

# Fiscal Year 2021 Presentation for Investors, Analysts, Media

March 24, 2022

# Agenda

- |   |                            |                      |
|---|----------------------------|----------------------|
| 1 | Business Review            | Gunter Erfurt, CEO   |
| 2 | Financial Statement 2021   | Gunter Erfurt, CEO   |
| 3 | Sales and Marketing Update | Moritz Borgmann, CCO |
| 4 | Outlook                    | Gunter Erfurt, CEO   |

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# Business Review

# In 2021, we completed the strategic transformation

## Strategic milestones accomplished

- Establishment of production of 0.4 GW annual nominal capacity for cells and modules
- Start of sales for all three module variants
- Completion of financing for accelerated growth
- Preparation for further expansion to 1.4 gigawatts annual nominal capacity at Thalheim (DE), Freiberg (DE) and Goodyear (US) sites
- Restructuring of legacy business
- **Proof of captive business model and its scalability**



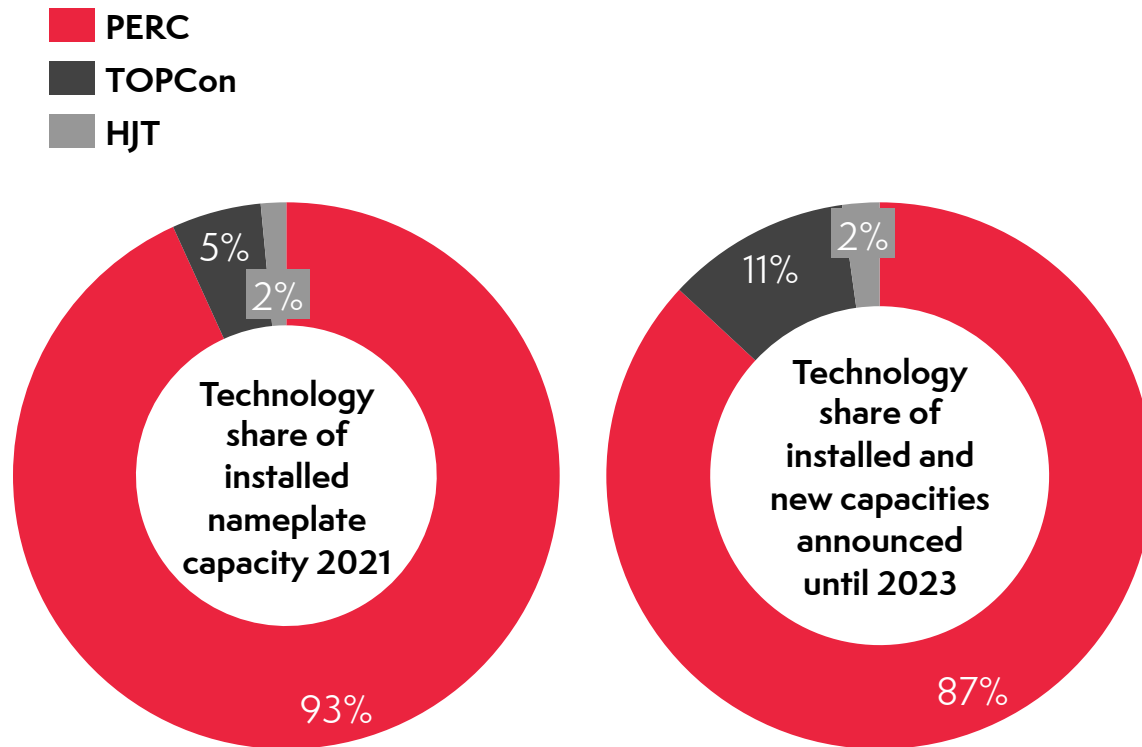


# Strategically on target, but demanding operational challenges had to be mastered

## Material impact of the COVID-19 pandemic

- Unexpected delay in confirmed delivery dates for components in summer 2021 delayed ramp-up
- High absentee rates during the pandemic reduced output and further delayed ramp-up
- In aggregate, volume available to sell in 2021 ended up significantly below original expectations
- **Nevertheless, no strategic hurdles have been encountered. Remaining challenge is to implement learning curve more quickly in future expansion steps**

# Unique technology allows for premium positioning in a market that will continue to be dominated by PERC



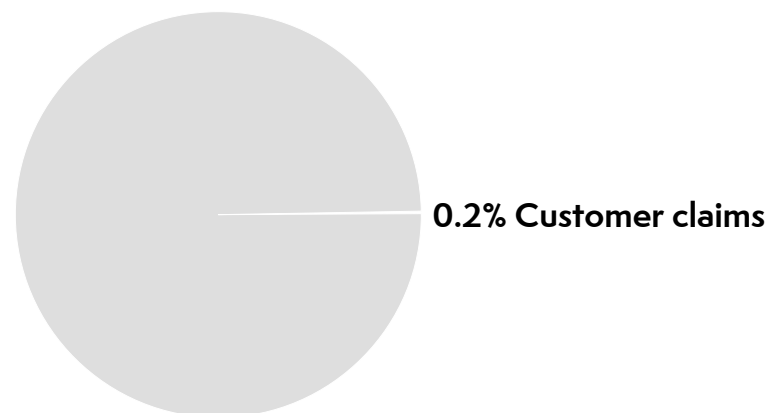
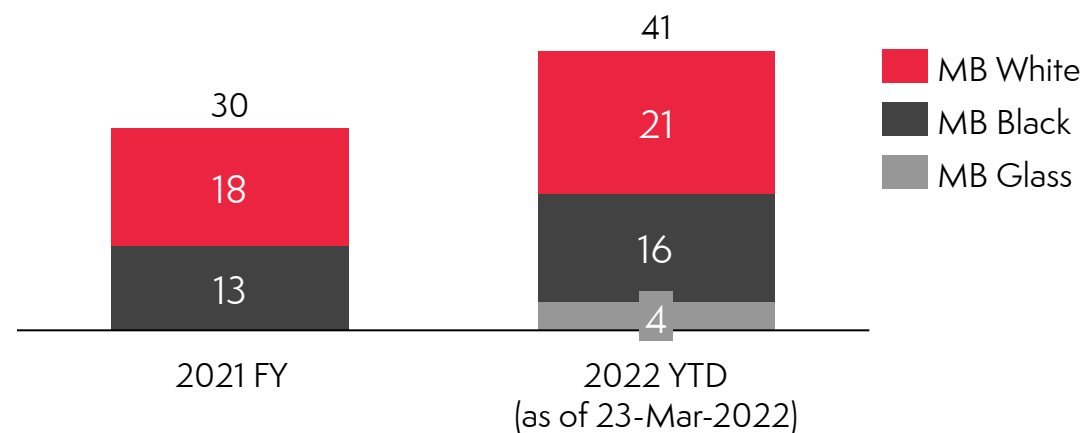
## Meyer Burger is technological leader

- Meyer Burger has a unique position as heterojunction (HJT) producer in the market after the communicated withdrawal of Panasonic and LG
- PERC continues to dominate globally, in installed share with c. 93% as well as with announced expansions with c. 87%
- TOPCon still not gaining speed despite many announcements in China, due to complexity of process sequence and lack of availability of industrially viable equipment
- HJT is hardly pursued by Tier 1 competitors; major projects are postponed because of high barriers to entry
- **Meyer Burger continues to make progress on next technologies, such as next-generation HJT IBC**

Source: AsiaChem Report Feb 2022, Meyer Burger estimates

# In the ramp-up of our production facilities, the focus is on uncompromising quality of our solar modules

Modules produced [MWp]



## Uncompromising product quality is our highest asset

- Cumulative customer claims (effective Feb 2022) negligible (0.2%), many of which can be resolved without full replacement
- Offered three products at the same time
- Line in operation can only manufacture one product at a time, which means sequential production campaigns to manufacture all three products
- Due to line operation concept, sequential production campaigns for three products come at the expense of overall throughput
- **Additional production lines (as part of the ongoing 1.4 GW expansion) will eliminate bottlenecks and improve operational performance**

