Meyer Burger includes the Cradle to Cradle concept in its renewed business model. For now, production materials as silicon or silver are taken from earth and are cleaned intensively and expensively. Those materials are transformed to produce PV modules, cells and other components to form the PV system. Those PV systems are then used to produce the energy to fulfill the actual consumer need. Accordingly, this energy is the actual core product of Meyer Burger from a Cradle to Cradle perspective, transformable to fulfill any consumer demand.

At some point, the PV system will reach its maximum lifetime and the energy production capacity of the PV system will be reduced, so another cycle of innovation will be needed. The goal is to take the PV systems back into the product cycle. The PV systems need to be disassembled in order to regain the technical nutrients. Closing the cycle, those technical nutrients will then be reusable for component manufacturing.

Technical Cycle



For now, Meyer Burger is in discussion with Luxchem GmbH to develop the takeback of the PV system into the cycle. In this matter, Luxchem GmbH has made experiments about how to disassemble the PV system components. During this experiment, Luxchem GmbH has found that 97% of the used nutrients are returnable to the technical cycle and reusable as manufacturing material. In the long-term, our aim is to reach this goal for the entire production considering the Cradle to Cradle philosophy.

The reusage of the technical nutrients requires less efforts concerning material cleaning and preparation for manufacturing. Consequently, Cradle to Cradle will not only bring ecological advantages, but also a chance to increase the economic profitability of Meyer Burger.

Contribution to UN Sustainable Development Goals

The UN Sustainable Development Goals (SDGs) were created to provide a path, also referred to as Pathway for Humanity, for any business to harness its power by directing efforts towards global sustainability objectives. By producing cost efficient solar energy cells and modules and increasing their accessibility to private and commercial consumers, Meyer Burger directly supports SDG No. 7 “Affordable and Clean Energy”. Our innovative range of products, systems and services, including processes for manufacturing solar cells and modules, are essential elements of the PV value chain. We also directly support SDG No. 8 “Decent Work and Economic Growth” through the promotion of sustainable, inclusive economic growth and productive employment. Furthermore, with innovation in the PV industry, we actively contribute to building a resilient infrastructure and are working towards a sustainable industrialization (SDG No. 9) as well as to the development of sustainable cities and communities (SDG No. 11). While immediately contributing to these four goals, we directly or indirectly support the entirety of the SDGs.

Partnerships in the solar industry

With regard to SDG 17 “Partnerships for Goals”, Meyer Burger is actively committed to forward-looking energy strategies and smart solar and energy systems. We engage in trusted and meaningful partnerships. Amongst others, Meyer Burger is a member of Solar United, PV Thin, BSW Solar, Solar Power Europe (SPE), Silicon Saxony, Cool Silicon e.V., and aiming at becoming a member in PV Austria and Swiss Solar to strengthen its footprint as a local and European PV manufacturer. Furthermore, as a member of the Ultra Low Carbon Solar (ULCS) Alliance, Meyer Burger advocates for low CO_2 PV manufacturing without forced labor (GRI 102-13).

In 2019, Meyer Burger also entered a strategic partnership with Oxford Photovoltaics Limited (Oxford PV) and signed an exclusive cooperation agreement to advance the technology for the mass production of perovskite on silicium heterojunction tandem cells. This cooperation ideally combines Oxford PV’s innovative tandem cell technology and Meyer Burger’s HJT technology as well as expertise in industrializing highly efficient PV processes.

We believe that the strategic cooperation can support us in sustaining a technical leadership position in the market and contributing to the global energy transition (GRI 102-12).

Strong Integrity and Compliance

As a globally active and publicly listed company, Meyer Burger ensures that all employees, products and services fully adhere to applicable international, national and local laws, regulations and norms. Reliability, loyalty and respect are Meyer Burger’s key values for all interactions within the company and externally. Meyer Burger’s Code of Conduct outlines the company’s core values and provides guidance regarding business ethics, human rights, compliance, corporate governance, stakeholder engagement and fostering an encouraging work environment and is provided to every employee (GRI 410-1).

Standard-setting Company Values (GRI 102-16)

Our company values apply to all our employees and set the foundation for our everyday actions. These values constantly shape our company culture and describe best, what we want to achieve as a company:

Passion: We combine our thirst for knowledge and success with genuine engineering and design expertise to actively and creatively shape future industrial processes.

Determination: We work solution-oriented and efficiently, set standards and secure our technological leadership.

Responsibility: We strive for cost-effective solutions that create sustainable value added for our customers and society with our forward-thinking and partnership-based attitude.

Integration: We offer our customers well-thought and individual solutions as well as highly qualified services along the entire value chain.

While making sure that our strategy and values are fully integrated into our value creation, we also foster transparency through adequate financial, sustainable and compliance reporting. In this matter, we deeply analyze our actions and the related outcome to derive suggestions for improvement and ameliorate the company's performance and sustainable footprint in the future.

Honesty and high service quality

We continuously educate our employees on important topics, such as our Code of Conduct, anti-corruption measures, cyber-security or prevention of insider training (GRI 205-2). We treat confidential information conscientiously and especially avoid conflicts of interest (GRI 102-25). Also, we do not grant any advantages nor do we accept such advantages for ourselves. In case of doubt, our employees will consult the supervisor or the Compliance Officer (GRI 102-17). Furthermore, we internally disclose and monitor any personal or financial relationships with suppliers, customers or other business partners that go beyond contacts in the course of our professional activities and take action as needed.

Meyer Burger does not make any political donations. We are not member of any political party and do not support one in any other way. However, we recognize and support the right of employees to engage in political activities as private citizen (GRI 415-1).

Respect of Industry Ethics

We are guided by the highest ethical and professional standards of our industry and review and measure our internal guidelines regularly. We commit to free and fair competition. Therefore, we compete fairly for market share and comply with local antitrust and competition laws.

In 2020, Meyer Burger was not involved in any legal proceedings on the grounds of anti-competitive conduct, nor did any cases of corruption come to light (GRI 206-1). Also, there were no fines or penalties for breaches of laws or regulations in 2020 (GRI 205-3, GRI 419-1).

Management of Intellectual Property

Several steps were taken in 2020 to further strengthen our Intellectual Property (IP) management. IP arises from our innovative and creative ideas and enables us to make considerable economic as well as social progress. Therefore, employees in Research and Development functions receive training on IP law. To avoid cases of patent infringement, employees are included in the assessment of competitors' patents to ensure Meyer Burger's freedom to operate. Internal knowledge is exchanged through regular workshops and meetings under responsibility of our CEO. In 2020, an additional IP validation process was introduced to increase our IP quality.

Risk Assessment and Risk Management

A constantly changing environment continuously leads to new challenges and opportunities. In order to ensure ongoing operations with a high focus on quality and sustainability, Meyer Burger needs to be prepared for eventualities. Accordingly, Meyer Burger treats upcoming risks diligently. Thanks to its renewed business model, which has been elaborated according to current trends and risks, Meyer Burger is optimistic concerning its future. Despite the risks listed below and thanks to a regular risk review by the management, the company seems to be well prepared to face the major risk areas listed below (GRI 102-15). In general, the company applies the *Precautionary Principle* to avoid negative impacts on the environment (GRI 102-11).

The risks as well as the risk management process are regularly reviewed by the management with the purpose to assess a review of current economic, environmental, and social topics (GRI 102-27, GRI 102-29, GRI 102-30, GRI 102-31).

Area of risk	Probability	Impact on business	Trend
Economy, Society, Politics & Regulations	Moderate	Medium	Decreasing
Compliance & Corporate Governance	Low	Low	Constant
Human Capital	Possible	High	Constant
Operations	Possible	High	Constant
Strategy	Moderate	High	Decreasing

Economy, Society, Politics and Regulations

The COVID-19 crisis that is impacting the world since the beginning of 2020 led to extensive challenges as temporarily closed borders and the trend of de-globalization. This leads to increasing uncertainties on the supplier and client side. Whereas the situation improved over the year, the risk for a backdrop is evaluated as high for 2021.

Furthermore, as of December 31st, 2020, the United Kingdom has left the European Union. This leads to increasing difficulties concerning the coordination of suppliers from this region as well as more complicated sales regulations.

Finally, uncertainties on international trade agreements arose, e.g. due to the Trump government in the US during recent years. Whereas the situation during the last year was more critical, the election of Mr. Biden as the next US president is expected to lead to reduced tensions and a stabilization of global politics.

Nevertheless, due to a strong focus on the European market, the probability of those risks on the company's core business is evaluated as being moderate and thus not threatening for Meyer Burger's core operations.

Compliance and corporate governance

Unintended disclosure of business relevant information as well as unethical behavior are evaluated as being business-critical risk. Meyer Burger also continuously assesses risks related to corruption (GRI 205-1). To prevent those risks, the group takes respective measures as employee training to reduce the likelihood to a minimum. As for the past, the company is not expecting any breaches for the future either.

Compliance and corporate governance also refer to environmental and sustainable risks, which are very likely to occur in the company's production environment. Meyer Burger's business model is meant and structured to exactly face and ease such risk on a global scale. Consequently, the company not only promotes, but would strongly benefit from an increasing environmental and sustainability awareness amongst its stakeholders (GRI 201, GRI 201-2).

Human capital

As human capital is vital for the company's future, it would be business critical if the company were not able to manage its workforce adequately. In particular, the group is dependent on the availability of and its ability to attract and retain a significant number of skilled and experienced employees. Fortunately, the business model of Meyer Burger as well as its reputation in the labor market attract local workforce.

Due to the current change of business model and a multitude of operational changes, measuring employee satisfaction is challenging and fluctuation might see an increase in the short-term (GRI 401-1). Naturally, Meyer Burger is determined to provide a reliable work environment throughout the intense period of change and to prevent terminations as far as possible. After those necessary changes, the workforce is expected to stabilize.

Operations

As consequences might be highly business critical, the prevention of operational risk is the current focus point for Meyer Burger. The change towards Meyer Burger's new business model expects to prevent major shortfalls and is meant to acquire additional market share and increase the group's revenues. Furthermore, Meyer Burger is operating at a sustainable cost and margin structure to be able to bridge potential temporary shortfalls should they occur.

Additionally, to prevent potential risks within the supply chain, Meyer Burger is focusing on building a more European-focused supply chain and to increase diversification amongst its suppliers.

Strategy

Currently, the PV market shows a strong growth, even accelerated by governmental support and measures in certain regions, giving momentum to Meyer Burger's plan to enter the solar cell and module market and to quickly gain substantial market share based on the advanced technologies.

An increase in competition could jeopardize market entry and/or lead to lower profit margins and a loss in market share as well as delayed or absent positive cash flow. A regular extensive analysis of the company's environment allows to foresee such changes in competition and to adapt adequately.

Meyer Burger is well equipped to face competition in its position as technological leader. According to an expert report from the Fraunhofer Institute in 2020, Meyer Burger currently has a three-year technological lead over mainstream PV module producers. The continuous efforts towards improvements within Meyer Burger's technology roadmap are expected to result in the maintenance or even expansion of this technological leadership position and to bring additional economic upside potential to the Group.

Materiality analysis

Meyer Burger's focus on sustainable value creation is based on the analysis of material topics. The materiality matrix ranks the most important topics from high relevance to very high relevance both from a stakeholders' (vertical axis) and from the company's perspective (horizontal axis). Those topics represent the core of this report (GRI 102-46).

The last review of this analysis was performed in early-2020 by the management. Analyzing current trends and looking into the future, the following topics were identified as being most material for Meyer Burger and its stakeholders (GRI 103-1):

Climate and energy: Having important consequences on society and the environment, the improvement of the CO_2 footprint through the production of renewable and sustainable energy is a strong continuous focus for the years to come.

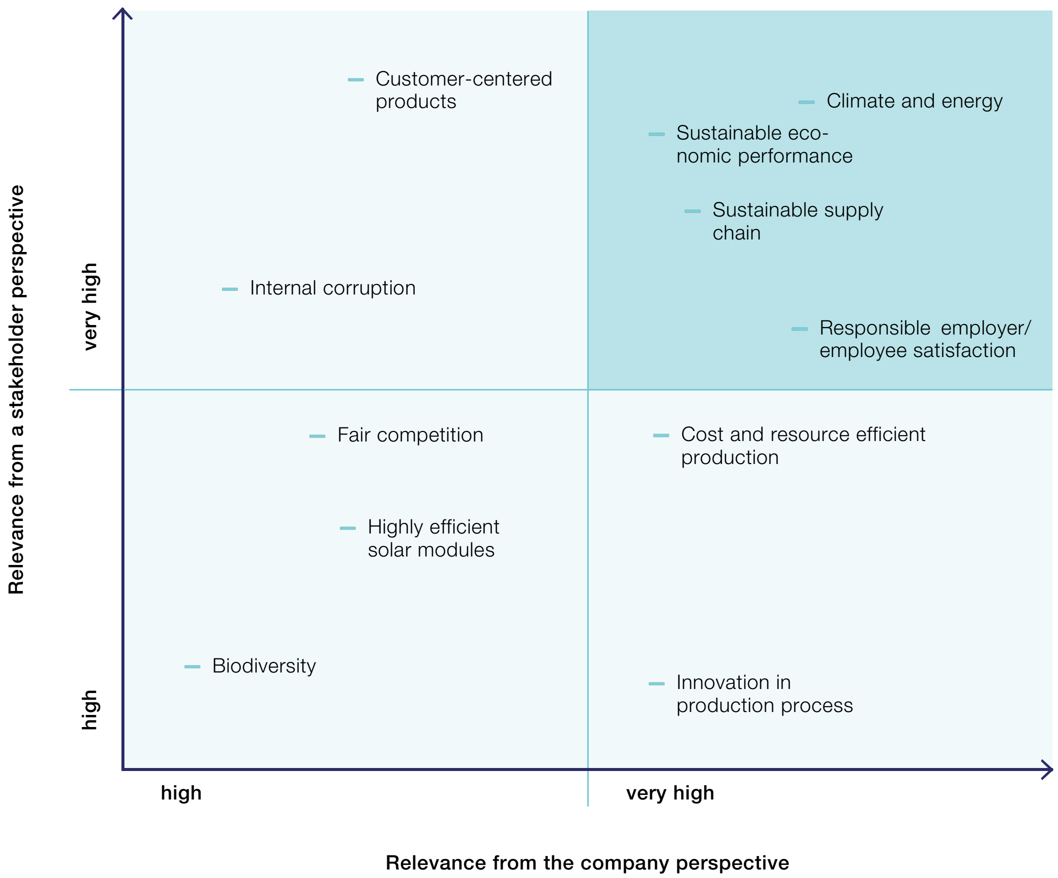
Sustainable economic performance: Being profitable allows Meyer Burger to further invest in future innovations to reach its goal to become the greenest PV company in the world.

Sustainable supply chain: To create a truly sustainable product, the entire supply chain needs to apply those values. To foster transparency and reduce CO_2 emissions, Meyer Burger is aiming to build up an entirely European supply chain and to implement Cradle to Cradle in its business model.

Employee satisfaction: To guarantee an outstanding product quality, Meyer Burger aims to motivate and increase loyalty of its employees through various measures.

Along the report, the management approach will be described for each material topic and evaluated through stakeholder feedback, internal measurement systems and benchmarking (GRI 103-2, GRI 103-3).

Materiality matrix (GRI 102-47)



Responsible Employer and Workforce Management

As an innovative and sustainable company, Meyer Burger benefits from active employee involvement. Our aim is to propose a working environment motivating our employees to make the best out of themselves and to collaboratively bring our company forward. We welcome active and constructive participation of employees in every decision-making process within the company, including economic, environmental, and social topics (GRI 102-19, GRI 102-29). In this matter, employees are expected to report critical concerns to the highest governance body as soon as they appear (GRI 102-33). In 2020, no critical concerns were reported (GRI 102-34). Especially during these challenging times with a running business transformation during the global Covid 19-pandemic, we recognize our responsibility towards our employees and strive to create a collaborative and safe work environment on- and off-site.

General Terms of Employment

Meyer Burger's core values guide us in our actions and decisions. We treat everyone with decency, openness and respect and are committed to team spirit and responsibility. We naturally respect all legally recognized employee organizations and strive to collaborate openly. We are committed to comply with all legal requirements.

Producing in Europe, we protect our employees from unethical or unfair working conditions, including forced and child labor. Our employees have the right of freedom of opinion, speech and demonstration considering these do not interfere with our Code of Conduct.

Diversity and equal opportunities

Reflecting the diversity of our customer base and other stakeholders, Meyer Burger considers diverse workforce to be one of its main assets. At Meyer Burger, employees' remuneration is set according to the company's remuneration table, without consideration of the employees' gender or other characteristics.

Meyer Burger respects the privacy and personal integrity of every employee and all employees are treated fairly and equally. By directly contributing to SDG 5 "Gender equality" and SDG 10 "Reduced inequalities", the company does not tolerate discrimination against employees or other stakeholder on the basis of gender, origin, age, skin color, culture, religion, marital status, political or other opinion, sexual orientation or disability (GRI 406-1). In particular, we do not tolerate sexual or other harassment, namely any kind of bullying.

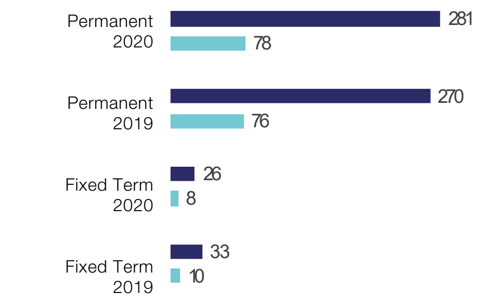
The principles of equality are also applied to training and continuous education. Every year, all employees are updated about the most recent Code of Conduct. Meyer Burger has a clear process to deal with alleged breaches of the Code of Conduct. Employees can report any violations to their direct supervisor, the compliance officer, the human resources department or the staff association and employee representation. In Hohenstein-Ernstthal, complaints can be addressed to the head of the legal department or the direct supervisor. As in previous years, no cases of discrimination were reported in 2020.

In 2020 and 2019, the Executive Board as well as the Board of Directors were only constituted by men. We aim for more gender.

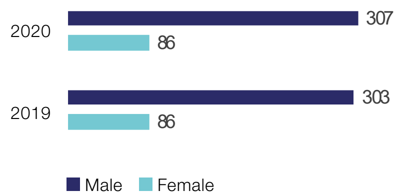
Employee ratios

Employee headcount per 31 December 2020 Meyer Burger Germany (GRI 102-8, GRI 405-1)

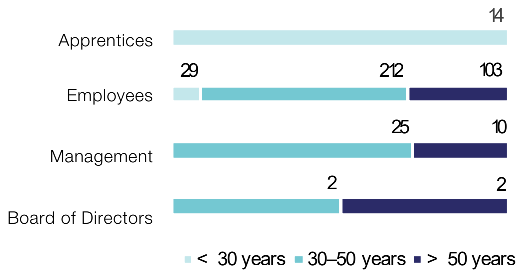
By employment contract



Employees by gender



Employees by age group



Employee Training and Education

We hire new employees with foresight and provide them with professional training and sufficient time to settle-in, especially during the first three months of employment. This ensures that our employees are specifically qualified and adequately prepared to adhere to their responsibilities.

In addition to recruiting young talents, Meyer Burger also proactively plans for the succession of experienced, long-standing employees. In line with SDG 4 “Quality education”, the company proposes trainings to enable younger employees to build up know-how and keep up with the latest technological developments to successfully face future challenges (GRI 404-2).

All employees discuss their further education and personal development during the annual appraisal interviews. Goals and development plans are usually discussed mid-year and year-end together with the direct supervisors (GRI 404-3).

Due to the recent restructuring, the training and education measures for employees in Thun focused on corporate headquarter functions. Furthermore, due to the COVID-19 pandemic, on-site trainings mostly had to be cancelled, which led to a reduced number of training hours. In 2020, approximately 650 hours were invested in training and education at Meyer Burger Germany. After restructuration and the end of the COVID-19 pandemic, Meyer Burger will re-evaluate and enhance its training and educational offerings. Accordingly, the number of training hours will significantly increase in the coming year (GRI 404).

Occupational health and safety (GRI 403)

Once more contributing to SDG 3 “Good health and well-being”, ensuring safe work environments and the health of each employee are of highest importance to Meyer Burger (GRI 403-1). As we place the highest value on compliance with current safety regulations, we comply with local work and safety directives at all our sites. Applying our Code of Conduct, security practices include the respect of human rights policies and procedures (GRI 410-1).

We adhere to our proven operating processes to minimize risks and achieve high levels of process safety (GRI 403-2, GRI 403-3, GRI 403-7). New employees are informed and trained extensively about corporate security regulations and processes (GRI 403-5). Furthermore, we immediately report identified and potential sources of exposure to the responsible person. In addition, all employees are obliged to report potential risks they encounter (GRI 403-4).

In 2020, additional safety measures were taken to minimize health risk through the spread of Covid-19. The thorough implementation of health and safety measures in 2020 contributed to further reduce the sick rate and the number of work accident days. Consequently, in 2020, the injury rate comprised 1.53%.

Key figures occupational health and safety (per 100 FTEs)* (GRI 403-9, 403-10)

	Overall*
Injury rate*	1.6
Cases of occupational illness*	0.0
Days missed (due to injuries/occupational illness)*	68.3
Days of absence**	4 835.0

* Rates calculated using 200,000 working hours (≈ 100 FTEs). There were no fatalities.
** Days of absence include short-time working.

Retaining high-quality employees

As our workforce is our most important asset, it is key to the company's success to be an attractive employer. In this matter, the company provides various benefits to maintain the employees' well-being and to retain quality workforce. Amongst others, we support our employees' families with a company kindergarten and sick day leaves are also applicable for children's sickness. To balance their family and work life, 22 employees took parental leave in 2020 (GRI 401-3).

Furthermore, to foster employee mobility, we offer free parking, company cars and bikes, and facilitate our employees' travel through the collection of Miles & More points and foreign health insurance. Also, Meyer Burger provides comprehensive retirement provisions. Additionally, Meyer Burger contributes to SDG 3 "Good health and well-being" by offering a company canteen with balanced meal and various sport programs, such as business yoga and open gym facilities (GRI 401-2, GRI 403-6).

Evolving through talent acquisition

Due to the difficult market situation in the past years, which have led to streamlining and divestments within the group, Meyer Burger strategically had to reduce the number of employees. With the current move towards the new business model and the upcoming ramp-up, the number of employees is expected to increase again.

Meyer Burger remains convinced of the importance of committed and accountable employees. The group not only invests in its talented employees but also recognizes the importance of a continuous succession and talent management planning. In 2021, Meyer Burger envisages to ramp-up module shipment, global sales and marketing organization for PV modules. Also, the group plans to set up a corporate back office to orchestrate decentralized sales, marketing and business development activities. Furthermore, we have been the first in the Saxony to introduce a 5-shift-working-model. While proposing the same salary, we have reduced regular working hours to 32 hours per week. Through this additional regeneration time, we aim to increase our employees' health and motivation. Therefore, additional and qualified workforce will be hired in the course of the next year. In order to secure the next generation of skilled workers, the group is committed to offer internships and apprenticeships to promising young talent.

Fluctuation and employee satisfaction during COVID-19 and restructuration

With the aim to reduce the negative impact of the COVID-19 pandemic, Meyer Burger resolved to introduce short-time working (Kurzarbeit) at its Hohenstein-Ernstthal (Germany) site and for its sites in Thun and Hauterive (Switzerland) until further notice. These measures are expected to help the group to compensate for the temporary decline in orders. By introducing short-time working instead of layoffs, Meyer Burger retains its highly qualified and trained staff and thus secures their expertise.

In 2020, the employee fluctuation rate for Meyer Burger Germany could be reduced compared to 2019 (2.16%) and comprised 0.30% (GRI 401-1). Through these challenging restructuration times, Meyer Burger always tried to retain its employees wherever possible and was engaged to find socially acceptable solutions for all employees affected by strategic changes and measures.

In Hohenstein-Ernstthal, Meyer Burger is an important employer, training company and partner for local suppliers. As the company was equally prominent in Thun, the discontinuation of production presented major challenges for the local employees. However, the divestment of the PV and specialized materials, wafering equipment and service business to Precision Surfacing Solutions made it possible to secure jobs as well as to retain technological know-how in Thun. We aim to retain local jobs and protect our employees in any situation of strategic change.

In times of transformation, an active and collaborative information exchange within the company is essential. In Thun and Hohenstein-Erntthal in particular, several informative meetings, newsletters, and the employee app helped employees keep up with the latest news as soon as operational changes are decided to be implemented (GRI 402-1).

Employees were also supported by collective bargaining agreements (GRI 102-41, GRI 407). In Thun, the Swissmem collective employment agreement is in place, in Hohenstein-Ernstthal all employees are part of internal work agreements.

Because of the ongoing changes, no employee satisfaction survey could be done in 2020. As soon, as the situation stabilizes and employees will be settled into their workplace, surveys will be conducted again to assess the employees' spirit, motivation and satisfaction.

Social Contribution and Supply Chain

The energy production through PV systems is Meyer Burger's core business, featuring a unique and comprehensive portfolio of technologies and equipment, including the manufacturing and interconnection of solar cells. This portfolio is optimally complemented with Meyer Burger's service offering, which plays an important role in fulfilling the full spectrum of customer needs. With our customer-centric business model, we directly address SDG 11 “Sustainable cities and communities” and SDG 12 “Responsible consumption and production”. (GRI 203-2, GRI 413-1).

Product Value Added

Ensuring our customers’ health and safety is a precondition for Meyer Burger’s long-term success. All systems and machines are manufactured in compliance with the applicable international and national laws, guidelines and standards. As part of the regular quality management process, they are thoroughly checked before customer delivery. In addition, safety manuals, checklists, risk assessments, inspections and safety reviews ensure that all internal and external health and safety protection regulations as well as individual customer specifications are fulfilled. Customers receive extensive technical documentation, user instructions and optimal support through the global service organization (GRI 416-1, GRI 417-1).

Meyer Burger's products are technically advanced and innovative. Accordingly, our customers benefit from an extensive range of trainings from basic training to courses tailored to specific customer needs. Those take place at our company locations, directly at the customer's site or through online tools. Upon request, we also provide customized in-depth product and technology training to our customers. All trainings are reviewed through a written evaluation and customers can access helplines and online support (GRI 416-1).

Customer satisfaction

Meyer Burger strives for long-term customer relationships. Thus, we maintain an open dialogue to cater to customer needs. This allow us to continuously improve our services and products. Customer feedback is received on a daily basis and is systematically documented so that our teams can follow up effectively. Personal contact with existing and potential customers provides insights into their current and future needs. As an example, in 2020, customer feedback helped us to successfully increase productivity: specific customer feedback prompted an extension of Meyer Burger’s service offering from purely remote support to production and service assistance.

All in all, in 2020, direct contact with our customers – personally and remotely – led to a perceived overall improvement in customer satisfaction. Furthermore, no substantiated complaints concerning breaches of customer privacy nor losses of data were reported (GRI 418-1).

The Meyer Burger supply chain (GRI 102-9, GRI 102-10)

The basic building block of a solar PV system is the solar PV module. The vast majority of solar PV modules are silicon-based PV modules, with thin-film technologies serving a market niche. Before being sold to end customers, silicon PV modules are produced in four distinct steps. Ultra-high-purity silicon material is first produced in a chemical process. In a next step, liquefied silicon is usually cast or pulled into ingots, which are then sawn into thin slices (wafers). These wafers are then processed to a solar PV cell, a basic unit that is capable to convert solar radiation into electricity. In the fourth step, PV cells are electrically connected, laminated into a transparent encapsulate film and sandwiched by outer protective layers from either glass or polymer film. Modules are then installed on-site together with inverters, cabling, racks and other mountings structures. The PV modules and these auxiliary components make up the PV system. Meyer Burger’s suppliers can be differentiated by product:

PV cell and modules: In addition to mechanical and electrical component suppliers for the manufacturing equipment not sourced in-house, Meyer Burger needs suppliers for PV cells, module materials, and components, most of which are expected to come from Europe and Asia. The company aims to employ a multi-sourcing strategy to diversify supply chain risks.

Production equipment: The group mainly purchases mechanical and electrical components from third-party suppliers. Meyer Burger strives to be capable of switching to alternative suppliers for each product and for the supply of production materials. Accordingly, the group generally has more than one supplier for any given component.

Local sourcing and efficient supplier management

Reliable and efficient sourcing of materials and goods directly from manufacturers is a key precondition in order to react flexibly to customer demand. The continuing adjustments in production and operations that started in 2020 present a substantial challenge to sourcing in general.

For transparency reasons, goods and services are procured mainly from local manufacturers and suppliers, which are complemented with European and global sources. Meyer Burger defines local sourcing as taking place within the country of a specific production site. At Hohenstein-Ernstthal, more than 80% of the purchasing volume was bought from local suppliers (GRI 204-1).

Our suppliers are chosen carefully and we strive for a long-term trusting relationship (GRI 414-1). This relationship is characterized by loyalty and openness. With its efficient supplier management, the group can easily identify, assess and develop the right partners to provide quality and flexibility, as well as cost and technology potential. All contracts are awarded based on total cost of ownership and include environmental and corporate responsibility clauses as a passus concerning the suppliers' CO_2-footprint or its commitment to Cradle to Cradle (GRI 308-1, GRI 407-1, GRI 408-1, GRI 409-1, GRI 412-1, GRI 414-1).

We expect our suppliers to comply with applicable laws, directives and contractual conditions as well as generally accepted sustainability standards. This includes, among other things, compliance with basic labor and human rights and the prohibition of child and forced labor, as well as regulations on safety and environmental protection, money laundering and corruption. Suppliers must provide corresponding documentation of their efforts in these areas. In case of violations, corrective measures are taken immediately and if these measures are not implemented within a reasonable period of time, Meyer Burger reserves the right to terminate the cooperation immediately.

For the moment, Meyer Burger also uses products manufactured in Asia, thus benefitting from a global supply chain. In a middle-term perspective, Meyer Burger is aiming at building a sustainable European supply chain with the intention to increase transparency and reduce transportation-related CO_2-emission. As an example, the company is currently considering inter-European train transportation solutions. Accordingly, we can ensure to respect human rights conform to our ethical values and promote equal rights along our workforce and society in general, directly contributing to SDG 10 "Reduce inequalities". In this matter, no incidents of violations involving rights of indigenous peoples were recorded in 2020 (GRI 411-1, GRI 412).

Stakeholder and community engagement

We actively engage with our stakeholders and play an active role in our local communities. We are open to dialogue and warmly invite stakeholders to contact us, e.g. through the contacts listed on our website or through public events. Meyer Burger also seeks contact to local authorities, such as municipalities or tax authorities. Especially in the areas of our new production sites in Freiberg, Germany and Bitterfeld, Germany, a close cooperation is essential in the ramp up phase to build a strong foundation for long-lasting constructive relationships (GRI 413).

In 2020, every manager of Meyer Burger Germany was hired in Germany, once more demonstrating our local footprint (GRI 202-2). Furthermore, Meyer Burger is seen as an attractive employee at the German sites, which allows the company to deeply interact with the local community.

Approach to tax

Respecting its core values, Meyer Burger pays its taxes according to the places in which our company operates, thus supporting local communities and complying to the applicable regulations. Embedded within the controlling function and reporting to the CFO, the responsible for taxes also ensures a functioning transfer pricing strategy to ensure that taxes are paid where value is created. Tax risks are assessed on a regular based and Meyer Burger is in contact with the tax authority to prevent any possible mistakes. (GRI 207-1, GRI 207-2, GRI 207-3).

Environmental Protection and Contribution

Meyer Burger is committed to protect the environment and contributes to sustainable business operations to a maximum extend. Our aim is to use the earth-given resources to meaningfully add value to our society. During this process, we ensure that those resources are either returned to our environment or recycled for further production.

Since increasing the energy efficiency of solar cells and modules helps customers to make a positive environmental impact, sustainable development is literally built into Meyer Burger's innovative products and technologies. To address its own environmental footprint, Meyer Burger continuously improves resource use and energy efficiency at its technology and production sites (GRI 302-4). Furthermore, Meyer Burger recognizes the importance to protect biodiversity (GRI 304-1). In this matter, before start of operation, regional assessments are conducted to ensure the preserve of the local environment (GRI 304). In 2020, no operational sites were owned, leased, managed in, or near to protected areas and areas of high biodiversity value outside protected areas (GRI 304-1).

Meyer Burger emphasizes the importance of following all applicable legal requirements. In 2020, no fines or non-monetary penalties were imposed for non-compliance with environmental laws (GRI 307-1).

Energy Footprint and Payback Time

Solar energy is affordable, clean and available in unlimited quantities. Therefore, it can sustainably decrease the effects of global warming in the long term. Meyer Burger focuses on the ongoing improvement of its solar energy technologies to maintain its leading position in the industry and improve the ecological impact of its business activities, products and services.

The energy footprint, i.e., the net energy consumption of a particular product/system over its lifetime and energy payback time i.e., the operation time until a power system has generated the same amount of energy that was originally used to produce it are key drivers for the market of renewable energy systems. For solar PV systems, the energy payback time depends on the geographical location: In Northern Europe PV systems need around 1.5 years to balance their input energy, in Southern Europe it can take less than 1 year. Consequently, over the product lifecycle, Meyer Burger's PV cells and modules can produce 20 times the energy needed for their own production and quickly become energetically profitable (GRI 302-5).

Resources and recycling to reduce the environmental impact

Meyer Burger pursues a double goal: increase the energy efficiency of solar cells and modules while simultaneously offering its customers the lowest total cost of ownership. As innovation is key to achieving these goals, Meyer Burger invests in new technologies that permanently lower the cost per kilowatt hour of solar energy. Also, we only use 100% renewable energies to run our production plants in Hohenstein-Ernstthal, Freiberg and Thalheim (Bitterfeld-Wolfen).

Pollutants can derange the environmental balance through wrong waste disposal (GRI 306-1). Aspiring towards a waste-free production, Meyer Burger is aiming to apply the Cradle to Cradle concept to its production process. Recycling waste, we have already moved a first step in this direction (see table on next page). There were no returned products in 2020. Accordingly, no packaging materials were used for returns or retransfers (GRI 301-3).

