

HALF-YEAR REPORT

2020



MEYER BURGER

Key Figures

Consolidated income statement

in TCHF	1.1.–30.6.2020	1.1.–30.6.2019 restated
Net sales	51 015	122 567
Operating income after costs of products and services	16 866	89 521
in % of net sales	33.1%	73.0%
EBITDA	-27 492	14 518
in % of net sales	-53.9%	11.8%
EBIT	-32 323	6 537
in % of net sales	-63.4%	5.3%
Net result	-38 625	1 783

Consolidated balance sheet

in TCHF	30.6.2020	31.12.2019
Total assets	224 421	274 610
Current assets	144 551	182 666
Non-current assets	79 870	91 944
Current liabilities	83 549	93 638
Non-current liabilities	4 286	4 812
Equity	136 586	176 160
Equity ratio	60.9%	64.1%

Meyer Burger Group

Meyer Burger is a leading and globally active technology company specialising in innovative systems and production equipment for the solar photovoltaic market. The company has shaped the development of photovoltaics along the entire value chain and has set essential industry standards.

In line with its new business model and strategy, Meyer Burger transforms itself into a manufacturer of high-performance photovoltaic cells and modules, based on its proprietary heterojunction/ SmartWire technology with higher conversion efficiency and higher energy yield than the current standard Mono-PERC and other heterojunction technologies currently available.

Management Report 1st Half-Year 2020

Dear Shareholders

2020 is a year of transformation for Meyer Burger. Whereas we have so far been a supplier of production machines for the photovoltaic industry, from 2021 onwards we will only use our machines for the in-house production of solar cells and solar modules.

In spring of this year, the then Board of Directors met with representatives of the largest shareholder to discuss how the company should be positioned for the future. The plans for a large-scale solar cell and solar module production in Germany soon took on a more concrete form. In-house production had been discussed within the company for several years. But it is only now that the opportunity has arisen to implement it successfully on the market.

Meyer Burger has shaped the development of photovoltaics along the entire value chain and set key industry standards, such as diamond wire saw technology, PERC technology and precision measurement technology for solar modules. A large proportion of the solar modules produced worldwide today are based on technologies from Meyer Burger. Despite these successes, the company was not able to achieve sustained profitability with its technology.

In photovoltaics, technology cycles last relatively long, so that we sell machines of the same technology standard on the market for many years. Every time we sell a machine, however, we are inevitably giving up some of our technology – and thus a competitive advantage. This gradually pushes down the prices of our products and shifts the profits to the users of our technology. Now another change in technology is imminent, and now we are doing things differently.

Sehr geehrte Aktionärinnen, sehr geehrte Aktionäre

Das Jahr 2020 ist für Meyer Burger ein Jahr der Transformation. Waren wir bisher ein Anbieter von Produktionsmaschinen für die Photovoltaikindustrie, so werden wir ab 2021 unsere Maschinen nur noch für die Eigenfertigung von Solarzellen und Solarmodulen einsetzen.

Im Frühjahr dieses Jahres hat sich der damalige Verwaltungsrat zu Gesprächen mit Vertretern des grössten Aktionärs zusammengefunden und ausgelotet, wie die Gesellschaft zukunftsfähig aufgestellt werden sollte. Dabei nahmen die Pläne für eine eigene, gross skalierte Solarzell- und Solarmodulproduktion in Deutschland bald konkretere Formen an. Die Eigenfertigung wurde seit einigen Jahren innerhalb des Unternehmens diskutiert. Aber erst jetzt ergibt sich die Möglichkeit, diese am Markt erfolgreich umzusetzen.

Meyer Burger hat die Entwicklung der Photovoltaik entlang der gesamten Wertschöpfung geprägt und setzte die wesentlichen Standards der Industrie, wie zum Beispiel die Diamantdrahtsäge-Technologie, die PERC-Technologie und die Präzisionsmesstechnik für Solarmodule. Ein Grossteil der heute weltweit produzierten Solarmodule basiert auf Technologien von Meyer Burger. Trotz diesen Erfolgen gelang es der Gesellschaft nicht, mit ihrer Technologie nachhaltig profitabel zu werden.

In der Photovoltaik dauern die Technologiezyklen relativ lange, so dass wir Maschinen der gleichen Technologiestufe über viele Jahre an den Markt verkaufen. Mit dem Verkauf jeder Maschine geben wir aber auch zwangsläufig ein Stück weit unsere Technologie – und damit einen Wettbewerbsvorteil – aus der Hand. So werden nach und nach die Preise für unsere Produkte gedrückt und die Gewinne verschieben sich zu den Anwendern unserer Technologie. Jetzt steht wieder ein Technologiewechsel an, und jetzt machen wir es anders.



**Dr Franz Richter
and Dr Gunter Erfurt**
Chairman and
Chief Executive Officer
Meyer Burger
Technology AG

New business model

The Board of Directors of Meyer Burger has decided to manufacture production machines for heterojunction/SmartWire technology exclusively for its own use. Meyer Burger intends to position itself as a technologically leading manufacturer of solar cells and solar modules. A total of more than 45 patent families protect the heterojunction/SmartWire technology, manufacturing processes, machines and products as well as other technology stages already in development.

By manufacturing exclusively in-house, the proprietary technology and know-how is better protected, and future improvements of the production plants are no longer shared with third parties. As a result, the entire value added remains with Meyer Burger. The Board of Directors is convinced that the transformation from a machine supplier to a vertically integrated cell and module manufacturer is the right and consistent step to ensure that Meyer Burger and its shareholders receive an appropriate share of the value generated by our globally leading technology.

Capital increase

In order to be able to finance the realignment, the Board of Directors proposed to the company's shareholders a capital increase with planned gross proceeds of CHF 165 million. At the Extraordinary General Meeting held in Thun on 10 July 2020, the shareholders of Meyer Burger approved the proposals of the Board of Directors with 81.4% of the votes.

Neues Geschäftsmodell

Der Verwaltungsrat von Meyer Burger hat entschieden, Produktionsmaschinen für die Heterojunction/SmartWire-Technologie grundsätzlich nur noch exklusiv zum eigenen Gebrauch herzustellen. Meyer Burger will sich als technologisch führender Hersteller von Solarzellen und Solarmodulen aufstellen. Insgesamt über 45 Patentfamilien schützen die Heterojunction/SmartWire-Technologie, Herstellungsverfahren, Maschinen und Produkte sowie weitere, bereits in Entwicklung befindliche Technologiestufen.

Durch die ausschliessliche Eigenfertigung werden die proprietäre Technologie und das Know-how besser geschützt und künftige Verbesserungen der Fertigungsanlagen werden nicht mehr mit Dritten geteilt. Dadurch bleibt die gesamte Wertschöpfung bei Meyer Burger. Der Verwaltungsrat ist überzeugt, dass der Wandel vom Maschinenanbieter zum vertikal integrierten Zell- und Modulhersteller der richtige und konsequente Schritt ist, um Meyer Burger und ihren Aktionären einen angemessenen Anteil am Wert zu sichern, den unsere global führende Technologie generiert.