# A new reality in global supply chains

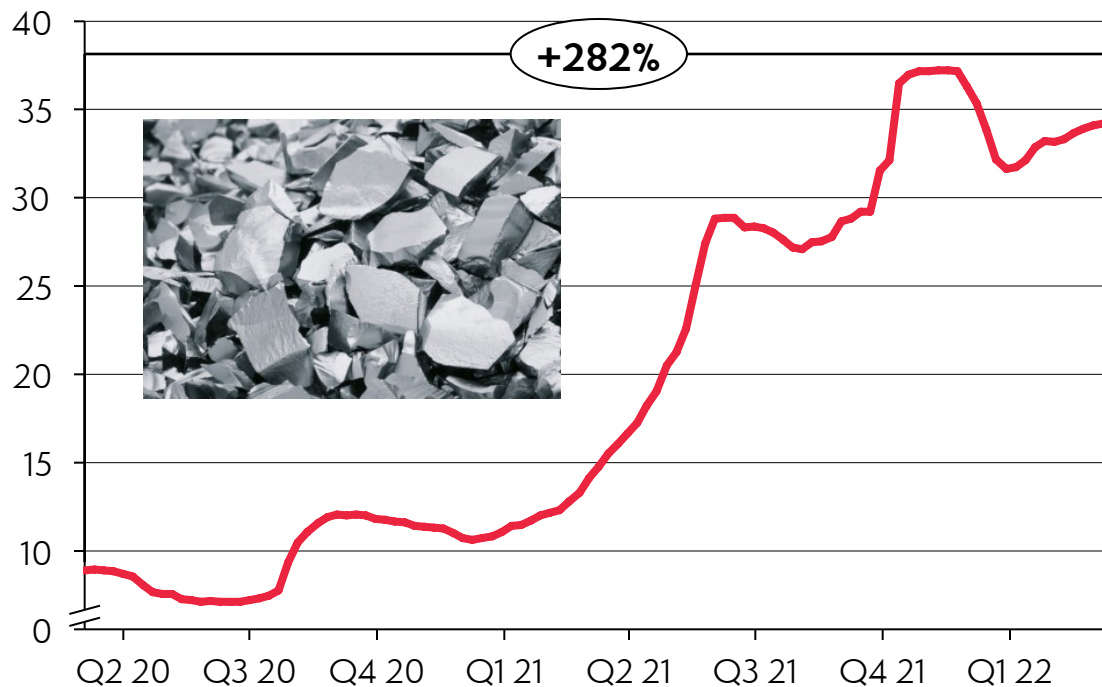
## Supply chains are shifting

- Up to date, Meyer Burger has suffered no major impacts from lack of availability of input materials for our ongoing production
- Management attention to secure supply chains has increased significantly
- Input (e.g. polysilicon, silver, aluminum, copper, energy) and logistics costs have increased
- Global module price level remains high with no short-term decline to be expected. Meyer Burger was able to pass on higher costs to customers
- European supply chain autonomy for all critical materials and components is becoming increasingly important
- **Short transport distances for solar modules to the customer are a competitive advantage**



# Polysilicon price has almost quadrupled since market low in 2020, affecting the entire industry

Polysilicon price development [USD/kg]



## Unprecedented rise in polysilicon prices

- Polysilicon is the number one cost driver among input materials for solar cells and modules
- Global polysilicon price increase of +280% since Q1 2020
- Reduced production capacity and growing market demand triggered a price increase spiral – additional capacities are coming online slower than expected
- Prices very likely to remain high throughout 2022
- Meyer Burger is affected in the same way as competitors, but can dilute polysilicon cost better through higher efficiency and can reduce wafer thickness more aggressively than standard PERC competition

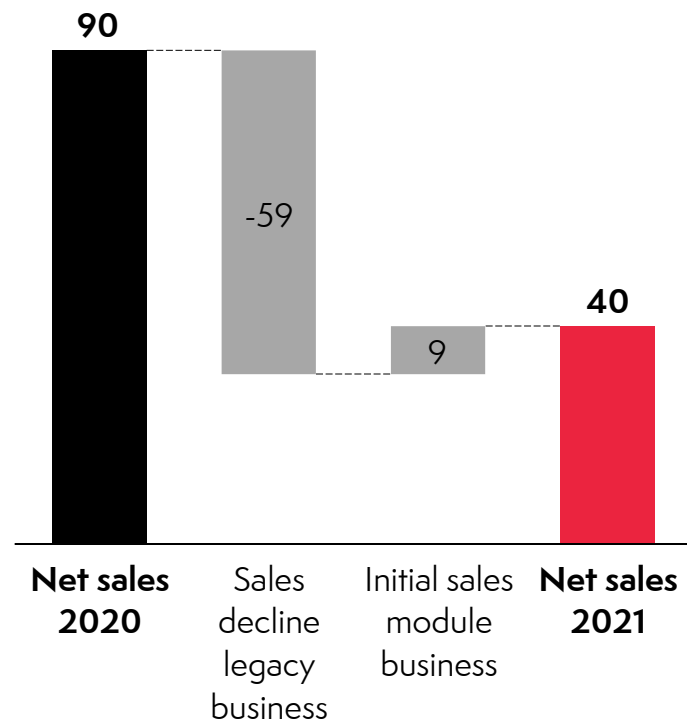
Source: Exawatt analysis of spot price data from China Nonferrous Metals Industry Association, EnergyTrend, PV InfoLink and PVInsights

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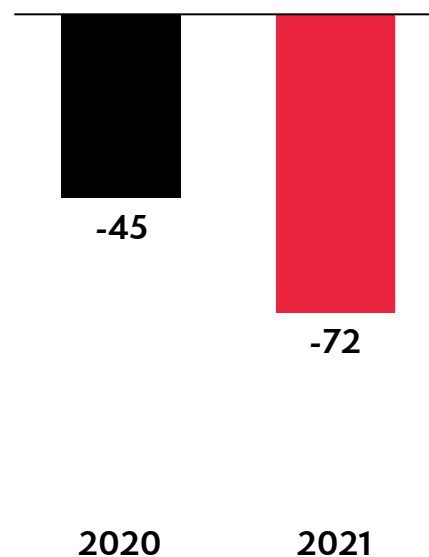
# Financial statements 2021

# Key figures P&L 2021

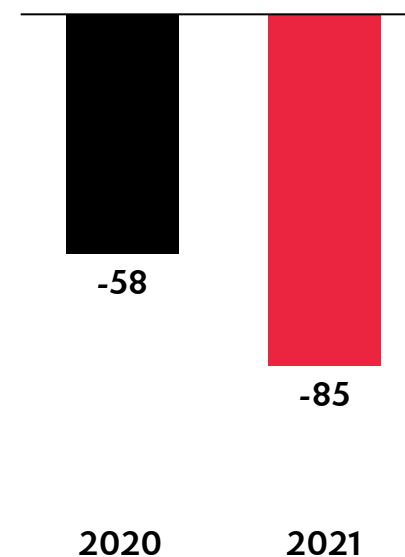
**Net sales**  
[CHF m]



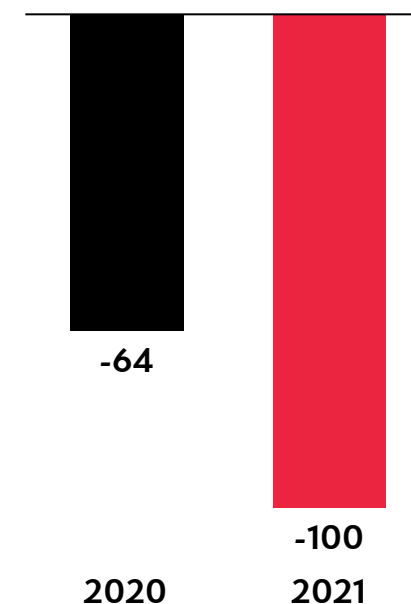
**EBITDA**  
[CHF m]