Although recycling is very effective, it can happen that lead-particles infiltrate the earth. Therefore, to limit this risk, Meyer Burger produces lead-free PVs. Furthermore, the consistent ongoing development of highly productive equipment of the HJT-technology reduces the use of resources such as energy, cooling water, and process and operation gas and lowers emissions per solar module (GRI 302-4). Resource use in the area of indium tin oxide (ITO) coating was reduced by 25%, while the use of silver was continuously minimized thanks to technological improvements. Also, because of the chosen technology, the emission of solvents is low, especially compared to industry peers. Because no liquid oxygen is emitted during the cell production process, Meyer Burger can achieve an important environmental and competitive advantage (GRI 301).

According to Cradle to Cradle, Meyer Burger has started to work on recycling solutions in collaboration with our partner Luxchem GmbH to allow the reuse of technical nutrients for further manufacturing operations. Furthermore, we are continuously looking to further utilize unusable residual materials from production to limit our waste production (GRI 306-2).

Meyer Burger environmental indicators[1]

Taking care of its environment, Meyer Burger commits itself to reduce CO_2 emissions, limit energy and water consumption and to promote waste recycling. (GRI 303-1, GRI 305). In this matter, the quality standard of effluent discharge has not yet been determined, but is expected to be fixed in 2021 (GRI 303-2). In 2020, 16 402 MWh of electricity were produced with our own PV systems. Due to the introduction of short-time working and extended home office due to the Covid-19 pandemic, the 2020 reported consumption is lower than in the previous years. No water withdrawal nor discharge or any chemical or environmental spills were reported for 2020.

Meyer Burger environmental indicators[1]

	2020	2019	2018
Energy consumption [MWh]	**7 349**	**9 399**	**10 199**
Electricity [MWh]	**4 606**	**6 456**	**7 194**
Heating and cooling [MWh]	**2 119**	**2 186**	**2 234**
Total fuels for vehicles [hectoliter]	**624**	**757**	**772**
Diesel [hectoliter]	566	683	706
Petrol [hectoliter]	55	61	63
LPG/propane [hectoliter][2]	3	13	3
Total CO_2 emissions [tonnes of CO_2 equivalents][3]	**3 958**	**5 152**	**5 147**
Scope 1 [tonnes of CO_2 equivalents] (GRI 305-1)	**674**	**660**	**677**
Fuels for heating and cooling [tonnes of CO_2 equivalents]	514	460	472
Fuels for vehicles [tonnes of CO_2 equivalents]	160	200	205
Scope 2 (electricity) [tonnes of CO_2 equivalents][4] (GRI 305-2)	**2 584**	**2 827**	**3 150**
Scope 3 (business travel) [tonnes of CO_2 equivalents][5] (GRI 305-3)	**700**	**1 665**	**1 319**
Water use [m^3] (GRI 303-3)	**10 287**	**13 958**	**21 090**
Drinking water/fresh water	10 287	13 958	21 090
Ground water	–	–	–
Waste water [m^3] (GRI 303-4)	**7 166**	**10 057**	**14 962**
Municipal sewage treatment plant [m^3][5]	7 166	10 057	14 962
Waste water treatment by third party [m^3]	–	–	–
Waste [tonnes]			
Non-hazardous waste [tonnes] (GRI 306-3)	**35**	**126**	**113**
Residual waste to incineration [tonnes]	12	26	32
Composting [tonnes]	–	–	–
Wood (burning) [tonnes]	23	100	81
Recycling [tonnes] (GRI 306-4)	**121**	**127**	**103**
Paper and cardboard [tonnes]	14	36	26
Glass [tonnes]	1	1	–
Metal (mainly aluminum, copper, iron, steel) [tonnes]	107	81	72
Plastic [tonnes]	3	9	5
Special waste [tonnes] (GRI 306-5)	**249**	**474**	**613**
Batteries (recycling) [tonnes]	–	–	–
Waste electrical and electronic equipment (recycling) [tonnes]	2	1	3
Oils, fats, chemicals (mainly aqueous solutions) [tonnes]	257	472	597
Hazardous waste (mainly coolants and slurries) [tonnes]	–	–	13

1 Due to the materiality of operations in Germany, the environmental data scope is limited to Meyer Burger Germany.
2 The previous report contained an estimated value for 2019. The volume has thus been restated for 2019. No material effects result from this restatement (GRI 102-48).
3 Emission categories according to the Greenhouse Gas Protocol. Scope 1: combustion in own facilities/vehicles; Scope 2: purchased electricity; Scope 3: third-party services.
4 The emissions related to purchased electricity (Scope 2) were calculated using the "location-based approach" of the Greenhouse Gas Protocol Scope 2 Guidance.
5 The value for 2020 is estimated. The actual value can only be determined after publication of this report.

This report has been prepared in accordance with the GRI Standards: Core option (GRI 102-54). The Sustainability Report is published annually (GRI 102-52). The 2019 sustainability report was published on 31 March 2020 (GRI 102-51). This version reports on the period from 1 January until 31 December 2020 (GRI 102-50), about Meyer Burger Technology AG and all its subsidiaries (GRI 102-45). The Sustainability Report 2020 has not been externally assured (GRI 102-56).

– For all questions relating to the sustainability report, please contact (GRI 102-53): Alexandre Müller, alexandre.mueller@meyerburger.com.

GRI Content Index

CONTENT INDEX SERVICE 2021

This report has been prepared in accordance with the GRI Standards: Core Option (GRI 102-54). For the GRI Content Index Service, GRI Services reviewed that the GRI content index (GRI 102-55) is clearly presented and the references for all disclosures included align with the appropriate sections in the body of the report.

		Pages/Reference	Reason for Omission
GRI 101: 2016	Foundation		
GRI 102: 2016	General Disclosures		
	Organizational Profile		
102-1	Name of the organization	12	
102-2	Activities, brands, products, and services	12	
102-3	Location of headquarters	12	
102-4	Location of operations	12	
102-5	Ownership and legal form	12	
102-6	Markets served	12	
102-7	Scale of the organization	12	
102-8	Information on employees and other workers	18	
102-9	Supply chain	20	
102-10	Significant changes to the organization and its supply chain	20	
102-11	Precautionary Principle or approach	15	
102-12	External initiatives	14	
102-13	Membership of associations	14	
	Strategy		
102-14	Statement from senior decision-maker	12	
102-15	Key impacts, risks and opportunities	15	
	Ethics and Integrity		
102-16	Values, principles, standards, and norms of behavior	14	
102-17	Mechanism for advice and concerns about ethics	15	
	Governance		
102-18	Governance structure	12	
102-19	Delegating authority	18	
102-20	Executive-level responsibility for economic, environmental and social topics	12	
102-21	Consulting stakeholders on economic, environmental and social topics	12	
102-22	Composition of the highest governance body and its committees	Corporate Governance Report, “Board of Directors” (p. 36-37)	
102-23	Chair of the highest governance body	Corporate Governance Report, “Board of Directors” (p. 36)	
102-24	Nominating and selecting the highest governance body	Corporate Governance Report, “Changes in the Board of Directors in fiscal year 2020” (p. 39)	
102-25	Conflicts of interest	15	
102-26	Role of highest governance body in setting purpose, values and strategy	12	
102-27	Collective knowledge of highest governance body	15	
102-28	Evaluating the highest governance body’s performance	Remuneration Report, “Board of Directors” (p. 54)	
102-29	Identifying and managing economic, environmental and social impact	15, 18	
102-30	Effectiveness of risk management process	15	
102-31	Review of economic, environmental and social topics	15	
102-32	Highest governance body’s role in sustainability reporting	12	
102-33	Communicating critical concerns	18	
102-34	Nature and total number of critical concerns	18	
102-35	Remuneration policies	Remuneration Report, “Summary of the compensation system of the Board of Directors” and “Summary of the compensation system of the Executive Board” (p. 51)	

		Pages/Reference	Reason for Omission
102-36	Process for determining remunerations	Remuneration Report, "Board of Directors" (p. 54)	
102-37	Stakeholders' involvement in remuneration	Remuneration Report, "Letter to Shareholders" (p. 50)	
102-38	Annual total compensation ratio	Remuneration Report, "Compensation of the Board of Directors in 2020" (p. 55-56), "Compensation 2020 Realized Compensation" (p. 59)	
102-39	Percentage increase in annual total compensation ratio	Remuneration Report, "Explanatory comments to the compensation table" (p. 60)	
	Stakeholder Engagement		
102-40	List of stakeholder groups	12	
102-41	Collective bargaining agreements	20	
102-42	Identifying and selecting stakeholders	12	
102-43	Approach to stakeholder engagement	12	
102-44	Key topics and concerns raised	12	
102-45	Entities included in the consolidated financial statements	24	
102-46	Defining report content and topic boundaries	17	
102-47	List of material topics	17	
102-48	Restatements of information	24	
102-49	Changes in reporting	12	
102-50	Reporting period	24	
102-51	Date of most recent report	24	
102-52	Reporting cycle	24	
102-53	Contact point for questions regarding the report	24	
102-54	Claims of reporting in accordance with the GRI Standards	24	
102-55	GRI content index	25	
102-56	External assurance	24	

GRI 200	**Economic Topics**		
GRI 201: 2016	**Economic Performance**		
GRI 103: 2016 103-1/103-2/103-3	Management approach	17	
201-2	Financial implications and other risks and opportunities due to climate change	16	
GRI 202: 2016	**Market Presence**		
GRI 103: 2016 103-1/103-2/103-3	Management approach	17	
202-2	Proportion of senior management hired from the local community	22	
GRI 203: 2016	**Indirect Economic Impacts**		
GRI 103: 2016 103-1/103-2/103-3	Management approach	17	
203-2	Significant indirect economic impact	20	
GRI 204: 2016	**Procurement Practices**		
GRI 103: 2016 103-1/103-2/103-3	Management approach	17	
204-1	Proportion of spending on local suppliers	22	
GRI 205: 2016	**Anti-Corruption**		
GRI 103: 2016 103-1/103-2/103-3	Management approach	17	
205-1	Operations assessed for risks related to corruption	16	
205-2	Communication and training about anti-corruption policies and procedures	15	
205-3	Confirmed incidents of corruption and actions taken	15	
GRI 206: 2016	**Anti-Competitive Behavior**		
GRI 103: 2016 103-1/103-2/103-3	Management approach	17	
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	15	
GRI 207: 2019	**Tax**		

		Pages/Reference	Reason for Omission
GRI 103: 2016 103-1/103-2/103-3 207-1/207-2/207/3	Management Approach	17	
207-4	Country-by-country Reporting	Notes to the consolidated Financial Statement (p. 85)	
GRI 300	**Environmental Topics**		
GRI 301: 2016	**Materials**		
GRI 103: 2016 103-1/103-2/103-3	Management approach	17	
301-3	Reclaimed products and their packaging materials	23	
GRI 302: 2016	**Energy**		
GRI 103: 2016 103-1/103-2/103-3	Management approach	17	
302-4	Reduction of Energy Consumption	22, 23	
302-5	Reductions in energy requirements of products and services	22	
GRI 303: 2018	**Water and Effluents**		
GRI 103: 2016 103-1/103-2/103-3 303-1/303-2	Management approach	17	
303-3 303-4	Water withdrawal Water discharge	24	
GRI 304: 2016	**Biodiversity**		
GRI 103: 2016 103-1/103-2/103-3	Management approach	17	
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas of high biodiversity value outside protected areas	22	
GRI 305: 2016	**Emissions**		
GRI 103: 2016 103-1/103-2/103-3	Management approach	17	
305-1	Direct (Scope 1) GHG emissions	24	
305-2	Energy indirect (Scope 2) GHG emissions	24	
305-3	Other indirect (Scope 3) GHG emissions	24	
GRI 306: 2020	**Waste**		
GRI 103: 2016 103-1/103-2/103-3 306-1/306-2	Management approach	17	
306-3	Waste generated	24	
306-4	Waste diverted from disposal	24	
306-5	Waste directed to disposal	24	
GRI 307: 2016	**Environmental Compliance**		
GRI 103: 2016 103-1/103-2/103-3	Management approach	17	
307-1	Non-compliance with environmental laws and regulations	23	
GRI 308: 2016	**Supplier Environmental Assessment**		
GRI 103: 2016 103-1/103-2/103-3	Management approach	17	
308-1	New suppliers that were screened using environmental criteria	22	
GRI 400	**Social Topics**		
GRI 401: 2016	**Employment**		
GRI 103: 2016 103-1/103-2/103-3	Management approach	17	
401-1	New employee hires and employee turnover	16, 20	
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	20	
401-3	Parental leave	20	
GRI 402: 2016	**Labor/Management Relations**		
GRI 103: 2016 103-1/103-2/103-3	Management approach	17	
402-1	Minimum notice periods regarding operational changes	20	
GRI 403: 2018	**Occupational Health and Safety**		
GRI 103: 2016 103-1/103-2/103-3 403-1/403-2/403-3/403-4/ 403-5/403-6/403-7	Management approach	17	
403-9	Work-related injuries	19	
403-10	Work-related ill health	19	

		Pages/Reference	Reason for Omission
GRI 404: 2016	**Training and Education**		
GRI 103: 2016 103-1/103-2/103-3	Management approach	17	
404-2	Programs for upgrading employee skills and transition assistance programs	19	
404-3	Percentage of employees receiving regular performance and career development reviews	19	
GRI 405: 2016	**Diversity and Equal Opportunity**		
GRI 103: 2016 103-1/103-2/103-3	Management approach	17	
405-1	Diversity of governance bodies and employees	18	
GRI 406: 2016	**Non-Discrimination**		
GRI 103: 2016 103-1/103-2/103-3	Management approach	17	
406-1	Incidents of discrimination and corrective actions taken	18	
GRI 407: 2016	**Freedom of Association and Collective Bargaining**		
GRI 103: 2016 103-1/103-2/103-3	Management approach	17	
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	22	
GRI 408: 2016	**Child Labor**		
GRI 103: 2016 103-1/103-2/103-3	Management approach	17	
408-1	Operations and suppliers at significant risk for incidents of child labor	22	
GRI 409: 2016	**Forced or Compulsory Labor**		
GRI 103: 2016 103-1/103-2/103-3	Management approach	17	
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	22	
GRI 410: 2016	**Security Practices**		
GRI 103: 2016 103-1/103-2/103-3	Management approach	17	
410-1	Security personnel trained in human rights policies or procedures	14, 19	
GRI 411: 2016	**Rights of Indigenous Peoples**		
GRI 103: 2016 103-1/103-2/103-3	Management approach	17	
411-1	Incidents of violations involving rights of indigenous peoples	22	
GRI 412: 2016	**Human Rights Assessment**		
GRI 103: 2016 103-1/103-2/103-3	Management approach	17	
412-1	Operations that have been subject to human rights reviews or impact assessments	22	
GRI 413: 2016	**Local Communities**		
GRI 103: 2016 103-1/103-2/103-3	Management approach	17	
413-1	Operations with local community engagement, impact assessments and development programs	22	
GRI 414: 2016	**Supplier Social Assessment**		
GRI 103: 2016 103-1/103-2/103-3	Management approach	17	
414-1	New suppliers that were screened using social criteria	22	
GRI 415: 2016	**Public Policy**		
GRI 103: 2016 103-1/103-2/103-3	Management approach	17	
415-1	Political contributions	15	
GRI 416: 2016	**Customer Health and Safety**		
GRI 103: 2016 103-1/103-2/103-3	Management approach	17	
416-1	Assessment of the health and safety impacts of product and service categories	21	
GRI 417: 2016	**Marketing and Labeling**		
GRI 103: 2016 103-1/103-2/103-3	Management approach	17	
417-1	Requirements for product and service information and labeling	21	

		Pages/Reference	Reason for Omission
GRI 418: 2016	**Customer Privacy**		
GRI 103: 2016 103-1/103-2/103-3	Management approach	17	
418-1	Substantiated complaints concerning breaches of customer privacy and losses of data	21	
GRI 419: 2016	**Socioeconomic Compliance**		
GRI 103: 2016 103-1/103-2/103-3	Management approach	17	
419-1	Non-compliance with laws and regulations in the social and economic area	15	

Corporate Governance

The Company relies on the recommendations of the Swiss Code of Best Practice for Corporate Governance by economiesuisse and adheres to the standards of the directive on information relating to Corporate Governance by SIX Swiss Exchange, if applicable and significant to Meyer Burger.

All information within this Corporate Governance Report and within the Remuneration Report refers to the Company Organization, Internal Regulations and Articles of Association that were in effect as of 31 December 2020.

- The current Articles of Association are published on the Company website www.meyerburger.com under section Investor Relations – Articles of Association. Website: www.meyerburger.com/en/investors/annual-general-meeting/articles-of-association/

1 Group Structure and Shareholders

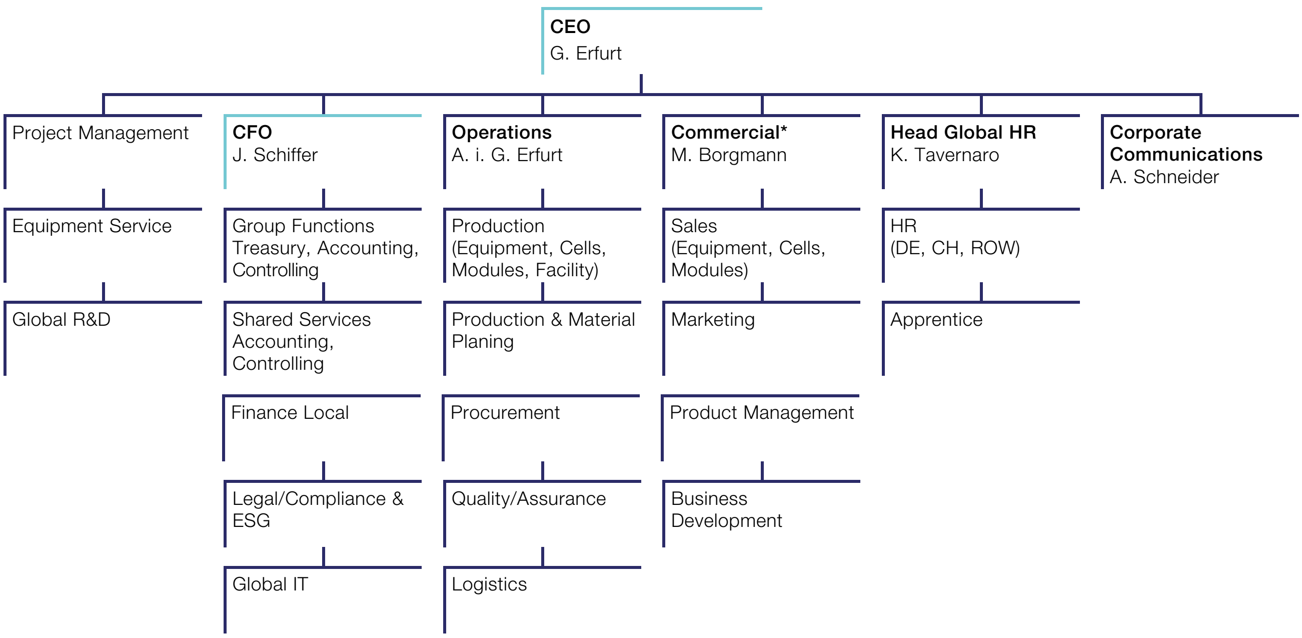
1.1 Group structure

Meyer Burger Technology Ltd (subsequently also referred to as "the Company") is a holding company organized in accordance with Swiss law and holds all companies belonging to the Meyer Burger group ("Meyer Burger Group" or "Meyer Burger") either directly or indirectly.

Meyer Burger is a leading technology group with a global presence, specializing in innovative systems and production equipment for the photovoltaic (solar) industry. Meyer Burger is currently driving a new business model by transforming itself into a manufacturer of high-performance photovoltaic cells and modules, based on its proprietary Heterojunction/SmartWire technology

For financial reporting, the business activities in fiscal year 2020 are combined into the business segments "Photovoltaics", "Specialized Technologies", "Cells" and "Modules". The segments "Cells" and "Modules" were newly integrated into the reporting structure with Meyer Burger's business transformation towards cell and module production, but do not show any sales for the current year (please also refer to Note 2.17 on page 89 in the consolidated financial statements of this Annual Report).

Meyer Burger Group is operationally managed by the Executive Board. The responsibilities of the members of the Executive Board are aligned in functional line organizations, as reflected in the overview of the operating corporate structure below:



■ Member of Executive Board
* from 01 February 2021 onwards

1.2 Listed companies

The shares (registered shares) of Meyer Burger Technology Ltd, headquartered in Thun, Switzerland, are listed on the SIX Swiss Exchange (Valor number 10850379, ISIN number CH0108503795). The ticker symbol is MBTN. The market capitalization of Meyer Burger Technology Ltd as of 31 December 2020 amounted to CHF 847.1 million.

1.3 Non-listed companies

The scope of consolidation as of 31 December 2020 includes non-listed companies, which are shown in Note 1.3 on page 71 in the financial statements of this Annual Report.

1.4 Significant shareholders

The Company is aware of the following shareholders, who according to Article 120f. FMIA (Financial Market Infrastructure Act) held more than 3% of the voting rights (based on the share capital registered in the commercial register) as of 31 December 2020:

Shareholder[1]	Participation
Sentis Capital PCC (Cell 3)[2]	14.73%
Invesco Ltd., Hamilton, Bermuda	5.41%
Swisscanto Fondsleitung AG	4.57%
J O Hambro Capital Management European Select Values Fund[3]	3.78%

1 Voting rights participation according to the disclosure notices received from these shareholders.
2 The beneficial owner is Petr Kondrashev, Austria.
3 The beneficial owner is J O Capital Management Limited.

In addition, Meyer Burger Technology Ltd held a purchase position of 19,734,958 registered shares (percentage of voting rights 0.78%) as of 31 December 2020. A total sale position in connection with Restricted Share Units, Performance Share Units and Options for the share participation programs 2018, 2019 and 2020 (total of the three years) of 21’393’910 shares, corresponding to 0.85% of the voting rights, existed.

— Details on individual disclosure notices according to Article 120f. FMIA in relation to the participations of major shareholders of Meyer Burger Technology Ltd published during the financial year 2020 are available on the website of SIX Swiss Exchange: www.six-exchange-regulation.com/en/home/publications/significant-shareholders.html

Shareholders’ agreements

As of 31 December 2020, the Company was not aware of any shareholders’ agreements.

1.5 Cross-shareholdings

Meyer Burger Technology Ltd did not have any cross-shareholdings with other companies as of 31 December 2020.

2 Capital Structure

2.1 Capital structure as of 31 December 2020

Ordinary share capital
CHF 125,757,560.30
2,515,151,206 fully paid-in registered shares with a nominal value of CHF 0.05 each
(as registered in the commercial register)

Conditional share capital
CHF 31,998.60
639,972 registered shares with a nominal value of CHF 0.05 each for exercising of option rights granted to employees and members of the Board of Directors of the Company or of group companies (in connection with the share participation program of the Company)
(according to Articles of Association dated 28 July 2020)

CHF 3,450,000.00
69,000,000 registered shares with a nominal value of CHF 0.05 each for exercising of conversion and/or option rights in connection with convertible bonds, bonds with option rights or similar financial market instruments of the Company or of group companies
(according to Articles of Association dated 28 July 2020)

Authorized share capital
CHF 5,138,803.75
102,776,075 registered shares with a nominal value of CHF 0.05 each
Issuance possible until 13 May 2022
(according to Articles of Association dated 28 July 2020)

2.2 Conditional share capital

In accordance with Article 3b of the Company's Articles of Association, dated 28 July 2020, the share capital may be increased by a maximum amount of CHF 31,998.60 through the issuance of a maximum of 639,972 fully paid-in registered shares with a nominal value of CHF 0.05 each, by the exercise of option rights granted to employees and members of the Board of Directors of the Company or of group companies in accordance with a plan to be prepared and issued by the Board of Directors. The subscription rights of shareholders shall be excluded. Upon acquisition, the new registered shares shall be subject to the limitations for registration in the share register in accordance with Article 4 of the Articles of Association.

In accordance with Article 3c of the Company's Articles of Association, dated 28 July 2020, the share capital may be increased by a maximum amount of CHF 3,450,000.00 through the issuance of a maximum of 69,000,000 fully paid-in registered shares with a nominal value of CHF 0.05 each, by the exercise of conversion and/or option rights which are granted in connection with convertible bonds, bonds with option rights or similar financial market instruments of the Company or of group companies.

The subscription rights of the shareholders shall be excluded in connection with the issuance of convertible bonds, bonds with option rights or other financial market instruments, which carry conversion and/or option rights. The then current owners of conversion and/or option rights shall be entitled to subscribe for the new shares.

The acquisition of shares through the exercise of conversion and/or option rights and each subsequent transfer of the shares shall be subject to the limitations for registration in the share register in accordance with Article 4 of the Articles of Association.

The Board of Directors is entitled to restrict or exclude the advance subscription rights in connection with the issuance of convertible bonds, bonds with option rights or other financial market instruments of existing shareholders, provided that:

1) the financing instruments with conversion or option rights are issued in connection with the financing or refinancing of the acquisition of enterprises, divisions thereof or participations or of newly planned investments; or
2) an issue by firm underwriting through a bank or a banking syndicate followed by a public offer, thereby excluding the advance subscription rights, seems to be the best way of issue at that point in time, in particular with respect to the terms and conditions of the issue or the timeline of the transaction.

If advance subscription rights are denied by decision of the Board of Directors, the following shall apply:

1) conversion rights may be exercisable only for up to ten years, option rights only for up to seven years from the date of the respective issuance; and
2) an issue by firm underwriting through a bank or a banking syndicate followed by a public offer, thereby excluding the advance subscription rights, seems to be the best way of issue at that point in time, in particular with respect to the terms and conditions of the issue or the timeline of the transaction.

If advance subscription rights are denied by decision of the Board of Directors, the following shall apply:

1) conversion rights may be exercisable only for up to ten years, option rights only for up to seven years from the date of the respective issuance; and
2) the respective financial market instruments must be issued at the relevant market conditions.

The total outstanding amount of conditional capital under Article 3b (639,972 registered shares) and 3c (69,000,000 registered shares) of the Articles of Association represents 2.77% of the outstanding ordinary share capital (2,515,151,206 registered shares) as of 31 December 2020.

2.3 Authorized share capital

In accordance with Article 3d of the Articles of Association, dated 28 July 2020, the Board of Directors is entitled to increase the share capital of the Company by a maximum amount of CHF 5,138,803.75, at any time until 13 May 2022, through the issuance of a maximum of 102,776,075 fully paid-in registered shares with a nominal value of CHF 0.05 each.

The Board of Directors is entitled (including in the case of a public offer for shares of the Company) to restrict or exclude the subscription rights of the shareholders and to allocate them to third parties, if the new shares are to be used:

1) for the acquisition of enterprises, parts of enterprises, participations or for new investment plans, or in the case of a placement of shares for the financing or refinancing of such transactions;
2) for the purpose of the participation of strategic partners; or
3) for the rapid and flexible creation of equity capital through a placement of shares, which would only be possible with difficulties with subscription rights.

The capital increase may occur by means of underwriting and/or partial increases. The Board of Directors is entitled to set the issue price of the shares, the type of contribution and the date of entitlement to dividends. Shares issued under these terms are subject to the limitations for registration in the share register in accordance with Article 4 of the Articles of Association of the Company.

The total outstanding amount of authorized capital under Article 3d (102,776,075 registered shares) of the Articles of Association represents 4.09% of the outstanding ordinary share capital (2,515,151,206 registered shares) as of 31 December 2020.

2.4 Changes in capital over the past three reporting years

2.4.1 Changes in capital during 2020

As of 1 January 2020, the ordinary share capital amounted to CHF 34,258,691.70, divided into 685,173,834 fully paid-in registered shares. In addition, the Company had conditional capital of CHF 31,998.60 (639,972 registered shares) for exercising of option rights in connection with the share participation program of the Company, and CHF 1,368,878.15 (27,377,563 registered shares) for exercising of conversion and/or option rights in connection with convertible bonds. Furthermore, the Company also had authorized capital of CHF 1,535,579.00 (30'711'580 registered shares) with issuance possible until 2 May 2020.

The Annual General Meeting on 13 May 2020 approved the renewal of authorized capital of CHF 5,138,803.75 (102,776,075 000 fully paid-in registered shares) with issuance possible until 13 May 2022. This change of the Articles of Association was registered in the commercial register on 14 May 2020.

The Extraordinary General Meeting held on 10 July 2020 followed the proposal by the Board of Directors and approved an ordinary capital increase by issuing up to 1,829,977,372 new registered shares with a nominal value of CHF 0.05 per registered share, and to increase the conditional capital in Art. 3c of the Articles of Association to CHF 3,450,000 for the issuance of up to 69,000,000 registered shares by exercising conversion and/or option rights. This change of the Articles of Association was registered in the commercial register on 10 July 2020. As approved by the Extraordinary General Meeting, the capital increase took the form of a combination of a rights offering to existing shareholders and a private placement to selected investors. On 28 July 2020, the company issued 1,829,977,372 new registered shares with a nominal value of CHF 0.05 per registered share. The ordinary share capital thus increased to CHF 125,757,560.30, divided into 2,515,151,206 registered shares. The change of the Articles of Association and the capital increase were registered in the commercial register on 28 July 2020.

2.4.2 Changes in capital during 2019

As of 1 January 2019, the ordinary share capital amounted to CHF 31,144,270.70, divided into 622,885,414 fully paid-in registered shares. In addition, the Company had conditional capital of CHF 31,998.60 (639,972 registered shares) for exercising of option rights in connection with the share participation program of the Company, and CHF 1,464,541.30 (29,290,826 registered shares) for exercising of conversion and/or option rights in connection with convertible bonds. Furthermore, the Company also had authorized capital of CHF 4,650,000.00 (109,644,432 registered shares) with issuance possible until 2 May 2020.

On 21 March 2019 the Company issued 62,288,420 registered shares out of its existing authorized capital to acquire 18.4% of Oxford Photovoltaics Ltd. The ordinary share capital thus increased to CHF 34,258,691.70, divided into 685,173,834 registered shares. At the subsequent ordinary General Meeting of Shareholders, the shareholders approved the replacement of article 3a of the Articles of Association by article 3d ("Authorized Capital"). Article 3d details the authorization of the Board of Directors to increase the share capital by a maximum amount of CHF 1,535,579.00, at any time until 2 May 2020, through the issuance of a maximum of 30,711,580 fully paid-in registered shares with a nominal value of CHF 0.05 each. The registration of this change in capital and the corresponding change of the Articles of Association was registered in the commercial register on 2 May 2019.

2.4.3 Changes in capital during 2018

As of 1 January 2018, the ordinary share capital amounted to CHF 31,048,607.55, divided into 620,972,151 fully paid-in registered shares. In addition, the Company had conditional capital of CHF 31,998.60 (93,000,000 registered shares) for exercising of option rights in connection with the share participation program of the Company, and CHF 1,464,541.30 (29,290,826 registered shares) for exercising of conversion and/or option rights in connection with convertible bonds. Furthermore, the Company also had authorized capital of CHF 5,482,221.60 (109,644,432 registered shares) with issuance possible until 2 December 2018.

In early 2018, convertible bonds with nominal amount of CHF 1,875,000 were converted into 1,913,263 registered shares. The outstanding ordinary share capital of the Company therefore increased by CHF 95,663.15 (1,913,263 registered shares) to CHF 31,144,270.70 (622,885,414 registered shares) as of year-end 2018. The outstanding conditional capital for conversion and/or option rights which are granted in connection with convertible bonds, option bonds and other financial market instruments declined by CHF 95,663.15 (1,913,263 registered shares) and amounted to CHF 1,368,878.15 (27,377,563 registered shares) as of year-end 2018 (see also description convertible bond in section 2.8 on page 35). The registration of this change in capital and the corresponding change of the Articles of Association was registered in the commercial register on 22 March 2018.

The Ordinary General Meeting, held on 2 May 2018, followed the proposal by the Board of Directors and approved a renewal of previously existing authorized capital. The General Meeting approved authorized capital of CHF 4,650,000.00 (93,000,000 fully paid-in registered shares), issuance possible until 2 May 2020. The registration of this change in capital and the corresponding change of the Articles of Association was registered in the commercial register on 2 May 2018.

2.5 Shares

The outstanding share capital of Meyer Burger Technology Ltd, as of 31 December 2020, was divided into 2,515,151,206 registered shares as reflected in the commercial register with a nominal value of CHF 0.05 each. All shares are fully paid-in. Each share is entitled to one vote. All shares are entitled to dividends. The Company recognizes only one entitled party for each share. A share register is kept on the shares issued, in which the owners, usufructuaries and nominees of the registered shares are entered along with their name, domicile, address and nationality. The entry in the share register depends on identification by means of transfer of the ownership interest or the creation of a usufruct in the correct form and in accordance with the Articles of Association. The Company will only consider as shareholders those who are registered in the share register.

2.6 Participation or bonus certificates

The Company has neither participation nor bonus certificates outstanding.

2.7 Limitations on transferability and nominee registrations

As a matter of principle, the Articles of Association of the Company do not include any restrictions on transferability. However, the Articles do include the following registration limits:

- Acquirers of registered shares are entered into the share register upon request as shareholders with voting rights, provided that they expressly declare that they have acquired these registered shares on their own behalf and for their own account.
- The Board of Directors may enter nominees with up to a maximum of 3% of the registered share capital as recorded in the commercial register

with voting rights in the share register. In accordance with this regulation, nominees are persons who do not expressly declare in the share register entry form that they hold the shares for their own account and with whom the Board of Directors has entered into an agreement to this effect.
- Beyond this limit the Board of Directors can enter registered shares of nominees with voting rights in the share register, if the nominee in question states the name, address and shareholdings of those persons for whose account it holds 0.5% or more of the registered share capital as recorded in the commercial register.
- Legal entities or partnerships or other associations or joint ownership arrangements which are linked through capital ownership or voting rights, through common management or in like manner, as well as individuals, legal entities or partnerships (especially syndicates) which act in concert with intent to evade the entry restrictions are considered as one shareholder or nominee.
- The entry restrictions also apply to registered shares that were purchased or acquired through the exercising of subscription rights, options or conversion rights.

Please refer to section “Voting rights restrictions and representation” on page 47 of this Corporate Governance Report for the procedure and requirements for changes to or the cancellation of the above-listed restrictions.