Kapitalerhöhung

Um die Neuausrichtung finanzieren zu können, beantragte der Verwaltungsrat bei den Aktionären der Gesellschaft eine Kapitalerhöhung mit einem geplantem Bruttoerlös von CHF 165 Millionen. An der ausserordentlichen Generalversammlung vom 10. Juli 2020 in Thun stimmten die Aktionäre der Meyer Burger den Anträgen des Verwaltungsrats mit 81.4% der Stimmen zu.

The capital increase took place in the form of a combination of a rights offering to existing shareholders and a private placement to selected investors (Private Investment in Public Equity, PIPE) and generated gross proceeds of CHF 165 million, as targeted by the Board of Directors.

This paves the way for the realignment of Meyer Burger as a manufacturer of solar cells and solar modules. With heterojunction/SmartWire, Meyer Burger has developed the next generation of photovoltaic technology and brought it to market maturity. The first installation at a customer's site has shown that this technology proves itself in mass production and that the highly efficient modules can achieve excellent prices on the market.

Meyer Burger's heterojunction/SmartWire technology is more efficient and achieves higher yields than the current standard Mono-PERC, as well as other heterojunction technologies currently available. The high performance of the modules at comparatively low production costs enables the company to enter both the high-margin and disproportionately fast-growing segment of rooftop installations and the more price-sensitive segment of solar power plants.

Focus on the transformation

As part of its focus on the transformation into a manufacturer of solar cells and modules, Meyer Burger has decided to sell the non-strategic business unit of microwave and plasma systems. Accordingly, Muegge GmbH together with its American subsidiary Gerling Applied Engineering Inc will be sold subject to approval of the authorities with a planned closing date end of September.

Opportunities in the current market environment

The realignment is taking place at a very good time, as the current market environment is presenting outstanding opportunities.

- The old PERC photovoltaic technology is largely exhausted. With its heterojunction/SmartWire technology, Meyer Burger currently has the most promising technology to realise the industry's next performance leap.

Die Kapitalerhöhung fand in der Form einer Kombination eines Bezugsrechtsangebots an die bisherigen Aktionäre sowie einer Privatplatzierung an ausgewählte Investoren (Private Investment in Public Equity, PIPE) statt und erbrachte den vom Verwaltungsrat angestrebten Bruttoerlös von CHF 165 Millionen.

Damit ist der Weg frei für die Neuausrichtung der Meyer Burger als Herstellerin von Solarzellen und Solarmodulen. Mit Heterojunction/SmartWire hat Meyer Burger die Photovoltaiktechnologie der nächsten Generation entwickelt und zur Marktreife gebracht. Die Erstinstallation bei einem Kunden hat gezeigt, dass sich diese Technologie in der Massenproduktion bewährt und dass die hocheffizienten Module hervorragende Preise am Markt erzielen können.

Die Heterojunction/SmartWire-Technologie von Meyer Burger ist effizienter und ertragsstärker als der aktuelle Standard Mono-PERC, wie auch als andere derzeit erhältliche Heterojunction-Technologien. Die hohe Leistungsfähigkeit der Module bei vergleichsweise geringen Produktionskosten ermöglicht sowohl den Eintritt in das margenstarke und überproportional schnell wachsende Segment der Dachanlagen als auch in das preissensitivere Segment der Solarkraftwerke.

Fokussierung auf die Transformation

Im Rahmen der Fokussierung auf die Transformation zum Solarzellen- und Modulproduzenten hat sich Meyer Burger für den Verkauf des nicht strategischen Geschäftsbereichs der Mikrowellen- und Plasmatechnologie entschieden. Entsprechend wird die Muegge GmbH gemeinsam mit der amerikanischen Tochtergesellschaft Gerling Applied Engineering Inc. vorbehaltlich der behördlichen Genehmigung mit einem geplanten Vollzugsdatum per Ende September veräussert.

Chancen im aktuellen Marktumfeld

Die Neuausrichtung erfolgt zu einem sehr guten Zeitpunkt, da sich aktuell ein Marktumfeld mit herausragenden Chancen bietet.

- Die alte PERC-Photovoltaiktechnologie ist weitestgehend ausgereizt. Meyer Burger verfügt mit der Heterojunction/SmartWire-Technologie über die derzeit vielversprechendste Technologie, um den nächsten Leistungssprung der Industrie zu realisieren.

- The European and the global market potential are considerable. With its Energy Strategy 2050, Switzerland aims to increase energy efficiency and promote renewable energies such as photovoltaics. The Federal Council wants Switzerland's basic electricity supply to be generated from 100% renewable energies as standard in future.
- In Germany too, renewable energies are to supply 65% of electricity by 2030. Europe is to become climate-neutral by 2050.
- The European Green Deal, the European climate targets and the plans for realigning the economy after the Corona pandemic are currently shaping the industrial policy context in Europe, which is giving the solar industry a strong tailwind.
- Das europäische und das globale Marktpotenzial sind beträchtlich. Die Schweiz will mit der Energiestrategie 2050 die Energieeffizienz steigern und erneuerbare Energien wie die Photovoltaik fördern. Nach dem Willen des Bundesrates soll in Zukunft die Stromversorgung der Schweiz standardmässig aus 100% erneuerbaren Energien generiert werden.
- Auch in Deutschland sollen bis 2030 erneuerbare Energien 65% des Stroms liefern. Europa soll bis 2050 klimaneutral werden.
- Der europäische Green Deal, die europäischen Klimaziele sowie die Pläne für die Neuausrichtung der Wirtschaft nach der Corona-Pandemie prägen aktuell den industriepolitischen Kontext Europas, was der Solarindustrie kräftigen Rückenwind verleiht.

Financial review

In the first half-year 2020, Meyer Burger continued to work on the streamlining of the organisation and the respective reduction of current organisational costs in preparation for its strategic transformation. In this course, the number of employees was again reduced to 657 (in full-time equivalents, FTE) per the end of the half-year. At the same time, Meyer Burger was able to reduce its total personnel and operating expenses by 40.9% to CHF 44.4 million. A small portion of the operational cost savings was caused by the COVID-19 pandemic through which the sites in Hohenstein-Ernstthal (Germany) and Thun and Hauterive (Switzerland) temporarily carried out short-time work. The central strategic projects as well as the upcoming transformation of the business model are not affected by these measures.

Incoming orders and net sales

Business in the first half-year 2020 was constrained by the strategic realignment as well as the exceptional situation of the COVID-19 pandemic. In this difficult market environment, Meyer Burger had incoming orders of CHF 32.2 million (H1 2019: CHF 94.0 million). Adjusted for divestments and currency effects, the orders received fell by 60.1%. Orders on hand as of 30 June 2020 amounted to CHF 76.1 million (31.12.2019: CHF 105.1 million).

Net sales dropped to CHF 51.0 million compared to the previous year (H1 2019: CHF 122.6 million or CHF 110.2 million after adjusting for divestments). Positive currency effects accounted for around CHF 2.7 million. Adjusted for currency effects and divestments, the organic decline in sales recorded in the retained business areas was 52.5%.