**EBIT**  
[CHF m]

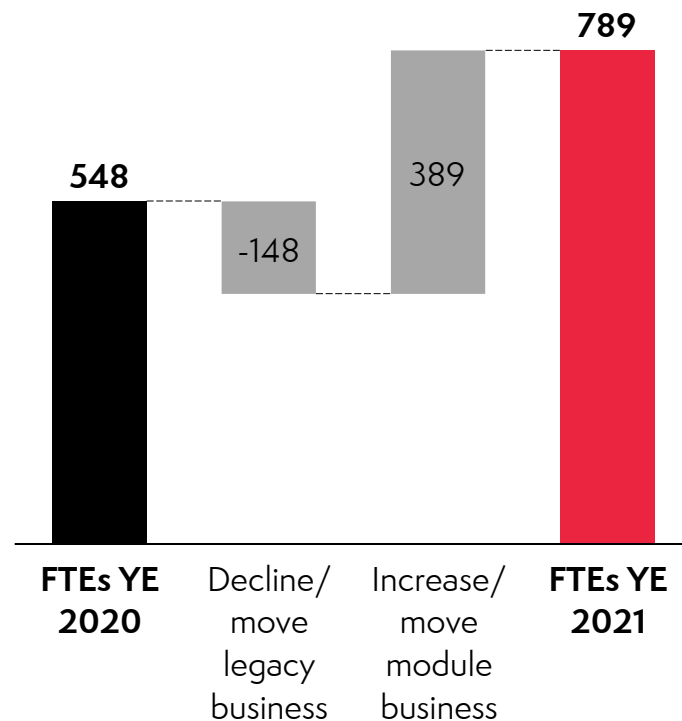


**Net result**  
[CHF m]

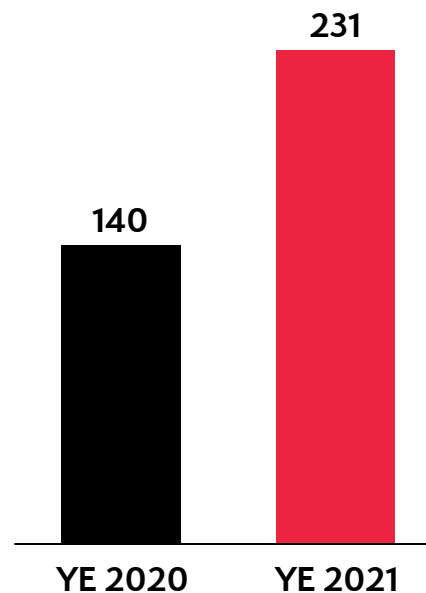


# Key metrics 2021

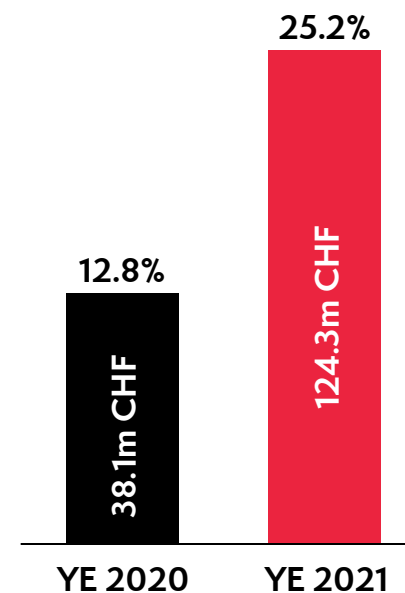
## FTEs



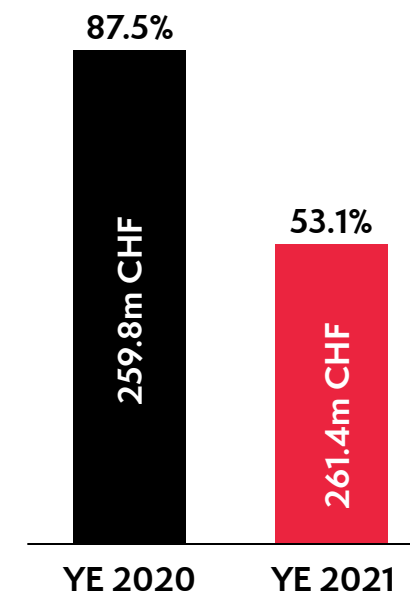
## Cash & cash equivalents [CHF m]



## PP&E in % of total assets

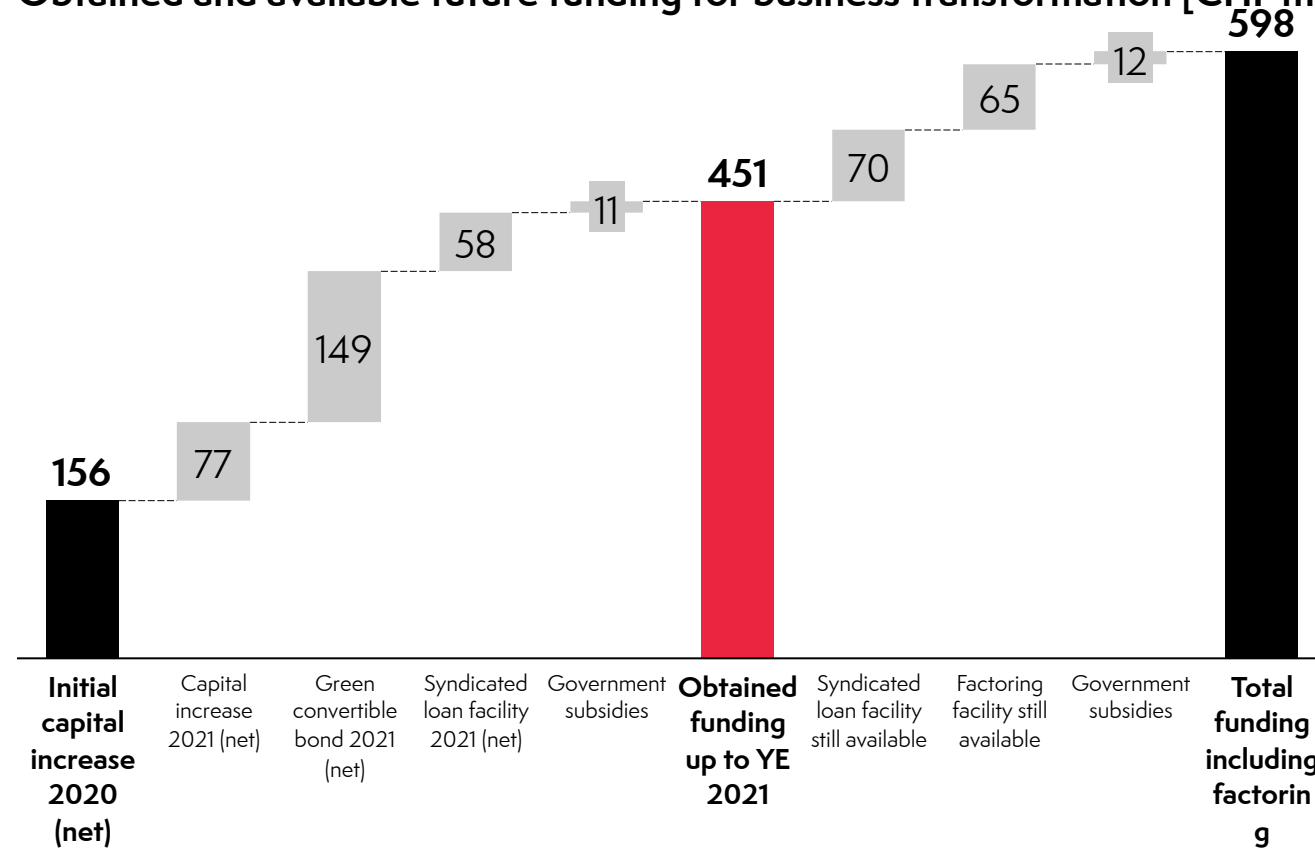


## Equity in % of total liabilities and equity



# Secured funding of close to EUR 600m for further capacity and business expansion

Obtained and available future funding for business transformation [CHF m]