2.8 Convertible bonds, options, share participation program

Convertible bonds

As of 31 December 2020, Meyer Burger did not have any convertible bond outstanding. The convertible bond outlined below was fully repaid as per 24 September 2020.
As of 31 December 2019, Meyer Burger Technology Ltd had the following convertible bond outstanding:

Bond issued on	Outstanding amount as of 31.12.2019	Principle amount	Conversion ratio	Conversion price	Retention period
24.09.2014	CHF 26.830 million	CHF 5 000.00	5102.04081	CHF 0.98[1]	24.09.2014–24.09.2020

[1] Defined at 30 January 2017 – for the changes of the convertible bonds in conjunction with the recapitalization program of the Company in 2016, please refer to pages 40/41 of the Annual Report 2017. The document is available on the Company website https://www.meyerburger.com/en/meyer-burger/investor-relations/financial-reports-publications/ – section Archive 2017

Options, share participation program

As of 31 December 2020, Meyer Burger had granted 12,500,000 options as part of the share-based payment plans. As of 31 December 2019, Meyer Burger Technology Ltd did not have any options outstanding.

The Company has share-based payment plans, the essentials of which are disclosed in the Remuneration Report on page 50 ff.

The number of shares as of 31 December 2020 that were offered under the share participation program (RSU, PSU and option plans):

Grant/Purchase	Number of share units	Number of options	Acquisition price	Vesting period
09.04.2018	1 540 425	–	n/a	09.04.2018 – 08.04.2021
01.04.2019[1]	2 071 930	–	n/a	01.04.2019 – 31.03.2022
01.04.2020	4 205 961	–	n/a	01.04.2020 – 31.03.2023
18.12.2020	–	12 500 000	n/a	18.12.2020 – 17.12.2023

[1] Including RSUs granted to newly elected board members Remo Lütolf and Andreas Herzog with vesting periods 03.05.2019–02.05.2022.

The registered shares shown in the table above correspond in total to 0.85% of the outstanding and listed share capital of the Company as of 31 December 2020. In general, shares granted in the share participation program are expected to be sourced from treasury shares hence no dilution is expected from the RSU, PSU and option awards. As of 31 December 2020, Meyer Burger held 19,734,958 treasury shares and would need to acquire an additional 1 658 952 treasury shares (0.07% of outstanding and listed share capital) to fully serve the outstanding obligation from share-based payments.

3 Board of Directors

Board of Directors as of 31 December 2020 (GRI 102-22, GRI 102-23)

Name	Born	Position	Position since
Franz Richter	1955	Chair	2020
Mark Kerekes	1976	Vice Chair	2020
Andreas R. Herzog	1957	Member	2019
Urs Fähndrich	1983	Member	2020

Franz Richter is the Chairman since 13 May 2020. He is a member of the Board of Directors since 2015.

Franz Richter

Chairman and non-executive member of the Board of Directors, German citizen

Education BsC Mechanical Engineering at the University of Applied Sciences, Münster, Germany. MSc Physics at the University of Bielefeld and Technical University of Applied Sciences Darmstadt, Germany. PhD Mechanical Engineering at the Rheinisch-Westfälische Technische Hochschule Aachen University, Aachen, Germany.

Experience — **Since 2016** CEO of Süss Micro Tec SE, Garching, Germany — **2007–2016** CEO and co-founder of Thin Materials, Eichenau, Germany — **2005–2007** President of the Semiconductor Equipment Segment, Unaxis, at OC Oerlikon, Pfäffikon, Switzerland — **1990–2004** Various roles at Süss MicroTec, including CEO (1998–2004), Garching, Germany — **1988–1990** Scientist at Fraunhofer Institute for Laser Technology, Aachen, Germany — **1985–1988** Scientist at Carl Zeiss, Oberkochen, Germany

Other activities and vested interests

Current mandates: Chairman of the Board of Trustees of Fraunhofer Institute IZM, Berlin, Germany, since 2009. In total one mandate at a publicly listed company (CEO mandate at Süss MicroTec AG).

No other business relationship with the Company or one of its group companies exists. No significant official functions or political offices.

Mark Kerekes

Non-executive member and Vice-Chair of the Board of Directors, Austrian citizen

Education Master in Business Administration, Capital Market Theory and Business Informatics, Vienna University of Economics and Business, Vienna, Austria

Experience — **Since 2014** Co-Manager of Elbogross SA, Zug, Switzerland and Co-Manager of Sentis Capital PCC, Bazers, Liechtenstein — **Since 2013** Co-Founder and General Manager of Aerius Advisors, Zug, Switzerland — **2012–2013** Co-Founder and General Manager of Hidden Pearl Invest, Vienna, Austria — **2019–2012** Senior Fund Manager at Advisory Invest, Vienna, Austria — **2000–2009** Various roles at Raiffeisen Group, Vienna, Austria

Other activities and vested interests

Current mandates: Member of the Board of Elbogross SA, Zug., Switzerland, since 2014, Member of the Board of Aerius Holding AG, Zug, Switzerland, since 2016, Member of the Board at Sentis Capital PCC, Balzers, Lichtenstein, since 2018

No other mandates at a publicly listed company, three remunerated mandates and no non-remunerated mandates at non-listed companies. No significant official functions or political offices.

No business relationship with the Company or one of its group companies.

Andreas R. Herzog

Non-executive member of the Board of Directors, Swiss citizen

Education Business Training College, Winterthur, Switzerland, University of Applied Sciences, Zurich, Switzerland. Marketing Management, Western University, London, Canada. Corporate Financial Strategy in Global Markets, INSEAD, Paris, France. Strategic Management, Harvard University, Boston, USA. International Tax Law, University of Applied Sciences, Basel, Switzerland. Leadership Management, Harvard University, Boston, USA

Experience — **Since 05/2020** Independent Entrepreneur — **10/2019–04/2020** General Partner, RIFF Ventures — **2002–2019** CFO, Bühler Group, Uzwil, Switzerland — **2001–2002** CFO, Eichhof Group, Lucerne, Switzerland — **1996–2001** Vice President Finance, Swarovski, Feldmeilen, Switzerland — **1990–1995** Various management positions as Senior Controller & Operational Auditor and as Co-CEO Germany SMH/SWATCH, Biel, Switzerland, Bad Soden am Taunus, Germany — **1984–1990** Various positions in finance, controlling, logistics, Ciba-Geigy, Mexico, Switzerland, Colombia and Ivory Coast

Other activities and vested interests

Current mandates: Member of the Board of Directors, HOCHDORF Swiss Nutrition AG, Lucerne, Switzerland (since 2020), Chairman of the Board of Directors of Systemcredit, Zurich, Switzerland (since 2019); Member of the Board of SeedCapital Invest, Sempach, Switzerland (since 2018); Vice Chairman of the Board of Swiss-Chinese Chamber of Commerce; Zurich, Switzerland, Member of Advisory Council of Chinese Europe International Business School (CEIBS), Horgen, Switzerland.

One other mandates at a publicly listed company, one remunerated mandate and three non-remunerated mandates at non-listed companies. No significant official functions or political offices.

No business relationship with the Company or one of its group companies.

Urs Fähndrich

Non-executive member of the Board of Directors, Swiss citizen

Education MA Banking and Finance, University of St. Gallen (HSG), St. Gallen, Switzerland, History and Economics, Columbia University, New York, US

Experience — **Since 2018** Chairman of the Board of Mega Farms AG, Zug, Switzerland — **Since 2013** Member of the Board of Elysium Capital AG, Schaan, Liechtenstein — **Since 2010** Chairman of the Board of Gold Partners AG, Wollerau (SZ), Switzerland — **2003–2009** Assistant to the CEO of Stüfe & Partner Asset Management, Königstein im Taunus, Germany — **2003** Student trainee in Private Wealth Management, UBS AG, DE- Frankfurt/Main

Other activities and vested interests

Current mandates: Chairman of the Board of Gold Partners AG, Wollerau (SZ), Switzerland (since 2010), Member of the Board of Confortune Europe AG, Balzers, Liechtenstein, Member of the Board of Teutonia Capital AG, Balzers, Liechtenstein, Member of the Board of Elysium Capital AG, Schaan, Liechtenstein, Chairman of the Board of Mega Farms AG, Risch, Switzerland (since 2018)

No other mandates at a publicly listed company, five remunerated mandates and no non-remunerated mandates at non-listed companies. No significant official functions or political offices.

No business relationship with the Company or one of its group companies.

Board of Directors

Franz Richter
Chairman,
non-executive

Mark Kerekes
Vice Chairman,
non-executive

Andreas Herzog
Member,
non-executive

Urs Fähndrich
Member,
non-executive

Changes in the Board of Directors in fiscal year 2020 (GRI 102-24)

On 20 April 2020, Hans-Michael Hauser resigned from the Board of Directors. At the General Meeting of Shareholders on 13 May 2020, Remo Lütolf did not stand for re-election. At the same meeting, shareholders elected Franz Richter as member and Chairman of the Board of Directors, re-elected Andreas R. Herzog and newly elected Mark Kerekes and Urs Fähndrich as members of the Board of Directors.

Executive activities for the Company or one of its group companies

As of 31 December 2020, the current members of the Board of Directors have never been members of the Executive Board of the Company or one of the group companies.

In accordance with article 28 of the Articles of Association (dated 2 May 2019), members of the Board of Directors and the Executive Board may not hold or exercise more than the following number of additional activities in the highest management or administrative bodies of other legal entities which are obliged to be registered in the Commercial Register or in a comparable foreign register and which are not controlled by the Company or do not control the Company:

- 10 mandates (for members of the Board of Directors) or 3 mandates (for members of the Executive Board) in the highest management or administrative bodies of other legal entities,
- of which 5 mandates (for members of the Board of Directors) and 1 mandate (for members of the Executive Board) for public companies and
- 10 (for members of the Board of Directors) or 2 (for members of the Executive Board) non-remunerated mandates with non-profit, charitable or other not-for-profit legal entities, whereby reimbursement of expenses does not count as remuneration.

Several mandates with different companies belonging to the same group count as one mandate. The above limitation does not apply to mandates held by a member of the Board of Directors or the Executive Board on behalf of the Company (e.g. joint ventures or pension funds of these legal entities or in companies in which this legal entity holds a significant [non-consolidated] interest). The acceptance of mandates/employments by members of the Executive Board outside the Meyer Burger Group requires the prior approval of the Board of Directors. The Board of Directors may refuse approval at its own discretion.

3.1 Elections and terms of office

In accordance with article 18 of the Articles of Association, dated 2 May 2019, the Board of Directors consists of one or more, but a maximum of nine members. The General Meeting of Shareholders elects annually

- the members of the Board of Directors and the Chairman of the Board
- the members of the Nomination & Compensation Committee, who must be members of the Board of Directors

The members of the Board of Directors are elected individually and for a term of office up to and including the next Annual General Meeting. Re-election is possible. The term of office of a member of the Board of Directors will, however, end irrevocably on the date of the Annual General Meeting following the 70th birthday of the particular member of the Board of Directors.

3.2 Internal organization

The Board of Directors constitutes itself, except for the mandatory competences by the Annual General Meeting (election of the Chairman of the Board of Directors and the members of the Nomination & Compensation Committee). The Board shall choose its Vice Chairman and a Secretary, who doesn't need to be a member of the Board of Directors. As of 31 December 2019, Remo Lütolf acted as Chairman, Franz Richter as Vice Chairman of the Board of Directors.

The Board of Directors holds ordinary Board meetings at least four times per year, usually at least one meeting per quarter. Additional meetings are held as often as necessary. In fiscal year 2020, the Board of Directors held 39 Board meetings, of which 4 were physical meetings and 35 were held as telephone conferences. In addition, the Board was constantly informed on and involved in the progress of Meyer Burger's business transformation. Meetings of the Board of Directors with physical attendance usually lasted a full day. The length of telephone conferences was up to six hours depended on the issues discussed. In general, the Executive Board participates in the meetings of the Board of Directors.

The Board of Directors can introduce permanent or ad hoc Committees for the preparation of individual resolutions, for the performance of certain control functions, or for other special tasks. The Committees do not have decision authority in most cases (exception for example regarding decisions of execution that have been delegated by the Board of Directors in single resolutions).

As of 31 December 2020, the Board of Directors had two permanent Committees: the Risk & Audit Committee, and the Nomination & Compensation Committee. The Innovation Committee was not active in

2020. The duration of the Committees' meetings depends on the issues discussed.

3.2.1 Risk & Audit Committee (R&A Committee)

Committee members as of 31 December 2020: Andreas R. Herzog (Chairperson), Mark Kerekes.

The R&A Committee mainly has the following responsibilities:

- Review of the accounting system
- Review of the annual financial statements and other financial information published
- Supervision of the assessment of risks within the Group
- Monitoring the compliance and risk management, and the effectiveness and efficiency of the internal control system ("ICS")
- Supervision of business activities regarding compliance with resolutions by the Board of Directors, internal regulations and guidelines, directives and statutory provisions, in particular also the compliance with stock exchange laws
- Review of the services, independence and fees of the external auditors as well as recommendation to the Board of Directors regarding the proposal to the General Meeting of Shareholders in respect of the auditors
- Detailed discussions of the audit letters, examination of all important conclusions and recommendations by the external auditors with the Executive Board and the auditors themselves
- Monitoring of the implementation of the recommendations by the external auditors
- Review of the services and fees regarding consulting mandates with related parties
- Periodic examination of the insurances of the Group
- Further special tasks as assigned by the Board of Directors

The Committee meets as often as business requires, but at least three times a year. The meetings usually last up to 3 hours. The Chief Financial Officer usually participates in these meetings. Other members of the Board of Directors, the Chief Executive Officer or other members of the Executive Board, representatives of the external auditors, representatives of the internal auditors or other specialists may also be invited to these meetings. The decision thereto is with the Chairperson of the R&A Committee. The appointment of assignments to third parties requires the approval of the Board of Directors or, in urgent cases, of the Chairman of the Board of Directors. The Committee meets at least twice per year with representatives of the external auditors. During the length of such a meeting with the auditors none of the members of the Executive Board shall be present.

In fiscal year 2020, the R&A Committee held 3 meetings. The external auditors participated at 2 meetings. The internal audit was paused in 2020 and accordingly, no internal audit representative was present at the meetings. The Committee did not consult regularly with external advisors.

3.2.2 Nomination & Compensation Committee (N&C Committee)

Committee members as of 31 December 2020: Urs Fähndrich (Chairperson), Andreas R. Herzog.

The N&C Committee mainly has the following responsibilities:

- In charge of the process for the selection and proposal of new members of the Board of Directors
- In charge of the process for the selection and proposal regarding the appointment of the CEO
- Examination and approval, respectively proposals of the selection of members of the Executive Board and for management members of important group companies (including occasional interviews at the end of the selection process) as well as examination of the most important conditions of their employment contracts
- Proposal of the compensation for the members of the Board of Directors and the Board's Committees
- Review, negotiation and proposal of the remuneration of the CEO
- Review and proposal (together with the CEO) of the remuneration of the members of the Executive Board
- Review and decision on the targets and their achievement for members of the Executive Board
- Review of the targets and total remuneration of important group companies
- Preparation and proposal of the Remuneration Report
- Review, proposal and monitoring of the implementation of participation programs for the Board of Directors, the CEO, the other members of the Executive Board and for other employees
- Examination, proposal (together with the CEO) and monitoring of the implementation of the structure and organization of the highest level of operating management
- Planning of successors at the highest level of management
- Planning and implementation of a self-assessment of the Board of Directors
- Further special tasks as assigned by the Board of Directors in the areas of nomination, organization and remuneration
- Detailed information on the decision authority regarding the remuneration of the Board of Directors and to the Executive Board are included in the Remuneration Report on page 53.

The Committee meets as often as business requires (usually at least four times per year). The meetings usually last up to 4 hours. The Chairperson of the Committee can invite members of the Executive Board, members of the management of significant subsidiaries or third parties to the meetings. The appointment of assignments to third parties requires the approval of the Board of Directors or of the Chairman of the Board of Directors.

In fiscal year 2020, the N&C Committee held 1 meeting. The Committee was supported by independent external consulting service providers for professional search and compensation topics and the remuneration report.

3.2.3 Participation of the members of the Board of Directors at Board of Directors and Committee meetings (incl. telephone conferences) in fiscal year 2020

Members	Board of Directors	R&A Committee	N&C Committee	Innovation Committee
Franz Richter	39	3	•	•
Mark Kerekes	24	2	•	•
Urs Fähndrich	24	2	•	•
Andreas R. Herzog[1]	39	3	1	•
Members until AGM on 2 May 2020				
Remo Lütolf[1]	15	1	1	•
Hans-Michael Hauser	12	1	1	•
Total meetings	**39**	**3**	**1**	**–**
Average attendance ratio at meetings[2] in %	**96%**	**100%**	**96%**	**90%**

• Not a member of the Committee
1 Remo Lütolf and Andreas R. Herzog were elected to the Board of Directors at the Annual General Meeting on 2 May 2019.
2 The average attendance ratio at the meetings of the Committees refers directly to the members of the respective Committee (additional participants who participate as guests in the Committee meetings are not included in the table above and in the percentage calculations). For the newly elected Board members, attendance ratios are calculated as of the date of their election at the Annual General Meeting 2019.

3.3 Definition of areas of responsibility

The main tasks of the Board of Directors are the determination and periodic inspection of the corporate strategy, Company policy, as well as the organization (including controlling systems) of the Group, the control of the operative management and of the risk management. In addition, it is responsible for the periodic assessment of its own performance and that of the Executive Board.

In addition to the non-transferable and irrevocable tasks pursuant to Article 716a of the Swiss Code of Obligations, the Board of Directors has explicitly reserved the approval of various matters (see the following list). In general, the Board of Directors has delegated the operational management of the Group to the CEO and the Executive Board, respectively.

The Board of Directors explicitly reserved the approval of the following circumstances to itself:

- Incorporation/financing/closing of subsidiaries; investments into / divestments of participations, changes in participation quotas or of share-ownership ratios; purchase of a business or a company or parts thereof through the acquisition of assets or of assets and liabilities (including workforce); opening balance sheet of business parts that shall be transferred to subsidiaries as well as concept and main details of contracts between group companies
- Contracts/cancellation of contracts regarding strategic alliances that have an influence on the business scope, geographic scope or the capital structure of Meyer Burger Technology Ltd or any of its group companies
- Decisions on business affairs that are of major importance to Meyer Burger Group
- Individual expenditures, investments, divestments; sale of assets, abandonment of plants or assets, liquidation of investments, waiving of receivables; grant of sales reductions or adjustments to invoices; write-off of receivables: Above CHF 1.5 million, if included in the budget; above CHF 1 million, if not included in the budget
- Offers and contracts with customers above CHF 30 million
- Agreements to and allowance of letter of comforts and guarantees, loans and credits to third parties above CHF 5 million
- Loans and credits to members of the Board of Directors or members of the Executive Board (possible up to a maximum of TCHF 50)
- Financing transactions (bank loans, bonds issues), leasing above CHF 5 million
- Structured financing transactions

- Decisions concerning communication (identity, design, branding, communication policy, marketing communication strategy)
- Personnel and salary policy of the Group
- Wage negotiations and social plans for the Group
- Appointment, dismissal and compensation of members of the Executive Board
- Employment conditions for highest level of management positions
- Share and option programs, including programs of profit sharing for associates and employees
- Principles for pension plans and social benefits
- Large restructuring programs

Members of the Board of Directors and the members of the Executive Board of the Company have joint signature authority.

3.4 Information and control instruments vis-à-vis the Executive Board

The Board of Directors monthly receives from the Executive Board a report on business development and on the key figures for all group companies as part of a structured information system. The information relates in particular to:

- Detailed monthly reports and consolidated monthly financial statements including results since the beginning of the year (year-to-date numbers, comparisons with the budget and the results of the previous year's period) and key figures for the Group
- Detailed treasury reporting with information on liquidity, debt position, currency situation and working capital
- Information on incoming orders, order backlog, situation of inventory, production data, development of number of employees
- Share register

The members of the Board of Directors additionally receive the following information prior to Board meetings:

- Interim reports on the course of business
- Information about business and market developments
- Appropriate information with regard to events, which concern the internal control system and the risk management, respectively

At those Board of Directors' meetings, at which financial results are discussed, both the CEO and the CFO participate.

- Detailed information regarding the participation of members of the Executive Board at the meetings of the Board of Directors and of the Committees are included in the comments to section 3.2 "Internal organization" and the descriptions of the different Committees on page 39 ff.

During Board meetings, each member of the Board of Directors can request information from the other members of the Board, as well as from the members of the Executive Board on all affairs of the Company. Outside of Board meetings, each member of the Board of Directors can request information on the course of business or important business transactions from the CEO, the CFO or from other members of the Executive Board. Members of the Board of Directors can also contact other associates (in agreement with members of the Executive Board).

Risk management

As part of the risk assessment process, the probability of occurrence and the extent of the loss are considered. The Company uses both quantitative and qualitative methods for this process, applying these on a uniform basis across the Group as a whole and thereby enabling risk assessments to be compared across different areas of the Company. Based on the results for probability of occurrence and expected implications, a clear risk assessment matrix is drawn up.

- For further information regarding risk management please refer to the consolidated financial statements Note 3 on page 92 ff.

Internal control system

The Board of Directors approved an optimized internal control system ("ICS"), which has become effective as of 1 January 2009. The ICS applies a risk-oriented approach (focused on major risks and control). The scope of the ICS depends on the size and risks of each subsidiary within the group. Each subsidiary of Meyer Burger is classified as a "Full Scope" or "Limited Scope" company. This classification is reviewed once per year.

For the Full Scope companies, the key risks are continuously monitored and every three years, all control measures of the major processes that are relevant for the financial reporting will be reviewed with regards to their effectiveness. For the Limited Scope companies, the controls shall be executed in accordance to a plan that will be defined on a yearly basis. On the group level, controls are implemented with regards to the consolidated financial statements of the group.

The following processes were defined as financially relevant: Sales, materials management, production, fixed assets, payroll accounting, finance department, information technology. For each of these processes, a particular ICS person has been defined as the responsible person for the process. For an evaluation of the company-wide controls in accordance with the scope, the Executive Board of each group subsidiary executes a self-assessment each year during the first half of the year. Measures that result out of the evaluation are implemented until the end of the respective year.

The Board of Directors receives a detailed reporting about the risks of the Company on a half-yearly basis and a report about the ICS once per year. In fiscal year 2020, the R&A Committee discussed the risk portfolio during two of its meetings and the Board of Directors discussed it at one of the Board meetings. The external auditors also audit the compliance of ICS regulations as part of their annual audit and report their conclusions directly to the Risk & Audit Committee as well as to the Board of Directors.

Internal audit

The Company paused the internal audit for the fiscal year 2020 due to the organizational transformation and will take up the function again as per 2021.

The internal audit generally reports in writing about the audits it carries out, the findings resulting from the audits and, if necessary, gives recommendations to improve systems and processes. The internal audit is obliged to immediately report possible irregularities or fundamental shortcomings to the Risk & Audit Committee and to the Chairman of the Board of Directors.

4 Executive Board

Executive Board as of 31 December 2020

Name	Born	Position	Member Executive Board
Gunter Erfurt	1973	Chief Executive Officer	since 2017
Jürgen Schiffer	1966	Chief Financial Officer	since 2020

Gunter Erfurt

Chief Executive Officer, German citizen

Education Degree in Engineering Physics from the West Saxon University of Applied Science Zwickau, Germany. Degree in Physics and PhD in Physics Technical University Bergakademie Freiberg, Germany.

Experience — **Since 2020** Chief Executive Officer (CEO) of the Company — **2017–2020** Chief Operating Officer (COO), Chief Technology Officer (CTO), Member of the Executive Board of the Company — **2015–2017** Managing Director and Member of the Management Board of Meyer Burger (Germany) AG, Hohenstein-Ernstthal, Germany — **2011–2015** Managing Director, Solarworld Innovations GmbH, Freiberg, Germany. Responsible for global strategic technology development — **2009–2011** Global Head Planning and Investment/Technology Transfer, Solarworld AG, Bonn, Germany. Staff position to the COO — **2006–2009** Head of Planning and Investment, Solarworld Industries America LLC, Hillsboro, USA — **2003–2006** in various positions at Deutsche Solar AG, Freiberg, Germany.

Other activities and vested interests

Current mandates: Member of the Board of Directors, Supervisory Board and/or of the Executive Board of different subsidiaries of Meyer Burger Technology Ltd. including Board membership at the associated company Oxford Photovoltaics Limited, London, United Kingdom, since 2020 (non-remunerated mandate), Member of the Board of Trustees of Fraunhofer Institute for Electron Beam and Plasma Technology, Dresden, Germany, since 2016 (non-remunerated mandate), Member of the Scientific Advisory Board of the Institute for Solar Energy Research (ISFH), Hamelin, Germany, since 2019 (non-remunerated mandate), Member of the Board of Association, Bundesverband Solarwirtschaft e.V., Berlin, Germany, since 2020 (non-remunerated mandate).

No further Board of Directors memberships or consultancy activities for important Swiss or foreign organizations. No significant official functions or political offices.

Jürgen Schiffer

Chief Financial Officer, German citizen

Education Master of Arts, European-University Viadrina Conflict management and mediation, Diploma in Business Administration, University of Regensburg Financing, Business Informatics, Business Statistics

Experience — **Since 2020** CFO and member of the Executive Board, Meyer Burger Technology AG — **2019–2020** Consultant, A.Lange & Söhne, Glashütte, Germany — **2016–2019** Interim CFO/ CRO (Chief Restructuring Officer), ESCADA SE, Munich, Germany — **2007–2016** Independent Interim Manager (iSoft Health GmbH, Maurer Electronics GmbH, QCells, Scoach Schweiz AG, Conergy AG, STOXX Ltd., congatec AG, Deutsche Börse Group, Clearstream Group) — **2004–2006** Commercial Manager, GRUPPE DREI, Villingen-Schwenningen, Germany — **2001–2004** Independent management and start-up consultant — **2000–2001** Pre IPO consultant, U.C.A. Unternehmensconsult, Frankfurt, Germany — **1999–2000** Investment Manager, TFG Venture Capital, Marl, Germany — **1998–1999** Consortium Liaison Officer, DtA German Equalization Bank, Bonn, Germany.

Other activities and vested interests

Current mandates: Member of the Board of Directors, Supervisory Board and/or of the Executive Board of different subsidiaries of Meyer Burger Technology Ltd. No further mandates for Board memberships or consulting activities for important Swiss or foreign organizations. No significant official functions or political offices.

Changes in the Executive Board during fiscal year 2020

In line with the company's transformation towards a cell and module producer, the Executive Board was re-sized from three to two members. Hans Brändle, former CEO, stepped down and left the Executive Board by end of March 2020. Manfred Häner, former CFO, retired by end of September 2020.

4.1 Management contracts

There are no management contracts between Meyer Burger Technology Ltd or any of the Group companies and third parties.

Mandates held by the Executive Board (outside of Meyer Burger Group) as of 31 December 2020

Mandates	Remunerated mandates at publicly listed companies	Remunerated mandates at other legal entities	Non-remunerated mandates
Limit set by Articles of Association	**1**	**3**	**2**
Gunter Erfurt	–	–	3
Jürgen Schiffer	–	–	–

For the exact wording of Article 28 of the Articles of Association regarding the maximum number of mandates allowed outside the Meyer Burger Group please refer to page 39 of the section reporting on members of the Board of Directors.

Executive Board

Gunter Erfurt
Chief Executive Officer

Jürgen Schiffer
Chief Financial Officer

5 Compensation, Shareholdings and Loans

- Detailed information on compensation, shareholdings and loans to active and former members of the Board of Directors and of the Executive Board is included in the Remuneration Report (pages 50 to 62).
- Statutory rules regarding the principles of compensation, participation plans, loans, credits and pension benefits are set in Articles 30 to 34 of the Articles of Association. The rules regarding the approval of the remuneration by the General Meeting of Shareholders are set in Article 17 of the Articles of Association.

6 Shareholders' Participation Rights

6.1 Voting rights restrictions and representation

Each share is entitled to one vote. The shareholder rights can be exercised by anyone who is registered in the share register as a shareholder 10 days prior to the General Meeting of Shareholders and who has not sold his shares until the end of the General Meeting of Shareholders.

A shareholder may be represented at the General Meeting of Shareholders by a person with written power of attorney, who does not need to be a shareholder. All shares held directly or indirectly by a shareholder can only be represented by one person. For voting rights of nominees please refer to section "Limitations on transferability and nominee registrations" on page 34 of this Corporate Governance Report. A cancellation, liberalization or intensification of the limitations on nominee registration stipulated in the Articles of Association must be approved by at least two thirds of the votes represented and the absolute majority of the nominal value of shares represented at the Meeting of Shareholders.

Independent proxy holder

The General Meeting of Shareholders elects an independent proxy holder. Natural persons, legal entities and partnerships are eligible for election. The term of office expires with conclusion of the next Ordinary Shareholders' Meeting. Re-election is permitted.

The Annual General Meeting of Shareholders held on 13 May 2020 elected Mr lic. iur. André Weber as independent proxy holder for a term of office until the conclusion of the Ordinary Shareholders' Meeting 2020. Mr. Weber is independent and has no further mandates for Meyer Burger Technology Ltd.

The Company enables its shareholders to transfer their votes to the independent proxy holder by electronic means through the platform eComm (https://ip.computershare.ch/meyerburger) for any General Meeting. The relevant description of the procedure to register and vote through the platform is sent to shareholders who are registered in the share register together with the invitation to the Shareholders Meeting.

- For statutory rules regarding the independent proxy holder please refer to Article 13 of the Articles of Association.

6.2 Statutory quorums

The General Meeting of Shareholders drafts its resolutions and performs its votes on the basis of the absolute majority of the voting rights represented. At least two thirds of the votes represented and the absolute majority of the nominal value of shares represented is required, among others, for resolutions in accordance with Article 704 paragraph 1 and 2 of the Swiss Code of Obligations (CO).

6.3 Convocation of a General Meeting of Shareholders

General Meetings of Shareholders are convened by the board of directors, or if necessary by the auditors, or upon request of one or more shareholders who together represent at least 10% of the share capital with voting rights. The convocation of a General Meeting of Shareholders will take place by means of the publication of an invitation in the Swiss Official Gazette of Commerce at least 20 days prior to the date of the Meeting. In addition, shareholders who are registered in the share register will receive a written invitation from the Company to participate at the General Meeting of Shareholders. The invitation must include the motions and the proposals by the Board of Directors and of those shareholders who have requested either the convocation of a Meeting or the inclusion of a certain motion on the agenda.

6.4 Agenda

Shareholders representing shares that account for at least 3% of the voting rights or shares with a total par value of CHF 1,000,000 may request the inclusion of an item on the agenda of the General Meeting of Shareholders. Such requests must be submitted to the Board of Directors at least 35 days prior to the General Meeting of Shareholders in writing, specifying the items and proposals to appear on the agenda.

Requests with regard to motions that have not been properly announced may be permitted for discussion, if the General Meeting of Shareholders concludes to do so. It will not be possible, however, to take a decision on such a request until the next General Meeting of Shareholders. This rule does not apply for requests of an Extraordinary General Meeting or for the performance of a special audit.

No prior notice is required for requests regarding motions that are on the agenda.

6.5 Registration into the share register

No entries will be made in the share register for a period of 10 days prior to a General Meeting of Shareholders, including the day after the General Meeting.

7 Change of Control and Defense Measures

7.1 Duty to make an offer

Pursuant to the FMIA (Financial Market Infrastructure Act), any person who acquires equity securities of a company whose shares are listed on a Swiss stock exchange, whether directly or indirectly or acting in concert with third parties, and, as a result, exceeds the threshold of 33⅓% of the voting rights (whether exercisable or not) of such a company, must submit a public tender offer to acquire 100% of the listed equity securities of such a company. Meyer Burger Technology Ltd's articles of association do not provide for an opting-out of this rule or opting-up of the threshold for a mandatory offer.

7.2 Clauses on changes of control

In case that a third party would acquire more than 33⅓% of voting rights of Meyer Burger Technology Ltd, the vesting periods and/or retention periods for employee shares set by the Board of Directors shall be accelerated so that any unvested share shall be immediately vested in full. The vesting would take place on the first day of the grace period in case of a successful public tender offer. There are no further clauses regarding a change of control that would favor the members of the Board of Directors, members of the Executive Board or other members of management or associates.

8 Auditors

8.1 Mandate and fees of the lead auditor

The auditors of the Company have been PricewaterhouseCoopers AG since fiscal year 2003. The lead auditor, Rene Rausenberger, has been responsible for the audit mandate since 2020. The auditors have to be elected each year by the General Meeting of Shareholders.

The auditing fees of PricewaterhouseCoopers AG, for services related to the audit of the annual financial statements of Meyer Burger Technology Ltd and its subsidiaries, the consolidated financial statements of Meyer Burger Group, the review of the Half-Year Report, the three-year consolidated financial statements of Meyer Burger Group for the Indium Rights Offering Prospectus as well as the audit of the Remuneration Report for fiscal year 2020 are as follows.

In CHF thousands	2020
Audit fees	1 271.0
Additional fees	64.0
Total	**1 335.0**

8.2 Supervisory and control instruments vis-à-vis the auditors

The Risk & Audit Committee once per year examines the auditing concept, the auditing plan and the fee structure, as well as the auditors' independence from the Company.

The external auditors at least once per year perform a detailed audit report and brief the Risk & Audit Committee extensively. The important statements and recommendations in the audit reports compiled by the external auditors are then discussed in detail with the entire Board of Directors and the Executive Board.

In fiscal year 2020, the external auditors issued two detailed audit reports (one each for the fiscal year and half year reporting). Representatives of the external auditors participated in 3 meetings of the Risk & Audit Committee. No internal audit reports were issued in 2020 due to the comprehensive business transformation.

The Board of Directors once per year verifies the selection of potential auditors, in order to propose the preferred audit firm for election to the shareholders at the General Meeting of Shareholders. The Risk & Audit Committee evaluates the effectiveness of the auditors in accordance with the Swiss law. In this evaluation, the Risk & Audit Committee attaches great importance to the following criteria: Independence of the external auditors (personal independence of the lead auditor and independence of the audit firm in general), understanding of the Company's business areas, sufficient resources set aside by the auditors, practical recommendations for the implementation of regulations in accordance with Swiss law and Swiss GAAP FER, global network of the auditors, understanding of the specific business risks of the Company, focus of the audit within the audit program, cooperation with the Risk & Audit Committee, as well as with the internal audit and the Executive Board.

The Board of Directors follows the regulations of the Swiss Code of Obligations with regards to the rotation intervals of the lead auditor, i.e. the lead auditor will be rotated every seven years.