Finanzieller Rückblick

Im ersten Halbjahr 2020 hat Meyer Burger in Vorbereitung auf die strategische Transformation weiter daran gearbeitet, die bestehende Organisationsstruktur zu vereinfachen und die damit verbundenen Fixkosten deutlich zu senken. In diesem Rahmen wurde der Personalbestand per Ende des ersten Halbjahres auf 657 Mitarbeitende (in Vollzeitäquivalenten, FTE) reduziert. Gleichzeitig konnte Meyer Burger die damit verbundenen Personal- und Betriebskosten im Vergleich zum ersten Halbjahr 2019 um 40.9% auf CHF 44.4 Millionen reduzieren. Ein geringer Teil der operativen Einsparungen entstand durch die COVID-19-Pandemie, durch welche an den Standorten in Hohenstein-Ernstthal (Deutschland) sowie Thun und Hauterive (Schweiz) zeitweise Kurzarbeit eingeführt wurde. Die strategisch zentralen Projekte sowie die bevorstehende Transformation des Geschäftsmodells sind von dieser Massnahme nicht betroffen.

Auftragseingang und Umsatz

Die Geschäftstätigkeit im ersten Halbjahr 2020 war belastet durch die strategische Neuausrichtung und ausserordentliche Lage mit der COVID-19 Pandemie. In diesem schwierigen Marktumfeld erzielte Meyer Burger einen Auftragseingang von CHF 32.2 Millionen (H1 2019: CHF 94.0 Millionen). Bereinigt um Devestitionen und Wechselkurseffekte sank der Bestelleingang um 60.1%. Der Auftragsbestand belief sich per 30. Juni 2020 auf CHF 76.1 Millionen (31.12.2019: CHF 105.1 Millionen).

Der Nettoumsatz sank im Vergleich zur Vorjahresperiode auf CHF 51.0 Millionen (H1 2019: CHF 122.6 Millionen, bereinigt um Devestitionen CHF 110.2 Millionen). Positive Währungseinflüsse machten rund CHF 2.7 Millionen aus. Bereinigt um Währungseffekte und Devestitionen lag der organische Umsatzrückgang der weitergeführten Geschäfte bei 52.5%.

The regional sales mix has changed slightly, although Asia remains the most important sales region for Meyer Burger: Asia accounted for 66.7% of net sales during the first half-year of 2020 (73.2% in H1 2019), Europe for 24.9% (H1 2019: 21.1%) and the Americas for approximately 8.4% (5.7% in H1 2019).

Operating income after costs of products and services was CHF 16.9 million (H1 2019: CHF 89.5 million) with a margin of 33.1% during the first half-year of 2020 (H1 2019: 73.0%). This includes CHF 3.2 million (H1 2019: CHF 31.2 million) of other operating income, partially gained from business divestments. In the comparative period, other operating income mainly resulted from the sale of the wafering business.

EBITDA and EBIT

Also due to the divestment of non-strategic business units in the past, personnel expenses dropped by CHF 25.0 million or 44.5% compared to the previous half-year to CHF 31.1 million (H1 2019: CHF 56.1 million). Other operating expenses stood at CHF 13.2 million (-30.0% compared to H1 2019).

Due to the slow course of business, EBITDA was below the level for the same period in the previous year. The figure was CHF -27.5 million in the first half-year of 2020 (CHF 14.5 million in H1 2019).

Depreciation, amortisation and impairments totalled CHF 4.8 million (CHF 8.0 million in H1 2019). Accordingly, the result at the EBIT level was CHF -32.3 million (CHF 6.6 million in H1 2019).

Group result

The net financial result in the first half-year of 2020 amounted to CHF -4.5 million (H1 2019: CHF -3.9 million). Financial expense in H1 2020 included interest expense for the convertible bond of CHF -1.0 million (H1 2019: CHF -1.0 million). The valuation of intercompany loans to foreign subsidiaries led to positive unrealised foreign currency translation effects of CHF 1.5 million (H1 2019: CHF 2.1 million). In addition, there were other unrealised currency translation effects of CHF -4.1 million (H1 2019: CHF -3.4 million), interest expense for mortgage loans and other interest expense of CHF -0.3 million (H1 2019: CHF -0.6 million), and other financial expense of CHF -0.6 million (H1 2019: CHF -1.0 million). The share of result from associated companies amounted to CHF -2.1 million (H1 2019: CHF -0.7 million).

Der Umsatzmix nach Regionen hat sich leicht verändert, wobei Asien nach wie vor die wichtigste Absatzregion für Meyer Burger bleibt: Asien verzeichnete 66.7% der Umsätze (H1 2019: 73.2%), Europa 24.9% (H1 2019: 21.1%) und Nord- und Südamerika rund 8.4% (H1 2019: 5.7%) des Nettoumsatzes im ersten Halbjahr 2020.

Die Betriebsleistung nach Materialaufwand und Vorleistungen belief sich auf CHF 16.9 Millionen (H1 2019: CHF 89.5 Millionen) mit einer Marge von 33.1% im ersten Halbjahr 2020 (H1 2019: 73.0%). Dies beinhaltet andere betriebliche Erträge, mitunter aus betrieblichen Devestitionen, in Höhe von CHF 3.2 Millionen (H1 2019: CHF 31.2 Millionen). In der Vergleichsperiode resultierten die anderen betrieblichen Erträge insbesondere aus dem Verkauf des Wafering Geschäfts.

EBITDA und EBIT

Auch aufgrund der Devestitionen nicht strategischer Geschäftseinheiten in der Vergangenheit sanken die Personalkosten um CHF 25.0 Millionen bzw. 44.5% gegenüber der Vorjahresperiode auf CHF 31.1 Millionen (H1 2019: CHF 56.1 Millionen). Der sonstige Betriebsaufwand lag bei CHF 13.2 Millionen (-30.0% im Vergleich zu H1 2019).

Resultierend aus dem schwachen Geschäftsgang lag der EBITDA unter dem Vergleichswert der Vorjahresperiode. Der Wert erreichte im ersten Halbjahr 2020 CHF -27.5 Millionen (H1 2019: CHF 14.5 Millionen).

Abschreibungen und Wertberichtigung beliefen sich auf CHF 4.8 Millionen (H1 2019: CHF 8.0 Millionen). Der EBIT lag entsprechend bei CHF -32.3 Millionen (H1 2019: CHF 6.6 Millionen).

Konzernergebnis

Das Finanzergebnis netto betrug im ersten Halbjahr 2020 CHF -4.5 Millionen (H1 2019: CHF -3.9 Millionen). Im Finanzaufwand enthalten waren Zinsaufwendungen für die Wandelanleihe von CHF -1.0 Millionen (H1 2019: CHF -1.0 Millionen). Die Bewertung von Intercompany-Darlehen an ausländische Tochtergesellschaften führte zu nicht realisierten positiven Fremdwährungseffekten von CHF 1.5 Millionen (H1 2019: CHF 2.1 Millionen). Des Weiteren waren übrige nicht realisierte Fremdwährungseffekte von CHF -4.1 Millionen (H1 2019: CHF -3.4 Millionen), Zinsen für Immobiliendarlehen und übrige Zinsen von CHF -0.3 Millionen (H1 2019: CHF -0.6 Millionen) sowie übriger Finanzaufwand von CHF -0.6 Millionen (H1 2019: CHF -1.0 Millionen) im Finanzergebnis enthalten.