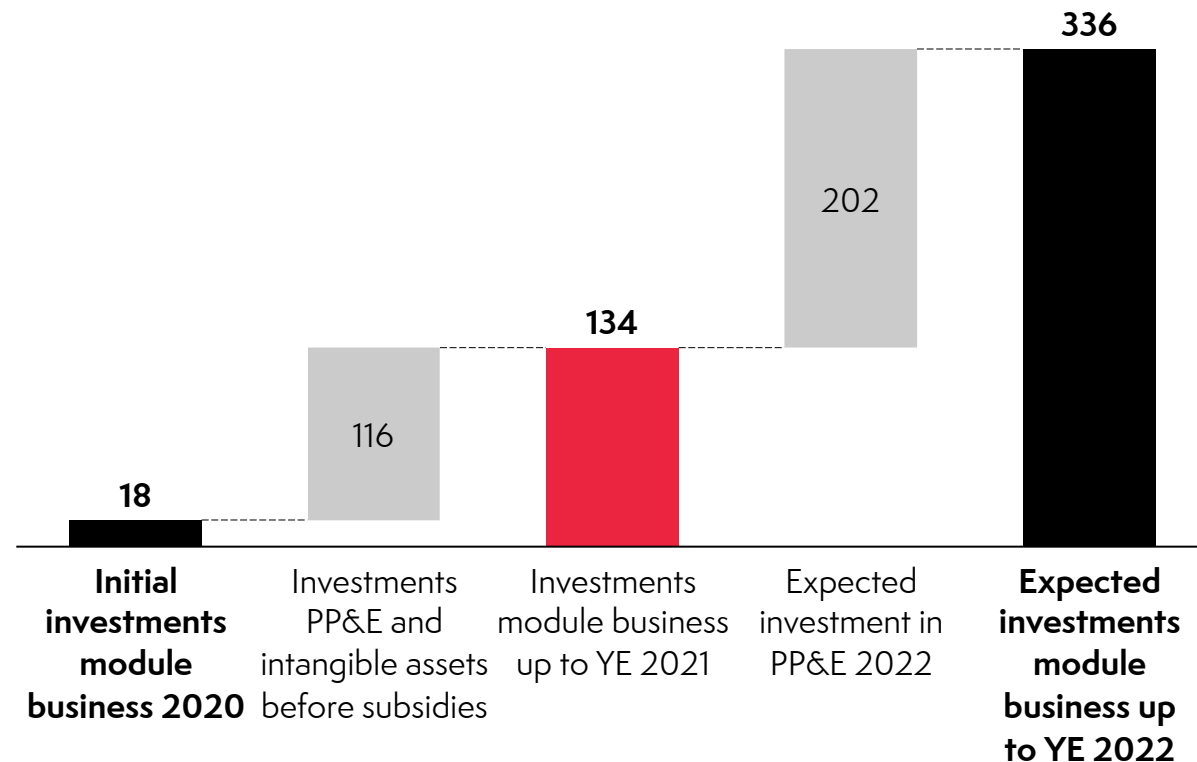


## Major funding milestones achieved in 2021

- Increase in share capital of Meyer Burger Technology AG of CHF 80 million (gross): issuance of 155'339'805 new shares with a nominal value of CHF 0.05
- Green senior unsecured guaranteed convertible bond of EUR 145 million (gross) issued by MBT Systems GmbH: denomination of EUR 100'000 per bond with a coupon of 3.5% and a bond term until July 2027
- Additional debt funding available with syndicated loan facility at Meyer Burger Industries GmbH of EUR 125 million and factoring facility of EUR 60 million

# Investments for expansion to full 1.4 GW capacity ongoing

Investments completed in 2021 and expected needs for 2022 to achieve targeted production capacity [CHF m]

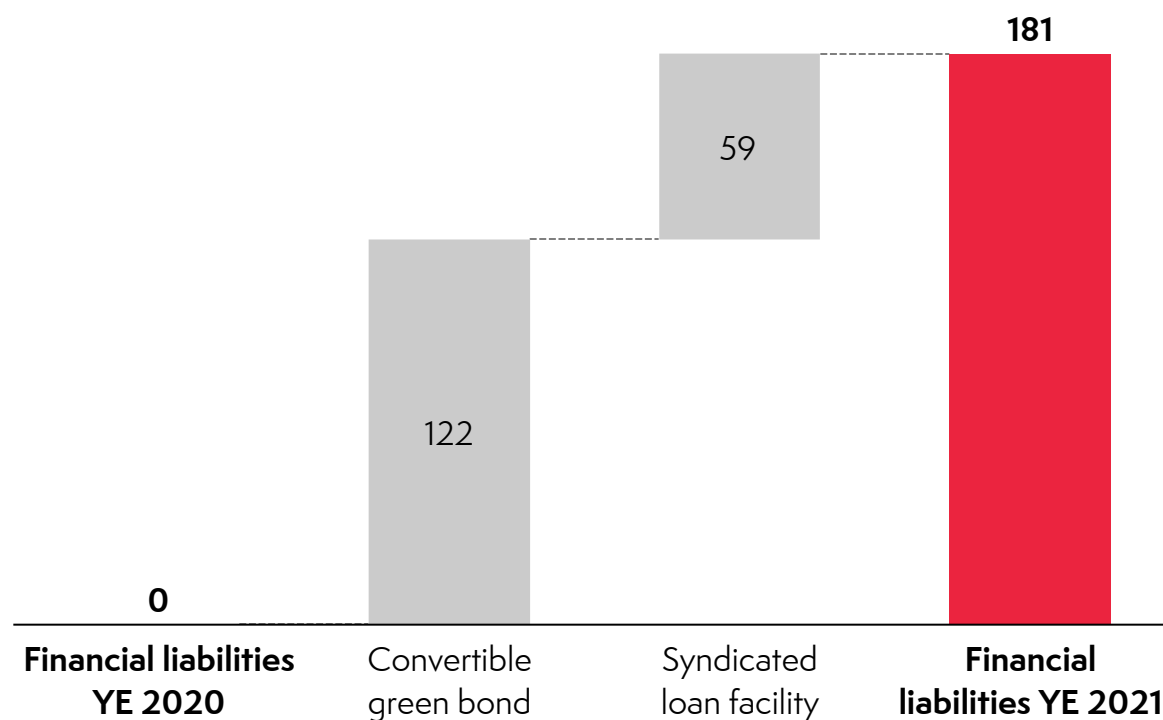


## Major investment milestones achieved in 2021

- Investments in PP&E in 2021 finalized to achieve 0.4 GW cell and 0.4 GW module production capacity
- Investments are both made in equipment produced by Meyer Burger (captive business model) as well as third-party equipment
- Investments in PP&E in 2022 will grow production capacity for cells to 1.4 GW in Thalheim; module capacity to 1 GW in Freiberg (Germany) and 0.4 GW in Goodyear (U.S.)
- Meyer Burger had entered into investment obligations amounting to CHF 114.9 million as of 31 December 2021

# Financial liabilities at end of 2021 consist of green bond and partial drawdown of syndicated loan facility

Interest-bearing financial liabilities as of 31 December 2021 [CHF m]

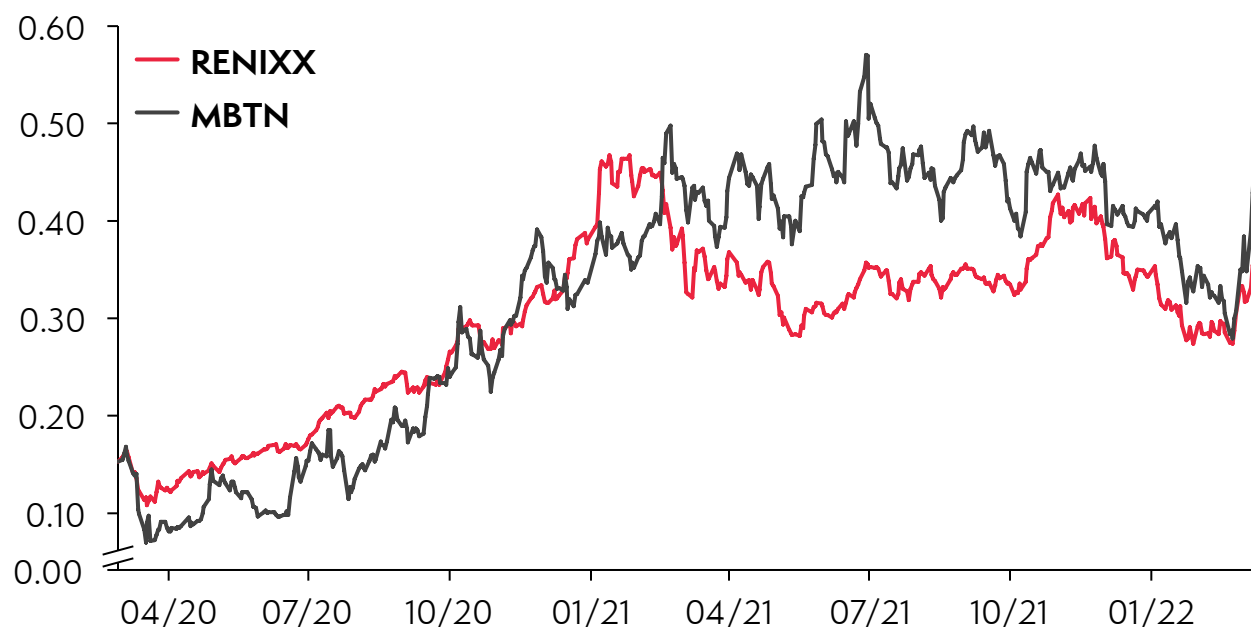


## Two sources of third-party financial liabilities

- Total convertible green bond funding amounted to EUR 145 million gross, of which EUR 25 million were allocated to the capital reserves, representing the corresponding equity share
- Of the total syndicated loan facility of EUR 125 million, an initial drawdown of EUR 60 million (gross) was effected in 2021. Further drawdown in 2022 to fund investment needs
- In addition, the factoring facility is being used

# Meyer Burger share (SIX ticker: MBTN) has outperformed renewable energy index

MBTN share price since first announcement of business model change [CHF] vs. RENIXX (rel.)