The Risk & Audit Committee also examines the proportion between the auditing fee for the annual financial statements and the additional non-audit services performed by the auditors. The Committee will examine potential consequences regarding the independence of the auditors. The Executive Board is permitted to assign non-audit mandates to the auditors up to an amount of TCHF 50. For any non-audit mandates exceeding this amount, the Risk & Audit Committee or the Board of Directors, respectively, must be informed. The auditing fee for the annual audit mandate is finally approved by the entire Board of Directors.

For fiscal year 2020, the Board of Directors concluded that the independence of the auditors was fully ensured at all times.

9 Information Policy

Meyer Burger Technology Ltd communicates openly and transparently and treats shareholders, analysts, business partners, employees and the public equally when it promptly informs about any development in the Company.

- Company website www.meyerburger.com

Meyer Burger Technology Ltd publishes its financial results in an annual report and an interim report, as well as through press releases. When the annual results are released, the Company organizes a physical conference for the media and the financial community and a conference call to discuss details of the reported earnings. For the interim results, the Company organizes a conference call. The Company's financial reports are available on the Company website in electronic form or can be ordered from the Company in print form and free of charge.

- Financial reports are directly available on www.meyerburger.com/en/investors/financial-reports-publications/

Official notices are published in the Swiss Official Gazette of Commerce (Schweizerisches Handelsamtsblatt, SOGC). Publications in conjunction with the listing of the registered shares at SIX Swiss Exchange are made in accordance with the listing rules of SIX Swiss Exchange. The rules can be viewed under www.six-exchange-regulation.com/dam/downloads/regulation/admission-manual/listing-rules/03_01-LR_en.pdf

Detailed information regarding disclosure notices of major shareholders of Meyer Burger Technology Ltd is available under www.six-swiss-exchange.com, Product Search "MBTN", Overview, Major Shareholders.

Price sensitive information is published according to the ad-hoc publicity rules. The modalities for distribution of ad-hoc press releases (the so called push and pull systems) have been implemented in accordance with the ad-hoc publicity rules of SIX Swiss Exchange.

- Press releases can be viewed under https://www.meyerburger.com/en/meyer-burger/news-service/
- The contact form to subscribe for direct receipt of the ad hoc press releases is available under https://www.meyerburger.com/en/company/media-center/news-press-releases/registration-news-service/

Information on transactions with shares of the Company by members of the Board of Directors and members of the Executive Board are published under www.six-swiss-exchange.com, Product Search "MBTN", Overview, Management Transactions.

- For details regarding the investor relations contacts, address details of the Company as well as an agenda of important dates for fiscal year 2020 please refer to page 117 of this Annual Report.

Remuneration Report

Letter to shareholders

Dear Shareholders

In the name of the Board of Directors and the Nomination and Compensation Committee (NCC), I am pleased to introduce the 2020 Remuneration Report. 2020 was a year of transformation for Meyer Burger. In the first half of 2020, we decided to adjust the business model and prepare the company for the future. Meyer Burger aims to become a technologically leading manufacturer of solar cells and modules. Our production machines for heterojunction/SmartWire technology will be manufactured exclusively for our own use. In order to finance this realignment, the company has successfully completed a capital increase with gross proceeds of CHF 165 million, following the shareholders' approval at the Extraordinary General Meeting on 10 July 2020. The start of the in-house solar cell and module production is scheduled for the second quarter of 2021.

In the context of this fundamental transformation and of the economic challenges faced by the company, the NCC proposed to the Board of Directors to amend the compensation systems with two main objectives: first, to ensure that the Executive Board stays focused on driving the transformation, which is critical for the company's long-term success; and secondly, to mitigate the impact of the compensation systems on the liquidity of the company.

Effective as of the 2020 AGM, the members of the Board of Directors receive a minimal amount of cash compensation of CHF 15,000 for the term of office. In addition, the restricted share units (RSUs) have been replaced by performance share units (PSUs) that are converted into shares if the share price reaches a certain target level during the three-year period following the grant. There is no possibility to over-achieve the share price target, therefore the maximum number of shares corresponds to the number of PSU granted and can be reduced to zero if the share price does not reach a certain threshold during the three-year period. In short, if the value creation for shareholders does not reach the threshold, the Board of Directors will not receive any other compensation than the cash amount.

Concerning the compensation of the Executive Board, in the context of the transformation, the company abstained from setting short-term performance targets in the incentive plans for 2020. Concretely, the short-term incentive has been fixed for the year 2020 and the long-term incentive plan has been awarded in form of share options without performance conditions. Those share options only have a value if the share price of the company evolves positively and strengthen alignment between interests of executives and shareholders. In addition, the share option plan is also a "cash-preserving" instrument suitable for the company at this moment in time.

Further details about these changes are provided in the following pages and you, dear Shareholders, will have the opportunity to express your opinion about those compensation decisions in a consultative vote on this Remuneration Report at the upcoming AGM. In addition, you will be asked to vote on the maximum compensation amounts to be awarded to the Board of Directors and the Executive Board for the next compensation period.

The NCC and the Board of Directors are convinced that the compensation decisions are well aligned with the interests of our shareholders, the business strategy and the current circumstances faced by the company. Going forward, we will continue to regularly review and assess the compensation system to ensure that it is appropriate and suitable in the evolving operative context. We would like to thank you in advance for your support at the upcoming AGM and your trust over the past year.

Sincerely,

Urs Fähndrich
Chair of the NCC

This Remuneration Report describes the compensation principles and programs, as well as the governance framework related to the compensation of the Board of Directors and of the members of the Executive Board of Meyer Burger Technology Ltd (Meyer Burger). The report also provides information on the compensation programs and the compensation awarded to members of the Board of Directors and of the Executive Board for the 2020 business year.

This Remuneration Report is written in accordance with the Ordinance against Excessive Compensation in Listed Stock Corporations (OaEC), the standard relating to information on Corporate Governance of the SIX Swiss Exchange, governing the disclosure of compensation systems and compensation paid to members of the Board of Directors and the Executive Board, and it complies with the Swiss Code of Best Practice for Corporate Governance of economiesuisse.

Compensation at a glance

Compensation policy and principles

Meyer Burger is undergoing a transformation of the business model from a machine supplier into a manufacturer of high-performance photovoltaic cells and modules. Our compensation system supports our business strategy and our values "passionate", "determined", "responsible" and "holistic" and is built around the following principles:

Market competitiveness	Alignment with market practice and trends, external equity
Pay for performance	Connection between compensation and company's success
Long-term orientation	Alignment with the long-term shareholders' interests and company values
Transparency and fairness	Transparency, fairness and internal equity

Summary of the compensation system of the Board of Directors (GRI 102-35)

The compensation for the Board of Directors consists of a minimal fixed cash compensation and a grant of performance share units, that vest over a three-year period subject to the share price evolution, with a maximum potential of 100% (no upward potential). This model strengthens the alignment with the long-term interests of shareholders and preserves the cash position of the company.

in TCHF (gross) – for the term from 2020 AGM to 2021 AGM	Cash	PSU
Board of Directors Chair	15.0	170.0
Board of Directors Vice Chair	15.0	170.0
Board of Directors Member	15.0	170.0

Reconciliation between approved compensation and compensation awarded for 2020

The compensation awarded to the Board of Directors for the fiscal year 2020 in the amount of CHF 713 thousand is within the amount of CHF 750 thousand approved by the shareholders at the AGM in 2019.

Summary of the compensation system of the Executive Board (GRI 102-35)

The compensation for members of the Executive Board consists of fixed and variable elements:

Base Salary	Attract and retain	Cash
Performance bonus (STI)	Pay for performance	Annual bonus in cash
Long-term incentive (LTI)	Align with shareholders	Annual grant in equity
Benefits	Protect against risks Attract and retain	

Reconciliation between approved compensation and compensation awarded for 2020

The compensation awarded to the Executive Board for the fiscal year 2020 in the amount of CHF 2,821 thousand is within the amount of CHF 3,400 thousand approved by the shareholders at the AGM in 2019.

Compensation governance (GRI 102-37)

The role of the shareholders on compensation matters has gained importance in recent years. First of all, shareholders annually approve the maximum aggregate compensation amounts of the Board of Directors and the Executive Board. In addition, the principles of compensation are governed by the Articles of Associations, which are also approved by the shareholders. The provisions of the Articles of Associations on compensation are summarized below and details on these rules are available on our website, at the “Meyer Burger – Investors” webpage: www.meyerburger.com/en/investors/annual-general-meeting/articles-of-association/.

Principles of compensation applicable to the Board of Directors and the Executive Board	Art. 30
Participation plans	Art. 31
Additional amounts for payments to members of the Executive Board appointed after the vote on compensation at the AGM	Art. 32
Binding vote on compensation at the AGM	Art. 17
Loans, credits and pension benefits	Art. 34

Determination of compensation

In accordance with the Articles of Association, the NCC consists of at least two members of the Board of Directors who are elected individually by the shareholders for a term of one year until the next AGM. At the 2020 AGM, Urs Fähndrich (chair) and Andreas R. Herzog (member) have been elected as members of the NCC.

The NCC supports the Board of Directors in all matters relating to the compensation systems, in particular:

- Propose the compensation of the Board of Directors and its committees
- Review, negotiate and propose the compensation and employment terms of the CEO
- Review and propose (together with the CEO) the compensation and employment terms of the members of the Executive Board
- Review and decide on the performance targets and their achievement for members of the Executive Board
- Review, propose and monitor the implementation of participation programs
- Review and determine the grant of shares and/or other securities under the share participation program approved by the Board of Directors
- Review the performance targets and total compensation of important Group companies
- Prepare and propose the Remuneration Report
- Select and propose the selection criteria and candidates for positions on the Board of Directors and the Executive Board
- Examine, review and monitor the implementation of the structure and organization of the highest level of operating management, upon proposal by the CEO
- Review and monitor the succession planning for positions at the highest level of operating management, upon proposal by the CEO
- Conduct an annual self-assessment of the Board of Directors and of the NCC

The NCC usually meets at least four times a year along the annual schedule presented below. In the year under review, the NCC held one individual meeting and integrated all compensation and nomination topics and discussions into regular Board meetings and conference calls which were held in short intervals throughout this year of transformation. The NCC members participated in all NCC and Board meetings as noted in the Corporate Governance Report on page 40. Usually, the activities of the NCC are reported to the Board of Directors following each committee meeting, the NCC minutes are shared with all Board members and form the basis for the approval of NCC proposals by the Board of Directors. The NCC expects to return to its usual meeting schedule and procedure for 2021.

The Chair of the Board of Directors is present at the meeting when decisions are approved by the Board of Directors, including his own compensation, but abstains from voting about his own compensation. The CEO is involved in determining the compensation of members of the Executive Board and is present when it is approved by the Board of Directors, except when his own compensation is discussed.

Annual meeting schedule

November/December	January/February	March/April	August/September
• Review and determination of the target compensation of members of the Board of Directors and the Executive Board for the following year • Preliminary review of the Remuneration Report for the reporting year	• Performance assessment and determination of variable compensation of members of the Executive Board for the previous year • Review and approval of the Remuneration Report for the reporting year • Preparation of the maximum aggregate compensation amounts of the Board of Directors and the Executive Board to be submitted to shareholders' vote at the upcoming AGM	• Preparation of equity grants for the Board of Directors, the Executive Board, and to participants in equity programs • Review of external stakeholders' feedback on the Remuneration Report and on the compensation policies • Benchmarking of the compensation of the Board of Directors and the Executive Board	• Nomination matters related to the Board of Directors, the Executive Board and other key management positions • Succession Planning for positions on the Board of Directors and Executive Board • Review of compensation policies for the Board of Directors and the Executive Board

In compliance with the OaEC, the maximum aggregate compensation amounts of the Board of Directors and the Executive Board are subject to shareholders' approval at the AGM. Within these confines, the internal approval and decision-making processes on compensation-related matters are as follows:

Approval process

Decision on	Prepared by	Proposed by	Approved by
Maximum aggregate compensation amount of the Board of Directors	NCC	BoD	AGM
Compensation of Board of Directors members		NCC	BoD
Grant of equity to members of the Board of Directors		NCC	BoD
Maximum aggregate compensation amount of the Executive Board	NCC	BoD	AGM
Compensation of the CEO, incl. fixed and variable compensation		NCC	BoD
Compensation of Executive Board members other than the CEO, incl. fixed and variable compensation	CEO	NCC	BoD
Grant of equity to the Executive Board members		NCC	BoD
Selection and proposal of new members of the Board of Directors		NCC	BoD
Selection and proposal of new members of the Executive Board and other key management positions		NCC	BoD
Succession planning for the Executive Board		NCC	BoD

BoD = Board of Directors

The NCC may decide to consult external advisors for specific compensation matters. In 2020, the compensation advisors HCM International AG, Reward Advisory GmbH and algofin AG provided services related to executive compensation matters. These companies have no other mandate with Meyer Burger.

Compensation policy and principles

Meyer Burger is a globally renowned technology company currently undergoing a fundamental transformation from a machine supplier to a cell and module manufacturer in order to convert its technological leadership into a sustainable and scalable business. The transformative process is supported by the four core values: “passionate”, “determined”, “responsible” and “holistic” and by a compensation system that is motivating and fair, while driving for sustainable performance. The compensation system provides for competitive base salaries and attractive incentive schemes that reward for company success and long-term value creation, promote an entrepreneurial attitude, while strengthening the alignment with shareholders’ interest.

Board of Directors (GRI 102-28)

The compensation for the Board of Directors consists of a minimal fixed compensation in cash and an annual grant of performance share units (PSU) subject to the share price evolution during a three-year period. The conversion rate of the PSU into shares is capped at 100% of the initial grant and does not allow for any upward potential. This model aligns the economic interests of the members of the Board of Directors with the long-term interests of shareholders, while preserving the cash position of the company.

Executive Board

The compensation programs for the Executive Board of Meyer Burger consists of several components, including fixed and variable compensation elements which are described in detail in this report and are built around the following principles:

Market competitiveness	Alignment with market practice and trends, external equity
Pay for performance	Connection between compensation and company’s success
Long-term orientation	Alignment with the long-term shareholders’ interests and company values
Transparency and fairness	Transparency, fairness and internal equity

Board of Directors

Compensation system (GRI 102-36)

The members of the Board of Directors are compensated for their services from the date of their election and for the duration of their term of office. The structure and the levels of compensation of the Board of Directors are reviewed by the NCC annually and, if necessary, adjusted by the Board of Directors based on a proposal by the NCC. The level of compensation is set by the NCC, taking into account the work required from Board and Committee members, and is approved by the Board of Directors.

In the context of the ongoing business transformation, the NCC decided to review the entire compensation system and proposed a new model for the Board of Directors, effective for the term starting with the 2020 AGM.

Compensation system applicable until the 2020 AGM

The annual compensation for each member of the Board of Directors consisted of a fixed cash component and a fixed value of restricted stock units (RSU). The cash component was set based on the responsibility, complexity and requirements of the function on the Board of Directors, as illustrated in the table below.

Compensation model until 2020 AGM

in TCHF	Cash	RSU
Board of Directors Chair	204	77.5
Board of Directors Vice Chair	42	46.5
Board of Directors Member	39.5	31
Committee Chair	40	–
Committee Member	24	–

The RSU value was fixed and the number of RSU determined by the share price at grant date. RSU were blocked from the grant date on the day of the AGM for a period of three years, after which they are converted into Meyer Burger shares. Upon the grant of RSU, each Board member who is a Swiss resident could choose an additional blocking period of zero, three or five years on the resulting shares. The RSU would forfeit in case of stepping down during the term of office. The RSU program was financed with treasury shares.

Until the 2020 AGM, cash compensation was paid twice a year in June and December and RSU were allocated at the AGM at the beginning of the term of office.

Compensation system applicable as of the 2020 AGM

As mentioned above and in the context of the business transformation, the Board of Directors decided to amend the compensation system effective for the term of office starting at the 2020 AGM. The members of the Board of Directors now receive an annual retainer settled in the form of a minimal cash payment and an annual grant of performance share units (PSU). The committee fees have been discontinued. This decision was made in order to align the interests of the members of the Board of Directors with those of the shareholders and to preserve the cash of the company. The amount of compensation is the same for all members of the Board of Directors, as per the chart below:

in TCHF (gross) – for the term from 2020 AGM to 2021 AGM	Cash	PSU
Board of Directors Chair	15.0	170.0
Board of Directors Vice Chair	15.0	170.0
Board of Directors Member	15.0	170.0

[1] Grant for the fiscal year 2020 was made in December 2020.

At the time of the grant, the monetary amount of the PSU grant is converted in a certain number of PSU on the basis of the fair value of the PSU at grant. Each PSU provides for the right to maximum one share of the company after a period of three years and conditionally upon the share price development of the company. The number of shares allocated at the end of the performance period ranges from zero to 100% of the initial number of PSU granted. There is no upward potential, meaning that the conversion into shares is capped at 100% of the initial number of PSU granted. If the closing share price on the next trading day following the end of the three-year performance period is equal to or below the threshold set by the Board of Directors, no shares are allocated. The threshold for the PSU granted in 2020 is CHF 0.33. If the share price is equal or above the target, 100% of the PSU are converted into shares. The target share price for the PSU granted in 2020 is CHF 0.38. Between the threshold and the target, the conversion into shares follows a linear interpolation. In short, if the value creation for shareholders does not reach the threshold level, the Board of Directors will not receive any other compensation than the cash amount.

If a member of the Board of Directors resigns during the term of office, the PSU granted during this term forfeit. PSU granted in prior terms continue to vest normally. In case of death or change of control, PSU granted during the term are subject to an accelerated pro-rata vesting, while PSU granted in prior terms vest immediately in full. The vesting level is determined based on the share price at time of death or change of control. In case of disability, the PSU granted during the term continue to vest on a pro-rata basis and PSU granted in prior terms continue to vest in full.

The PSU and the resulting shares are subject to claw back conditions: in the event of a lawful fraud or misconduct leading to material financial restatement or material error in assessing a performance condition, significant failure of risk management or significant harm, the Board of Directors may determine that all or part of the PSUs granted forfeit and/or that all or part of the shares allocated may be paid back to the company.

The members of the Board of Directors receive no additional reimbursements of business expenses beyond actual expenditures for business travel outside Switzerland. The members of the Board of Directors do not participate in Meyer Burger's employee benefits plan.

Compensation of the Board of Directors in 2020 (GRI 102-38)

Compensation of members of the Board of Directors (audited)

This section is audited according to Article 17 of the OaEC in Listed Stock Corporations.

in TCHF	Year	Board of Directors	Innovation Committee[1]	R & A Committee	N & C Committee	Executive Committee	Cash	PSU[2]	RSU[3]	Total compensation 2020/2019
Franz Richter	2020	C[4]	–	–	–	–	48	120	–	**168**
	2019	V[7]	C[5], M[7]	M[5]	C[5]	–	106	–	47	**153**
Mark Kerekes	2020	V[4]	–	M[4]	–	–	10	120	–	**130**
	2019	–	–	–	–	–	–	–	–	**–**
Urs Fähndrich	2020	M[4]	–	–	C[4]	–	10	120	–	**130**
	2019	–	–	–	–	–	–	–	–	**–**
Andreas Herzog	2020	M	–	C	M	–	48	120	–	**168**
	2019	M[4]	–	C[5]	M[5]	–	69	–	21	**90**
Wanda Eriksen-Grundbacher	2020	–	–	–	–	–	–	–	–	**–**
	2019	M[7]	–	C[7]	–	–	35	–	10	**45**
Hans-Michael Hauser	2020	M[6]	M[6]	–	C[6]	–	30	–	–	**30**
	2019	M	C[7], M[5]	–	C[5]	–	96	–	31	**127**
Remo Lütolf	2020	C[6]	–	–	–	–	73	–	–	**73**
	2019	C[5]	–	–	–	–	136	–	52	**188**
Eric Meurice	2020	–	–	–	–	–	–	–	–	**–**
	2019	M[7]	–	M[7]	M[7]	–	29	–	10	**39**
Michael R. Splinter	2020	–	–	–	–	–	–	–	–	**–**
	2019	M[7]	M[7]	–	–	M[7]	21	–	10	**31**
Alexander Vogel	2020	–	–	–	–	–	–	–	–	**–**
	2019	C[7]	–	–	–	C[7]	76	–	18	**94**
Total before mandatory employer contributions[8]	**2020**						**219**	**480**	**–**	**699**
	2019						568	–	199	767
Mandatory employer contributions	2020									**14**
	2019									38
Total	**2020**									**713**
	2019									805

C: Board Chair, V: Board Vice Chair, M: Member, BoD: Board of Directors; IC: Innovation Committee; RAC: Risk and Audit Committee, NCC: Nomination and Compensation Committee, EC: Executive Committee

1 The Innovation Committee was discontinued as per the AGM 2020.
2 The PSU program was introduced at the AGM 2020.The fair value of the PSU at grant date amounts to CHF 0.236 (Monte Carlo valuation on 23 December 2020).
3 The RSU program was discontinued as of the AGM 2020. The fair value of the RSU at grant date amounts to CHF 0.150 (share price on 1 April 2020) for 2020 and CHF 0.685 (1 April 2019) for 2019. For new members in 2019, the fair value in 2019 was CHF 0.738 (3 May 2019)
4 From 13 May 2020.
5 From 2 May 2019.
6 Until 13 May 2020.
7 Until 2 May 2019
8 Members of the Board of Directors voluntarily waived 15% of their compensation for the period of April to May 2020.

Explanatory comments to the compensation table

No member of the Board of Directors served in an executive role in 2020. The number of members of the Board of Directors decreased from six to four members at the AGM 2019 and remained stable since then. The total compensation amount decreased by 11.4% compared to previous year, which is due to the reduction of the number of members during the year 2020 as well as the reduction of the board fees effective as of the AGM 2020.

At the 2019 AGM, a maximum aggregate amount of compensation of CHF 750 thousand (incl. mandatory employer contributions) was approved for the Board of Directors for the fiscal year 2020.The total value of the compensation awarded to the Board of Directors for 2020 was CHF 713 thousand (incl. mandatory employer contributions of CHF 14 thousand) and is therefore within the approved limits.

At the 2020 AGM, a maximum aggregate amount of compensation of CHF 700 thousand (excl. mandatory employer contributions) was approved for the Board of Directors for the fiscal year 2021. The compensation for 2021 will be disclosed in the Remuneration Report 2021.

Members of the Board of Directors did not receive any fees or other compensation for additional services to Meyer Burger or its subsidiaries in the 2020 fiscal year. Neither Meyer Burger nor its subsidiaries granted any guarantees, loans, advances or credit facilities to members of the Board of Directors or related parties in 2020 or 2019.

No compensation was paid to any former members of the Board of Directors of Meyer Burger, or a Group company, or related parties in 2020 or 2019, other than described under related party transactions.

Executive Board

Compensation system

The compensation system for the Executive Board consists of fixed and variable components. The fixed component entails a base salary commensurate with the role and local market level and, depending on local market practice, perquisites and benefits.

The variable component entails a performance-related annual cash bonus (short-term incentive, STI) and a three-year performance-related equity program (long-term incentive, LTI).

The compensation structure and level of the Executive Board is reviewed regularly against prevalent market practice of an appropriate peer group. The last review was conducted in 2019 based on a benchmark study provided by HCM International Ltd. The study included 19 industrial and technology companies listed at SIX Swiss Exchange that are of comparable size in terms of revenue and market capitalization, with some further consideration given to the workforce. These companies included AMS Arbonia, Ascom, Belimo, Bossard, Burkhalter, Comet, Feintool, Gurit, Huber+Suhner, Huegli, Interroll, Kardex, Komax, Phoenix Mecano, U Blox, VAT, Vetropack, Zehnder.

The compensation system, its components and the mix between the components have been reviewed and adjusted in the context of the fundamental business transformation of Meyer Burger to ensure that the Executive Board stays focused on driving the transformation, which is critical for the company's long-term success, and to mitigate the impact of the compensation systems on the liquidity of the company. The outcome therefore differs from the compensation system in the previous year and from communications made before the decision to change the strategy and the business model of Meyer Burger.

Compensation system of the Executive Board

	Vehicle	Purpose	Drivers
Base salary	Monthly cash salary	Attract and retain	Position, market practice, skills and experience
Performance bonus (STI)	Annual bonus in cash	Pay for performance	Annual performance
Long-term incentive (LTI)	Stock options	Align to shareholders	Share price over three years
Benefits	Pension, insurance and perquisites	Protect against risks Attract and retain	Market practice and position

Base salary

The base salary is determined primarily by the executive's tasks, responsibilities, skills and managerial experience, as well as market conditions. The base salary is paid in cash.

To ensure market competitiveness, base salaries of the Executive Board are reviewed every year, taking into account the company's capacity to pay, benchmark information and internal consistency, economic environment and individual performance. They were last benchmarked in 2019 as mentioned above.

Short-Term Incentive (STI) program

The STI program is an annual cash bonus aimed at motivating executives to focus their efforts on achieving specific financial, strategic and individual objectives. It helps them to align their efforts, promotes initiative and boosts both individual and company performance.

The STI target is expressed as a percentage of the base salary. In 2020, it amounts to 55% of the base salary for the CEO and 25% of base salary for the CFO.

Role	CEO	CFO
Target level	55% of base salary	25% of base salary
Maximum achievement level	150% of target	150% of target

The STI performance is normally measured on the basis of specific financial, strategic and individual objectives, which are reviewed annually by the NCC and approved by the Board of Directors. The level of achievement for each objective corresponds to a payout percentage for that objective, which is always between 0 and 150%.

In 2020, the Board of Directors abstained from setting performance targets for the STI. Consequently, the short-term incentive for 2020 has been fixed and will be paid out at target level (100% performance achievement). The normal annual target setting process will be reinstated for 2021 (please see section "Outlook: compensation of the Executive Board as of 2021" for further details).

The STI is paid out in cash in April following the respective business year.

Long-term incentive (LTI) program

The Board of Directors decided to amend the long-term incentive program for 2020 and to introduce share options, which replaces the former PSUs.

The LTI target is expressed as a percentage of the base salary. In 2020, it amounts to 280% of the base salary for the CEO and to 117% of base salary for the CFO. The number of share options is determined by dividing the target amount by the fair grant value of the share option.

The share options vest after one year and may be exercised within three years of the grant date. The vesting of the share options is subject to continued employment. Unvested options forfeit in case of termination for cause, performance or behavior and in case of voluntary resignation. They immediately vest and are automatically exercised at the termination date in case of other terminations, such as death, disability, retirement or change of control, provided that the share price is above the exercise price of the option (otherwise they forfeit).

The share options are subject to claw back provisions. In the event of a lawful fraud or misconduct leading to material financial restatement or material error in assessing a performance condition, significant failure of risk management or significant harm, the Board of Directors may determine that all or part of the options granted forfeit and/or that all or part of the shares allocated may be paid back to the company.

Outstanding performance shares from long-term incentive programs awarded prior to 2020

In 2018 and 2019, the long-term incentive was awarded in the form of PSU subject to a three-year vesting period conditionally upon the relative Total Shareholder Return (TSR). TSR is a standard indicator used for measuring stock performance. It is defined as the net change in share price plus any dividend distributions over the vesting period of three years. TSR is measured by comparing a start value that is the volume-weighted average share price (VWAP) over the first 60 trading days of the first year, to an end value, that is the VWAP over the last 60 trading days of the third year.

Relative TSR is measured against the MAC Solar Index (www.macsolarindex.com). A TSR of at least 25 points above the index corresponds to 150% payout, a TSR at the same level to 100% payout, a TSR of no more than 50 points below the index to 50% payout; a TSR that is more than 50 points below the index yields no payout.

Target, performance and payout estimate per 31 December 2020 for the outstanding PSU

LTI program	Measure	MBTN Start	MBTN 31.12.2020	MBT Total Shareholder Return 31.12.2020	Index Total Shareholder Return 31.12.2020	Performance 31.12.2020	Estimated payout as of 31.12.2020
LTI 2018–2021	rTSR [1]	1.70	0.31	-82%	224%	-306%	0%
LTI 2019–2022	rTSR [1]	0.77	0.31	-59%	261%	-320%	0%
LTI 2020–2023	rTSR [1]	0.24	0.31	33%	147%	-114%	0%

[1] rTSR is measured by comparing the volume-weighted average share prices (VWAPs) of 60-day periods at the beginning of the first year and the end of 2020 respectively.

In case of resignation or dismissal for cause, PSU are forfeited. In case of death, disability or change of control, they vest at 100% at the termination date. In case of dismissal without cause, PSU granted during the year of termination are subject to a pro-rata vesting at regular vesting date and PSU granted in years before the year of termination continue to vest normally.

The shares transferred under the PSU plan are subject to claw back provisions. In cases of criminal acts, fraud or misconduct, a claw back provision allows the Board of Directors to reclaim all or part of any shares released to the participant concerned, for a period of five years after their allocation.

The LTI program is financed with treasury shares.

Benefits: pension and insurance

Members of the Executive Board participate in the benefits plans available in their country of employment. The primary purpose of pension and insurance plans is to establish a level of security for employees and their dependents with respect to old age, disability and death. The level and scope of pension and insurance benefits provided are country-specific, influenced by local market practices and regulations.

Benefits: perquisites

Meyer Burger may provide certain executive perquisites according to competitive market practice in their country, such as a company car or a car allowance and other benefits in kind. The monetary value of these other elements of compensation is evaluated at fair value and is included in the compensation tables below.

Employment agreements

The employment contracts of members of the Executive Board are of unlimited duration. They provide for a notice period of 6 or 12 months. Contracts of members of the Executive Board do not include severance compensation or change of control clauses except the vesting provisions of the LTI awards as described above. The contract may contain a non-competition clause for the duration of 12 months following termination of employment.

Compensation 2020

Realized compensation

The following section shows the total annual pay components realized in 2020, including salary and bonus payments, contributions to pension plans, perquisites as well as the actual value of equity plans that vested in 2020. This perspective reflects the income received by members of the Executive Board in 2020, which amounted to a total annual compensation of CHF 1,687 thousand (2019: 2,471 thousand). The highest compensation received by an individual member of the Executive Board in 2020 was CHF 546 thousand for the former CEO.

Compensation realized by members of the Executive Board (GRI 102-38)

2020	Fixed compensation			Variable compensation			
in TCHF	Base salary	Pension	Other[1]	STI	LTI 2017–20 effective value at vesting date)[2]	**Total realized compensation 2020**	Total realized compensation 2019
Total compensation of members of the Executive Board[3]	992	113	157	386	39	**1 687**	2 471
Thereof highest paid: Hans Brändle (former CEO)[4]	309	43	50	116	28	**546**	655

1 Other compensation includes perquisites such as a car allowance or value of company car as well as social security costs.
2 The LTI program 2017 was based on RSU and vested in 2020.
3 During 2020 the Executive Board was reduced to two members (previously three).
4 Hans Brändle was CEO until 30 April 2020. The compensation disclosed above includes the contractual payments during the notice period until 30 June 2020.

Granted compensation

The following section shows the pay components granted for 2020, which in total amounted to CHF 2,821 thousand (2019: CHF 3,470 thousand) and reflects the compensation awarded to the members of the Executive Board in the year under review. This amount comprises base salary of CHF 992 thousand (2019: CHF 1,896 thousand), contributions to pension plans of CHF 113 thousand (2019: CHF 217 thousand), other benefits perquisites of CHF 60 thousand (2019: CHF 98 thousand), bonus payments of CHF 386 thousand (2019: CHF 443 thousand), as well as the fair value of the LTI award at grant date of CHF 1,173 thousand (2019: CHF 648 thousand). The highest compensation granted to an individual member of the Executive Board in 2020 was CHF 1,253 thousand (2019: CHF 940 thousand).

Compensation granted to members of the Executive Board (audited)

in TCHF	Year	Fixed compensation: Base salary[5]	Pension	Other[1]	Variable compensation: STI	Options (target value at grant date)[2]	PSU (target value at grant date)[3]	**Total granted compensation 2020**
Total compensation of members of the Executive Board before mandatory employer contributions[4]	2020	992	113	60	386	1 080	93	**2 724**
	2019	1 896	217	98	443	–	648	**3 302**
Thereof highest paid to one individual: Gunter Erfurt (CEO for 9 months / CTO for 3 months)	2020	275	27	27	144	780	–	**1 253**
Hans Brändle (former CEO)	2019	512	80	22	141	–	186	**940**
Estimated mandatory employer contributions[5]	2020							**97**
	2019							**168**
Total compensation of members of the Executive Board	**2020**							**2 821**
	2019							**3 470**

1 Other compensation includes benefits perquisites such as a car allowance or a company car.
2 The fair value of the share option at grant date was CHF 0.120 (valuation per Enhanced American Model).
3 The PSU program was discontinued in 2020, respectively former members of the Executive Board had received a regular PSU grant, which is fully disclosed above, while new members of the Executive Board received options under the new LTI plan. The fair value of the PSU at grant date was CHF 0.15 in 2020 and CHF 0.73 in 2019 (valuation per Monte Carlo). The estimated performance of the LTI program as of December 31, 2020 was 0% for all outstanding grants. The effective performance will be determined at the respective vesting date.
4 In 2020 the Executive Board was reduced to two members from previously three. The Chief Technology Officer was promoted to the CEO position as of April 2020. The position of the Chief Technology Officer is no longer part of the Executive Board.
5 Members of the Executive Board voluntarily waived 15% of their compensation for the period of May to June 2020.

Explanatory comments to the compensation table (GRI 102-39)

The overall compensation awarded to the Executive Board was lower in 2020 compared to 2019. This change can be explained by the following:

- Composition of the Executive Board: in 2020, the former CEO, Hans Brändle, left the Company and was succeeded on April 1, 2020 by Gunter Erfurt, previously CTO and member of the Executive Board. The role of CTO was not replaced at Executive Board level. Manfred Häner, former CFO, stepped down from the Executive Board and was replaced by Jürgen Schiffer as of 1 October 2020.
- Base salary: The changes to the composition of the Executive Board described above resulted in a decrease of the overall base salary amounts. In addition, in relation to the COVID-19 pandemic, the Executive Board decided to reduce its base compensation by 15% for a duration of three months in 2020.
- STI: the STI payout was set at target level in 2020, as the Board of Directors abstained from setting short-term performance targets. This compares to an average payout of 67% in 2019.
- LTI grant: the value of the grant under the LTI plan increased by 81% compared to previous year to strengthen the alignment with Meyer Burger's ambitious long-term goals.
- The variable compensation amounted to 335% of the annual base salary for the CEO and to 142% of the annual base salary for the CFO.
- LTI vesting: the performance assessment of the LTI plan vesting in 2020 resulted in a vesting level of 50%. The vesting of restricted share units in 2019 was at a vesting level of 100%. Further details are disclosed in the section "Performance in 2020" below

In 2019, the AGM had approved a maximum aggregate amount of compensation for the Executive Board of CHF 3,400 thousand (incl. mandatory employer contributions) for 2020, and therefore the overall granted compensation of CHF 2,821 is within the limits approved by the shareholders.