The proportionate result from investments in associates due to the acquired interest in Oxford PV amounted to CHF –2.1 million (H1 2019: CHF –0.7 million).

Tax income in the first half-year of 2020 stood at CHF 0.2 million (tax expense of CHF 0.3 million in H1 2019).

Accordingly, Meyer Burger has reached a group result of CHF –38.6 in the first half-year of 2020 (H1 2019: CHF 1.8 million).

Balance sheet

As of 30 June 2020, the balance sheet total stood at CHF 224.4 million (31.12.2019: CHF 274.6 million).

Cash and cash equivalents amounted to CHF 38.0 million. In addition, the Group had CHF 20.2 million of liquidity with limited availability within the scope of guarantee facilities for customer prepayments. Interest-bearing liabilities totaled to CHF 30.0 million, thereof CHF 26.6 million related to the outstanding convertible bond. Including liquidity with limited availability, the net cash position stood at CHF 28.2 million (31.12.2019: CHF 33.9 million).

In line with the slow-down in business, net working capital decreased from CHF 79.6 million as of 31 December 2019 to CHF 50.1 million as of 30 June 2020, mainly based on the decrease in inventory held and net receivables from construction contracts and trade receivables.

Equity stood at CHF 136.6 million (CHF 176.2 million as of 31.12.2019). The equity ratio was 60.9% as of 30 June 2020 (31.12.2019: 64.1%).

Cash flow

Cash flow from operating activities amounted to CHF –5.7 million (H1 2019: CHF –57.6 million). The cash flow from investment activities was CHF 8.1 million including CHF 4.2 million from the sale of business activities and CHF 6.1 million of redeemed bank deposits with limited availability (H1 2019: CHF 17.7 million). This resulted in a free cash flow of CHF 2.4 million (H1 2019: CHF –39.9 million). Cash flow from financing activities stood at CHF +0.5 million (H1 2019: CHF –18.1 million) and included CHF 1.0 million of cost related to the capital increase paid before 30 June 2020.

Das anteilige Ergebnis assoziierter Unternehmen betrug CHF –2.1 Millionen (H1 2019: CHF –0.7 Millionen).

Für das erste Halbjahr 2020 fiel ein Steuerertrag von CHF 0.2 Millionen an (H1 2019: Steueraufwand von CHF 0.3 Millionen).

Meyer Burger hat somit im ersten Halbjahr 2020 ein Konzernergebnis von CHF –38.6 Millionen erwirtschaftet (H1 2019: CHF 1.8 Millionen).

Bilanz

Per 30. Juni 2020 lag die Bilanzsumme bei CHF 224.4 Millionen (31.12.2019: CHF 274.6 Millionen).

Die flüssigen Mittel beliefen sich auf CHF 38.0 Millionen. Zusätzlich verfügt die Gruppe über CHF 20.2 Millionen Liquidität mit beschränkter Verfügbarkeit im Rahmen von Garantielinien für Kundenanzahlungen. Das verzinsliche Fremdkapital lag bei CHF 30.0 Millionen, wovon CHF 26.6 Millionen der ausstehenden Wandelanleihe zuzuordnen sind. Inklusive der Liquidität mit beschränkter Verfügbarkeit belief sich die Netto-Cash-Position somit auf CHF 28.2 Millionen (31.12.2019: CHF 33.9 Millionen).

In Zusammenhang mit dem Geschäftsverlauf reduzierte sich das Nettoumlaufvermögen von CHF 79.6 Millionen per 31. Dezember 2019 auf CHF 50.1 Millionen per 30. Juni 2020, insbesondere aufgrund des geringeren Lagerbestands und der reduzierten Forderungen aus Fertigungsaufträgen und Debitoren.

Das Eigenkapital betrug CHF 136.6 Millionen (31.12.2019: CHF 176.2 Millionen). Die Eigenkapitalquote per 30. Juni 2020 lag bei 60.9% (31.12.2019: 64.1%).

Cashflow

Der operative Cashflow lag bei CHF –5.7 Millionen (H1 2019: CHF –57.6 Millionen). Der Cashflow aus Investitionstätigkeit lag bei CHF 8.1 Millionen und enthielt CHF 4.2 Millionen aus dem Verkauf von Geschäftsaktivitäten und CHF 6.1 Millionen aus der Rückerstattung von Bankguthaben mit beschränkter Verfügbarkeit (H1 2019: CHF 17.7 Millionen). Damit erreichte der Free Cashflow CHF 2.4 Millionen (H1 2019: CHF –39.9 Millionen). Der Cashflow aus Finanzierungstätigkeit lag bei CHF 0.5 Millionen (H1 2019: CHF –18.1 Millionen) und inkludierte CHF 1.0 Million bereits vor dem 30. Juni 2020 bezahlte Kapitalerhöhungskosten.

Outlook

The start of in-house solar cell and module production is scheduled for the second quarter of 2021. Meyer Burger has already decided in favour of locations in the “Solar Valley” in Bitterfeld-Wolfen (Saxony-Anhalt) and in Freiberg (Saxony). A team of internal and external production specialists has evaluated the conditions at these locations and assessed them as highly advantageous.

In Bitterfeld-Wolfen, Meyer Burger rents buildings of the former solar cell manufacturer Sovello on a long-term and cost-effective basis. Initially, this will cover an area of 27,000 square metres; additional space can be rented if required. Meyer Burger will use its latest production machines to manufacture highly efficient solar cells using the proprietary heterojunction technology.

The high-efficiency cells will be further processed into SmartWire modules in Freiberg, just under 150 kilometers away. Meyer Burger will manufacture the patent-protected SmartWire modules in a production facility of the former Solarworld company. To date, it is the largest and most modern plant of its kind in Europe. With an area of around 19,000 square metres, it also offers optimal conditions for converting and adapting the existing infrastructure and the highly automated module production lines. The plant currently has an annual nominal capacity of more than 600 MW, which can be increased to more than 800 MW with new technologies.

In addition, Meyer Burger is acquiring the modern logistics and distribution center at the former Solarworld site in Freiberg (around 14,000 square metres), which will secure the establishment of an efficient distribution organisation in terms of infrastructure.

The creditors’ meeting of Solarworld Industries GmbH approved the sale of the buildings at Solarworld’s former production site. The purchase price amounts to EUR 12 million and includes buildings with a total area of 33,000 square metres, patents and trademark rights.