ISIN: CH0108503795  
Outstanding shares: 2,670,491,011 (as of July 5, 2021)  
Market capitalization: CHF 1.2b (per March 18, 2022)

**Solar modules designed in Switzerland and manufactured in Germany**

- Currently the only Western, technologically autonomous, scalable solar company in the dominant silicon-based segment of the PV industry
- Innovation leader with proprietary heterojunction and SmartWire Connection technology
- Technology that provides up to 20% more energy yield per area
- Value-oriented segment strategy, initially focusing on premium residential rooftop segment and subsequently C&I and utility segment
- Clear and IP-secured technology roadmap with next-generation products in the works (e.g., IBC, utility-scale product, solar roof tiles, tandem cells)

An aerial photograph showing several residential roofs. The roofs are covered with dark grey tiles. Several solar panels are installed on the roofs, particularly on the larger, flatter sections. The houses are built with red brick. The lighting suggests it might be late afternoon or early morning, with a warm glow on the left side of the image.

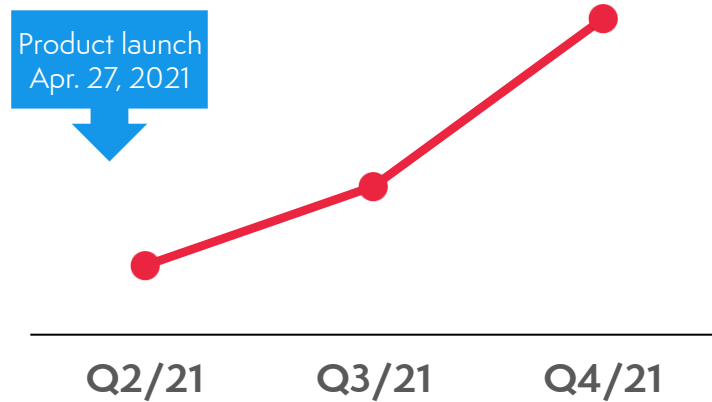
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# Sales & marketing update

# Strong demand for our product continuously feeds a robust sales backlog

## Cumulative order intake<sup>1</sup>

MW



- **Steady order intake since product launch**
- **Sold out for almost entire H1/2022 – receiving repeat orders from existing customers**
- **Passing on cost increases in 2022 price increase**

## Sales highlights

**~30 direct customers**

**>500 listed installers**

**>17 countries covered**

**>60 country branches**

**>45 sales & marketing staff**

- Now continuously supplying our customers with product on a broad basis – order backlog growing and in line with expectations for distribution business, taking into account the steadily growing production volume
- Strong sales and training activities to strengthen pull from installers
- Pricing policy in line with competitive situation and rising raw materials cost – raised prices from January 2022

1) Order book plus cumulative shipped volume, per end of period. Counting all received orders. 2) Of order intake at end of Q4/21, a volume of 18 MW had been received but not confirmed yet. Order book value (all received orders) EUR 52m (gross).

## Broad geographical coverage of core markets achieved



## Current status of market entry

- Sales model is a consistent three-stage sales approach through distributors, with strong local sales teams that interface directly with installers (more than 500 listed)
- Now sales team of >30
- Localized approach – marketing team maintains sales materials in eight languages
- Mix of multinational and national/regional distributors covers more than 60 individual sales branches of our customers
- Postponed first U.S. shipments to Q2 due to supply/demand situation in Europe
- Currently investigating timing and market entry mode for Japan and Australia

# Sequentially entering market segments, as we grow available volume

Target segments (entered sequentially)

## 1 Residential rooftop<sup>1</sup>



- Main market segment
- Fully established
- Continuously selling through our distributor network

## 2 Commercial & industrial rooftop



- Pursuing high-value and strategically relevant projects from Q2/2022
- Won iconic SC Freiburg stadium project
- Will expand sales team and customer base

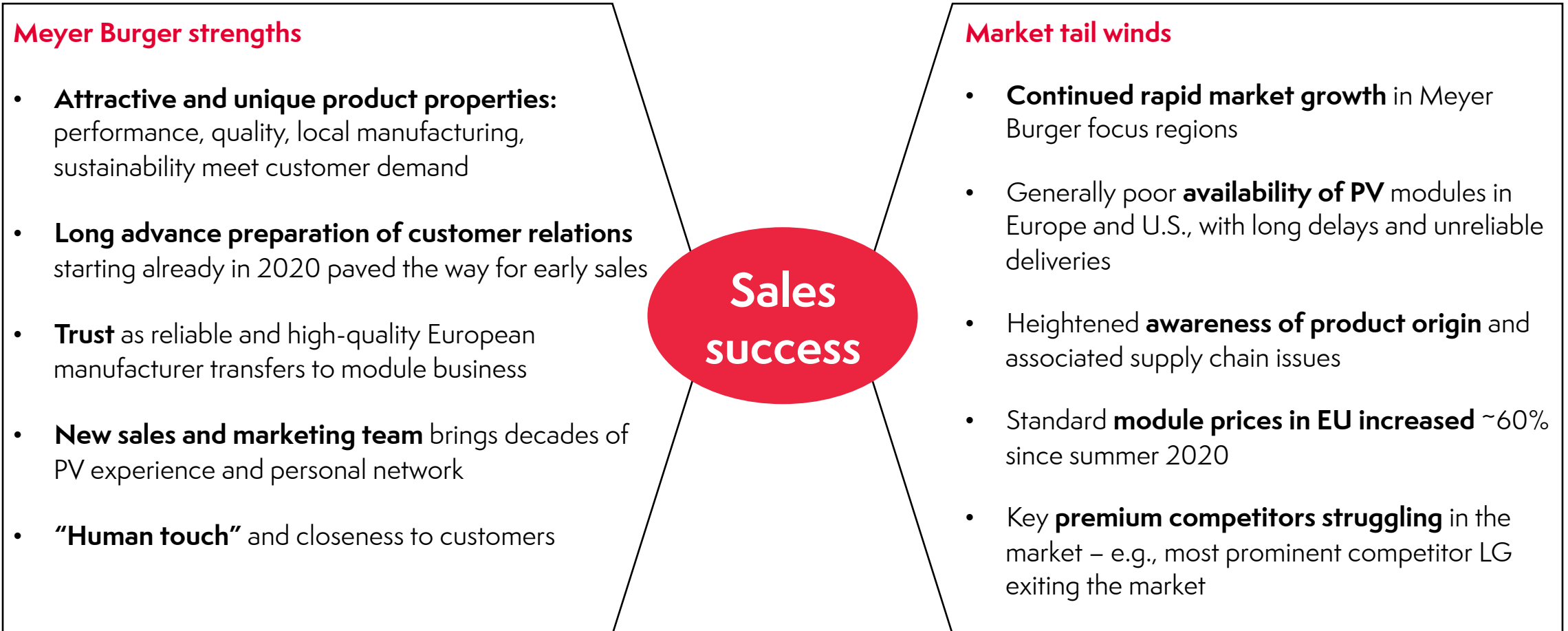
## 3 Utility-scale



- In preparation
- Won first pilot projects
- Working with strategic partners on long-term relationships