During 2020, no compensation was paid to former members of the Executive Board or related parties, either by Meyer Burger or by any other company of the Meyer Burger Group.

Current or former members of the Executive Board did not receive any fees or other compensation for additional services to Meyer Burger or its subsidiaries in the 2020 or 2019 fiscal year.

Neither Meyer Burger nor its subsidiaries granted any guarantees, loans, advances or credit facilities to members of the Executive Board or related parties in 2020 or 2019.

During 2020, no compensation was paid to related parties, either by Meyer Burger or by any other company of the Meyer Burger Group.

Share ownership and related instruments Board of Directors

As per 31 December 2020, members of the Board of Directors held a total of 9,176,865 registered shares, 133,327 RSU and 2,033,900 PSU. This number comprises privately acquired shares and those allocated under Meyer Burger's compensation system.

Share Ownership as of 31 December 2020

Name	Year	No of shares	No of RSU[1]	No of PSU[2]
Members of the Board of Directors				
Franz Richter	2020	2 994 157	105 323	508 475
	2019	21 615	159 441	–
Mark Kerekes (since AGM 2020)	2020	5 814 003	–	508 475
	2019	–	–	–
Urs Fähndrich (since AGM 2020)	2020	143 705	–	508 475
	2019	–	–	–
Andreas Herzog	2020	225 000	28 004	508 475
	2019	–	28 004	–
Total	**2020**	**9 176 865**	**133 327**	**2 033 900**
	2019	21 615	187 445	–

[1] The fair value of RSU was CHF 0.685 in 2019.
[2] The fair value of PSU in 2020 was CHF 0.236.

Executive Board

As per 31 December 2020 the members of the Executive Board held a total of 416,617 registered shares, 203,734 PSU and 9,000,000 stock options. This figure includes both privately acquired shares and those allocated under Meyer Burger's compensation plans.

Name	Year	No of shares	No of RSU[1]	No of PSU[2]	No of stock options[3]
Members of the Executive Board					
Gunter Erfurt	2020	374 617	–	203 734	6 500 000
	2019	60 525	70 588	344 911	–
Jürgen Schiffer (since October 2020)	2020	42 000	–	–	2 500 000
	2019	–	–	–	–
Total	**2020**	**416 617**	**–**	**203 734**	**9 000 000**
	2019	60 525	70 588	344 911	–

[1] The fair value of RSU was CHF 0.685 in 2019, CHF 1.104 in 2018 and CHF 0.85 in 2017.
[2] The fair value of PSU was CHF 0.73 in 2019, CHF 1.22 in 2018 and CHF 0.85 in 2017.
[3] The fair value of stock options in 2020 was CHF 0.120.

For the disclosure required under Art. 663c Para. 3 of the Swiss Code of Obligations, please see page 31.

Equity overhang and dilution as of 31 December 2020

As of 31 December 2020, the equity overhang, defined as the total number of unvested share units and options divided by the total number of outstanding shares (2,515,151,206 dividend-bearing shares) amounts to 0.9%.

The company's gross "burn rate", defined as the total number of equities (shares, share units and options) granted in 2020 divided by the total number of outstanding shares (2,515,151,206 dividend-bearing shares) amounts to 0.7%.

Outlook: compensation of the Executive Board as of 2021

As mentioned in the section "Short-Term Incentive (STI) program above, no short-term performance targets for the STI were set in 2020. The regular performance measurement will be reinstated as of 2021. The STI performance will be measured again on the basis of specific financial, strategic and individual objectives. The level of achievement for each objective corresponds to a payout percentage for that objective, which is always between 0 and 150%.

In 2021, financial objectives will focus on growth and profitability. Financial targets are based on the annual budget and the payout on the actual financial results. The payout is 100% of target bonus if the financial result is at target, 0% if it is below the lower threshold. At the upper threshold the payout is capped at 150%. Strategic objectives are clearly measurable and in 2021 focus on delivering new technologies. The payout for strategic objectives also ranges from 0 to 150%. Individual objectives are mainly qualitative and relate to specific projects, products and markets, depending on the business priorities inherent to the respective function. The payout for individual objectives also ranges from 0 to 150%. The detailed structure of the financial, strategic and individual objectives, as well as their respective weighting, will be communicated in the 2021 Remuneration Report.

Regarding the LTI plan, the intention is to keep the option plan unchanged.

Report of the statutory auditor

to the General Meeting of Meyer Burger Technology Ltd

Thun

We have audited the remuneration report of Meyer Burger Technology Ltd for the year ended 31 December 2020. The audit was limited to the information according to articles 14–16 of the Ordinance against Excessive Compensation in Stock Exchange Listed Companies (Ordinance) contained in the tables labeled 'audited' on page 56 and 60 of the remuneration report.

Board of Directors' responsibility

The Board of Directors is responsible for the preparation and overall fair presentation of the remuneration report in accordance with Swiss law and the Ordinance against Excessive Compensation in Stock Exchange Listed Companies (Ordinance). The Board of Directors is also responsible for designing the remuneration system and defining individual remuneration packages.

Auditor's responsibility

Our responsibility is to express an opinion on the accompanying remuneration report. We conducted our audit in accordance with Swiss Auditing Standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the remuneration report complies with Swiss law and articles 14–16 of the Ordinance.

An audit involves performing procedures to obtain audit evidence on the disclosures made in the remuneration report with regard to compensation, loans and credits in accordance with articles 14–16 of the Ordinance. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements in the remuneration report, whether due to fraud or error. This audit also includes evaluating the reasonableness of the methods applied to value components of remuneration, as well as assessing the overall presentation of the remuneration report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the remuneration report of Meyer Burger Technology Ltd for the year ended 31 December 2020 complies with Swiss law and articles 14–16 of the Ordinance.

PricewaterhouseCoopers AG

Rene Rausenberger

Audit expert
Auditor in charge

Yvonne Burger

Audit expert

Bern, 10 March 2021

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Financial Statements

Consolidated Financial Statements

Financial Statements Meyer Burger Technology

Consolidated Financial Statements

Consolidated Balance Sheet

in TCHF	Notes	31.12.2020		31.12.2019	
				restated	
Assets					
Current assets					
Cash and cash equivalents		139 739		35 548	
Trade receivables	2.1	5 029		14 431	
Other current receivables	2.2	38 207		46 898	
Net receivables from production contracts	2.3	14 405		35 137	
Inventories	2.4	24 307		46 795	
Prepaid expenses and accrued income	2.5	1 277		3 857	
Total current assets		**222 964**	**75.1%**	**182 666**	**68.3%**
Non-current assets					
Financial assets	2.6	7 464		10 915	
Investments in associates	2.7	21 699		27 158	
Property, plant and equipment	2.8	38 062		32 859	
Intangible assets	2.9	332		5 800	
Goodwill	2.9	6 110		8 031	
Deferred tax assets	2.14	176		109	
Total non-current assets		**73 843**	**24.9%**	**84 872**	**31.7%**
Total assets		**296 807**	**100.0%**	**267 538**	**100.0%**
Liabilities and equity					
Liabilities					
Current liabilities					
Financial liabilities	2.10	133		26 186	
Trade payables		9 372		17 274	
Net liabilities from production contracts	2.3	1 707		6 774	
Customer prepayments	2.4	4 562		7 182	
Other liabilities	2.11	3 332		3 084	
Provisions	2.12	3 959		11 179	
Accrued expenses and prepaid income	2.13	11 237		21 959	
Total current liabilities		**34 302**	**11.6%**	**93 638**	**35.0%**
Non-current liabilities					
Financial liabilities	2.10	–		1 889	
Other liabilities	2.11	657		748	
Provisions	2.12	802		794	
Deferred tax liabilities	2.14	1 274		1 381	
Total non-current liabilities		**2 733**	**0.9%**	**4 812**	**1.8%**
Total liabilities		**37 035**	**12.5%**	**98 450**	**36.8%**
Equity					
Share capital	2.15	125 758		34 259	
Capital reserves		1065 091		1001 228	
Treasury shares	2.15	–5 563		–5 610	
Reserve for share-based payments		3 470		4 283	
Accumulated losses		–928 984		–865 072	
Total equity		**259 772**	**87.5%**	**169 088**	**63.2%**
Total liabilities and equity		**296 807**	**100.0%**	**267 538**	**100.0%**

The consolidated balance sheet as of 31 December 2019 was restated as outlined in note 1.6.
The Notes starting on page 70 are an integral part of the consolidated financial statements.

Consolidated Income Statement

in TCHF	Notes	1.1.–31.12. 2020		1.1.–31.12. 2019	
				restated	
Net sales	2.16/2.17/2.18	**90 457**	**100.0%**	**262 013**	**100.0%**
Other operating income	2.19	16 077		53 353	
Currency translation gains and losses on trade receivables and customer prepayments	4.3	–555		2 059	
Total Income		**105 979**		**317 425**	
Changes in inventories of finished and semi-finished products and machines before acceptance		–16 271		–22 761	
Cost of products and work in process		–53 271		–152 286	
Capitalized goods and services	2.8/2.9	1 419		2 119	
Operating income after costs of products and services	1.1	**37 856**	**41.8%**	**144 497**	**55.1%**
Personnel expenses	2.20	–53 939		–104 364	
Operating expenses	2.21	–28 517		–39 000	
Earnings before interests, taxes, depreciation and amortization (EBITDA)	1.1	**–44 600**	**–49.3%**	**1 133**	**0.4%**
Depreciation and impairment on property, plant and equipment	2.8	–6 322		–10 087	
Amortization and impairment on intangible assets and goodwill	2.9	–7 161		–6 569	
Earnings before interests and taxes (EBIT)	1.1	**–58 083**	**–64.2%**	**–15 523**	**–5.9%**
Financial result	2.22	–3 422		–7 914	
Result from investment in associates	2.7	–2 771		–2 971	
Ordinary result		**–64 276**	**–71.1%**	**–26 408**	**–10.1%**
Non-operating result	2.23	62		4 013	
Earnings before income taxes		**–64 214**	**–71.0%**	**–22 395**	**–8.5%**
Income taxes	2.14	–264		–546	
Result		**–64 478**	**–71.3%**	**–22 941**	**–8.8%**
Attributable to					
Shareholders of Meyer Burger Technology Ltd		–64 478	–71.3%	–22 941	–8.8%

in CHF					
Earnings per share					
Basic earnings per share	4.4	–0.04		–0.03	
Diluted earnings per share	4.4	–0.04		–0.03	

The consolidated income statement for the period from 1.1.–31.12.2019 was restated as outlined in detail in note 1.6.
The Notes starting on page 70 are an integral part of the consolidated financial statements.

Consolidated Statement of Changes in Equity

in TCHF		Attributable to shareholders of Meyer Burger Technology Ltd
restated (Note 1.6)	Share capital	Capital reserves
Notes	2.15	
Equity at 1.1.2019	**31 144**	**968 324**
Result	–	–
Currency translation differences recognized in reporting period	–	–
Capital increase	3 114	34 259
Costs of capital increase	–	–1 457
Sale/use of treasury shares	–	–18
Share-based payments	–	–
Transfer of shares for employees to the plan participants after vesting period	–	–
Reclassification	–	120
Equity at 31.12.2019	**34 259**	**1 001 228**
Result	–	–
Currency translation differences recognized in reporting period	–	–
Capital increase	91 499	73 885
Costs of capital increase	–	–9 916
Purchase of treasury shares	–	–
Share-based payments	–	–
Transfer of shares for employees to the plan participants after vesting period	–	–
Reclassification	–	–106
Equity at 31.12.2020	**125 758**	**1 065 091**

The consolidated statement of changes in equity for the period from 1.1.–31.12.2019 was restated as outlined in detail in note 1.6.
The Notes starting on page 70 are an integral part of the consolidated financial statements.

						Attributable to shareholders of Meyer Burger Technology Ltd
	Treasury shares	**Reserve for share-based payments**	Currency translation differences	Other retained earnings	**Accumulated losses**	**Total equity**
	2.15		restated 1.6	restated 1.6	restated 1.6	restated 1.6
	–8 741	**4 307**	**–24 593**	**–816 589**	**–841 182**	**153 852**
	–	–	–	–22 941	**–22 941**	**–22 941**
	–	–	–949	–	**–949**	**–949**
	–	–	–	–	**–**	**37 373**
	–	–	–	–	**–**	**–1 457**
	48	–	–	–	**–**	**30**
	–	3 180	–	–	**–**	**3 180**
	2 145	–2 145	–	–	**–**	**–**
	939	–1 059	–	–	**–**	**–**
	–5 610	**4 283**	**–25 542**	**–839 530**	**–865 072**	**169 088**
	–	–	–	–64 478	**–64 478**	**–64 478**
	–	–	566	–	**566**	**566**
	–	–	–	–	**–**	**165 384**
	–	–	–	–	**–**	**–9 916**
	–2 073	–	–	–	**–**	**–2 073**
	–	1 199	–	–	**–**	**1 199**
	2 013	–2 013	–	–	**–**	**–**
	106	–	–	–	**–**	**–**
	–5 563	**3 470**	**–24 976**	**–904 008**	**–928 984**	**259 772**

Consolidated Cash Flow Statement

in TCHF	Notes	1.1.–31.12.2020	1.1.–31.12.2019 restated
Result		**–64 478**	**–22 941**
Result from associates	2.7	2 771	2 971
Depreciation and amortization	2.8/2.9	13 483	15 262
Impairment / reversal of impairment on non-current assets	2.8/2.9	1 651	2 195
Gains/losses from sale of fixed assets and business activities	2.8/2.9	–11 829	–49 384
Deferred income taxes	2.14	–279	366
Decrease (+) / increase (–) in other (non-current) assets		–152	–346
Increase (+) / decrease (–) in (non-current) provisions	2.12	8	524
Increase (+) / decrease (–) in other (non-current) liabilities		–76	–765
Decrease (+) / increase (–) in trade receivables	2.1	5 748	6 356
Decrease (+) / increase (–) in net assets from construction contracts	2.3	15 742	–28 176
Decrease (+) / increase (–) in inventories	2.4	13 412	7 494
Decrease (+) / increase (–) in other receivables and accruals	2.2	4 711	1 985
Increase (+) / decrease (–) in (current) provisions	2.12	–6 030	–1 331
Increase (+) / decrease (–) in (current) financial liabilities	2.10	–	–104
Increase (+) / decrease (–) in trade payables		–4 242	579
Increase (+) / decrease (–) in customer prepayments		–452	–16 212
Increase (+) / decrease (–) in other (current) liabilities and deferrals	2.11/2.13	–5 943	–8 448
Other non-cash-related changes		1 027	6 482
Cash flow from operating activities		**–34 928**	**–83 493**
Investments in property, plant and equipment	2.8	–20 725	–6 894
Sale of property, plant and equipment	2.8	1 912	6 606
Investments in investment property	2.8	–	–439
Sale of investment property	2.8	–	26 292
Investments in intangible assets	2.9	–318	–236
Sale of intangible assets	2.9	2	–
Investments in associates	2.7	–	–2 157
Sale of business activities	1.4	21 451	62 682
Bank deposits with limited availability		8 982	–26 278
Cash flow from investment activities		**11 304**	**59 576**
Capital increase		165 384	–
Cost of increase in share capital		–9 916	–1 457
Purchase of treasury shares		–2 073	–
Repayment of current financial liabilities		–	–1
Increase of current financial liabilities		133	–
Repayment of convertible bond		–26 830	–
Increase of non-current financial liabilities		1 284	2 001
Repayment of non-current financial liabilities		–103	–30 066
Cash flow from financing activities		**127 879**	**–29 523**
Change in cash and cash equivalents		**104 255**	**–53 440**
Cash and cash equivalents at beginning of period		**35 548**	**89 799**
Currency translation differences on cash and cash equivalents		–64	–811
Cash and cash equivalents at the end of the period		**139 739**	**35 548**

The consolidated cash flow statement for the period from 1.1.–31.12.2019 was restated as outlined in detail in note 1.6.
The Notes starting on page 70 an integral part of the consolidated financial statements.
Cash and cash equivalents include all cash, postal and bank account balances, cheques and notes receivable as well as time deposits with an original maturity of up to 90 days. Cash and cash equivalents are measured at nominal value.

Notes to the consolidated Financial Statements

1 General information

1.1 Accounting policies

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's 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 financial statements for issue on 10 March 2021. They will be submitted for approval to the Annual General Meeting to be held on 4 May 2021.

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

The consolidated annual financial statements have been prepared in accordance with the complete set of existing standards of Swiss GAAP FER and give a true and fair view of financial positions, cash flows and results of operations. The provisions of Swiss law have also been complied with.

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 work in progress and capitalized goods and services.
- "EBITDA" corresponds to the operating result (EBIT) before depreciation on tangible fixed assets and amortization on 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.

With the implementation of the new business model and the transformation from a manufacturer of production equipment to producing solar cells and modules, Meyer Burger has reviewed its existing accounting policies. According to Swiss GAAP FER, a change in previously chosen accounting principles is only allowed in justified cases, such as significant changes in the company's field of activity. In this context, Meyer Burger has decided to change two accounting principles (goodwill accounting and recognition of deferred tax assets) in order to better and more comprehensibly reflect the economic reality. In accordance with the framework, the changes were made retrospectively and the previous year's financial statements are restated (restatement as of 1 January 2019). The nature of the change and its financial impact are detailed in note 1.6.

From January 2020 onwards, the outbreak of the coronavirus in China and circulation in other countries led to major impacts on the global economy. Meyer Burger continuously monitored the situation throughout the year 2020 and took action as required, e.g. through short-term work.

1.2 Principles of consolidation

Group companies are all companies in which Meyer Burger Technology Ltd either directly or indirectly holds more than half of the voting rights or over which it has control in another form.

New group companies are fully consolidated from the time at which control of the company is transferred to Meyer Burger. The net assets acquired are revalued on the acquisition date at fair value. The difference between the purchase price and the interest in revalued net assets is recognized as goodwill in the balance sheet and amortized on a straight-line basis in the income statement over its useful life of normally five years, in justified cases, 20 years at the most. Group companies are deconsolidated at the point in time at which control ceases.

Assets and liabilities as well as income and expenses of these companies are fully consolidated. All intercompany transactions, balances, and unrealized gains and losses resulting from intercompany transactions are eliminated.

Companies in which Meyer Burger Ltd has a non-controlling interest of at least 20% but less than 50%, or over which it otherwise has significant influence, are accounted for using the equity method and are included in the consolidated financial statements as investments in associates.

Preparation of the consolidated financial statements requires that the Board of Directors and management make estimates and assumptions that could affect the reported amounts of income and expenses, assets and liabilities and contingent liabilities at the time of the preparation of the accounts. If such estimates and assumptions, which were made to the best of the Board of Directors' and the Executive Board's knowledge at the time of the preparation of the accounts, deviate from actual events, the original estimates and assumptions are updated accordingly in the reporting period in which the altered circumstances arise.

These consolidated financial statements are published in English only and therefore are the legally binding version.

1.3 Scope of consolidation

The scope of consolidation comprises of the following companies:

Consolidated companies

Company	Registered office	Currency	Share capital	Participation[1] 31.12.2020	31.12.2019
Gerling Applied Engineering, Inc.[3]	Modesto, USA	USD	10 000	0.00%	100.00%
Hennecke Systems GmbH	Zülpich, Germany	EUR	25 000	100.00%	100.00%
Meyer Burger (Singapore) Pte. Ltd	Singapore, Singapore	SGD	1	100.00%	100.00%
MB Systems Co. Ltd	Seoul, Korea	KRW	4 371 500 000	100.00%	100.00%
MBT Systems GmbH	Hohenstein-Ernstthal, Germany	EUR	50 025 000	100.00%	100.00%
MBT Systems Ltd[2]	Delaware, USA	USD	1	0.00%	100.00%
MBT Systems Ltd (former Diamond Materials Tech, Inc.)[2]	Delaware, USA	USD	100	100.00%	100.00%
Meyer Burger (Germany) GmbH	Hohenstein-Ernstthal, Germany	EUR	66 207 045	100.00%	100.00%
Meyer Burger (Industries) GmbH[5]	Hohenstein-Ernstthal, Germany	EUR	50 025 000	100.00%	0.00%
Meyer Burger (Italy) S.r.l.	Milan, Italy	EUR	10 000	100.00%	100.00%
Meyer Burger (Netherlands) B.V.[4]	Eindhoven, Netherlands	EUR	18 200	0.00%	100.00%
Meyer Burger (NL) B.V.[4]	Eindhoven, Netherlands	EUR	18 200	100.00%	0.00%
Meyer Burger (Switzerland) Ltd	Thun, Switzerland	CHF	500 000	100.00%	100.00%
Meyer Burger Co. Ltd	Zhubei City, Taiwan	TWD	5 000 000	100.00%	100.00%
Meyer Burger GmbH	Zülpich, Germany	EUR	25 000	100.00%	100.00%
Meyer Burger India Private Ltd	Pune, India	INR	18 552 930	100.00%	100.00%
Meyer Burger Kabushiki Kaisha	Tokyo, Japan	JPY	10 000 000	100.00%	100.00%
Meyer Burger Research AG	Hauterive, Switzerland	CHF	100 000	100.00%	100.00%
Meyer Burger Sdn. Bhd.	Cyberjaya, Malaysia	MYR	1 000 000	100.00%	100.00%
Meyer Burger Systems (Shanghai) Co. Ltd	Shanghai, China	CNY	50 578 022	100.00%	100.00%
Meyer Burger Technology Ltd	Thun, Switzerland	CHF	125 757 560	Parent company	
Meyer Burger Trading (Shanghai) Co. Ltd	Shanghai, China	CNY	1 655 400	100.00%	100.00%
Muegge GmbH[3]	Reichelsheim, Germany	EUR	400 000	0.00%	100.00%
Oxford Photovoltaics Limited	London, United Kingdom	GBP	3 733	19.76%	19.76%
Oxford PV Germany GmbH	Brandenburg an der Havel, Germany	EUR	25 000	19.76%	19.76%
Pasan SA	Neuchâtel, Switzerland	CHF	102 000	100.00%	100.00%

[1] The share of equity corresponds to the share of voting rights.

Changes in scope of consolidation

During the year under review, the scope of consolidation has changed as follows:

Merged companies

Company	Registered office	Currency	Share capital	Participation 31.12.2020	Participation 31.12.2019
MBT Systems Ltd[2]	Delaware, USA	USD	1	0.00%	100.00%

[2] MBT Systems Ltd was retrospectively merged into Diamond Materials Tech, Inc., which then was renamed to MBT Systems Ltd, as at 1 January 2020.

Sold companies

Company	Registered office	Currency	Share capital	Participation 31.12.2020	Participation 31.12.2019
Meyer Burger (Netherlands) B.V.[4]	Eindhoven, Netherlands	EUR	18 200	0.00%	100.00%
Gerling Applied Engineering, Inc.[3]	Modesto, USA	USD	10 000	0.00%	100.00%
Muegge GmbH[3]	Reichelsheim, Germany	EUR	400 000	0.00%	100.00%

[3] Muegge GmbH and its subsidiary Gerling Applied Engineering, Inc. were divested on 30 September 2020.
[4] Meyer Burger (Netherlands) B.V. was split into two new companies in turn of the sale of the inkjet printing business (PiXDRO) as per 31 March 2020. Meyer Burger (NL) B.V. contains the remaining business of Meyer Burger in the Netherlands.

Newly founded companies

Company	Registered office	Currency	Share capital	Participation 31.12.2020	Participation 31.12.2019
Meyer Burger (NL) B.V.[4]	Eindhoven, Netherlands	EUR	18 200	100.00%	0.00%
Meyer Burger (Industries) GmbH[5]	Hohenstein-Ernstthal, Germany	EUR	50 025 000	100.00%	0.00%

[5] Meyer Burger (Industries) GmbH was founded on 6 August 2020.

Absorption of MBT Systems Ltd

MBT Systems Ltd, Delaware, USA, was merged into Diamond Materials Tech, Inc., Colorado Springs, USA, and renamed to MBT Systems Ltd, incorporated in Delaware, USA, as per 1 January 2020. The transaction did not lead to any changes in control over the underlying assets respectively business.

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 of EUR 3.9 million (CHF 4.1 million) was settled in cash in April 2020. The business generated CHF 0.6 million net revenues and contributed CHF –0.7 million to the ordinary result for 2020. The Group recorded a gain on the sale of the investment of CHF 2.1 million that is presented in “Other operating income” in the consolidated income statement.

Sale of Microwave and Plasma Technology business

On 1 October 2020, Meyer Burger announced the closing on the sale of its microwave and plasma technology company Muegge GmbH, Reichelsheim, Germany, including its subsidiary Gerling Applied Engineering, Inc. based in Modesto, USA. The business generated CHF 17.2 million net revenues and contributed CHF –0.4 million to the ordinary result of the period under review. Considering the changes in accounting methods outlined in note 1.6, the Group recorded a gain on the sale of the investment of CHF 9.7 million that is presented in “Other operating income” in the consolidated income statement.

Divestments

TCHF	2020 Muegge GmbH / Gerling Applied Engineering, Inc.	2020 Meyer Burger (PIXDRO) B.V.	2020 Total divestments	2019 AIS Automation Dresden GmbH	2019 Meyer Burger Wafering Technologies GmbH	2019 Total divestments
Cash and cash equivalents	2 674	0	2 674	2 396	0	2 396
Trade receivables	2 247	535	2 782	1 991	1 849	3 840
Other current receivables	424	51	475	624	5	629
Prepaid expenses and accrued income	277	0	277	206	57	263
Inventories	8 738	1 325	10 063	585	21 722	22 307
Property, plant and equipment	7 120	144	7 264	3 255	166	3 421
Intangible assets	412	54	466	989	0	989
Total assets	**21 892**	**2 109**	**24 001**	**10 046**	**23 799**	**33 845**
Current financial liabilities	269	0	269	0	0	0
Trade payables	3 169	330	3 499	119	1 606	1 725
Customer prepayments	1 786	255	2 041	415	10 418	10 833
Other liabilities	3 246	628	3 874	2 233	667	2 900
Current provisions	932	140	1 072	404	613	1 017
Non-current financial liabilities	2 926	0	2 926	0	0	0
Other non-current liabilities	3	0	3	464	240	704
Non-current provisions	0	0	0	0	39	39
Deferred tax liabilities	8	0	8	425	0	425
Total liabilities	**12 339**	**1 353**	**13 692**	**4 060**	**13 583**	**17 643**
Net Assets	**9 553**	**756**	**10 309**	**5 986**	**10 216**	**16 202**

Foundation of Meyer Burger (Industries) GmbH

Meyer Burger is working to implement the new business model as a provider of technologically leading solar cells and modules made in Europe. Meyer Burger (Industries) GmbH, Hohenstein-Ernstthal was founded on 6 August 2020 with the purpose to set up production facilities to manufacture highly efficient solar cells and modules with the proprietary heterojunction technology and to run the respective operation in Germany.

1.4 Foreign currency translation of financial statements of subsidiaries in foreign currencies

Individual group companies compile their financial statements in local currency (functional currency). Assets and liabilities in balance sheets prepared in foreign currencies are translated into Swiss Francs at the closing rate on the reporting date. Equity is translated at historical rates and income, expenses and cash flows at the average rate for the year. Foreign currency translation differences arising from the application of this method are offset against retained earnings or accumulated losses without affecting the income statement.

Other translation differences, including those from foreign currency transactions of operating activity, are recognized in the income statement.

Intercompany loans are considered as liabilities in respect to the treatment of foreign exchange translation differences as long as future positive cash flows are expected and no decision has been taken to convert them into equity or debt waivers. A semi-annual reassessment of the subsidiaries' capital situation is carried out and the share of intercompany loans which are regarded to have an equity status is analyzed. Foreign currency effects attributable to these long-term intercompany loans which are regarded to have an equity status are recognized directly in equity. The currency differences recognized in equity are derecognized only in the event of a disposal or liquidation of the respective subsidiary.

The following translation rates into Swiss Francs were used during the year under review:

		Closing rate		Average rate	
Foreign currency exchange rates	Unit	2020	2019	2020	2019
Euro (EUR)	1	1.0802	1.0854	1.0705	1.1124
US Dollar (USD)	1	0.8803	0.9662	0.9372	0.9937
British Pound (GBP)	1	1.2015	1.2757	1.2032	1.2674
Chinese Yuan Renminbi (CNY)	100	13.4646	13.8789	13.5945	14.3811
Japanese Yen (JPY)	100	0.854	0.8901	0.8786	0.9118
Indian Rupee (INR)	100	1.2048	1.3536	1.2648	1.4111
South-Korean Won (KRW)	100	0.0809	0.0837	0.0796	0.0852
Malaysian Ringgit (MYR)	100	21.893	23.6198	22.3215	23.9885
Singapore Dollar (SGD)	1	0.6661	0.7183	6800	0.7284
Taiwan Dollar (TWD)	100	3.1428	3.2265	3.1864	3.2155

1.5 Business combinations

Capital consolidation is based on the acquisition method. For the first-time consolidation, the acquired identifiable assets and the assumed liabilities of an acquired company are measured at fair value. At the time of control being assumed, goodwill is calculated as the difference between the acquisition cost (measured at fair value) and the amount of acquired net assets and capitalized as a separate balance sheet position.

1.6 Changes in accounting principles

Meyer Burger is currently transforming its business model from manufacturing of production equipment to solar cell and module production. Accordingly, the activities of the organization are subject to significant changes. Under these circumstances, Meyer Burger has reviewed its accounting principles and has found the two following accounting options to be more adequate for the financial statements in the present and future of the organization. Both options are in line with Swiss GAAP FER recommendations.

Capitalization of goodwill: Goodwill previously was offset directly against equity (retained earnings) at the date of the acquisition and recycled through profit and loss upon the sale or discontinuation of the respective business activities. Making use of the accounting policy choice provided in Swiss GAAP FER 30 "Consolidated financial statements", the Board of Directors has decided that goodwill will be capitalized and amortized over the expected useful life of mostly five years to better reflect the economic reality and to integrate the amortization of goodwill in the profit and loss statement more directly. Since this is a change to the accounting principles, the prior period has been restated accordingly and the previous disclosure of the effect of a theoretical capitalization of goodwill has been omitted. The revised consolidation and valuation principles are described in section 2.9.

Waiver of capitalization of deferred tax assets from tax loss carry-forwards: Previously, deferred tax assets on tax loss carry-forwards were capitalized to the extent that it was probable that future taxable profit would be available against which a loss carry-forward could be utilized. Making use of the implicit accounting policy choice in Swiss GAAP FER 11 "Income taxes", the Board of Directors has decided that deferred tax assets from tax loss carry-forwards will no longer be capitalized to reduce areas of judgment and discretion and therefore to provide more reliable financial statements. Since this is a change to the accounting principles, the prior period has been restated accordingly. Deferred tax assets from temporary differences are not affected by this change and Meyer Burger will continue to capitalize deferred tax assets on temporary differences to the extent that it is probable that future taxable profit will be available. The revised valuation principles are described in section 2.14.

The restatement is outlined below.

in TCHF	Reported	Restatement goodwill	Restatement DTA	Restated
Balance sheet 1.1.2019				
Goodwill		**123**		**123**
Deferred tax assets	27 689		–27 689	
Deferred tax liabilities	857		293	1 150
Equity	**181 711**	**123**	**–27 982**	**153 852**
thereof CTA		*5*	*1 519*	*1 524*
Balance sheet 31.12.2019				
Goodwill		8 031		8 031
Deferred tax assets	**15 212**		**–15 103**	**109**
Deferred tax liabilities	1 381			1 381
Equity	176 160	8 031	–15 103	169 088
thereof CTA		*1*	*1 909*	*1 910*
Income statement 2019				
Other operating income	38 749	5 724	8 880	53 353
Income	**302 821**	**5 724**	**8 880**	**317 425**
Depreciation and impairment on intangible assets and goodwill	–5 077	–1 492		–6 569
Earnings before interests and taxes (EBIT)	**–28 635**	**4 232**	**8 880**	**–15 523**
Income taxes	–4 143		3 597	–546
Result	–39 650	4 232	12 477	–22 941
Earnings per share (basic/diluted) in CHF	**–0.06**	**0.01**	**0.02**	**–0.03**

As deferred tax assets and liabilities were netted for an individual entity, the respective restatement is shown on both positions.

The gain on disposal of investments and associated companies, presented as part of other operating income, is affected as the divestments in 2019 included goodwill previously offset with equity and recycled upon disposal as well as previously capitalized deferred tax assets which transferred with the respective divestment. The change in accounting principles accordingly obviates the goodwill recycling at the time of disposal and reduces the value of assets transferred in the course of transactions of 2019.

In addition and in line with above-mentioned balance sheet entries, the position "offset goodwill" in the Consolidated statement of changes in equity was distributed into "other retained earnings" and "currency translation differences" as well as changes in currency translation differences on deferred tax assets were recognized in the respective positions. The cash flow statement as well as information in notes 1.3 "Scope of consolidation", 2.9 "Intangible assets" and 2.14 "Taxes" have been prepared and restated where necessary to include above outlined changes in accounting principles.

2 Notes to the consolidated financial statements

2.1 Trade receivables

in TCHF	31.12.2020	31.12.2019
Trade receivables (gross)	10 398	21 268
Allowances	–5 369	–6 837
Trade receivables	**5 029**	**14 431**

Meyer Burger Group has not pledged any receivables to third parties as collateral. The maximum credit risk for Meyer Burger Group corresponds to the carrying amount of the receivables recognized.

The allowances consist entirely of individual allowances relating to a small number of customers, estimated based on these customers' solvency.

Receivables from related parties are disclosed separately in note 4.8.

Accounting Policies

In most cases, Meyer Burger produces machines in exchange for prepayments made by its customers. At the time of delivery to customers, these prepayments generally account for around 70%–80% of the contract value. When the project is completed and the final acceptance is issued by the customer on its premises, the prepayments are offset and only the final payment due is recognized as a trade receivable. Consequently, the trade receivables recognized only include the residual receivable not covered by the prepayments made. Generally, no prepayments are received for services supplied; accordingly, receivables relating to services usually cover the full contract value.