Ausblick

Der Start der eigenen Solarzellen- und Modulfertigungen ist für das zweite Quartal 2021 vorgesehen. Meyer Burger hat sich bereits für Standorte im «Solar Valley» in Bitterfeld-Wolfen (Sachsen-Anhalt) sowie in Freiberg (Sachsen) entschieden. Die Voraussetzungen an den Standorten hat ein Team aus internen und externen Produktionsspezialisten evaluiert und als sehr vorteilhaft bewertet.

In Bitterfeld-Wolfen mietet Meyer Burger Gebäude des ehemaligen Solarzellenherstellers Sovello langfristig und kostengünstig an. Es handelt sich zunächst um Flächen von 27 000 Quadratmetern, Erweiterungsflächen können bei Bedarf zusätzlich angemietet werden. Meyer Burger wird hier seine neusten Produktionsmaschinen nutzen, um hocheffiziente Solarzellen mit der proprietären Heterojunction-Technologie herzustellen.

Im knapp 150 Kilometer entfernten Freiberg werden die Hocheffizienz-Zellen zu SmartWire-Modulen weiterverarbeitet. Die patentgeschützten SmartWire-Module wird Meyer Burger in einer Produktionsanlage des ehemaligen Solarworld-Konzerns fertigen. Bis heute ist es die grösste und modernste Anlage ihrer Art in Europa. Auf rund 19000 Quadratmetern bestehen auch hier optimale Voraussetzungen für die Umrüstung und Anpassung der bestehenden Infrastruktur und der hochautomatisierten Modulfertigungslinien. Die Anlage verfügt heute über eine jährliche Nominalkapazität von mehr als 600 MW, die mit neuen Technologien auf mehr als 800 MW erhöht werden kann.

Zusätzlich erwirbt Meyer Burger am ehemaligen Solarworld-Standort Freiberg (rund 14 000 Quadratmeter) das moderne Logistik- und Distributionszentrum, das den Aufbau einer effizienten Vertriebsstruktur infrastrukturell absichert.

Die Gläubigerversammlung der Solarworld Industries GmbH stimmte dem Verkauf der Gebäude am ehemaligen Produktionsstandort von Solarworld in Freiberg zu. Der Kaufpreis beträgt EUR 12 Millionen und beinhaltet Gebäude mit einer Gesamtfläche von 33000 Quadratmetern, Patente sowie Markenrechte.

Two of the most traditional solar locations in Europe are thus being revived. Being able to use existing infrastructures and the high level of expertise in the regions concerned is a conscious strategic decision that will enable Meyer Burger to achieve short ramp-up times and high product quality. Construction of the production lines with the proprietary heterojunction/SmartWire technology will start soon. At the same time, the structure at the Hohenstein site will be adapted to its own needs and to the new business model.

Capacities for the start of production in the first half of 2021 will be 400 MW per year in solar cell production and 400 MW in module production. The Board of Directors expects that the realigned Meyer Burger Group will already be able to achieve an operating profit with this production volume. Further expansion is then planned up to 5 GW.

The in-house production of solar cells and modules enables the company to attain a unique positioning in the photovoltaic industry and to create substantial and sustainable added value for its shareholders in the future thanks to attractive margins.

Thank you for your continued trust in Meyer Burger.

Yours sincerely,



Dr Franz Richter
Chairman of the Board
of Directors

Damit werden zwei der traditionsreichsten Solarstandorte Europas wiederbelebt. Bestehende Infrastrukturen und die hohe Fachkompetenz in den Regionen nutzen zu können, ist eine bewusste strategische Entscheidung, die Meyer Burger ein schnelles Hochfahren der Produktion sowie eine hohe Produktqualität ermöglichen. Der Bau der Fertigungslinien mit der proprietären Heterojunction/SmartWire-Technologie wird demnächst aufgenommen. Gleichzeitig wird die Struktur am Standort Hohenstein auf die eigenen Bedürfnisse und an das neue Geschäftsmodell angepasst.

Die Kapazitäten zum Produktionsstart im ersten Halbjahr 2021 werden bei jährlich 400 MW in der Solarzellenproduktion und 400 MW in der Modulproduktion liegen. Der Verwaltungsrat rechnet damit, dass die neu ausgerichtete Meyer Burger Gruppe bereits mit diesem Produktionsvolumen einen operativen Gewinn erreichen kann. Der weitere Ausbau soll dann bis auf 5 GW erfolgen.

Die Eigenproduktion von Solarzellen und -modulen ermöglicht es der Gesellschaft, eine einzigartige Positionierung in der Photovoltaik-Industrie zu erreichen und künftig mit attraktiven Margen einen substanziellen und nachhaltigen Mehrwert für ihre Aktionäre zu schaffen.

Danke für Ihr kontinuierliches Vertrauen in Meyer Burger.

Freundliche Grüße,



Dr Gunter Erfurt
Chief Executive Officer

Consolidated Balance Sheet

in TCHF	30.6.2020		31.12.2019	
Assets				
Current assets				
Cash and cash equivalents	38016		35548	
Trade receivables	10353		14431	
Other current receivables	40279		46898	
Net receivables from production contracts	11731		35137	
Inventories	39092		46795	
Prepaid expenses and accrued income	5080		3857	
Total current assets	144551	64.4%	182666	66.5%
Non-current assets				
Financial assets	9203		10915	
Investments in associates	23867		27158	
Property, plant and equipment	31084		32859	
Intangible assets	3976		5800	
Deferred tax assets	11740		15212	
Total non-current assets	79870	35.6%	91944	33.5%
Total assets	224421	100.0%	274610	100.0%
Liabilities and equity				
Liabilities				
Current liabilities				
Financial liabilities	27077		26186	
Trade payables	9973		17274	
Net liabilities from production contracts	8389		6774	
Customer prepayments	10088		7182	
Other liabilities	3083		3084	
Provisions	4654		11179	
Accrued expenses and prepaid income	20285		21959	
Total current liabilities	83549	37.2%	93638	34.1%
Non-current liabilities				
Financial liabilities	2888		1889	
Other liabilities	563		748	
Provisions	768		794	
Deferred tax liabilities	67		1381	
Total non-current liabilities	4286	1.9%	4812	1.8%
Total liabilities	87835	39.1%	98450	35.9%
Equity				
Share capital	34259		34259	
Capital reserves	1001146		1001228	
Treasury shares	-4100		-5610	
Reserve for share-based payments	3030		4283	
Accumulated losses	-897749		-858000	
Total equity	136586	60.9%	176160	64.1%
Total liabilities and equity	224421	100.0%	274610	100.0%

The Notes starting on page 17 are an integral part of the consolidated financial statements.