<sup>1</sup>) Includes small commercial systems

# Well-executed Meyer Burger market entry coincides with positive market environment



Source: Meyer Burger estimates

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# Outlook

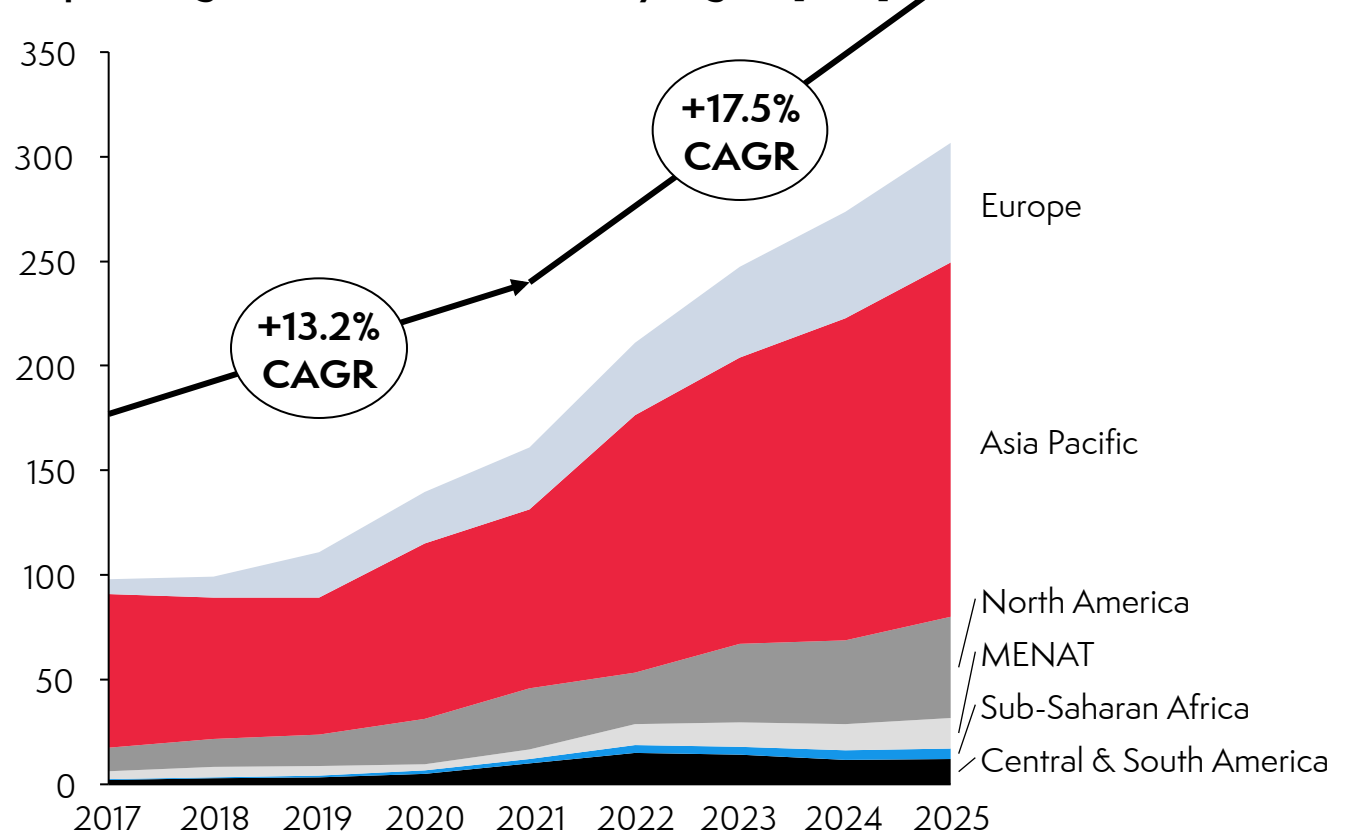
# Worldwide energy demand and trend towards sustainability makes global solar markets growing even faster

**Solar energy is no longer questioned, only: how quickly can it replace fossil energy**

- Tapping solar energy through photovoltaics enables one of the most inexpensive forms of electrical power generation globally
- Only about 5%<sup>1</sup> of Germany's country area would be sufficient to supply the current primary energy consumption entirely with solar energy
- Solar module manufacturing (silicon-based) is hardly limited by rare materials and thus can be scaled and produced along market growth
- Solar energy makes a decisive contribution to energy supply independence

1) Pure energy-balance view according primary energy consumption of 2020, no consideration of aspects of necessary energy storage

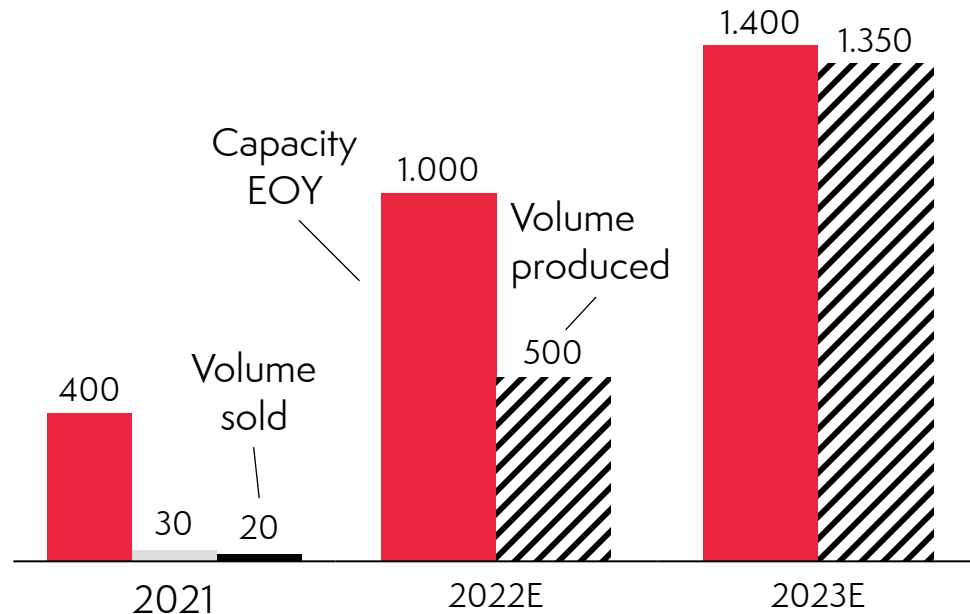
Expected global solar market size by region [GW]



Source: Apricum – The Cleantech Advisory, Q4 2021, center scenario

# Our production plans for 2022 and 2023 assume growing production and sales volumes

Available nameplate capacity, volume produced, volume sold (2021) [MW]