Trade receivables are measured at nominal value less any allowances. Individual allowances are generally considered based on the specific debtor risks and other known risks. An allowance can also be made on a portfolio basis where this is deemed appropriate based on historical experience. In such cases, the risk pattern is regularly assessed and adjusted where necessary.

Changes to valuation allowances for doubtful receivables and real losses on receivables are recognized under "other operating expenses".

2.2 Other current receivables

in TCHF	31.12.2020	31.12.2019
Prepayments to suppliers	8 479	7 877
Bank balances with restricted use	17 296	26 278
Other receivables	12 432	12 743
Other receivables	**38 207**	**46 898**

As per 31 December 2020, the balance sheet position "other current receivables" mainly consists of the deposit used as securitization for Meyer Burger's guarantee line shown as bank balances with restricted use of CHF17.3 million (31.12.2019: 26.3 million).

Other receivables, as per 31 December 2020 and 31 December 2019, include receivables, such as VAT receivables, receivables from social security or deposits. In addition, as per 31 December 2020, other current receivables include the short-term portion of receivables from the sale of the headquarter building in Thun of CHF 2.3 million (31.12.2019: 1.0 million).

Accounting Policies

Other current receivables include receivables such as e.g. VAT credits, withholding tax credits, social security receivables, etc. Prepayments made to suppliers are also included in this category.

Other receivables are measured at nominal value less any allowances.

2.3 Net receivables and liabilities from production contracts

in TCHF	31.12.2020	31.12.2019
Work in process	89 983	86 837
Customer prepayments	–77 285	–58 474
Net production contracts	**12 698**	**28 363**
thereof		
Net receivables from production contracts	14 405	35 137
Net liabilities from production contracts	–1 707	–6 774
Additional information		
Net sales from the PoC method (income statement)	18 406	65 856

Accounting Policies

Production contracts are contracts for the production of customer-specific assets or groups of assets that normally extend over several months.

Production contracts are measured using the percentage-of-completion (PoC) method where these contracts have a material impact on total sales or income. The stage of completion is calculated individually for each production contract and is equal to the proportion that contract costs incurred for work performed up to the reporting date to the estimated total production costs. Accrued costs and realized net revenue calculated based on the stage of completion are recognized on an ongoing basis in the income statement.

If the outcome of a production contract can be estimated reliably, a proportion of profit is realized. If the earnings cannot yet be estimated reliably, sales are recognized in the amount of the costs already incurred.

The accrued costs plus the proportion of profit (if this can be estimated reliably) minus customer prepayments are reported in the balance sheet as net assets or net liabilities from production contracts.

An allowance is considered covering the full amount of anticipated losses. If the impairment is higher than the value of the asset, a provision is created in the amount of the difference.

2.4 Inventories

in TCHF	31.12.2020	31.12.2019
Raw materials, purchased parts, goods for resale	28 747	43 213
Semi-finished goods and work in progress	24 987	21 013
Finished goods	270	1 860
Machines before acceptance	7 855	33 017
Customer prepayments	–8 434	–25 290
Value adjustment inventories	–29 134	–27 018
Inventories	**24 307**	**46 795**

Accounting Policies

Inventories

Depending on the stage of completion of the individual products and their purpose, inventories are categorized into raw materials, purchased parts and goods for resale, semi-finished goods and work in progress, finished goods and machinery before acceptance. Inventories are classified as machinery before acceptance between the point of delivery of the machine to the time of final acceptance by the customer.

Raw materials, purchased parts and goods for resale are measured at the lower of weighted-average cost or net realizable value. Semi-finished goods and work in progress, finished goods as well as machinery before acceptance are measured at the lower of production cost or net realizable value. Cash discounts are treated as reductions in purchase price. Net realizable value is the estimated selling price less estimated cost of completion and direct selling cost.

Allowances are considered for overly high levels of inventories that most likely cannot be sold, for inventories where there is no or virtually no inventory turnover, and for damaged and unsellable inventories.

Customer prepayments

A prepayment is a non-interest-bearing payment made by a customer under an existing contract for production and/or delivery of products.

Customer prepayments are recognized at the nominal value.

Customer prepayments directly attributable to a machine or a long-term production contract are recognized directly as deductions in inventories or in long-term production contracts. The prepayments are only offset against inventories up to the maximum amount of the value of the goods carried in the balance sheet or the long-term production contract.

Prepayments for which no manufacturing costs have yet been incurred for the production of machinery or prepayments that exceed the value of the manufacturing costs already incurred are reported in current liabilities.

2.5 Prepaid expenses and accrued income

in TCHF	31.12.2020	31.12.2019
Prepaid expenses and accrued income	1 107	3 836
Receivables from current income taxes	170	21
Prepaid expenses and accrued income	**1 277**	**3 857**

Prepaid expenses and accrued income include positions from the due course of business, such as prepaid rent, insurance and other cost as well as accrued rental income.

Accounting Policies

Prepaid expenses and accrued income are measured at nominal value less any allowances.

2.6 Financial assets

in TCHF	31.12.2020	31.12.2019
Other non-current receivables	9 135	10 915
Allowances	–1 671	–
Financial assets	**7 464**	**10 915**

As per 31 December 2020, other non-current receivables mainly comprise of the long-term portion of receivables from the sale of the headquarter building in Thun with a net amount of CHF 7.2 million (2019: CHF 10.2 million). The allowances cover potential risks due to contractual terms.

Accounting Policies

Financial assets include loan receivables and other long-term receivables from third parties.

Financial assets are initially measured at nominal value. Subsequent measurement is at nominal values less any necessary impairment. Amounts are discounted if the effect is material.

2.7 Investments in associates

The position consists of the investment in the associated company Oxford Photovoltaics Limited and its fully owned subsidiary Oxford PV Germany GmbH. In 2019, Meyer Burger acquired 69,132 shares at an investment value of CHF 39.6 million equaling 19.76% of ordinary shares of Oxford Photovoltaics Limited. Due to the strategic partnership in the industrialization 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.

Oxford PV was established in 2010, as a spin-out from the University of Oxford, and is a pioneer and technology leader in the field of perovskite solar cells working to build the world's first volume manufacturing line for perovskite-on-silicone tandem solar cells. The fully integrated line still needs to commence production. During the current critical ramp-up phase towards the first sales and subsequent operating profitability, Oxford PV's going concern is uncertain and depends upon the successful completion of the ongoing financing measures and receipt of respective cash inflows in the short-term.

As per the acquisition date in 2019, the investment value of CHF 39.6 million was allocated to the net asset value as reflected in the company's financial statements and to additionally identified assets, specifically technologies, of CHF 30.2 million and included a goodwill of CHF 9.4 million. The proportionate loss of Oxford Photovoltaics Limited recognized in 2020 amounts to CHF 2.8 million (2019: CHF 3.0 million) and is separately shown in the consolidated income statement as result from investments in associates. The investment value is additionally affected by FX effects of CHF –1.7 million (2019: –0.7 million) and intercompany profit eliminations of CHF –0.9 million (2019: none).

Transactions with the associate are disclosed in note 4.8. There are no further investments in associates.

Accounting Policies

An entity's holding of between 20% and 50% of the voting rights is normally presumed to be an investment in an associated company. Nonetheless, a holding of less than 20% of the voting rights can also represent an investment in an associated company, if the entity is able to exercise significant influence.

Investments in associated companies are accounted for using the equity method. The acquired investment is recognized at cost upon initial recognition of an investment in an associated company. A goodwill, if any, is capitalized as such and amortized over a period of five years. The investment in the associated company is adjusted thereafter for post-acquisition changes in the investor's proportionate share of net assets, mainly the proportionate share of result of the associate. The accounting policies of the associate are adjusted where necessary in order to ensure consistency with the accounting policies of the Group. Material unrealized gains and losses from transactions with associated companies are eliminated to the extent of the Group's participation in the associated company.

The carrying value of investments in associates and related goodwill is reviewed for triggering events at each reporting date. If an impairment indication exists, the recoverable amount of the investment and related goodwill is determined and if the recoverable amount is lower than the carrying value, an impairment is recorded.

2.8 Property, plant and equipment

in TCHF	Land and buildings	Equipment	Machines	IT	Vehicles	Assets under construction	Total property, plant and equipment	Investment property – land and buildings	Total investment property
Purchase price									
Balance as of 1.1.2019	**72 496**	**27 197**	**59 498**	**3 200**	**428**	**1 914**	**164 733**	**–**	**–**
Changes in scope of consolidation	–4 379	–869	–4 315	–1 203	–246	–	–11 012	–	–
Increase	351	519	525	508	–	2 754	4 657	439	439
Capitalization	–	–	1 995	–	–	93	2 088	–	–
Reclassification	–35 047	–11 662	538	–822	–	–912	–47 905	47 905	47 905
Disposal	–6 971	–3 724	–10 747	–579	–14	–	–22 035	–48 344	–48 344
Currency translation differences	–1 110	–564	–1 575	–33	–2	–106	–3 390	–	–
Balance as of 31.12.2019	**25 340**	**10 897**	**45 919**	**1 071**	**166**	**3 743**	**87 136**	**–**	**–**
Changes in scope of consolidation	–6 193	–1 016	–2 195	–468	–1	–51	–9 924	–	–
Increase	5 666	1 216	1 841	3	–	10 647	19 373	–	–
Capitalization	–	–	1 369	–	–	–	1 369	–	–
Reclassification	4 088	–	152	–	–	–4 240	–	–	–
Disposal	–3 000	–2 131	–3 673	–77	–125	–	–9 006	–	–
Currency translation differences	–172	–126	–276	–9	–1	37	–548	–	–
Balance as of 31.12.2020	**25 730**	**8 838**	**43 137**	**519**	**38**	**10 138**	**88 400**	**–**	**–**
Cumulative depreciation and impairments									
Balance as of 1.1.2019	**–21 059**	**–16 728**	**–41 465**	**–2 681**	**–410**	**–116**	**–82 459**	**–**	**–**
Changes in scope of consolidation	1 767	869	4 149	560	246	–	7 591	–	–
Ordinary depreciation	–1 642	–959	–5 561	–272	–8	–	–8 442	–801	–801
Impairment	–919	–345	–311	–70	–	–	–1 645	–	–
Reclassification	10 436	4 796	–	822	–	–	16 054	–16 054	16 054
Disposal	2 105	2 792	7 052	579	14	–	12 542	16 855	16 855
Currency translation differences	422	488	1 139	27	2	4	2 082	–	–
Balance as of 31.12.2019	**–8 890**	**–9 087**	**–34 997**	**–1 035**	**–156**	**–112**	**–54 277**	**–**	**–**
Changes in scope of consolidation	140	3	2 060	456	1	–	2 660	–	–
Ordinary depreciation	–1 004	–917	–3 745	–10	–2	–	–5 678	–	–
Impairment	52	–14	–682	–	–	–	–644	–	–
Reclassification	–	–	–	–	–	–	–	–	–
Disposal	1 833	2 094	3 058	62	117	–	7 164	–	–
Currency translation differences	104	108	213	9	1	3	437	–	–
Balance as of 31.12.2020	**–7 767**	**–7 814**	**–34 092**	**–519**	**–38**	**–109**	**–50 338**	**–**	**–**
Net book value									
01.01.2019	51 438	10 469	18 034	518	17	1 798	82 274	–	–
31.12.2019	16 449	1 810	10 923	36	9	3 632	32 859	–	–
31.12.2020	17 963	1 024	9 045	–	–	10 029	38 062	–	–

During the financial year 2020, Meyer Burger sold its prior subsidiaries Muegge GmbH, Reichelsheim, Germany, and Gerling Applied Engineering, Inc., Modesto, USA. The sold companies held property, plant and equipment with a net value of CHF 7.2 million. Meyer Burger also sold its PiXDRO business in the Netherlands including plant and equipment in the net amount of CHF 0.1 million.

The main increase in property, plant and equipment relates to the transformation of Meyer Burger towards becoming a solar cell and module producer. Investments of CHF 17.9 million in property, plant and equipment were made in the German entities driving this change. Related capital commitments are outlined in note 4.5.

None of the property, plant and equipment listed above was held under a lease.

Accounting Policies

Property, plant and equipment include land, property used for operational purposes, facilities, machines, IT and vehicles, as well as assets under construction. Investment property is property held to earn rentals or for capital appreciation.

Property, plant and equipment as well as investment property are measured at cost less any cumulative depreciation and any cumulative impairment losses. Government subsidies are deducted from the cost of acquisition or production.

Depreciation is generally carried out using the straight-line method over the following expected useful lives:

	Useful life in years
Land	No depreciation
Buildings	10–30
Equipment	5–20
Machines	3–10
IT	3
Vehicles	4–8

The depreciation period for investment property is to be defined on an individual basis in line with the guidance for properties used for operational purposes.

Assets are reviewed for triggering events at every reporting date. This review is carried out to identify individual assets that may be affected by an impairment. If such indications exist, the recoverable amount must be determined. If the recoverable amount is below the carrying amount, an impairment is recognized.

The same method is applied to reversals of impairments as to identifying impairments, i.e. a review is carried out on each reporting date to assess whether there are indications that a reversal has occurred. If this is the case, the amount of the reversal (the difference between the recoverable amount and the maximum carrying amount excluding the original impairment) must be determined and the impairment reversed accordingly.

2.9 Intangible assets

in TCHF	Technology	Trade names	Customer relationships	Capitalized services	Goodwill	Other intangible assets	Total
					restated		restated
Purchase price							
Balance as of 1.1.2019	**203 064**	**50 054**	**5 654**	**867**	**282 832**	**15 433**	**557 904**
Change in scope of consolidation	–5 415	–1 654	–3 627	–	3 676	–1 736	–8 756
Increase	–	–	–	–	–	205	205
Capitalization	–	–	–	–	–	31	31
Disposal	–7 576	–	–	–	–	–	–7 576
Currency translation differences	–5 968	–1 260	–120	–32	–7 560	–221	–15 161
Balance as of 31.12.2019	**184 105**	**47 140**	**1 907**	**835**	**278 948**	**13 712**	**526 647**
Change in scope of consolidation	–5 878	–975	–1 881	–	–5 105	–243	–14 082
Increase	–	–	–	–	–	269	269
Capitalization	–	–	–	–	–	50	50
Disposal	–	–	–	–	–	–19	–19
Currency translation differences	–580	–164	–26	–4	754	–57	–77
Balance as of 31.12.2020	**177 646**	**46 001**	**–**	**831**	**274 597**	**13 713**	**512 788**
Cumulative depreciation and impairments							
Balance as of 1.1.2019	**–203 064**	**–40 790**	**–4 193**	**–867**	**–282 709**	**–14 228**	**–545 851**
Change in scope of consolidation	5 415	1 353	2 965	–	5 724	1 698	17 155
Ordinary amortization	–	–3 588	–471	–	–1 492	–467	–6 018
Impairment	–	–	–	–	–	–551	–551
Disposal	7 576	–	–	–	–	–	7 576
Currency translation differences	5 968	1 015	94	32	7 560	204	14 873
Balance as of 31.12.2019	**–184 105**	**–42 011**	**–1 605**	**–835**	**–270 917**	**–13 344**	**–512 817**
Change in scope of consolidation	5 878	894	1 724	–	5 105	15	13 616
Ordinary amortization	–	–2 913	–141	–	–1 919	–123	–5 096
Impairment	–	–2 065	–	–	–	–	–2 065
Disposal	–	–	–	–	–	17	17
Currency translation differences	580	94	22	4	–756	54	–2
Balance as of 31.12.2020	**–177 646**	**–46 001**	**–**	**–831**	**–268 487**	**–13 382**	**–506 347**
Net book value							
01.01.2019	–	9 264	1 460	–	123	1 205	12 052
31.12.2019	–	5 129	302	–	8 031	369	13 831
31.12.2020	–	–	–	–	6 110	332	6 442

Intangible assets mostly originate from company acquisitions and accordingly have been acquired in business combinations.

Goodwill was restated due to a change in accounting policy as outlined in note 1.6 and is now capitalized and amortized over a period of five years instead of the previous offset against equity.

The goodwill related to the investment in associates of CHF 9.4 million was capitalized at the acquisition date in 2019. The related balance at 31 December 2020 was CHF 6.1 million (31.12.2019: CHF 8.0 million) based on the ordinary amortization of CHF 1.9 million in 2020 (2019: 1.4 million).

The net effects from the change in scope of consolidation on intangible assets in 2020 of CHF 0.6 million are mainly due to the sale of the subsidiaries Muegge GmbH, Reichelsheim, Germany, and Gerling Applied Engineering, Inc., Modesto, USA. Goodwill derecognized in 2019 and 2020 was fully amortized at the time of the respective divestment.

In addition, trade names no longer in use, were fully impaired during 2020.

There are no capital commitments for the acquisition of intangible assets as also disclosed in note 4.5.

Accounting Policies

Intangible assets relate in particular to goodwill, development costs, acquired software, patents, licenses and intangible assets from acquisitions. Intangible assets are recognized if they are clearly identifiable and the costs reliably determinable, and they bring a measurable benefit to the company over the course of several years.

Intangible assets from acquisitions (e.g. technology, brands) are measured at fair value at the time of acquisition and then amortized using the straight-line method over their scheduled useful lives.

Development costs are only capitalized if they relate to a project that is technically feasible, a future inflow of benefits is probable and the costs can be reliably determined. Improving, enhancing and reworking existing products as well as research costs are expensed.

Development costs and all other intangible assets are measured at cost less any cumulative amortization and cumulative impairment charges.

Intangible assets from acquisitions are amortized over the following useful lives:

	Useful life in years
Order backlog	1–2
Technologies	6–10
Customer relationships	6–10
Tradenames	6–10
Goodwill	5

Intangible assets and goodwill are amortized on a straight-line basis over their scheduled useful lives, subject to a maximum of ten years.

Intangible assets and goodwill are reviewed for triggering events at every reporting date. This review is carried out to identify individual assets that may be affected by an impairment. If such indications exist, the recoverable amount must be determined and an impairment is recorded if the recoverable amount exceeds the carrying value.

The same method is applied to reversals of impairments as to identifying impairments except for goodwill, i.e., a review is carried out on each reporting date to assess whether there are indications that a reversal has occurred. If this is the case, the amount of the reversal (the difference between the recoverable amount and the maximum carrying amount excluding the original impairment) must be determined and the impairment reversed accordingly.

2.10 Financial liabilities

in TCHF	31.12.2020	31.12.2019
Convertible bond	–	26 182
Liabilities towards banks	133	4
Current financial liabilities	**133**	**26 186**
Mortgage loans	–	1 889
Non-current financial liabilities	**–**	**1 889**
Financial liabilities	**133**	**28 075**

On 17 September 2014, Meyer Burger Technology Ltd issued an unsecured convertible bond in the amount of CHF 100 million. This convertible bond was restructured in 2016 by deleting the initial investor put option and raising the coupon from 4.0% to 5.5%. Following the bond's restructuring, the conversion price was CHF 0.98 (previously: CHF 11.39). In November 2017, Meyer Burger Technology Ltd launched a voluntary incentive offer inviting bondholders to convert the bond. 71.2% of the bondholders accepted the incentive offer. Together with other bondholders that have converted their bond in 2017 and early in 2018, CHF 73.2 million of the total nominal value was converted. The convertible bond with an outstanding nominal value of CHF 26.8 million as per 31 December 2019 matured on 24 September 2020 and was repaid in full.

The mortgage loan outstanding as per 31 December 2019 was transferred in 2020 in the course of changes in the scope of consolidation.

Accounting Policies

Financial liabilities are divided into current and non-current depending on the time to maturity and include in particular liabilities to banks, bonds and convertible bonds, liabilities from finance leases, loans and mortgages.

The convertible bond issued was split into a debt component and an equity component upon first recognition (bifurcation). The debt component was obtained by discounting the future coupon payments and the repayment of the principal amount at the maturity date by a discount rate appropriate to a comparable straight bond. This discount rate is higher than the effective interest rate for the convertible bond since the latter includes a discount for the conversion right received. The equity com-ponent, in turn, reflects the conversion right for the bond. The early conversions of a part of the convertible bond carried out have been considered by reclassifying the debt component into equity as per conversion date. The remaining convertible bond is still measured at amortized cost using the effective interest rate method.

Other financial liabilities are as a general rule carried at their fair value including transaction costs. Subsequent measurement is at amortized cost using the effective interest rate method, which normally corresponds to the principal amount.

2.11 Other liabilities

in TCHF	31.12.2020	31.12.2019
Other liabilities	3 332	3 084
Current other liabilities	**3 332**	**3 084**
Employee benefits	610	734
Other liabilities	47	14
Non-current other liabilities	**657**	**748**

Other liabilities as per 31 December 2020 and 31 December 2019 as well as the respective movement in the accounts arose from the ordinary course of business. Employee benefits mainly include accruals for paid annual leave and overtime as well as short-term incentive accruals. Other liabilities mainly include VAT liabilities and liabilities for social security payments.

Accounting Policies

Other liabilities include non-interest-bearing liabilities, in particular VAT liabilities, liabilities for social security payments, current and non-current employee benefits (e.g. accrued paid annual leave and overtime, profit sharing, short-term incentives, etc.). The negative replacement values of derivative financial instruments used for hedging purposes are also recognized under this position.

Other liabilities are normally measured at cost, which is generally the nominal value. Subsequent measurement is at amortized cost, which is generally also the nominal value. Derivative financial instruments are measured at their replacement value.

2.12 Provisions

in TCHF	Warranties	Restructuring	Onerous contracts	Litigation	Other provisions	Total
Balance as of 1.1.2019	**6 730**	**5 059**	**754**	**–**	**1 528**	**14 071**
Changes in scope of consolidation	–906	–	–154	–	–	–1 060
Increase	2 829	4 315	2 017	–	17	9 178
Use	–2 616	–1 602	–372	–	–45	–4 635
Release	–1 334	–2 971	–109	–	–939	–5 353
Reclassification	104	–	–	–	–	104
Currency translation differences	–118	–100	–88	–	–26	–332
Balance as of 31.12.2019	**4 689**	**4 701**	**2 049**	**–**	**534**	**11 973**
Changes in scope of consolidation	–886	–	–	–155	–31	–1 072
Increase	924	–	798	758	540	3 020
Use	–1 006	–3 333	–1 896	–	–22	–6 257
Release	–852	–1 146	–314	–	–474	–2 786
Reclassification	–	–	–	–	–	–
Currency translation differences	–12	–56	–42	–	–7	–117
Balance as of 31.12.2020	**2 856**	**166**	**596**	**603**	**540**	**4 761**
Thereof current						
01.01.2019	6 421	5 059	754	–	1 528	13 762
31.12.2019	3 895	4 701	2 049	–	534	11 179
31.12.2020	2 054	166	596	603	540	3 959

Warranties: Provisions for services to be rendered during the contractual warranty period. The amount of the provisions is determined from past historical data and the currently known warranty risks. The outflow of cash is expected within the term of the warranty given, which is generally one year, or a maximum of two years.

Restructuring: Restructuring provisions are recognized for probable costs of specific reorganizations within the group. In 2019, Meyer Burger announced the closing of the production site in Zülpich, Germany, and the relocation of the respective production activities to Meyer Burger's largest site in Hohenstein-Ernstthal, Germany. Related restructuring costs of CHF 4.0 million were provided for in the previous year and either used or released in 2020.

Onerous contracts: Onerous contracts provisions are made for contracts under which the unavoidable costs of meeting the contractual obligations exceed the expected economic benefits. Provisions for onerous contracts increased in 2020 mainly for onerous rent payments due to certain changes in spatial requirements.

Litigation: Provisions for legal cases are recognized based on the best estimates of expenditures to be incurred on individual ongoing legal proceedings of the group.

Other: Other provisions cover various risks arising during the normal course of business based on specific transactions or situations.

None of the provisions fulfilled the criteria for discounting as of 31 December 2020 and 2019.

Accounting Policies

Meyer Burger makes a distinction between the following categories of provisions: warranties, provisions for restructuring, onerous contracts, litigation and other provisions.

Provisions are only created if there is a present obligation to third parties because of a past event, a reliable estimate can be made of the amount of the obligation, and an outflow of resources is probable. If an obligation cannot be estimated with sufficient reliability, it is reported as a contingent liability but not recognized in the balance sheet. Provisions are measured using the best estimate concept, i.e., the amount recognized as a liability is the best estimate of the expenditure required to settle the present obligation on the reporting date. The amount of provisions is reviewed for appropriateness at every reporting date. Non-current provisions are discounted if they exceed CHF 5 million.

2.13 Accrued expenses and prepaid income

in TCHF	31.12.2020	31.12.2019
Accrued expenses	6 721	13 080
Employee benefits	2 800	6 768
Liabilities from current income taxes	1 716	2 111
Accrued expenses and prepaid income	**11 237**	**21 959**

As per 31 December 2020 and 31 December 2019, accrued expenses and prepaid income mainly include accrued expenses outstanding for payment, prepaid income (e.g. in the situation of outstanding machine acceptance), accrued interest expenses not yet paid, employee benefits earned, but not yet paid, as well as income tax liabilities.

Accounting Policies

Accrued expenses and prepaid income mainly include employee benefits payable and interest payable that have been incurred during the financial year but have not been paid yet, as well as payments received for undelivered goods and services such as rent.

Accrued expenses and prepaid income are measured at cost, which is generally the nominal value. Subsequent measurement is at amortized cost, which is generally also the nominal value. Derivative financial instruments are measured at their replacement value.

2.14 Taxes

Deferred tax assets and liabilities

	Deferred tax assets		Deferred tax liabilities	
in TCHF	31.12.2020	31.12.2019 restated	31.12.2020	31.12.2019 restated
Trade receivables	40	387	–	–
Inventories	56	1 397	1 270	1 593
Financial assets	–	–	–	–
Property, plant and equipment	103	229	23	68
Intangible assets	–	1	1	1 538
Other assets	–	25	–	–
Financial liabilities	–	90	26	1
Trade payables	130	93	2	718
Provisions	–	938	105	795
Other liabilities	–	281	–	–
Subtotal	**329**	**3 441**	**1 427**	**4 713**
Netting	–153	–3 332	–153	–3 332
Deferred income taxes	**176**	**109**	**1 274**	**1 381**

Deferred tax assets and liabilities were restated as outlined in note 1.6.

Deferred income taxes are shown net for each taxable entity in the balance sheet. As per 31 December 2020 and 2019, deferred income tax liabilities exceed deferred income tax assets. The deferred income tax liabilities in 2020 mainly results from differences in inventories.

Tax loss carry-forwards not recognized

in TCHF	31.12.2020	31.12.2019 restated
Expiry in 1 year	406 257	61 700
Expiry in 2–3 years	386 165	711 083
Expiry in 4–5 years	204 822	120 649
Expiry in more than 5 years	647 083	807 914
Tax loss carry-forwards not recognized	**1 644 329**	**1 701 347**

The total income tax claim on the unrecognized tax loss carry-forwards amounts to CHF 213.6 million. This takes into account the fact that CHF 834.1 million of the total unrecognized tax loss carry-forwards originate from losses of Meyer Burger Technology Ltd, which are taxed at a reduced rate. Also, due to the Swiss tax reform, certain tax loss carry-forwards in Switzerland will not be useable on the level of cantons and communes. The total unrecognized tax loss carry-forwards originate from losses of Meyer Burger (Germany) with the amount of CHF 165.5 million.

Income taxes

in TCHF	31.12.2020	31.12.2019 restated
Current income taxes	–627	147
Deferred income taxes	363	–693
Income taxes	**–264**	**–546**

Reconciliation from expected to effective income taxes (GRI 207-4)

in TCHF	31.12.2020	31.12.2019 restated
Earnings before taxes (EBT)	–64 214	–22 395
Expected average weighted tax rate (%)	21.32%	21.18%
Expected income taxes	**13 690**	**4 743**
Cause for variance:		
Waive of capitalization of tax losses incurred in reporting period	–18 057	–20 627
Deviation from tax rate to expected tax rate of the Group	2 375	4 742
Deviation tax-deductible expenses	–291	141
Income tax in other accounting periods and corrections of prior years	251	–207
Subsequent use of tax loss carry-forwards from previous years	132	10 846
Non-taxable income	1 616	–
Change of deferred income tax rate in comparison to previous year	75	–39
Other effects	–55	–145
Effective income taxes	**–264**	**–546**
Effective income taxes (%)	**0.41%**	**2.44%**

The expected tax rates of 21.32% in 2020 and 21.18% in 2019 have been calculated on the basis of the weighted operating results of the group companies, considering positive results only.

Accounting Policies

Deferred income taxes are recognized using the liability method on all temporary differences (valuation differences) between the tax bases of assets and liabilities and their carrying amounts in the financial statements under Swiss GAAP FER. Deferred income taxes are measured using tax rates and laws that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred taxes on loss carry-forwards are not capitalized in accordance with the framework.

Deferred income tax assets are offset against deferred income tax liabilities provided they relate to the same entity.

Income taxes comprise current and deferred income taxes.

Current income taxes are the expected taxes payable on the taxable income for the year of the group companies in question including any adjustment to taxes payable in respect of previous years. Current income taxes are accrued in the year to which they relate and are recognized in accrued or prepaid expenses.

2.15 Equity

Share capital

	Number of shares	in CHF
Balance as of 1.1.2019	**622 885 414**	**31 144 271**
Capital increase	62 288 420	3 114 421
Balance as of 31.12.2019	**685 173 834**	**34 258 692**
Capital increase	1 829 977 372	91 498 868
Balance as of 31.12.2020	**2 515 151 206**	**125 757 560**

The share capital of Meyer Burger Technology Ltd as at 31 December 2020 was divided into 2,515,151,206 registered shares with a nominal value of CHF 0.05 each. In 2020, Meyer Burger carried out a capital increase related to the change in business model. The capital increase in 2020 led to an increase by 1,829,977,372 registered shares based on the 685,173,834 registered shares outstanding as per 31 December 2019. The share capital is fully paid up.

No dividend was paid in the reporting period or in the previous year.

As at the end of 2020, non-distributable reserves in Group equity totaled CHF 87.5 million (2019: CHF 39.7 million). These are largely attributable to the capital reserves of Meyer Burger Technology Ltd arising from the capital increases. In accordance with the provisions of Art. 680 Swiss Code of Obligations, these may not be distributed within one calendar year as there is a legal prohibition on returning capital contributions.

Conditional share capital

In accordance with Article 3b of the Company’s Articles of Association, dated 28 July 2020, the share capital may be increased by a maximum amount of CHF 31,998.60 through the issuance of a maximum of 639,972 fully paid-in registered shares with a nominal value of CHF 0.05 each, by the exercise of option rights granted to employees and members of the Board of Directors of the Company or of group companies in accordance with a plan to be prepared and issued by the Board of Directors. The subscription rights of shareholders shall be excluded. Upon acquisition, the new registered shares shall be subject to the limitations for registration in the share register in accordance with Article 4 of the Articles of Association.

In accordance with Article 3c of the Company’s Articles of Association, dated 28 July 2020, the share capital may be increased by a maximum amount of CHF 3,450,000.00 through the issuance of a maximum of 69,000,000 fully paid-in registered shares with a nominal value of CHF 0.05 each, by the exercise of conversion and/or option rights which are granted in connection with convertible bonds, bonds with option rights or similar financial market instruments of the Company or of group companies.

The subscription rights of the shareholders shall be excluded in connection with the issuance of convertible bonds, bonds with option rights or other financial market instruments, which carry conversion and/or option rights. The then current owners of conversion and/or option rights shall be entitled to subscribe for the new shares.

The acquisition of shares through the exercise of conversion and/or option rights and each subsequent transfer of the shares shall be subject to the limitations for registration in the share register in accordance with Article 4 of the Articles of Association.

The Board of Directors is entitled to restrict or exclude the advance subscription rights in connection with the issuance of convertible bonds, bonds with option rights or other financial market instruments of existing shareholders, provided that:

1) the financing instruments with conversion or option rights are issued in connection with the financing or refinancing of the acquisition of enterprises, divisions thereof or participations or of newly planned investments; or
2) an issue by firm underwriting through a bank or a banking syndicate followed by a public offer, thereby excluding the advance subscription rights, seems to be the best way of issue at that point in time, in particular with respect to the terms and conditions of the issue or the timeline of the transaction.

If advance subscription rights are denied by decision of the Board of Directors, the following shall apply:

1) conversion rights may be exercisable only for up to ten years, option rights only for up to seven years from the date of the respective issuance; and
2) the respective financial market instruments must be issued at the relevant market conditions.

Authorized share capital

In accordance with Article 3d of the Articles of Association, dated 28 July 2020, the Board of Directors is entitled to increase the share capital of the Company by a maximum amount of CHF 5,138,803.75, at any time until 13 May 2022, through the issuance of a maximum of 102,776,075 fully paid-in registered shares with a nominal value of CHF 0.05 each.

The Board of Directors is entitled (including in the case of a public offer for shares of the Company) to restrict or exclude the subscription rights of the shareholders and to allocate them to third parties, if the new shares are to be used:

1) for the acquisition of enterprises, parts of enterprises, participations or for new investment plans, or in the case of a placement of shares for the financing or refinancing of such transactions;
2) for the purpose of the participation of strategic partners; or
3) for the rapid and flexible creation of equity capital through a placement of shares, which would only be possible with difficulties with subscription rights.

The capital increase may occur by means of underwriting and/or partial increases. The Board of Directors is entitled to set the issue price of the shares, the type of contribution and the date of entitlement to dividends. Shares issued under these terms are subject to the limitations for registration in the share register in accordance with Article 4 of the Articles of Association of the Company.

Treasury shares

Treasury shares held by Meyer Burger Technology Ltd

	Number of shares	Price/share in CHF	Value treasury shares in TCHF
1.1.2019	**2 281 481**	**1.06**	**2 425**
Purchase/additions	529 754	0.90	477
Grant/use	–2 768 054	1.04	–2 867
31.12.2019	**43 181**	**0.79**	**34**
Purchase	8 000 000	0.16	1 303
Exercise of subscription rights	8 563 523	0.09	771
Grant/use	–1 947 506	0.53	–1 033
Retransfer	5 075 760	0.88	4 488
31.12.2020	**19 734 958**	**0.28**	**5 563**

In course of the capital increase on 28 July 2020, Meyer Burger Technology Ltd. exercised the full amount of subscription rights on treasury shares held by itself and its subsidiaries.