Consolidated Income Statement

in TCHF	1.1.–30.6.2020		1.1.–30.6.2019 restated	
Net sales	51 015	100.0%	122 567	100.0%
Other operating income	3 221		31 170	
Currency translation gains and losses on trade receivables and customer prepayments	830		575	
Income	55 067		154 312	
Changes in inventories of finished and semi-finished products and machines before acceptance	-12 927		22 143	
Cost of products and services	-26 465		-87 908	
Capitalised goods and services	1 191		974	
Operating income after costs of products and services	16 866	33.1%	89 521	73.0%
Personnel expenses	-31 128		-56 112	
Operating expenses	-13 231		-18 891	
Earnings before interests, taxes, depreciation and amortisation (EBITDA)	-27 492	-53.9%	14 518	11.8%
Depreciation and impairment on property, plant, equipment	-3 079		-4 976	
Amortisation and impairment on intangible assets	-1 752		-3 005	
Earnings before interests and taxes (EBIT)	-32 323	-63.4%	6 537	5.3%
Financial result	-4 478		-3 885	
Result from investments in associates	-2 104		-661	
Ordinary result	-38 905	-76.3%	1 991	1.6%
Non-operating result	35		61	
Earnings before taxes	-38 870	-76.2%	2 052	1.7%
Income taxes	246		-269	
Result	-38 625	-75.7%	1 783	1.5%
Attributable to				
Shareholders of Meyer Burger Technology Ltd	-38 625		1 783	
in CHF				
Earnings per share in CHF				
Basic earnings per share	-0.06		0.00	
Diluted earnings per share	-0.06		0.00	

The Notes starting on page 17 are an integral part of the consolidated financial statements.

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

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

Consolidated Statement of Changes in Equity

in TCHF

Attributable to shareholders of Meyer Burger Technology Ltd

	Share capital	Capital reserves
Equity as at 1.1.2019	31 144	968 324
Result	-	-
Currency translation differences recognised in reporting period	-	-
Capital increase	3 114	31 595
Sale/use of treasury shares	-	-5
Share-based payments	-	-
Transfer of shares for employees to the plan participants after vesting period	-	-
Reclassification	-	151
Equity as at 30.6.2019	34 259	1 000 065
Equity as at 1.1.2020	34 259	1 001 228
Result	-	-
Currency translation differences recognised in reporting period	-	-
Capital increase	-	-
Share-based payments	-	-
Transfer of shares for employees to the plan participants after vesting period	-	-
Reclassification	-	-82
Equity as at 30.6.2020	34 259	1 001 146

The Notes starting on page 17 are an integral part of the consolidated financial statements.

Attributable to shareholders of Meyer Burger Ltd

Treasury shares	Reserve for share-based payments	Currency translation differences	Offset goodwill	Other retained earnings	Accumulated losses	Total equity
-8741	4307	-26117	-213555	-573652	-813324	181711
-	-	-	-	1783	1783	1788
-	-	10	-	-	10	10
-	-	-	-	-	-	34709
26	-	-	-	-	-	21
-	1814	-	-	-	-	1814
1276	-1276	-	-	-	-	-
911	-1062	-	-	-	-	-
-6528	3784	-26107	-213555	-571869	-811531	220049
-5610	4283	-27468	-217231	-613302	-858000	176160
-	-	-	-	-38625	-38625	-38625
-	-	-1123	-	-	-1123	-1123
-	-	-	-	-	-	-
-	175	-	-	-	-	175
1428	-1428	-	-	-	-	-
82	-	-	-	-	-	-
-4100	3030	-28591	-217231	-651927	-897749	136586

Condensed Consolidated Cash Flow Statement

in TCHF	1.1.–30.6.2020	1.1.–30.6.2019
Result	-38 625	1 783
Non-cash items	894	-20271
Decrease/(increase) of net working capital	32 057	-39 067
Cash flow from operating activities	-5 674	-57 555
Investments in property, plant and equipment	-2 260	-3 483
Sale of property, plant and equipment	235	1 291
Investments in intangible assets	-95	-134
Sale of business activities	4 161	50 000
Decrease/(increase) of bank deposits with limited availability	6 094	-30 000
Cash flow from investing activities	8 135	17 674
Borrowing of (current) financial liabilities	278	-
Repayment of (current) financial liabilities	-68	-2
Borrowing of (non-current) financial liabilities	1 277	1 356
Repayment of (non-current) financial liabilities	-	-18 000
Costs of increase in share capital	-1 003	-1 422
Cash flow from financing activities	484	-18 068
Change in cash and cash equivalents	2 947	-57 949
Cash and cash equivalents at beginning of period	35 548	89 799
Currency translation differences on cash and cash equivalents	-479	-162
Cash and cash equivalents at end of period	38 016	31 688

The Notes starting on page 17 are an integral part of the consolidated financial statements.

Condensed Notes to the Consolidated Financial Statements

General information

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

The Board of Directors approved these consolidated interim financial statements of Meyer Burger Group for publication on 12 August 2020. The auditors have conducted a review of the statements. For the report on the review, see page 23.

Meyer Burger is a leading global technology company specialising in innovative systems and processes based on semiconductor technologies. The company's focus is on photovoltaics (solar industry) while its competencies and technologies also cover important areas of the semiconductor and the optoelectronic industries as well as other selected high-end markets based on semiconductor materials. As an international brand, Meyer Burger offers its customers in the PV industry superior products and innovative solutions for the manufacturing processes of solar cells and connection technologies. Meyer Burger operates in Europe, Asia and North America in the respective key markets, and has subsidiaries and own service centres in Germany, Switzerland, India, Korea, Malaysia, China, Singapore, Taiwan, the Netherlands and the USA.

Significant Accounting Policies

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

1.1 Basis of accounting

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

No amendments to the Swiss GAAP FER Standards have come into force during the first half-year 2020 that are relevant to Meyer Burger.

In a media release dated 13 June 2018, SIX Exchange Regulation announced that it has filed a motion with the Sanction Commission against Meyer Burger Technology Ltd in connection with the application and interpretation of Swiss GAAP FER accounting standards relating to the closing of DMT (Diamond Materials Tech, Inc.) activities and the treatment of acquired interests in the Meyer Burger 5% bond. The annual financial statements for 2016 and the half-year financial statements for 2017 were investigated. The procedure was closed by the decision of the arbitration court dated 20 January 2020. In line with the decision, a restatement is made for the extraordinary profit and loss disclosed in Meyer Burger's half-year financial statements 2019. In total CHF 27.7 million of extraordinary gains were restated into other operating income (CHF 25.6 million), personnel expenses (CHF 1.3 million) and changes in inventories (CHF <0.1 million). The restatement only reflects the reclassification from extraordinary items to operating items and accordingly do not impact the net result, balance sheet or cash flow statement.

1.2 Changes in scope of consolidation

Sale of inkjet printing business (PiXDRO)

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

Oxford Photovoltaics Limited

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

Due to the strategic partnership in the industrialisation of Oxford Photovoltaics Limited's technologies and Board membership of a Meyer Burger representative, significant influence of Meyer Burger over Oxford Photovoltaics Limited was identified and thus the investment is classified as an associated company and included in the scope of consolidation at equity since its acquisition on 28 March 2019 including its fully owned subsidiary Oxford PV Germany GmbH. The purchase price allocation was finalised by the end of 2019. The investment value of CHF 39.6 million was allocated to the acquired net asset value as reflected in the company's financial statements and to additionally identified intangible assets, specifically technologies, of CHF 30.2 million and included a goodwill of CHF 9.4 million. The loss shared in the first half-year 2020 amounts to CHF 2.1 million.