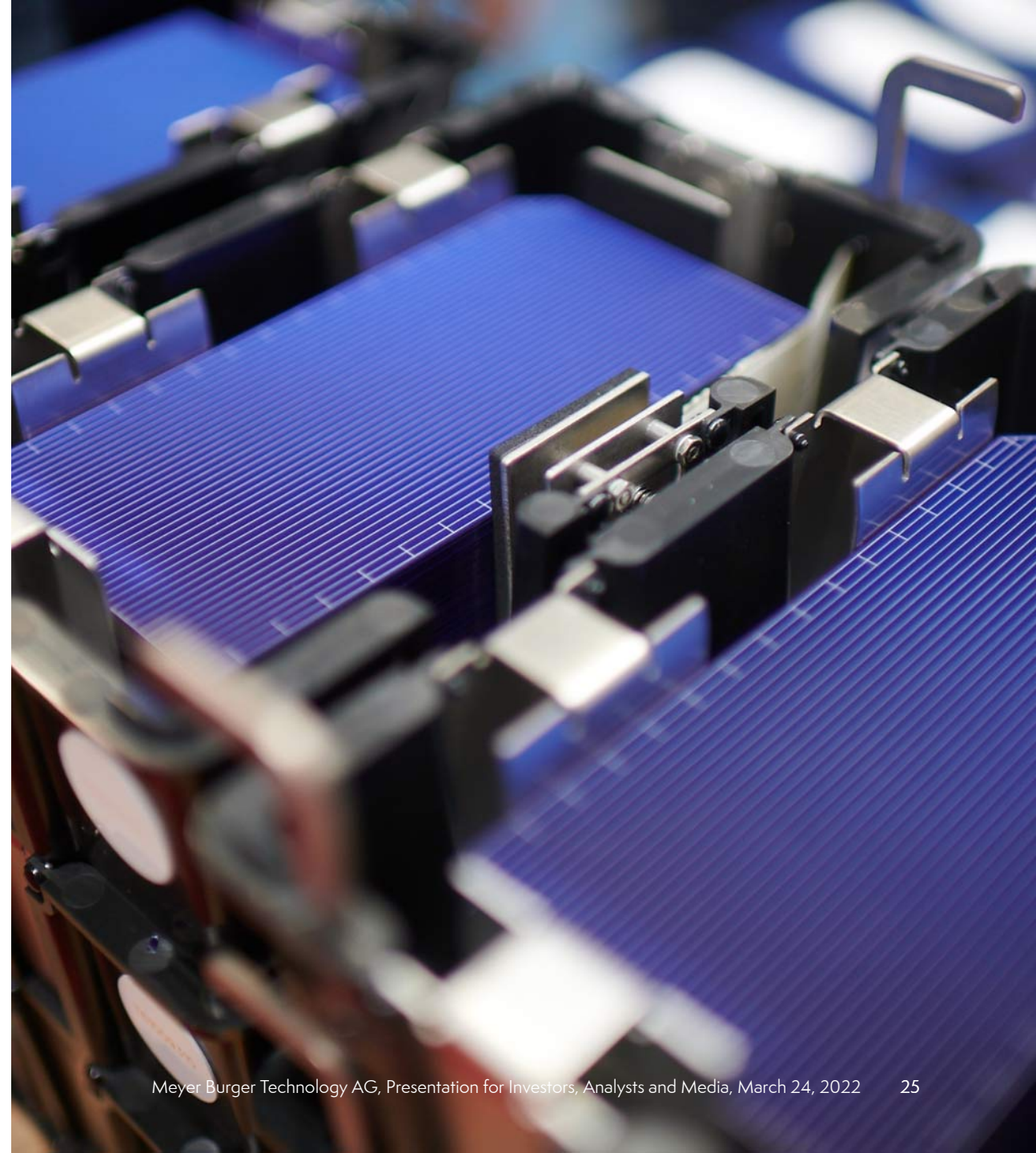
## 1.4 GW of capacity on the way

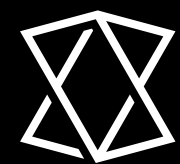
- 1 GW cell nameplate capacity in Thalheim, Germany will become available in 2022, synchronized with growing module capacity
- 1 GW module nameplate capacity will become available in Freiberg, Germany in Q4 2022. At this production level, a positive operating result is expected to be achieved on a run-rate basis
- 0.4 GW module capacity in Goodyear, Arizona in preparation and will become available in 2023
- Due to ongoing ramp-up to 1 GW nameplate capacity in Freiberg, expected production volume is 0.5 GW in 2022 and 1.35 GW in 2023
- Inventory effects lead to slightly lower sales than production volumes in each of the respective years. In 2021, only constraint on volume sold was the delayed ramp-up

# Scale faster, grow quicker

## Renewable energy is “freedom energy”

- General consensus that enormous amounts of renewable energy will be needed for climate change mitigation and, even more urgently now, for energy independence
- In this supportive environment, Meyer Burger is working on accelerating the capacity expansion, with focus on the utility-scale sector
- Seeking long-term offtake agreements combined with financing contribution for necessary investment in order to reduce capital intensity
- In discussion with multiple parties. Memorandum of understanding signed with major U.S. renewable energy developer and operator for multi-year, multi-GW offtake with financing contribution
- Due to renewed political urgency in Europe and the USA, demand for high-performance solar modules in the rooftop segment is also expected to grow faster





**MEYER BURGER**

Ready to shine.

# Consolidated balance sheet

amounts in CHF m	31.12.2021	31.12.2020	Movement
<b>Assets</b>			
Cash and cash equivalents	231.4	139.7	91.7
Trade receivables and net receivables from construction contracts	16.3	19.4	-3.2
Other current receivables and prepaid expenses	45.8	39.5	6.3
Inventory	41.2	24.3	16.9
<b>Total current assets</b>	<b>334.7</b>	<b>223.0</b>	<b>111.7</b>
Financial assets and investment in associates	27.5	29.2	-1.7
Property, plant and equipment	124.3	38.1	86.2
Intangible assets and goodwill	6.1	6.4	-0.4
Deferred tax assets	0.2	0.2	0.0
<b>Total non-current assets</b>	<b>158.1</b>	<b>73.8</b>	<b>84.2</b>
<b>Total assets</b>	<b>492.7</b>	<b>296.8</b>	<b>195.9</b>
<b>Liabilities and equity</b>			
<b>Liabilities</b>			
Financial liabilities	0.0	0.1	-0.1
Trade payables and net payables from construction contracts	24.1	11.1	13.0
Customer prepayments	3.8	4.6	-0.7
Other liabilities, accrued expenses and provisions	18.2	18.5	-0.3
<b>Total current liabilities</b>	<b>46.1</b>	<b>34.3</b>	<b>11.8</b>
Financial liabilities	181.2	-	181.2
Other liabilities and provisions	1.7	1.5	0.3
Deferred tax liabilities	2.3	1.3	1.0
<b>Total non-current liabilities</b>	<b>185.2</b>	<b>2.7</b>	<b>182.4</b>
<b>Total liabilities</b>	<b>231.3</b>	<b>37.0</b>	<b>194.3</b>
<b>Equity</b>			
<b>Total equity</b>	<b>261.4</b>	<b>259.8</b>	<b>1.7</b>
<b>Total liabilities and equity</b>	<b>492.7</b>	<b>296.8</b>	<b>195.9</b>

## Cash and cash equivalents

Main effects on cash include financing measures taken (capital increase of CHF 80 million, green bond of EUR 145 million, credit facility of up to EUR 125 million), operational results and investments made into cell and module production

## Trade working capital

Decrease in accounts receivable mainly driven by reduced business volume under the old business model. Increase in inventory and trade payables in line with planned ramp-up of the two new facilities in Thalheim, Germany and Freiberg, Germany

## Property, plant and equipment

Investments of CHF 95 million, net of subsidies, were made in 2021 in the new facilities

## Financial assets

Financial assets now include the investment in Oxford PV after elimination from the scope of consolidation

## Financial liabilities

Financial liabilities increased with the new financing measures

# Consolidated income statement

amounts in CHF m	1.1. - 31.12.2021	in %	1.1. - 31.12.2020	in %
<b>Net sales</b>	<b>39.9</b>	<b>100.0%</b>	<b>90.5</b>	<b>100.0%</b>
Other operating income	3.2		16.1	
Currency translation effects trade	-0.6		-0.6	
<b>Total income</b>	<b>42.4</b>		<b>106.0</b>	
Changes in inventories	-7.5		-16.3	
Cost of products and work in process	-36.5		-53.3	
Capitalized goods and services	30.7		1.4	
<b>Operating income after cost of products and services</b>	<b>29.2</b>	<b>73.1%</b>	<b>37.9</b>	<b>41.8%</b>
Personnel expenses	-60.4		-53.9	
Operating expenses	-41.2		-28.5	
<b>Earnings before interest, taxes, depreciation and amortization (EBITDA)</b>	<b>-72.5</b>	<b>-181.6%</b>	<b>-44.6</b>	<b>-49.3%</b>
Depreciation and impairment on PP&E	-6.3		-6.3	
Amortization/impairment intangible assets and goodwill	-6.6		-7.2	
<b>Earnings before interest and taxes (EBIT)</b>	<b>-85.3</b>	<b>-213.9%</b>	<b>-58.1</b>	<b>-64.2%</b>
Financial result	-11.2		-3.4	
Result from investment in associates	-2.9		-2.8	
<b>Ordinary result</b>	<b>-99.4</b>	<b>-249.1%</b>	<b>-64.3</b>	<b>-71.1%</b>
Non-operating result	-		0.1	
<b>Earnings before income taxes</b>	<b>-99.4</b>	<b>-249.1%</b>	<b>-64.2</b>	<b>-71.0%</b>
Income taxes	-1.1		-0.3	
<b>Result</b>	<b>-100.5</b>	<b>-251.8%</b>	<b>-64.5</b>	<b>-71.3%</b>

## Net sales

Net sales decreased due to the phase-out of the old business model. Includes the first CHF 9 million of module sales

## Operations

Personnel expenses increased due to the ramp-up of the two new facilities in Freiberg, Germany and Thalheim, Germany and overall net staff build-up

Operating expenses also reflect these milestones and include higher rent (Thalheim) and energy expenses for the new production facilities, the costs of the marketing and branding campaign and the product launch as well as additional structural costs

## Depreciation, amortization & impairment

Stable, as new equipment partially only came into operational use in the second half of the year and accordingly has limited impact on depreciation & amortization