Treasury shares held by subsidiaries

	Number of shares	Price/share in CHF	Value treasury shares in TCHF
1.1.2019	**7 329 380**	**0.86**	**6 316**
Increase share plan 2019 [1]	2 728 206	0.69	1 884
Decrease share plan 2016 [3]	–1 844 221	0.50	–926
Decrease share plan 2017 [3]	–671 464	0.85	–571
Decrease share plan 2018 [3]	–624 961	1.10	–685
Decrease share plan 2019 [3]	–642 218	0.69	–443
31.12.2019	**6 274 722**	**0.89**	**5 575**
Decrease share plan 2017[2]	–1 337 113	0.85	–1 137
Retransfer share plan 2017[4]	–953 696	0.85	–811
Decrease share plan 2018[3]	–202 431	1.16	–232
Retransfer share plan 2018[4]	–1 695 494	1.17	–1 975
Increase share plan 2019 [1]	887 902	0.74	657
Decrease share plan 2019 [3]	–547 320	0.70	–375
Retransfer share plan 2019[4]	–2 426 570	0.70	–1 702
31.12.2020	**–**	**–**	**–**

1 Share plan 2019: The shares have been allocated at a price of CHF 0.69 (market price at the time of allocation). However, the allocation for the Executive Board and newly elected Board members was made at the fair value of CHF 0.74. All shares are subject to a three-years vesting period during which the sale is forbidden. The shares allocated to the Board of Directors and to the employees of Meyer Burger Technology Ltd (3,616,108 shares at grant date) were held by Meyer Burger (Switzerland) Ltd. Those shares have been transferred back to Meyer Burger Technology Ltd. during 2020 at the market price at allocation date (CHF 0.69) or at the fair value respectively (CHF 0.74).

2 In March 2020, the three-years vesting period of share plan 2017 ended and the shares granted have been transferred to the plan participants.

3 If a plan participant gave notice to the employment contract during the vesting period, the forfeited shares allocated generally were returned to Meyer Burger Technology Ltd. In some particular cases (i.e. if Meyer Burger terminated an employment contract for economic reasons or if a group company was sold), the leaving participant was entitled to keep the shares, i.e., an early vesting was performed.

4 The transfers refer to forfeited shares returned to Meyer Burger Technology Ltd. from its subsidiaries. In addition, in October 2020 all treasury shares held by subsidiaries were transferred back to Meyer Burger Technology Ltd in order to be held in a single account. Accordingly, at the time of vesting treasury shares are transferred from Meyer Burger Technology Ltd. to the employee via the respective subsidiary.

All treasury shares that are held in conjunction with the employee share plans are held by Meyer Burger Technology Ltd. As per 31 December 2020, these are reserved in full and will be transferred to the subsidiaries upon expiry of the vesting period to hand them over to the employees. In previous years, treasury shares reserved for share-based payments were directly held by the subsidiaries.

Meyer Burger Group is not aware of any shares of the Company being held by the pension fund.

Accounting Policies

Equity includes share capital, capital reserves, treasury shares, the reserve for share-based payments, retained earnings or cumulative losses.

Share capital is the nominal value of all outstanding shares.

Capital reserves contain payments by shareholders in excess of the nominal value. This is the premium, reduced by the excess value over the nominal value of cancelled treasury shares. Gains and losses realized on the sale of treasury shares are also recognized directly in capital reserves. In addition, the reserves for share-based payment are reallocated to the capital reserves upon expiry of the vesting period. Any difference between the purchase price and the acquired minority interests is also recognized in capital reserves.

Treasury shares comprise shares in Meyer Burger Technology Ltd held by Meyer Burger Technology Ltd. Itself. Treasury shares are recognized at cost and are not remeasured as at the reporting date. Any gains or losses realized on the sale of treasury shares are transferred to capital reserves. The reserve for share-based payments includes the fair value of shares issued to the Board of Directors, the Executive Board, and key employees and recognized over the vesting period.

Retained earnings or cumulative losses are undistributed gains and losses of Meyer Burger Group that are freely available for the most part. They include the legal, statutory and free reserves. Goodwill arising from the acquisition of a company is capitalized and amortized over a period of five years. Foreign currency translation differences from the translation of annual financial statements prepared by foreign subsidiaries are also recognized in retained earnings. Foreign currency effects on non-current intercompany loans with an equity character are also recognized directly in equity.

2.16 Net sales

in TCHF	2020	2019
Net sales from sales of goods	63 161	182 568
Net sales from rendering of services	8 890	13 589
Net sales from production contracts	18 406	65 856
Net sales	**90 457**	**262 013**

Accounting Policies

Revenue corresponds to the fair value of the consideration received or receivable from the sale of goods and services. Revenue is recognized net of sales or transaction taxes, deductions of credit notes, returns and discounts.

Appropriate provisions are recognized for expected warranty claims arising from the sale of goods and services.

Revenue is recognized when the amount of revenue can be measured with reliability, when it is probable that the future economic benefits associated with the transaction will flow to the company, and the following specific criteria are fulfilled:

Net revenue from the sale of machinery is recognized after deduction of discounts at the time of the sale to the customer once the risks and rewards of ownership of the product are transferred to the buyer. At Meyer Burger, net revenue from the sale of machinery is generally not realized until a final acceptance test has been signed by the customer at the destination.

Revenue from production contracts is recognized over time in line with the POC method as outlined in note 2.3. Net revenue from service agreements is recognized on the basis of the proportion of services performed by the reporting date.

2.17 Segment reporting

The activities of Meyer Burger Group are divided into the reportable business segments “Photovoltaics” and “Specialized Technologies”. During 2020, Meyer Burger started its business transformation to become a cell and module producer. Accordingly, the segments “Cells” and “Modules” were newly integrated into the internal reporting structure, but do not show any sales for the year 2020. Segment reporting for 2019 remained unaffected.

Net sales by segments 2020

in TCHF	Photovoltaics	Specialized Technologies	Cells	Modules	**Total**	Consolidation	**Total after consolidation**
Net sales third parties	72 731	17 726	–	–	**90 457**	–	**90 457**
Net sales intercompany	1 004	1 814	–	–	**2 818**	–2 818	**–**
Net sales	**73 735**	**19 540**	**–**	**–**	**93 275**	**–2 818**	**90 457**

Net sales by segments 2019

in TCHF	Photovoltaics	Specialized Technologies	**Total**	Consolidation	**Total after consolidation**
Net sales third parties	210 568	51 445	**262 013**	–	**262 013**
Net sales intercompany	408	8 972	**9 380**	–9 380	**–**
Net sales	**210 976**	**60 417**	**271 393**	**–9 380**	**262 013**

Photovoltaics

The Photovoltaics segment largely comprises the core business of photovoltaics and covers the manufacturing of equipment for the production of high-performance solar PV cells and modules as well as related services. The wafering business was sold as of 30 April 2019 and thus is included in the above figures up until this date. Meyer Burger pursues a strategic long-term technology approach considering core technologies of the photovoltaic value chain and optimally harmonizing technologies along the different processes (cells, modules, solar systems). With the ongoing business transformation, the Photovoltaics segment will be internalized to a large extent and accordingly will mainly generate intercompany sales starting from 2021.

Specialized Technologies

With Specialized 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, in a wide range of other high-tech markets. Muegge's and Gerling's microwave and plasma technologies are used in biotechnology and environmental technology and were included in this segment until the subsidiaries sold in September 2020. The segment also included the PiXDRO business from Meyer Burger (Netherland) B.V. until March 2020 and software development business of AIS Automation Dresden GmbH, until it was sold in 2019. Accordingly, the segment is subject to fade out.

Cells and Modules

Meyer Burger is currently undergoing a business transformation. At its modern sites in Freiberg, Germany and Bitterfeld-Wolfen, Germany, the company will manufacture high-quality solar cells and modules "Made in Europe" from 2021 onwards. These are equipped with the proprietary heterojunction/smart-wire technology, which guarantees the highest efficiency at an economic cost level. The product range includes innovative and highly efficient solar modules for roof systems in the private and commercial sector as well as solutions for the solar power plant segment. No sales were recorded in the newly created segments in 2020.

As outlined above, Meyer Burger currently manages its operations in different operating business units, which are grouped into the reporting business segments "Photovoltaics", "Specialized Technologies", "Cells" and "Modules". 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 segment results.

2.18 Segmentation of net sales by geographic market

in TCHF	2020	2019
Switzerland	386	6 399
Germany	21 109	29 355
Rest of Europe	5 514	25 144
Asia	57 723	187 189
USA	5 717	13 913
Rest of world	8	13
Net sales	**90 457**	**262 013**

2.19 Other operating income

in TCHF	2020	2019 restated
Gain from sale of property, plant and equipment	78	882
Gain on disposal of subsidiaries and associated companies	11 751	44 300
Other income	4 248	8 171
Other operating income	**16 077**	**53 353**

For 2020, other operating income includes the gain from the sale of inkjet printing business (PiXDRO) located within Meyer Burger (Netherlands) B.V., Eindhoven, Netherlands, of CHF 2.1 million, as well as the gain from the sale of the microwave and plasma technology company Muegge GmbH, Reichelsheim, Germany, including its subsidiary Gerling Applied Engineering, Inc. based in Modesto, USA, of CHF 9.7 million.

For 2019, other operating income includes the gain from the sale of the wafering business of CHF 36.0 million (restated), as well as the gain from the sale of AIS Automation Dresden GmbH of CHF 8.3 million (restated).

Accounting Policies

Other operating income results from regularly conducted secondary business that has an indirect connection with the main purpose and business of the company.

Other operating income is recognized when the amount of income can be measured with reliability and when it is probable that the future economic benefits associated with the transaction will flow to the company, e.g. when a specific amount of rent is due or a sale transaction of property, plant and equipment or an investment is completed.

2.20 Personnel expenses

in TCHF	2020	2019
Wages and salaries	–40 921	–67 324
Social security	–7 284	–10 853
Pension benefit expenses	–1 063	–2 104
Share-based payment expenses	–1 336	–2 717
Temporary personnel	–2 828	–7 822
Other personnel expenses	–507	–13 544
Personnel expenses	**–53 939**	**–104 364**

During 2020, the German and Swiss entities of Meyer Burger received short-time work compensation of CHF 2.0 million (2019: none).

Personnel expenses of the subsidiaries sold amounted to CHF 5.2 million for nine months for Muegge GmbH, CHF 1.0 million for nine months for Gerling Applied Engineering, Inc. and CHF 0.7 million for three months for Meyer Burger (Netherlands) B.V. in 2020. In 2019 personnel expenses of the subsidiaries sold amounted to CHF 2.9 million for four months for the wafering business and with CHF 9.2 million for 10.5 months for AIS Automation Dresden GmbH.

2.21 Operating expenses

in TCHF	2020	2019
Rental costs	–3 284	–3 966
Maintenance and repair	–1 511	–1 842
Vehicles and transportation expenses	–1 377	–2 696
Property insurance, fees and contributions	–1 676	–1 632
Energy and waste disposal expenses	–1 678	–2 611
Administration expenses	–9 090	–9 674
IT expenses	–2 559	–3 527
Marketing expenses	–403	–2 215
Loss on sale of property, plant and equipment	–8	–10
Expenses for research and development	–5 073	–5 368
Other operating expenses	–1 858	–5 459
Operating expenses	**–28 517**	**–39 000**

Operating expenses of the subsidiaries sold amounted to CHF 3.1 million for nine months for Muegge GmbH, CHF 0.5 million for nine months for Gerling Applied Engineering, Inc. and CHF 0.1 million for three months for Meyer Burger (Netherlands) B.V. in 2020. In 2019, operating expenses of the subsidiaries sold amounted to CHF 1.6 million for four months for the wafering business and CHF 1.8 million for 10.5 months for AIS Automation Dresden GmbH. The result of these transactions is included in other operating income.

2.22 Financial result

in TCHF	2020	2019
Interests received		
Cash and cash equivalents	16	101
Financial income	**16**	**101**
Interest paid		
Liabilities towards banks	–652	–581
Loans	–	–11
Mortgage loans	–32	–434
Convertible bond/straight bond	–1 489	–2 031
Currency translation differences (net)	–109	–3 290
Other financial expenses	–1 156	–1 668
Financial expenses	**–3 438**	**–8 015**
Financial result (net)	**–3 422**	**–7 914**

2.23 Non-operating result

in TCHF	2020	2019
Income from investment property	–	4 013
Other non-operating result	62	–
Non-operating result	**62**	**4 013**

In 2019, the non-operating result included the result of the sale of and the rent income from the headquarter building in Thun classified as investment property for the period from the reclassification to investment property up to the date of the sale.

3 Risk management

In its capacity as an international group, Meyer Burger Group is exposed to various financial and non-financial risks that are inextricably linked to its business activities. In the broadest sense, the risks are defined as the threat that it might not be possible for the Group to achieve its financial, operational or strategic aims as planned. In order to secure the company's long-term success, it is therefore crucial to effectively identify and analyze risk and to eliminate or limit it by means of appropriate steering mechanisms.

Clearly defined management information and control systems are used to measure, monitor and control the risks to which Meyer Burger is exposed. A duly detailed report is drawn up on a semi-annual basis and submitted to the Board of Directors. In 2020, the Board of Directors discussed the risk portfolio at two Board meetings and initiated the revision of the risk management system to match up to Meyer Burger's new business model.

For the purposes of guaranteeing effective risk management, transparency and the aggregation of risks in risk reporting, Meyer Burger has opted for a uniform and integrated approach to corporate risk management across the Group as a whole.

The probability of occurrence and the extent of the loss are considered as part of the risk assessment process. Meyer Burger uses both quantitative and qualitative methods for this process, applying these on a uniform basis across the Group as a whole and thereby enabling risk assessments to be compared across different areas of the company. A clear risk assessment matrix is drawn up based on the results in terms of probability of occurrence and the expected implications.

3.1 Foreign currency risks

Meyer Burger Group is exposed mainly to exchange rate fluctuations in connection with operating expenses and loans denominated in a currency other than the local currencies (functional currency) of the group companies concerned. The extent of the risk exposure of revenue denominated in a foreign currency is lower. At a consolidated level, the Group is also exposed to exchange rate fluctuations between the Swiss Franc and the respective local currencies of the group companies. The major foreign currencies relevant to Meyer Burger Group are the Euro and US Dollar.

Group Treasury is responsible for the management of foreign currency risks based on the Treasury policy issued by the executive bodies. According to this policy, derivative financial instruments such as forward currency contracts or currency options may be used for hedging purposes. Meyer Burger Group may use forward currency contracts to hedge against exchange rate risks. As of 31 December 2020, there were no open contracts. Foreign exchange rate risks relating to the carrying amount of the net investment in a foreign entity or to the conversion of results posted by foreign entities are currently not hedged.

3.2 Interest rate risks

Meyer Burger Group's non-current financial liabilities can generally bear both fixed and variable interest rates. In the beginning of the year, the outstanding portion of the convertible bond had a fixed interest rate until it was duly repaid in September 2020. As of 31 December 2020, Meyer Burger Group did not have any outstanding interest-bearing financial liabilities on its balance sheet.

A low interest rate risk due to fluctuations in interest rates on the capital market also exists for cash and cash equivalents, which are subject to the risk of interest rate fluctuations with a corresponding potential impact on cash flow.

Overall, the risks arising from interest rate fluctuations have no material direct impact on the Group's cash flows and results. This risk is therefore not currently measured specifically.

3.3 Other financial price risks

Meyer Burger Group does not currently hold any financial instruments with equity character and is therefore not exposed to any related price risks. A commodity is a physical substance, generally a basic resource such as iron ore, nickel, aluminum, copper or other metals, crude oil, natural gas, coal, etc. Meyer Burger Group is generally only indirectly exposed to fluctuations in commodity prices through the products it purchases. The actual price risk arises from the time difference between cost increases implemented by suppliers due to the rise in commodities prices and the opportunity for group companies to increase their prices. Each group company is responsible for identifying and quantifying its commodity price risks. Meyer Burger Group did not trade in any such derivatives during the 2020 and 2019.

3.4 Credit risks

Meyer Burger Group is exposed through its operating activities to various credit risks. The Group has guidelines in place to ensure that products and services are only sold to customers with a good credit rating. Outstanding debts are also permanently monitored as part of ongoing operations. Due account is taken of credit risks in relation to trade receivables and prepayments by means of individual valuation allowances and general valuation allowances. Default risks are minimized wherever possible by customer prepayments and credit commitments from banks. The Group's counterparties in securities transactions, derivative financial instruments and financial investments are carefully selected financial institutions with a minimum rating of A- (S&P) or A3 (Moody's), which are monitored within defined limits. For significant current third-party financial investments maturing in less than six months, the companies ensure that the counterparty has a minimum rating of A-3 (S&P) or an equivalent rating by Fitch or Moody's. This guideline ensures that the credit risk from financial institutions is properly monitored. The present limits in respect of banks are subject to periodic monitoring and duly reallocated where necessary.

With regard to financial assets that were neither impaired nor in arrear as at the reporting date, there are no obvious signs that the debtors concerned will be unable to meet their payment obligations. Based on its debtors' credit ratings, Meyer Burger Group does not expect to incur any losses on account of the non-performance of contracts in addition to the already value-adjusted positions.

3.5 Liquidity risks

Liquidity risk is the risk that Meyer Burger Group might be unable to meet its financial obligations as and when they fall due. The availability of sufficient liquidity is monitored permanently and reported on a regular basis to the management and the Board of Directors.

In August 2020, the framework credit agreement with a Swiss banking syndicate for a guarantee line of CHF 60.0 million expired and the outstanding guarantees were transferred into bilateral credit agreements. As per 31 December 2020, the Group had bilateral credit facilities for guarantee lines in the total amount of CHF 33.6 million, of which CHF 14.6 million were used.

Meyer Burger's liquidity is deemed sufficient to finance the first phase of its strategic transformation and respective production capacities for cells and modules. For a further expansion of the cell and module production capacities as envisaged, the group is in ongoing negotiations to secure additional financing.
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4 Other disclosures

4.1 Pension plans

Meyer Burger provides pension benefits for its employees for retirement, invalidity and death. Meyer Burger Group maintains a defined benefit pension plan with a collective insurance foundation for the entities in Switzerland. From a legal point of view, autonomous pension funds carry the risks related to the defined benefits. An obligation beyond the payment of its contributions exists for the employer in the event of restructuring measures.

The defined benefit pension plan is a collective pension plan. Due to its joint and several nature, the information to be disclosed cannot be determined on the basis of the individual participation agreement. The level of coverage of the collective plan as a whole amounted to 111.0% at the end of 2020 (31.12.2019: 112.9%). Accordingly, the table below shows the changes in pension benefit expenses only.

The employees of group companies outside Switzerland are members of the state pension plans of the respective countries in accordance with local legislation. Consequently, neither an economic benefit nor an economic obligation arises therefrom, with the exception of the payments of contributions recognized in expenses.

As at 31 December 2020, contributions of CHF 0.2 million were outstanding to be paid (31 December 2019: CHF 0.2 million).

The economic benefit or obligation and the pension expenses are as follows:

Pension institutions 31.12.2020

Economical benefit/economical obligation and pension benefit expenses in TCHF	Surplus/deficit 31.12.2020	Economical part of the organization 31.12.2020	Economical part of the organization 31.12.2019	Change to prior-year period or recognized in the current result of the period	Contributions concerning the business period	Pension benefit expenses within personnel expenses 2020
Pension schemes without funding surplus/deficit Switzerland	–	–	–	–	691	691
Pension schemes abroad	–	–	–	–	372	372
Total	**–**	**–**	**–**	**–**	**1 063**	**1 063**

Pension institutions 31.12.2019

Economical benefit/economical obligation and pension benefit expenses in TCHF	Surplus/deficit 31.12.2019	Economical part of the organization 31.12.2019	Economical part of the organization 31.12.2018	Change to prior-year period or recognized in the current result of the period	Contributions concerning the business period	Pension benefit expenses within personnel expenses 2019
Pension schemes without funding surplus/deficit Switzerland	–	–	–	–	1 250	1 250
Pension schemes abroad	–	–	–	–	854	854
Total	**–**	**–**	**–**	**–**	**2 104**	**2 104**

4.2 Share-based payment

The Company has a share participation program as a long-term incentive for the members of the Board of Directors and members of the Executive Board as well as for other selected employees within the Group. The Board of Directors determines the individual participants of the plan, based on recommendation of the Executive Board, at its reasonable discretion. Shares and options may only be allocated to employees with an employment contract of indefinite term and in positions not under notice, and to serving members of the Board of Directors. Each participant receives an individual offer letter, stipulating the number of share units or options being offered, the acquisition price per share (if any), the payment conditions, the period within which the participant has to declare acceptance of the offer, as well as the (optional) retention periods. The entitlements to share and option units, which the Board of Directors has allocated, generally have a vesting period of three years and an optional fiscal retention period (Switzerland only) that can be selected by the participant of either zero, three or five years (following the end of the vesting period). The participants do not receive title of ownership to the restricted shares or options during the vesting period. During the vesting period and the optional retention period, the participants can therefore not sell (in part or entirely), assign, transfer, pledge or debit the shares in any form or exercise voting rights. If notice is given, the right to acquire ownership of the shares or options conditionally allocated under the respective plan lapses without payment. The amount of the share-based payment is calculated using the rate on the day on which the recipients of the shares are informed of the allocation and of the applicable terms and conditions.

Share plan

in TCHF	2020	2019
Number of options granted	12 500 000	–
Date of grant	18.12.2020	–
Options price/fair value at date of grant in CHF	0.12	–
Number of shares granted	5 728 329	3 616 108
Date of grant	01.04.2020/23.12.2020	01.04.2019
Share price/fair value at date of grant in CHF	0.15/0.24	0.69/0.74
Fair value of shares and options granted in CHF	2 534 904	2 524 093

For the 2020 LTI Share Plan, the Executive Board was granted share options. The actual vesting ratio (actual number of shares) that a member of the Executive Board receives after the three-year contractual life will depend on the development of the share price of the Company and the exercise date of the options. The actual vesting ratio that a member of the Board of Directors receives after the three-year vesting period of the granted shares will depend on the development of the share price of the Company and is capped at a maximum of 100%.

For the 2019 LTI Share Plan, the actual vesting ratio that a member of the Executive Board receives after expiration of the three-year vesting period will depend on the development of the share price of the Company. The actual number of shares that a member of the Executive Board will receive for the 2019 LTI Share Plan after the expiration of the vesting period can vary between a minimum of 0% and a maximum of 150%.

Accounting Policies

A share-based payment generally is a transaction in which an entity receives or acquires goods or services as consideration for its equity instruments. Meyer Burger only makes share-based payments in connection to its share-based payment programs for the employees, including the Executive Board, and the Board of Directors. The accounting treatment of share-based payments depends on how the transaction is settled, namely whether it is settled by equity instruments or in cash.

The fair value at the time of the granting of conditional rights, shares or options is recognized in personnel expenses at the time of being granted or, where appropriate, over the vesting period.

4.3 Currency translation differences

in TCHF	2020	2019
Currency translation differences on trade receivables and customer prepayments	–555	2 059
Currency translation differences in cost of products and services	491	709
Currency translation differences on other operating expenses	168	49
Currency translation differences on financial expenses/income	–63	–3 290
Currency translation differences	**41**	**–473**

The effect from the unrealized currency translation differences arising from the translation of Group loans in foreign currencies at the reporting date is recognized in the financial result. The currency loss on Group loans totaled CHF 7.2 million, of which CHF 1.1 million were recognized in the income statement and CHF 6.1 million in equity due to their equity character. In 2019, unrealized foreign exchange losses totaled CHF 8.5 million, of which CHF 4.2 million were recognized in the income statement and CHF 4.3 million in equity.

4.4 Earnings per share

in TCHF	2020	2019
		restated
Basic		
Net result attributable to shareholders of Meyer Burger Technology Ltd (in TCHF)	–64 478	–22 941
Weighted average number of ordinary shares (in 1 000)	1523 514	669 444
Basic earnings per share	**–0.04**	**–0.03**
Diluted		
Diluted earnings per share	**–0.04**	**–0.03**

Basic earnings per share are calculated by dividing the net result for the reporting period by the average number of outstanding shares.

In 2020 and 2019, there was no dilution effect from the convertible bond as the average share price was below the conversion price of the convertible bond of CHF 0.98 at all times. Also, as the net result attributable to shareholders of Meyer Burger Technology Ltd is negative in both years, dilutive effects, if any, are disregarded.

4.5 Off-balance sheet liabilities

in TCHF	31.12.2020	31.12.2019
Investment obligations from contracts already signed	34 525	–

The investment obligations as per 31 December 2020 mainly refer to the acquisition of the necessary equipment in the German entities related to Meyer Burger's business transformation and the ramp up of the cell and module production. As of 31 December 2019, there were no off-balance sheet liabilities.

4.6 Future liabilities from operating leases

in TCHF	31.12.2020	31.12.2019
Due date in the following financial year	3 814	3 124
Due date from 2 to 5 years	12 195	6 351
Due date more than 5 years	7 405	5 174
Future liabilities from operating lease	**23 414**	**14 649**

Obligations arising from operating leases mainly relate to rental agreements. Subsequent to the sale of the headquarter building in Thun in the previous year, Meyer Burger rents its offices in this location with a related rent obligation of CHF 5.6 million that will fall due in the years 2021 to 2029. In 2020, operating lease obligations have increased by CHF 11.1 million due to the rent of the production facilities in Bitterfeld-Wolfen, Germany with a contractual term until 2027.

Accounting Policies

A fundamental distinction is made between finance leases and operating leases. Meyer Burger Group does not have any finance leases, only operating leases. Operating leases are treated in the same way as normal rents, i.e., the resultant payments are recognized as an expense.

4.7 Contingent liabilities

in TCHF	2020	2019
Guarantees (not product-related)	8 549	10 200
Other	–	782
Contingent liabilities	**8 549**	**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, respectively the outstanding receivables, over its duration until 30 June 2024 and Meyer Burger has the right to take over any defaulted rent contract and sublet 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 in the amount of CHF 0.2 million.

4.8 Transactions with related parties

Balances and transactions between companies within the scope of consolidation (see Note 1.3) were eliminated on consolidation and are not included in this note. The related parties consist primarily of shareholders, members of the Board of Directors and the Executive Board, and associated companies.

Information on the allocation of shares to the Board of Directors and the Executive Board is disclosed in detail in the remuneration report.

In 2019, Meyer Burger procures advisory services from attorneys Meyerlustenberger Lachenal Ltd., among others. Alexander Vogel, who was the appointed Chairman of the Board of Directors until the general assembly on 2 May 2019, is a partner in this law firm. The amount of services received came to CHF 0.6 million in 2019 until 2 May 2019. Of the transactions with related parties described above, the full amounts had been paid as at 31 December 2019. As per 31 December 2019 there were no receivables due from related parties.

Since the acquisition of the equity share of Oxford Photovoltaics Limited, the company is also an identified related party. Meyer Burger has entered into a formal collaboration agreement with Oxford Photovoltaics Limited which forms the basis of the collaboration and future transactions. In 2019, Meyer Burger received orders in the amount of CHF 38.6 million from Oxford PV Germany GmbH for the delivery and installation of HJT/Perovskite equipment. Based on outstanding order volumes conducted sales transactions with the associated company in the amount of CHF 14.3 million during 2020 (2019: 8.4 million). Prepayments received per 31 December 2020 amounted to CHF 26.8 million.

As of 31 December 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 effected with either the main shareholders or other related parties.

4.9 Events after the reporting date

From January 2020 onwards, the outbreak of the coronavirus in China and its global circulation led to major economic effects. This continued in the beginning of 2021. As new mutations of the coronavirus occurred in the beginning of 2021, further developments remain difficult to predict. Meyer Burger continuously monitors the situation and potential impacts on its business and takes actions as required.

No other event occurred between 31 December 2020 and 10 March 2021 that would have a material effect on the recognized carrying amounts of assets and liabilities of the Group or would otherwise have to be disclosed at this point.

Report of the statutory auditor

to the General Meeting of Meyer Burger Technology Ltd

Thun

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of Meyer Burger Technology Ltd and its subsidiaries (the Group), which comprise the consolidated balance sheet as at 31 December 2020 and the consolidated income statement, consolidated statement of changes in equity and consolidated cash flow statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements (pages 65 to 97) give a true and fair view of the consolidated financial position of the Group as at 31 December 2020 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Swiss GAAP FER and comply with Swiss law.

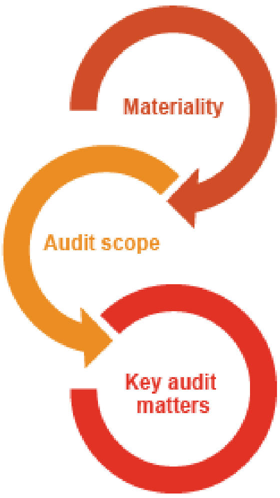
Basis for opinion

We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Our responsibilities under those provisions and standards are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements" section of our report.

We are independent of the Group in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our audit approach

Overview



Overall Group materiality: CHF 1,600,000

We concluded full scope audit work at five Group companies in two countries. Our audit scope addressed 75.5% of the Group's net sales. In addition, we performed specified procedures on the reporting packages of four companies in four countries, which addressed a further 17.1% of the Group's net sales.

We performed analytical procedures at all other companies.

As key audit matters the following area of focus has been identified:

- Valuation of the investment in Oxford Photovoltaics Limited

Materiality

The scope of our audit was influenced by our application of materiality. Our audit opinion aims to provide reasonable assurance that the consolidated financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall Group materiality for the consolidated financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate, on the consolidated financial statements as a whole.

Overall Group materiality	CHF 1,600,000
How we determined it	1 % of total expenses
Rationale for the materiality benchmark applied	We chose total expenses as the benchmark because, in our view, it is a key benchmark in the current situation and the Meyer Burger Group has had volatile results in the past.

We agreed with the Audit Committee that we would report to them misstatements above CHF 160,000 identified during our audit as well as any misstatements below that amount which, in our view, warranted reporting for qualitative reasons.

Audit scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

We identified five Group companies that, in our view, required a full scope audit and four Group companies that required specified procedures due to the size and or risk characteristics. The full scope audits of Group companies addressed over 75.5% of the Group's net sales, while the specified procedures at four Group companies addressed 17.1% overall.

Where the work was performed by component auditors, we determined, in addition to our instructions, the necessary level of our involvement in the audit work. This consisted of conducting calls on the status of the work, visiting component audit teams virtually, inspecting the work they performed and reviewing their final reporting.

Report on key audit matters based on the circular 1/2015 of the Federal Audit Oversight Authority

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of the investment in Oxford Photovoltaics Limited

Key audit matter	How our audit addressed the key audit matter
In 2019, Meyer Burger acquired 69,132 shares in Oxford Photovoltaics Limited, London (GB), for CHF 39.6 million. As of 31 December 2020, the shareholding corresponds to 19.76% of the share capital of Oxford Photovoltaics Limited. Based on a comprehensive assessment of the possibility of exercising significant influence, the investment is classified as an associated company. The investment in associate has a corresponding equity value of CHF 21.7 million (including additionally identified technology component in the purchase price allocation) and a separately accounted goodwill of CHF 6.1 million. in the Group's financial statements.	We verified Management's approach and assessment of the valuation of the investment in Oxford Photovoltaics Limited. We performed the following audit procedures: • We analyzed the business plan as well as the underlying assumptions and discussed the assumptions with management and board members of Meyer Burger • We assessed Oxford Photovoltaics Limited' s ability to initiate ongoing financing based on discussions with Meyer Burger management • We verified the impairment test, the mathematical accuracy as well as the WACC applied to determine the

We consider the valuation of the investment in Oxford Photovoltaics Limited to be a key audit matter because: • the complexity of the impairment test and the underlying assumptions • the estimation uncertainty in assessing the future cash flows from the underlying perovskite solar technology and the resulting value, as well as • the significance of the balance sheet items in the consolidated financial statements (note 2.7 'Investments in associates' and note 2.9 'Intangible assets').	recoverable amount in order to verify the carrying value • We benchmarked the internal valuation with independent sources • We discussed the results of our audit procedures with Management representatives and with the Risk & Audit Committee of the Board of Directors. We consider the approach taken and the resulting conclusion on the value by the Board of Directors and Management in relation to the valuation of the investment in Oxford Photovoltaics Limited to be appropriate.

Responsibilities of the Board of Directors for the consolidated financial statements

The Board of Directors is responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with Swiss GAAP FER and the provisions of Swiss law, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and Swiss Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Swiss law and Swiss Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Board of Directors or its relevant committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In accordance with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists which has been designed for the preparation of consolidated financial statements according to the instructions of the Board of Directors.

We recommend that the consolidated financial statements submitted to you be approved.

PricewaterhouseCoopers AG

Rene Rausenberger

Audit expert
Auditor in charge

Yvonne Burger

Audit expert

Bern, 10 March 2021

Financial Statements Meyer Burger Technology

Balance Sheet

in TCHF	Notes	31.12.2020	31.12.2019
Assets			
Current assets			
Cash and cash equivalents		58 582	6 786
Other receivables			
intercompany		5 968	9 015
thirds		17 095	13 180
Accrued income and deferred expenses		133	50
Total current assets		**81 778**	**29 031**
Non-current assets			
Financial assets	**2.1**	112 276	105 193
Investments	**2.2**	207 053	154 322
Total non-current assets		**319 329**	**259 515**
Total assets		**401 107**	**288 546**
Liabilities and equity			
Current liabilities			
Current financial liabilities thirds	**2.3**	–	26 830
Other payables			
intercompany		7 755	4 883
thirds		390	719
Accrued expenses and deferred income		981	2 476
Current provisions		790	40
Total current liabilities		**9 916**	**34 948**
Non-current liabilities			
Provisions		130	150
Total non-current liabilities		**130**	**150**
Equity			
Share capital	**2.4**	125 758	34 259
Legal capital reserves			
Capital contribution reserves	**2.5**	497 555	723 670
Other capital reserves		6 046	199
Legal retained earnings			
General legal retained earnings		140	140
Reserve for treasury shares	**2.6**	–	6 238
Accumulated losses		–232 875	–511 024
Treasury shares	**2.7**	–5 563	–34
Total equity		**391 061**	**253 448**
Total liabilities and equity		**401 107**	**288 546**

Income Statement

in TCHF	Notes	1.1.–31.12.2020	1.1.–31.12.2019
Other operating income	2.8	5 251	13 773
Other operating expenses	2.9	–1 055	–12 659
Personnel expenses		–4 789	–8 479
Administration expenses		–8 040	–6 640
Impairments on intercompany loans and investments	2.10	–13 530	–139 485
Earnings before interests and taxes		**–22 163**	**–153 490**
Financial costs			
Interest expenses	2.11	–1 705	–2 031
Other financial expenses	2.14	–8 482	–1 700
Loss from currency translations	2.13	–340	–7 234
Financial income			
Interest income	2.12	10 914	12 845
Earnings before taxes		**–21 776**	**–151 610**
Income taxes		–74	–46
Net result		**–21 850**	**–151 656**

Notes to the Financial Statements

1 Principles

1.1 General
These annual financial statements have been prepared in accordance with the provisions of the Swiss Code of Obligations (32nd Title of the Code of Obligations). The significant valuation policies employed that are not prescribed by the Code are described below.