Sale of Wafering Business

On 7 February 2019, Meyer Burger announced the sale of its wafering and service business for photovoltaic and special materials (e.g. semiconductor and sapphire glass industry) to Precision Surfacing Solutions (PSS). This transaction was completed in April 2019.

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

1.3 Foreign currency translation

The following translation rates into Swiss Francs were used:

	Unit	Closing rate			Average rate		
		30.6.2020	31.12.2019	30.6.2019	1 st HY 2020	2019	1 st HY 2019
European Euro (EUR)	1	1.0651	1.0854	1.1121	1.0642	1.1124	1.1296
US Dollar (USD)	1	0.9512	0.9662	0.9781	0.9656	0.9937	0.9999
British Pound (GBP)	1	1.1673	1.2757	1.2436	1.2167	1.2674	1.2933
Chinese Yuan Renminbi (CNY)	100	13.4450	13.8789	14.2214	13.7294	14.3811	14.7342
Japanese Yen (JPY)	100	0.8827	0.8901	0.9068	0.8922	0.9118	0.9088
Indian Rupee (INR)	100	1.2586	1.3536	1.4155	1.3024	1.4111	1.4276
South-Korean Won (KRW)	100	0.0791	0.0837	0.0847	0.0800	0.0852	0.0872
Malayan Ringgit (MYR)	100	22.1947	23.6198	23.6029	22.7207	23.9885	24.2716
Singapore Dollar (SGD)	1	0.6807	0.7183	0.7225	0.6905	0.7284	0.7356
Taiwan Dollar (TWD)	100	3.2251	3.2265	3.1510	3.2188	3.2155	3.2240

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

Notes to the Balance Sheet

Total assets decreased to CHF 224.4 million as at 30 June 2020, which equals a 18.3% decrease compared to CHF 274.6 million as at 31 December 2019.

Based on the operating results and influenced by the release of cash with limited availability initially included in other receivables, cash and cash equivalents increased from CHF 35.5 million to CHF 38.0 million as detailed in the cash flow statement. Other receivables include additional cash pledged for securing the guarantee limit within the syndicated bank loan of CHF 18.6 million and additional cash pledges of CHF 1.6 million. Prepaid expenses and accrued income as per 30 June 2020 include CHF 2.3 million of activated capital increase costs. Deferred tax assets decreased by CHF 3.4 million mainly due to the amount of tax assets transferred with the sale of the inkjet printing business.

Total liabilities decreased by 10.8% to CHF 87.8 million. Short-term financial liabilities mainly include the outstanding convertible bond. The convertible bond matures at 100% of its nominal value on 24 September 2020, unless previously redeemed, converted or repurchased and cancelled.

Total provisions decreased from CHF 12.0 million to CHF 5.4 million, mainly including a decrease in provisions for onerous contracts, restructuring and warranties.

Equity decreased by CHF 39.6 million from 31 December 2019 to 30 June 2020, mainly due to the group result. In the first half-year 2019, Meyer Burger carried out a capital increase. Meyer Burger Technology Ltd issued 62,288,420 registered shares out of its existing authorised capital. The issuance increased Meyer Burger's listed share capital to CHF 34,258,691.70, divided into 685,173,834 registered shares with a nominal value of CHF 0.05 each. As the newly registered shares were used to settle the investment in Oxford PV, the capital increase was cash-neutral.

Notes to the Income Statement

In the first half-year 2020, net sales reached CHF 51.0 million (H1 2019: CHF 122.6 million). The operating income after cost of products and services was CHF 16.9 million (H1 2019: CHF 89.5 million), reflecting a margin of 33.1% (H1 2019: 73.0%, strongly affected by other operating income).

Personnel expenses declined by 44.5% to CHF 31.1 million compared to the first half-year 2019. This decline is the result of divestments, streamlining of the organisation and strict cost management. Operating expenses in H1 2020 amounted to CHF 13.2 million, a decline of 30.0% compared to H1 2019. Due to the decline in sales and current underutilisation of capacities as well as large effects from the sale of business activities in H1 2019, EBITDA was below the level achieved in the comparative period and totalled CHF –27.5 million in H1 2020 (H1 2019: 14.5 million). The EBITDA margin was –53.9% (H1 2019: 11.8%).

Depreciation and amortisation totalled CHF 4.8 million (H1 2019: CHF 8.0 million). Accordingly, the result at the EBIT level amounted to CHF –32.3 million (H1 2019: CHF 6.5 million). The net financial result was CHF –4.5 million (H1 2019: CHF –3.9 million).

Further, the COVID-19 pandemic still had a significant impact on the world economy and thus accordingly on the global solar industry. Temporary plant closures and restrictions due to the COVID-19 pandemic at customers delay Meyer Burger's activities. Meyer Burger temporarily introduced short-time working for its German site in Hohenstein-Ernstthal and its Swiss sites in Thun and Hauterive. This measure shall help Meyer Burger to compensate for the consequences of the COVID-19 pandemic and to reduce personnel costs.

Other Information

1.4 Segment reporting

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

Net sales by segments from 1 January 2020 to 30 June 2020

in TCHF	Photovoltaics	Specialised Technologies	Total	Consolidation	Total after consolidation
Net sales thirds	37 296	13 719	51 015	–	51 015
Net sales intersegment	167	408	575	–575	–
Net sales	37 463	14 127	51 590	–575	51 015

Net sales by segments from 1 January 2019 to 30 June 2019

in TCHF	Photovoltaics	Specialised Technologies	Total	Consolidation	Total after consolidation
Net sales thirds	99 601	22 966	122 567	–	122 567
Net sales intersegment	192	4 511	4 703	–4 703	–
Net sales	99 793	27 477	127 270	–4 703	122 567

Photovoltaics: The Photovoltaics segment largely comprises the core business of photovoltaics and covers the processes of wafering, solar cells, solar modules and solar systems with its portfolio of systems, production equipment and services. The wafering business was sold as of 30 April 2019 and thus is included in the above figures in the comparative period. Meyer Burger pursues a long-term strategic approach considering core technologies of the photovoltaic value chain and optimally harmonising the technologies along the different processes (cells and connection technologies). Significant efficiency improvements in cells and modules can be reached through the application of the latest technologies.

Specialised Technologies: With Specialised Technologies, Meyer Burger uses technologies that are successfully deployed in photovoltaics, particularly in the field of applying or removing layers on different substrates and materials as well as for slicing crystalline and other hard and brittle materials, in a wide range of other high-tech markets. Muegge's microwave and plasma technologies are used in biotechnology and environmental technology. PiXDRO inkjet print technology is used in the semiconductor industry as a pioneering

technology and is included in the figures above for the interim periods until completion of sale as of 31 March 2020. For the first half-year 2019, this segment also included the manufacturing of control systems for factory automation, the automotive industry and other complex industrial processes of AIS Automation Dresden GmbH, which was sold on 24 October 2019.