# Consolidated cash flow statement

amounts in CHF m	1.1. - 31.12.2021	1.1. - 31.12.2020
<b>Result</b>	-100.5	-64.5
Non-cash items	27.6	6.8
Decrease/(increase) of net working capital	-11.1	22.7
<b>Cash flow from operating activities</b>	<b>-84.1</b>	<b>-34.9</b>
Investment in property, plant and equipment	-100.3	-20.7
Sale of property, plant and equipment	0.8	1.9
Sale of investment property	1.7	-
Investment in intangible assets	-6.5	-0.3
Sale of business activities	-	21.5
Investments in financial assets	-0.2	-
Decrease of bank deposits with limited availability	2.0	9.0
<b>Cash flow from investing activities</b>	<b>-102.5</b>	<b>11.3</b>
Capital increase (net of cost)	77.1	155.5
Purchase of treasury shares	-	-2.1
Borrowing of (current) financial liabilities	-	0.1
Repayment of (current) financial liabilities	-0.1	-
Borrowing of (non-current) financial liabilities (net of cost)	206.8	1.3
Repayment of (non-current) financial liabilities	-	-26.9
<b>Cash flow from financing activities</b>	<b>283.7</b>	<b>127.9</b>
<b>Change in cash and cash equivalents</b>	<b>97.1</b>	<b>104.3</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>139.7</b>	<b>35.5</b>
Currency translation diff. cash and cash equivalents	-5.5	-0.1
<b>Cash and cash equivalents at the end of the period</b>	<b>231.4</b>	<b>139.7</b>

## Cash flow from operating activities

Operating cash flow was primarily impacted by the net result and the changes in net working capital

## Cash flow from investment activities

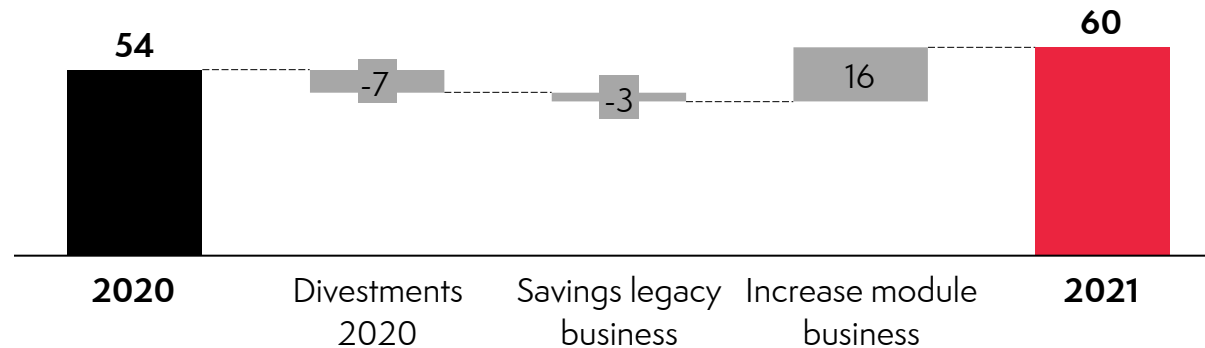
Investing cash flow mainly stems from the investments made into the new facilities in Freiberg and Thalheim, net of government subsidies as well as the acquisition of the solar roof tile intangible assets

## Cash flow from financing activities

Financing cash flow driven by capital increase, issuance of green bond and partly utilization (first tranche) of syndicated loan facility

# Personnel and operating expenses

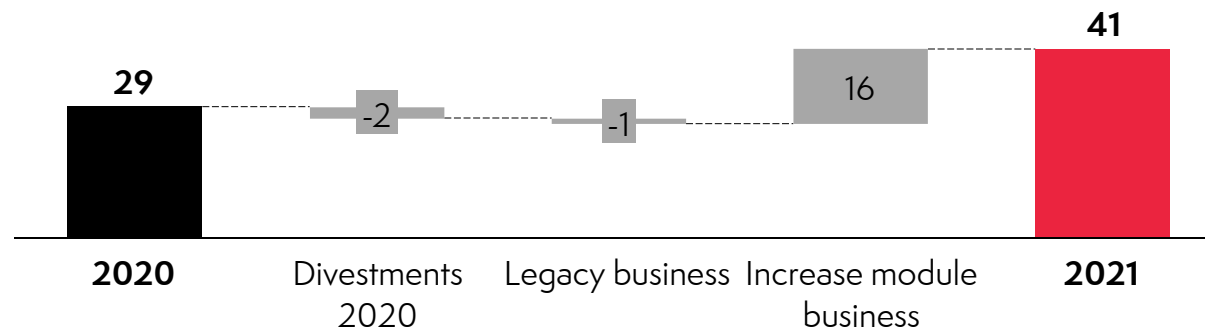
## Personnel expenses [CHF m]



## Personnel expenses

Increase in personnel expenses reflect the business transformation and are driven by a step-up in personnel expenses in the module business, partially offset by savings and transfers of the legacy business

## Operating expenses [CHF m]

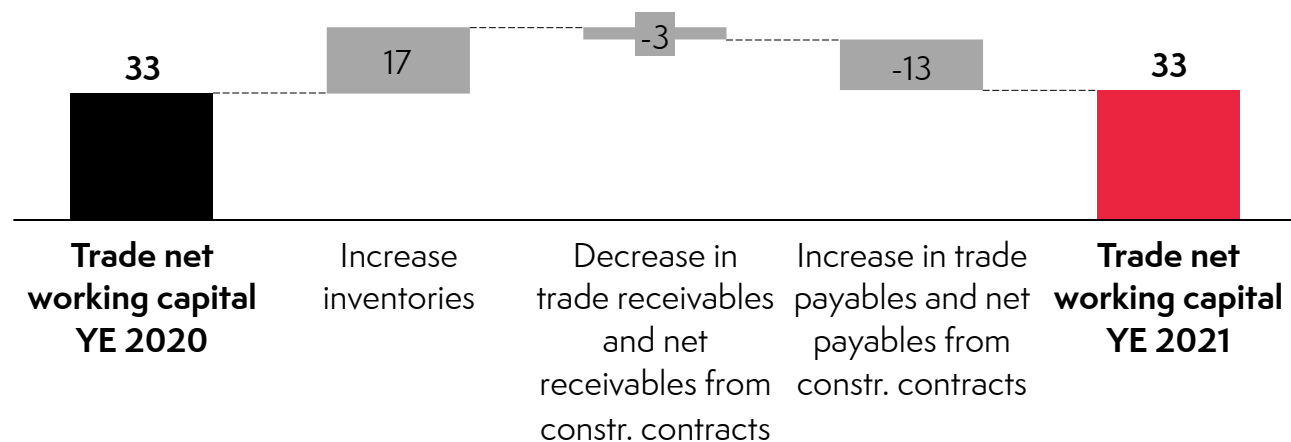


## Operating expenses

Operating expenses are driven by higher operating cost in the module business, partially offset by savings in the legacy business and divestment impacts

# Trade net working capital and PP&E development

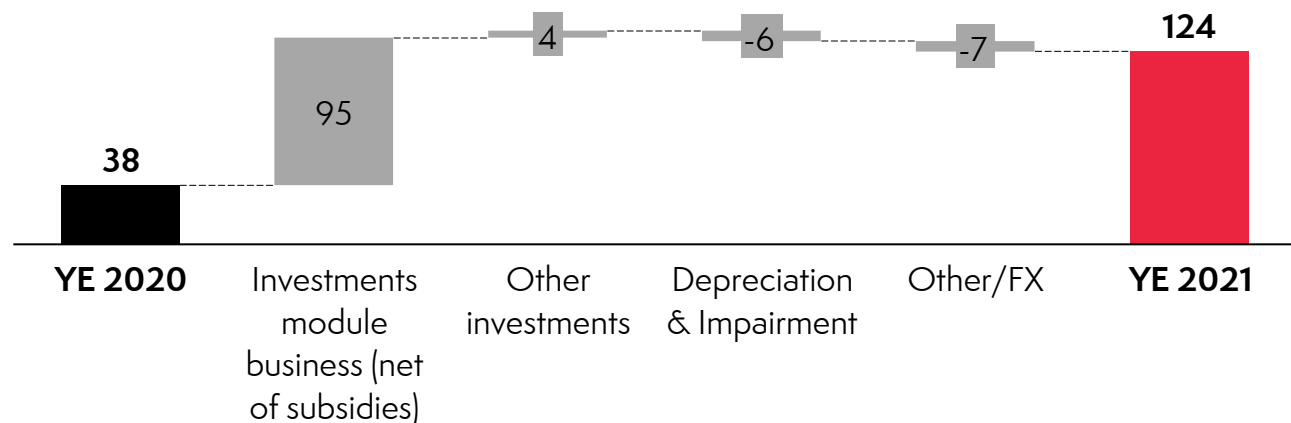
Trade net working capital [CHF m]



## Trade net working capital

Trade working capital remained flat despite steep increase in inventories, offset by decline in trade receivables and increase in trade payables

Property, plant and equipment (PP&E) [CHF m]



## Property, plant and equipment (PP&E)

Increase in PP&E reflects investments made in module business in line with the business transformation

# Cash bridge

[CHF m]