1.2 Financial assets
Financial assets consist of non-current loans. Loans granted in foreign currencies are measured at the rate on the actual reporting date, with unrealized losses being reported but not unrealized gains (prudence concept).

1.3 Investments
Meyer Burger applies the principle of individual valuation while, however, aggregating group companies where close business interrelationships exist.

1.4 Interest-bearing liabilities
Interest-bearing liabilities are recognized at nominal value. Financial liabilities are divided into current and non-current depending on their time to maturity.

1.5 Provisions and contingent liabilities
Provisions are only created if there is a present obligation to third parties as a result of a past event, a reliable estimate can be made of the amount of the obligation, and an outflow of resources is probable. If an obligation cannot be estimated with sufficient reliability, it is reported as a contingent liability but not recognized.

Provisions are measured at the best estimate, i.e. the amount recognized as a liability is the best estimate of the expenditure required to settle the present obligation on the reporting date. The amount of provisions is reviewed for its appropriateness at every reporting date.

1.6 Equity
Equity includes share capital, legal capital reserves, legal retained earnings, accumulated losses and treasury shares. Share capital is the nominal value of all outstanding shares.

Capital reserves contain payments by shareholders in excess of the nominal value. This is the premium, reduced by the excess value over the nominal value of cancelled treasury shares. Gains and losses realized on the sale of treasury shares are also recognized directly in capital reserves. Costs related to capital increases are charged to the income statement.

Treasury shares comprise shares in Meyer Burger Technology Ltd held by Meyer Burger Technology Ltd itself. Treasury shares are recognized at cost and are not remeasured as at the reporting date. The reserve for treasury shares is for share-based payments.

Retained earnings or accumulated losses are undistributed gains and losses.

1.7 Share-based payments
A share-based payment is a transaction in which an entity receives or acquires goods or services as consideration for its equity instruments or by incurring liabilities to the supplier of those goods or services

for amounts that are based on the price of the entity's shares or other equity instruments of the entity. The accounting treatment of share-based payments depends on how the transaction is settled, namely whether it is settled by equity instruments or in cash. Under the current share participation program, Meyer Burger Technology Ltd makes an individual offer to every plan participant in an offer letter stipulating the number of conditional rights to purchase shares, the acquisition price per share (if any), the payment conditions, the acceptance period and the (optional) retention periods. The fair value at the time of the grant of conditional rights, shares or options is recognized in personnel expenses over the vesting period.

1.8 Cash flow statement and additional disclosures not included in the Notes

Since Meyer Burger Technology Ltd prepares consolidated financial statements in accordance with a recognized accounting standard (Swiss GAAP FER), in compliance with the statutory provisions, it has neither included disclosures in the Notes on interest-bearing liabilities and audit fees, presented a cash flow statement nor prepared a report on the financial year in these annual financial statements.

2 Disclosures relating to items in the balance sheet and income statement

2.1 Financial assets

Financial assets consist solely of loans to participations (investments) aimed at financing their ordinary business.

2.2 Investments

Meyer Burger Technology Ltd holds the following direct and indirect investments:

Companies

				Participation[1]	
Company	Registered office	Currency	Share capital	31.12.2020	31.12.2019
Gerling Applied Engineering, Inc.	Modesto, USA	USD	10 000	0.00%	100.00%
Hennecke Systems GmbH	Zülpich, Germany	EUR	25 000	100.00%	100.00%
Meyer Burger (Singapore) Pte. Ltd	Singapore, Singapore	SGD	1	100.00%	100.00%
MB Systems Co. Ltd	Seoul, Korea	KRW	4 371 500 000	100.00%	100.00%
MBT Systems GmbH	Hohenstein-Ernstthal, Germany	EUR	50 025 000	100.00%	100.00%
MBT Systems Ltd[2]	Delaware, USA	USD	1	0.00%	100.00%
MBT Systems Ltd[2] (former Diamond Materials Tech, Inc.)	Delaware, USA	USD	100	100.00%	100.00%
Meyer Burger (Germany) GmbH	Hohenstein-Ernstthal, Germany	EUR	66 207 045	100.00%	100.00%
Meyer Burger (Industries) GmbH[5]	Hohenstein-Ernstthal, Germany	EUR	50 025 000	100.00%	0.00%
Meyer Burger (Italy) S.r.l.	Milan, Italy	EUR	10 000	100.00%	100.00%
Meyer Burger (Netherlands) B.V.[3]	Eindhoven, Netherlands	EUR	18 200	0.00%	100.00%
Meyer Burger (NL) B.V.[3]	Eindhoven, Netherlands	EUR	18 200	100.00%	0.00%
Meyer Burger (Switzerland) Ltd	Thun, Switzerland	CHF	500 000	100.00%	100.00%
Meyer Burger Co. Ltd	Zhubei City, Taiwan	TWD	5 000 000	100.00%	100.00%
Meyer Burger GmbH	Zülpich, Germany	EUR	25 000	100.00%	100.00%
Meyer Burger India Private Ltd	Pune, India	INR	18 552 930	100.00%	100.00%
Meyer Burger Kabushiki Kaisha	Tokyo, Japan	JPY	10 000 000	100.00%	100.00%
Meyer Burger Research AG	Hauterive, Switzerland	CHF	100 000	100.00%	100.00%
Meyer Burger Sdn. Bhd.	Cyberjaya, Malaysia	MYR	1 000 000	100.00%	100.00%
Meyer Burger Systems (Shanghai) Co. Ltd	Shanghai, China	CNY	50 578 022	100.00%	100.00%
Meyer Burger Trading (Shanghai) Co. Ltd	Shanghai, China	CNY	1 655 400	100.00%	100.00%
Muegge GmbH[4]	Reichelsheim, Germany	EUR	400 000	0.00%	100.00%
Oxford Photovoltaics Limited	London, United Kingdom	GPB	3 733	19.76%	19.76%
Oxford PV Germany GmbH	Brandenburg an der Havel, Germany	EUR	25 000	19.76%	19.76%
Pasan SA	Neuchâtel, Switzerland	CHF	102 000	100.00%	100.00%

1 The share of equity corresponds to the share of voting rights.
2 See comment on absorption of MBT Systems Ltd below.
3 See comment on sale of inkjet printing business (PiXDRO) below.
4 See comment on sale of Muegge GmbH.
5 See comment on foundation of Meyer Burger (Industries) GmbH

Absorption of MBT Systems Ltd

MBT Systems Ltd, Delaware, USA, was retrospectively merged into Diamond Materials Tech, Inc., Colorado Springs, USA, as per 1 January 2020. The transaction did not lead to any changes in control over the underlying assets respectively business. Diamond Materials Tech, Inc. has been renamed to MBT Systems Ltd after the merger.

Sale of inkjet printing business (PiXDRO)

On 2 April 2020, Meyer Burger announced the closing on the sale of its inkjet printing business (PiXDRO) as per 31 March 2020. During this transaction, the initially owned entity, Meyer Burger (Netherlands) B.V., Eindhoven, Netherlands, was split into two new companies as per 1 January 2020. The newly founded PiXDRO company was sold and the newly founded Meyer Burger (NL) B.V., Eindhoven, Netherlands, retained as an investment. As the investment was held indirectly, no gain or loss from sale of investment is recognized in the financial statements of Meyer Burger Technology Ltd.

Sale of Muegge GmbH and Gerling Applied Engineering, Inc.

Muegge GmbH and Gerling Applied Engineering, Inc. were sold as per 30 September 2020. As the investment was held indirectly, no gain or loss from sale of investment is recognized in the financial statements of Meyer Burger Technology Ltd.

Foundation of Meyer Burger (Industries) GmbH and pushdown capital increase

Meyer Burger is working to implement the new business model as a provider of technologically leading solar cells made in Europe. Meyer Burger (Industries) GmbH, Hohenstein-Ernstthal was founded on 6 August 2020 with the purpose to set up production facilities to manufacture highly efficient solar cells with the proprietary heterojunction technology and to run the respective operation in Germany.

In this regard, Meyer Burger also performed a capital increase in the amount of EUR 50 million through MBT Systems GmbH, Hohenstein-Ernstthal, Meyer Burger (Germany) GmbH, Hohenstein-Ernstthal, and towards Meyer Burger (Industries) GmbH from July to October 2020.

2.3 Current and non-current financial liabilities

The convertible bond with nominal value of CHF 26.8 million matured on 24 September 2020 and was repaid in full.

2.4 Share capital

The share capital of Meyer Burger Technology Ltd as at 31 December 2020 was divided into 2,515,151,206 registered shares with a nominal value of CHF 0.05 each. On 28 July 2020, Meyer Burger Technology Ltd carried out a capital increase. The capital increase led to an increase by 1,829,977,822 registered shares based on the 685,173,384 registered shares outstanding as per 31 December 2019. The share capital is fully paid up.

No dividend was paid in the reporting period or in the previous year.

Conditional share capital

In accordance with Article 3b of the Company's Articles of Association, dated 28 July 2020, the share capital may be increased by a maximum amount of CHF 31,998.60 through the issuance of a maximum of 639,972 fully paid-in registered shares with a nominal value of CHF 0.05 each, by the exercise of option rights granted to employees and members of the Board of Directors of the Company or of group companies in accordance with a plan to be prepared and issued by the Board of Directors. The subscription rights of shareholders shall be excluded. Upon acquisition, the new registered shares shall be subject to the limitations for registration in the share register in accordance with Article 4 of the Articles of Association.

In accordance with Article 3c of the Company's Articles of Association, dated 28 July 2020, the share capital may be increased by a maximum amount of CHF 3,450,000.00 through the issuance of a maximum of 69,000,000 fully paid-in registered shares with a nominal value of CHF 0.05 each, by the exercise of conversion and/or option rights which are granted in connection with convertible bonds, bonds with option rights or similar financial market instruments of the Company or of group companies.

The subscription rights of the shareholders shall be excluded in connection with the issuance of convertible bonds, bonds with option rights or other financial market instruments, which carry conversion and/or option rights. The then current owners of conversion and/or option rights shall be entitled to subscribe for the new shares.

The acquisition of shares through the exercise of conversion and/or option rights and each subsequent transfer of the shares shall be subject to the limitations for registration in the share register in accordance with Article 4 of the Articles of Association.

The Board of Directors is entitled to restrict or exclude the advance subscription rights in connection with the issuance of convertible bonds, bonds with option rights or other financial market instruments of existing shareholders, provided that:

1) the financing instruments with conversion or option rights are issued in connection with the financing or refinancing of the acquisition of enterprises, divisions thereof or participations or of newly planned investments; or
2) an issue by firm underwriting through a bank or a banking syndicate followed by a public offer, thereby excluding the advance subscription rights, seems to be the best way of issue at that point in time, in particular with respect to the terms and conditions of the issue or the timeline of the transaction.

If advance subscription rights are denied by decision of the Board of Directors, the following shall apply:

1) conversion rights may be exercisable only for up to ten years, option rights only for up to seven years from the date of the respective issuance; and
2) the respective financial market instruments must be issued at the relevant market conditions.

Authorized share capital

In accordance with Article 3d of the Articles of Association, dated 28 July 2020, the Board of Directors is entitled to increase the share capital of the Company by a maximum amount of CHF 5,138,803.75, at any time until 13 May 2022, through the issuance of a maximum of 102,776,075 fully paid-in registered shares with a nominal value of CHF 0.05 each.

The Board of Directors is entitled (including in the case of a public offer for shares of the Company) to restrict or exclude the subscription rights of the shareholders and to allocate them to third parties, if the new shares are to be used:

1) for the acquisition of enterprises, parts of enterprises, participations or for new investment plans, or in the case of a placement of shares for the financing or refinancing of such transactions;
2) for the purpose of the participation of strategic partners; or
3) for the rapid and flexible creation of equity capital through a placement of shares, which would only be possible with difficulties with subscription rights.

The capital increase may occur by means of underwriting and/or partial increases. The Board of Directors is entitled to set the issue price of the shares, the type of contribution and the date of entitlement to dividends. Shares issued under these terms are subject to the limitations for registration in the share register in accordance with Article 4 of the Articles of Association of the Company.

The total outstanding amount of authorized capital under Article 3d (102,776,075 registered shares) of the Articles of Association represents 4.09% of the outstanding ordinary share capital (2,515,151,206 registered shares) as of 31 December 2020.

Significant shareholders

The Company is aware of the following shareholders, who according to Article 12 0f. FMIA (Financial Market Infrastructure Act) held more than 3% of the voting rights (based on the share capital registered in the commercial register) as of 31 December 2020 respectively 31 December 2019. The disclosure notices are published on the website of the disclosure office.[1]

	Registered shares[3]	
Shareholder[2]	31.12.2020	31.12.2019
Sentis Capital PCC (Cell 3)[4]	14.73%	–
Invesco Ltd., Hamilton, Bermuda	5.41%	–
Swisscanto Fondsleitung AG	4.57%	–
J O Hambro Capital Management Limited[5]	3.78%	–
Sentis Capital PCC (Cell 3) Shareholder Group[6]	–	11.78%
Norges Bank (the Central Bank of Norway)	–	3.17%

1 www.six-exchange-regulation.com/en/home/publications/significant-shareholders.html?companyId=MEYER
2 Voting rights participation according to the latest disclosure notice received from the shareholder.
3 Registered shares held in Meyer Burger Technology Ltd according to the disclosure notice.
4 The beneficial owner was Petr Kondrashev, Austria.
5 The beneficial owner was J O Hambro Capital Management Limited.
6 The shareholder group included Petr Kondrashev, Austria; Teutonia Opportunity Fund Ltd, Cayman Islands; Gisele Vlietstra, Switzerland; Mark Kerekes, Switzerland; Anton Karl, Switzerland; Urs Fahndrich, Monaco; Yuriy Syrtsev, Austria; Urs Schenker, Switzerland; Robert Daniel Buchel, Switzerland; Lisa Lotte Baur, Switzerland; IBH Beteiligungs- und Handelsgesellschaft m.b.H., Austria; Teunis Verkaik, The Netherlands; Rogier Verkaik, Netherlands; Roderik Verkaik, Netherlands, Angela Koubek, Switzerland; Daniela Buchel, Switzerland; Robert Buchel, Switzerland (as beneficial owner and/or direct shareholder) and Sentis Capital PCC (as direct shareholder with regards to Petr Kondrashev).

2.5 Capital contribution reserves

Out of the total amount of CHF 497.6 million as at 31 December 2020, CHF 408.1 million was approved by the Federal Tax Administration (FTA) and is available for distribution free of withholding tax. The decrease of CHF 226.1 million compared to 31 December 2019 corresponds to the capital increase of CHF 73.9 million and the loss offsetting of CHF –300 million. These premiums are again reported to the FTA for approval for potential distribution free of withholding tax.

In the capital contribution reserves as at 31 December 2020, there are capital transaction costs of CHF 15.5 million included that are not yet approved as reserves from capital contribution by the FTA. This practice may be changed in the future.

2.6 Reserve for treasury shares

The current share participation programs set up in accordance with note 1.7 above resulted in holdings of treasury shares by Meyer Burger Technology Ltd up to the end of the vesting period. The law stipulates that a special reserve for treasury shares has to be created for these allocated shares during the retention period in the amount of the number of allocated shares multiplied by the share value at the time of allocation (share price on grant date).

In 2020, all of the subsidiaries-held shares were returned to MBT and are now being held there. At the same time, the reserve for treasury shares was dissolved.

2.7 Treasury shares

Treasury shares held by Meyer Burger Technology Ltd

	No. of shares	Price/share in CHF	Value treasury shares in TCHF
01.01.2019	**2 281 481**	**1.06**	**2 425**
Purchase/additions	529 754	0.90	477
Grant/use	–2 768 054	1.04	–2 867
31.12.2019	**43 181**	**0.79**	**34**
Purchase	8 000 000	0.16	1 303
Exercise of subscription rights	8 563 523	0.09	771
Grant/use	–1 947 506	0.53	–1 033
Retransfer	5 075 760	0.88	4 488
31.12.2020	**19 734 958**	**0.28**	**5 563**

In course of the capital increase on 28 July 2020, Meyer Burger Technology Ltd. exercised the full amount of subscription rights on treasury shares held by itself and its subsidiaries.

Treasury shares held by subsidiaries

	No. of shares	Price/share in CHF	Value treasury shares in TCHF
01.01.2019	**7 329 380**	**0.86**	**6 316**
Increase share plan 2019 [1]	2 728 206	0.69	1 884
Decrease share plan 2016 [3]	–1 844 221	0.50	–926
Decrease share plan 2017 [3]	–671 464	0.85	–571
Decrease share plan 2018 [3]	–624 961	1.10	–685
Decrease share plan 2019 [3]	–642 218	0.69	–443
31.12.2019	**6 274 722**	**0.89**	**5 575**
Decrease share plan 2017 [2]	–1 337 113	0.85	–1 137
Transfer share plan 2017 [4]	–953 696	0.85	–811
Decrease share plan 2018 [3]	–202 431	1.16	–232
Transfer share plan 2018 [4]	–1 695 494	1.17	–1 975
Increase share plan 2019 [1]	887 902	0.74	657
Decrease share plan 2019 [3]	–547 320	0.70	–375
Transfer share plan 2019 [4]	–2 426 570	0.70	–1 702
31.12.2020	**–**	**–**	**–**

1 Share plan 2019: The shares have been allocated at a price of CHF 0.69 (market price at the time of allocation). However, the allocation for the Executive Board and newly elected Board members was made at the fair value of CHF 0.74. All shares are subject to a three-years vesting period during which the sale is forbidden. The shares allocated to the Board of Directors and to the employees of Meyer Burger Technology Ltd (3,616,108 shares at grant date) were held by Meyer Burger (Switzerland) Ltd. Those shares have been transferred back to Meyer Burger Technology Ltd. during 2020 at the market price at allocation date (CHF 0.69) or at the fair value respectively (CHF 0.74).

2 In March 2020, the three-years vesting period of share plan 2017 ended and the shares granted have been transferred to the plan participants.

3 If a plan participant gave notice to the employment contract during the vesting period, the forfeited shares allocated generally were returned to Meyer Burger Technology Ltd. In some particular cases (i.e. if Meyer Burger terminated an employment contract for economic reasons or if a group company was sold), the leaving participant was entitled to keep the shares, i.e., an early vesting was performed.

4 The transfers refer to forfeited shares returned to Meyer Burger Technology Ltd. from its subsidiaries. In addition, in October 2020 all treasury shares held by subsidiaries were transferred back to Meyer Burger Technology Ltd in order to be held in a single account. Accordingly, at the time of vesting treasury shares are transferred from Meyer Burger Technology Ltd. to the employee via the respective subsidiary.

All treasury shares that are held in conjunction with the employee share plans are held by Meyer Burger Technology Ltd. As per 31 December 2020, these are reserved in full and will be transferred to the subsidiaries upon expiry of the vesting period to hand them over to the employees. In previous years, treasury shares reserved for share-based payments were directly held by the subsidiaries.

Meyer Burger Group is not aware of any shares of the Company being held by the pension fund.

2.8 Other operating income

Other operating income mainly includes management fees that were invoiced to the group companies and dividends received. In 2020, a dividend of CHF 1.8 million was received from subsidiaries (2019: CHF 2.4 million).

2.9 Other operating expenses

Other operating expenses reflect losses on bad debts from group companies.

2.10 Impairments on investments and financial assets

The valuation of investments and loans to group companies is reviewed at least annually. As per 31 December 2020, additional impairments on investments and loans to group companies were deemed necessary based on expected future cash flows. The impairments to the initial valuation reflect this critical assessment.

2.11 Interest expenses

In the year under review and in the previous year, interest and fees for the convertible bond issued and repaid as per 24 September 2020 as well as the commitment fee related to provision of the credit facility agreement with the banking syndicate expired at per 30 August 2020 were recognized as interest expenses in accordance with note 2.3.

2.12 Interest income
The interest income reported includes the interests received for loans granted to group companies as well as interest income from banks and interest from short-term money market instruments.

2.13 Loss from currency translation
The currency translation rates of the main foreign currency USD decreased 9% in the reporting year. This resulted in a loss from currency translation. In 2019, the main foreign currencies EUR and USD decreased between 2% and 4%.

2.14 Other financial expenses
In 2020, other financial expenses include mainly the costs incurred by the capital increase in July 2020.

3 Other disclosures

3.1 Full-time employees
The average number of full-time employees for both the reporting period and the previous year did not exceed 50.

3.2 Liabilities to pension funds
As of 31 December 2020, contributions to pension funds of CHF < 0.1 million were outstanding to be paid (31 December 2019: 0.2 million were outstanding).

3.3 Contingent liabilities (guarantees and pledged assets)
There were several guarantees of Meyer Burger Technology Ltd for group companies in favor of third parties for a maximum amount of CHF 0.3 million as at 31 December 2020 (31 December 2019: CHF 17.3 million). These mainly relate to guarantees to customers and suppliers of group companies.

During 2020, Meyer Burger Technology Ltd signed a bilateral framework agreement for credit products with a Swiss financial institution. The credit facility can be used as a guarantee or documentary credit limit up to the total amount of CHF 25.0 million, of which CHF 12.6 million were utilized as at 31 December 2020. Claims of the bank are secured with a right of lien of up to a principal amount of CHF 25.0 million and as at 31 December 2020 CHF 13.6 million cash collateral was deposited.

In addition, Meyer Burger Technology Ltd is the borrower and pledger of a credit facility from a German financial institution. The credit line amounted to CHF 2.7 million as at 31 December 2020 (31 December 2019: CHF 3.3 million), of which CHF 2.7 million was cash collateralized (2019: CHF 1.6 million). The credit facility can be drawn by subsidiaries by way of guarantees for advance payments, warranty bonds or other types of guarantees. It cannot be used for the collateralization of loans.

As at 31 December 2019, Meyer Burger Technology Ltd provided a guarantee of an amount of up to CHF 72.0 million for the framework loan agreement with a Swiss banking consortium. This credit facility matured at the end of August 2020. The framework loan agreement contained a guarantee limit of CHF 60.0 million, of which CHF 24.7 million was cash collateralized by Meyer Burger Technology Ltd and one of its subsidiaries. In this regard, bank guarantees in the amount of CHF 29.2 million had been drawn as at 31 December 2019.

3.4 Letters of comfort and liquidity commitments in favor of group companies
Meyer Burger Technology Ltd has issued liquidity commitments in favor of several group companies. This enables the group companies in question to settle their accounts payable to creditors on time.

3.5 Shares allocated to the Board of Directors, Executive Board and employees

In the years 2020 and 2019, participation rights were allocated to members of the Board of Directors and employees as follows:

Name	No. of shares	No. of options	Price/share in CHF	Price/option in CHF	Value treasury shares/options in TCHF
2020					
Allocated to the Board of Directors	2 033 900	–	0.236	–	480
Allocated to the Executive Board[2]	618 600	9000 000	0.15	0.12	1 173
Allocated to employees	3 075 829	3500 000	0.15	0.12	784
Total	**5 728 329**	**12 500 000**	**–**	**–**	**2 437**
2019					
Allocated to the Board of Directors[1]	304 910	–	0.685 / 0.7381	–	210
Allocated to the Executive Board	789 044	–	0.685	–	576
Allocated to employees	254 564	–	0.685	–	174
Total	**1 348 518**	**–**	**–**	**–**	**960**

[1] The fair value in 2019 was CHF 0.685 (1 April 2019) except for new members for whom it was CHF 0.738 (3 May 2019).
[2] In form of options from 18.12.2020.

3.6 Share ownership by the Board of Directors and the Executive Board

2020

The members of the Board of Directors and of the Executive Board (including related parties) held the following participations in Meyer Burger Technology Ltd at 31 December 2020:

Name	Position	Registered shares (number)	RSU/PSU/ restricted shares under share plan[1] (number)	Options under share plan[1] (number)	Total participation[2] (in % of outstanding shares)
Franz Richter	Chairman of the Board of Directors	2 994 157	613 798	–	0.03%
Mark Kerekes	Member of the Board of Directors	5 814 003	508 475	–	0.25%
Urs Fähndrich	Member of the Board of Directors	143 705	508 475	–	0.02%
Andreas R. Herzog	Member of the Board of Directors	225 000	536 479	–	0.03%
Gunter Erfurt	Chief Technology Officer	374 617	203 734	6 500 000	0.27%
Jürgen Schiffer	Chief Financial Officer	42 000	–	2 500 000	0.10%
Total as of 31 December 2020		**9 593 482**	**2 370 961**	**9 000 000**	**0.69%**

[1] In the participation table, the number of restricted registered shares under options/RSU/PSU plans for the Executive Committee and Board of Directors includes the maximum potential amount of shares that could be vesting from the LTI Share Plan 2018/2019/2020.

Grant/purchase date	Number of shares	Number of options	Vesting period until
23.12.2020	2 033 900	–	22.12.2023
18.12.2020	–	9 000 000	17.12.2023
01.04.2019/03.05.2019	201 260	–	31.03.2022/02.05.2022
09.04.2018	135 801	–	08.04.2021

[2] Participation as a percentage of the number of outstanding registered shares as of 31 December 2020 (2,515,151,206 shares).

2019
The members of the Board of Directors and of the Executive Board (including related parties) held the following participations in Meyer Burger Technology Ltd at 31 December 2019:

Name	Position	Registered shares (number)	RSU/PSU/ restricted shares under share plan[1] (number)	Total participation[2] (in % of outstanding shares)
Remo Lütolf	Chairman of the Board of Directors	–	70 009	0.01%
Franz Richter	Vice Chairman of the Board of Directors	21 615	159 441	0.02%
Hans-Michael Hauser	Member of the Board of Directors	–	97 649	0.01%
Andreas R. Herzog	Member of the Board of Directors	–	28 004	0.00%
Hans Brändle	Chief Executive Officer	–	1 055 376	0.17%
Manfred Häner	Chief Financial Officer	–	215 452	0.03%
Gunter Erfurt	Chief Technology Officer	60 525	415 499	0.07%
Total as of 31 December 2019		**82 140**	**2 041 430**	**0.32%**

1 In the participation table, the number of restricted registered shares under RSU/PSU plans for the Executive Board and the Delegate includes the maximum potential amount of shares that could be vesting from the LTI Share Plan 2017 (i.e. 150%) and 100% of the shares for the LTI Plan 2018. The final vesting ratio of the LTI 2018 depends on the Total Shareholder Return (TSR) of the registered shares of the Company compared to the MAC Solar Index in the period between the grant date of the shares and the end of the vesting period, as described in the footnotes to the compensation tables for the Executive Board (potential maximum amount of shares can be 150% vesting). Details of shares not yet vested are in the table below:

Grant/purchase date	Number of shares	Vesting period until
01.04.2019/03.05.2019	786 195	31.03.2022
09.04.2018	417 979	08.04.2021
31.03.2017	837 256	30.03.2020

2 Participation as a percentage of the number of outstanding registered shares as of 31 December 2019 (685,173,834 shares).

3.7 Significant events after the reporting date
No event occurred between 31 December 2020 and 10 March 2021 that would have a material effect on the recognized carrying amounts of assets and liabilities of the Meyer Burger Technology Ltd or would otherwise have to be disclosed at this point.

Proposed appropriation of capital reserves to the Annual General Meeting of Shareholders
The Board of Directors proposes that:

in TCHF	2020 Proposal by the Board of Directors	2019 Resolution by the General Meeting of Shareholders
For decision by the General Meeting		
Balance carried forward from the previous year	–211 025	–359 369
Net loss for period	–21 850	–151 656
Total accumulated losses	**–232 875**	**–511 025**
Proposal by the Board of Directors		
Allocation capital contribution reserves	–	–300 000
Balance to be carried forward	**–232 875**	**–211 025**

Report of the statutory auditor

to the General Meeting of Meyer Burger Technology Ltd

Thun

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Meyer Burger Technology Ltd (the Company), which comprise the balance sheet as at 31 December 2020, income statement and notes for the year then ended, including a summary of significant accounting policies.

In our opinion, the financial statements (pages 102 to 112) as at 31 December 2020 comply with Swiss law and the company's articles of incorporation.

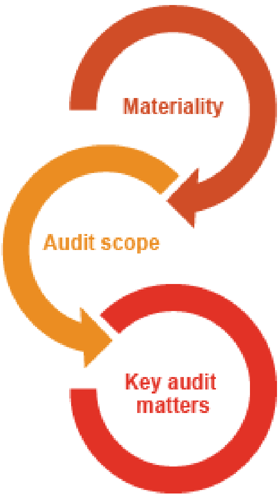
Basis for opinion

We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Our responsibilities under those provisions and standards are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report.

We are independent of the entity in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our audit approach

Overview



Overall materiality: CHF 3,400,000

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the entity, the accounting processes and controls, and the industry in which the entity operates.

As key audit matter the following area of focus has been identified:

- Impairment testing of investments in Group companies and of intercompany loans and receivables

Materiality

The scope of our audit was influenced by our application of materiality. Our audit opinion aims to provide reasonable assurance that the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall materiality for the financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate, on the financial statements as a whole.

Overall materiality	CHF 3,400,000
How we determined it	0.85 % of total assets
Rationale for the materiality benchmark applied	We chose total assets as the benchmark because the Company primarily holds investments in and grants loans to Group companies.

We agreed with the Risk & Audit Committee that we would report to them misstatements above CHF 170,000 identified during our audit as well as any misstatements below that amount which, in our view, warranted reporting for qualitative reasons.

Audit scope

We designed our audit by determining materiality and assessing the risks of material misstatement in the financial statements. In particular, we considered where subjective judgements were made; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Report on key audit matters based on the circular 1/2015 of the Federal Audit Oversight Authority

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Impairment testing of investments in Group companies and of intercompany loans and receivables

Key audit matter	How our audit addressed the key audit matter
As at 31 December 2020, Meyer Burger Technology Ltd recognised investments in Group companies (CHF 207.1 million) and intercompany loans (CHF112.3 million, noncurrent) and receivables (CHF 6.0 million, current). Investments in Group companies and intercompany loans and receivables are recognised at historical cost less impairment in accordance with the requirements of the Code of Obligations. The Board of Directors and Management have tested the valuations of these investments and of the intercompany loans and receivables based on the shareholders' equity as at 31 December 2020 of the Group companies concerned, their past results and business plan. Where necessary, impairment charges have been booked. We considered the assessment of the valuations of the investments in Group companies and current and non-current intercompany loan and receivables (please refer to note 2.10 'Impairments on investments and financial assets' in the notes to the financial statements) to be a key audit matter because of:	We assessed the need for impairment of the investments in Group companies and of intercompany loans and receivables. We performed the following audit procedures: • We compared the market capitalisation with the book value of the shareholders' equity of Meyer Burger Technology Ltd. • We verified the underlying valuation model as well as the WACC applied to determine the recoverable amount • We checked the results of Management's valuations against the corresponding book value. • We checked the Business Plan, which is approved by the Board of Directors for plausibility. • We assessed the completeness and correct booking of the necessary impairment charges. We consider the valuation process applied by the Board of Directors and Management to be an appropriate and adequate basis to support the valuation of the investments in Group companies and intercompany loans and receivables.

- the significant scope for judgement involved in performing the impairment tests,
- the operating results of certain companies, and
- the significant amount that these assets represent.

Responsibilities of the Board of Directors for the financial statements

The Board of Directors is responsible for the preparation of the financial statements in accordance with the provisions of Swiss law and the company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and Swiss Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Swiss law and Swiss Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.

We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Board of Directors or its relevant committee, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In accordance with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists which has been designed for the preparation of financial statements according to the instructions of the Board of Directors.

We further confirm that the proposed appropriation of available earnings complies with Swiss law and the company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

PricewaterhouseCoopers AG

Rene Rausenberger	Yvonne Burger
Audit expert Auditor in charge	Audit expert

Bern, 10 March 2021

Other Information

Information for investors and the media

Registered shares Meyer Technology Ltd

Swiss valor number 10850379
ISIN CH0108503795
Listing SIX Swiss Exchange
Ticker symbol MBTN
Reuters MBTN.S
Bloomberg MBTN SW
Nominal value per registered share CHF 0.05
Number of outstanding shares 2,515,151,206 as of 31 December 2020
Share price high/low 2020 CHF 0.41/0.11
Closing price as of 31 December 2019 CHF 0.3368

Other information

Accounting standard Swiss GAAP FER
Auditors PricewaterhouseCoopers AG
Share register Computershare Switzerland Ltd

Important dates

11 March 2021 Publication Fiscal Year Results 2020, Analyst and Media Conference
4 May 2021 Ordinary Annual General Meeting, Kultur- und Kongresszentrum, Thun

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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.

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Imprint

Declaration on forward-looking statements
This Meyer Burger Ltd Annual Report 2020 contains statements that constitute "forward-looking statements", relating to the Company. 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 Annual Report 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 Annual Report 2020 is also available in electronic form. The Meyer Burger Annual Report 2020 is published in English only and is therefore the binding version.

The Annual Report 2020 is available on the internet:
www.meyerburger.com

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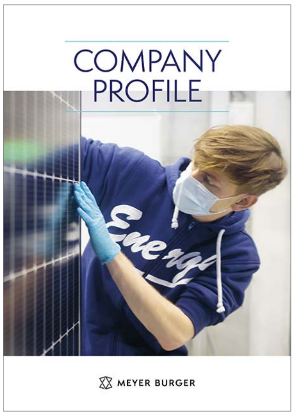
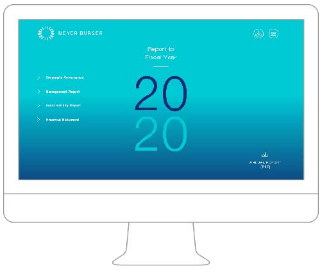


Company Profile



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MEYER BURGER