As outlined above, Meyer Burger currently manages its operations in different operating business units, grouped into the reporting business segments “Photovoltaics” and “Specialised Technologies”. Disclosure of the segment results would lead to much higher transparency in terms of cost and margin structure than that of relevant competitors, and Meyer Burger would uniquely present detailed information on segment profitability. Most of the 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 does not disclose profitability measures for the segments.

1.5 Related party transactions

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

The company procures consultancy services from Meyerlustenberger Lachenal Attorneys at Law. Dr Alexander Vogel, Chairman of the Board of Directors up to 2 May 2019, is a partner in this law firm. The scope of the services procured amounted to CHF 0.6 million in the first half-year of 2019 until 2 May 2019. Of the compensation to related parties as described above, amounts of CHF 0.2 million were outstanding as per 30 June 2019.

Since the acquisition of the equity share of Oxford Photovoltaics Limited, the company is also an identified related party. While no transactions occurred with Oxford Photovoltaics Limited in the first half-year 2019, Meyer Burger has entered into a formal Collaboration Agreement with Oxford Photovoltaics Limited that sets the basis of the collaboration and future transactions. In the first half-year of 2020, Meyer Burger received no additional orders from Oxford PV Germany GmbH, but based on outstanding order volumes conducted sales transactions with the associated company for CHF 5.4 million. Prepayments received per 30 June 2020 amounted to CHF 26.0 million.

As of 30 June 2020, no other transactions were conducted or receivables or liabilities outstanding towards other related parties or associated companies. All business relations with related parties are conducted at arm’s length. No unusual transactions were either effected with the main shareholders or other related parties.

1.6 Contingent liabilities

in TCHF	30.06.2020	31.12.2019
Guarantees (not product-related)	10 200	10 200
Other	–	782
Total contingent liabilities	10 200	10 982

During 2019, Meyer Burger entered into the sales contract for the building in Thun. With the contract, Meyer Burger guarantees a minimum level of annual rent payments to the buyer. The guarantee is limited to CHF 10 million over its duration until 30 June 2024 and Meyer Burger has the right to take over any defaulted rent contract and sub-let the respective space during this time. Meyer Burger also carries the external costs, should any court proceeding against tenants be taken during this time. Such payments are secured by a retention of CHF 0.2 million. Meyer Burger assesses the likelihood of such defaults as low and accordingly presents them as contingent liabilities. The other contingent liabilities as per 31 December 2019 were related to customer claims.

1.7 Events after the reporting date

At the Annual General Meeting on 13 May 2020, Meyer Burger announced that it was considering plans for its own large-scale cell and module production in Germany. Meyer Burger is following these plans to change its strategy and aims to transform itself from a supplier of machines to a manufacturer of technologically leading cells and solar modules. In this course, a capital increase with gross proceeds of CHF 165 million was approved at the extraordinary general meeting on 10 July 2020 to finance the upcoming investments. The successful capital increase was registered with the commercial register on 28 July 2020. The increased share capital of Meyer Burger amounts to CHF 125,757,560.30 divided into 2,515,151,206 registered shares with a nominal value of CHF 0.05 each. Upon completion of the transaction, the conversion price of the outstanding convertible bond of Meyer Burger Technology Ltd (ISIN CH0253445131) was adjusted in accordance with the bond terms. The conversion price was reduced from CHF 0.98 per registered share to CHF 0.4863. Thus, the conversion ratio for bonds with denominations of CHF 5,000 each is increased from 5,102.04082 to 10,281.7191 registered shares of Meyer Burger Technology Ltd. All other terms remain unchanged.

As per 3 August 2020, Meyer Burger announced that the creditors' meeting of Solarworld Industries GmbH approved the sale of Solarworld's former production site in Freiberg (Saxony). The purchase price amounts to EUR 12 million and includes buildings with a total area of 33,000 square metres, patents and trademark rights. At the same time, the rental agreement for the buildings of the former solar cell manufacturer Sovello with areas of 27,000 square metres in Bitterfeld-Wolfen was definitely signed. Two important milestones have thus been reached to ensure the start of production in the first half of 2021 with 400 MW solar cells and 400 MW solar modules as well as further growth at the locations.

On 10 August 2020, Meyer Burger Technology Ltd announced the sale of its microwave and plasma technology company Muegge GmbH, headquartered in Reichelsheim (GE), to the direct investment company HQ Equita. HQ Equita will acquire all of Muegge GmbH's business divisions including its subsidiary Gerling Applied Engineering Inc. based in Modesto CA, USA, as well as its approximately 100 employees. The transaction is subject to customary market conditions and must still be approved by the authorities. The transaction is expected to be completed towards the end of September 2020. Meyer Burger expects a cash inflow of approximately CHF 24 million and a book profit of approximately CHF 4 million from the transaction.

No further events have occurred between 30 June and 12 August 2020, which would have a material effect on the recognised carrying amounts of assets and liabilities of the Meyer Burger Group or would have to be disclosed at this point.

Report on the Review

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

Thun (Gwatt)

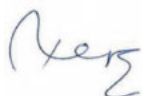
According to your request, we have reviewed the interim consolidated financial statements (consolidated balance sheet, consolidated income statement, consolidated statement of changes in equity, condensed consolidated cash flow statement and condensed notes to the consolidated financial statements / pages 12 – 22) of Meyer Burger Technology Ltd for the period from 1 January 2020 to 30 June 2020.

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

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

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

PricewaterhouseCoopers AG



René Rausenberger



Yvonne Burger

Bern, 12 August 2020

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Information for investors and the media

Registered shares Meyer Burger 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 per 29 July 2020
Share price high/low H1 2020*	CHF 0.2299/CHF 0.0665
Closing price as of 30 June 2020*	CHF 0.1536

*Adjusted for share capital increase as per 29 July 2020

Convertible bond 2014–2020

Swiss valor number	25344513
ISIN	CH0253445131
Listing	SIX Swiss Exchange
Ticker symbol	MBT14
Reuters	MBTN
Bloomberg	MBTN SW
Coupon	5.50% per annum
Outstanding amount	CHF 26 830 000
Conversion price*	CHF 0.4863
Maturity	24 September 2020
Bond price high/low H1 2020	102.60%/79.95%
Closing price as of 30 June 2020	97.00%

*Adjusted for share capital increase as per 29 July 2020

Other informationen

Accounting standard	Swiss GAAP FER
Auditors	PricewaterhouseCoopers AG
Share Register	Computershare Schweiz Ltd

Important dates

13 August 2020	Publication Half-Year Results 2020
11 March 2021	Publication Annual Results 2020
4 May 2021	Annual General Meeting

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Declaration on forward-looking statements

This document contains statements that constitute “forward-looking” statements, relating to Meyer Burger. Because these forward-looking statements are subject to risks and uncertainties, the reader is cautioned that actual future results may differ from those expressed in or implied by the statements, which constitute projections of possible developments. All forward-looking statements are based only on data available to Meyer Burger at the time of preparing the Half-Year 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 Half-Year Report 2020 is available in electronic form. The Meyer Burger Half-Year Report 2020 is published in English only and is therefore the binding version.

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

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