Financial Statements

Consolidated Financial Statements

Financial Statements - Meyer Burger Technology

Consolidated Financial Statements

Consolidated Balance Sheet

in TCHF	Notes	31.12.2021		31.12.2020	
Assets					
Current assets					
Cash and cash equivalents		231 391		139 739	
Trade receivables	2.1	3 492		5 029	
Other current receivables	2.2	45 207		38 207	
Net receivables from production contracts	2.3	12 782		14 405	
Inventories	2.4	41 190		24 307	
Prepaid expenses and accrued income	2.5	606		1 277	
Total current assets		**334 668**	**67.9%**	**222 964**	**75.1%**
Non-current assets					
Financial assets	2.6	27 501		7 464	
Investments in associates	2.7	–		21 699	
Property, plant and equipment	2.8	124 271		38 062	
Intangible assets	2.9	6 082		332	
Goodwill	2.9	–		6 110	
Deferred tax assets	2.15	200		176	
Total non-current assets		**158 054**	**32.1%**	**73 843**	**24.9%**
Total assets		**492 722**	**100.0%**	**296 807**	**100.0%**
Liabilities and equity					
Liabilities					
Current liabilities					
Financial liabilities	2.10	34		133	
Trade payables	2.11	21 487		9 372	
Net liabilities from production contracts	2.3	2 573		1 707	
Customer prepayments	2.4	3 813		4 562	
Other liabilities	2.12	2 191		3 332	
Provisions	2.13	2 554		3 959	
Accrued expenses and prepaid income	2.14	13 489		11 237	
Total current liabilities		**46 141**	**9.4%**	**34 302**	**11.6%**
Non-current liabilities					
Financial liabilities	2.10	181 155		–	
Other liabilities	2.12	567		657	
Provisions	2.13	1 159		802	
Deferred tax liabilities	2.15	2 270		1 274	
Total non-current liabilities		**185 151**	**37.6%**	**2 733**	**0.9%**
Total liabilities		**231 292**	**47.0%**	**37 035**	**12.5%**
Equity					
Share capital	2.16	133 525		125 758	
Capital reserves		1 161 846		1 065 091	
Treasury shares	2.16	–5 307		–5 563	
Reserve for share-based payments		3 369		3 470	
Accumulated losses		–1 032 003		–928 984	
Total equity		**261 430**	**53.0%**	**259 772**	**87.5%**
Total liabilities and equity		**492 722**	**100.0%**	**296 807**	**100.0%**

The Notes starting on page 76 are an integral part of the consolidated financial statements.

Consolidated Income Statement

in TCHF	Notes	1.1.–31.12. 2021		1.1.–31.12. 2020	
Net sales	2.17/2.18/2.19	**39 905**	**100.0%**	**90 457**	**100.0%**
Other operating income	**2.20**	3 168		16 077	
Currency translation gains and losses on trade receivables and customer prepayments	**4.3**	–630		–555	
Total Income		**42 443**		**105 979**	
Changes in inventories of finished and semi-finished products and machines before acceptance		–7 468		–16 271	
Cost of products and work in process		–36 536		–53 271	
Capitalized goods and services	**2.8/2.9**	30 744		1 419	
Operating income after costs of products and services	**1.1**	**29 183**	**73.1%**	**37 856**	**41.8%**
Personnel expenses	**2.21**	–60 411		–53 939	
Operating expenses	**2.22**	–41 241		–28 517	
Earnings before interests, taxes, depreciation and amortization (EBITDA)	**1.1**	**–72 469**	**–181.6%**	**–44 600**	**–49.3%**
Depreciation and impairment on property, plant and equipment	**2.8**	–6 287		–6 322	
Amortization and impairment on intangible assets and goodwill	**2.9**	–6 581		–7 161	
Earnings before interests and taxes (EBIT)	**1.1**	**–85 337**	**–213.9%**	**–58 083**	**–64.2%**
Financial result	**2.23**	–11 152		–3 422	
Result from investment in associates	**2.7**	–2 906		–2 771	
Ordinary result		**–99 395**	**–249.1%**	**–64 276**	**–71.1%**
Non-operating result		–		62	
Earnings before income taxes		**–99 395**	**–249.1%**	**–64 214**	**–71.0%**
Income taxes	**2.15**	–1 092		–264	
Result		**–100 487**	**–251.8%**	**–64 478**	**–71.3%**
Attributable to					
Shareholders of Meyer Burger Technology Ltd		–100 487	–251.8%	–64 478	–71.3%

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

The Notes starting on page 76 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	
	Share capital	**Capital reserves**
Notes	2.16	
Equity at 1.1.2020	**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
Sale/use 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**
Result	–	–
Currency translation differences recognized in reporting period	–	–
Capital increase	7 767	72 233
Costs of capital increase	–	–2 890
Equity share of convertible bond	–	26 636
Share-based payments	–	–
Transfer of shares for employees to the plan participants after vesting period	–	–
Reclassification	–	776
Equity at 31.12.2021	**133 525**	**1 161 846**

The Notes starting on page 76 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
2.16					
−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**
–	–	–	−100 487	**−100 487**	**−100 487**
–	–	−2 532	–	**−2 532**	**−2 532**
–	–	–	–	**–**	**80 000**
–	–	–	–	**–**	**−2 890**
–	–	–	–	**–**	**26 636**
–	931	–	–	**–**	**931**
1 032	−1 032	–	–	**–**	**–**
−776	–	–	–	**–**	**–**
−5 307	**3 369**	**−27 508**	**−1 004 495**	**−1 032 003**	**261 430**

Consolidated Cash Flow Statement

in TCHF	Notes	1.1.–31.12.2021	1.1.–31.12.2020
Result		**–100 487**	**–64 478**
Result from associates	2.7	2 906	2 771
Depreciation and amortization	**2.8/2.9**	7 981	13 483
Impairment / reversal of impairment on non-current assets	**2.6/2.8/2.9**	3 742	1 651
Gains/losses from sale of fixed assets and business activities	**2.8/2.9**	163	–11 829
Deferred income taxes	**2.15**	1 079	–279
Decrease (+) / increase (–) in other (non-current) assets		–234	–152
Increase (+) / decrease (–) in (non-current) provisions	**2.13**	357	8
Increase (+) / decrease (–) in other (non-current) liabilities		–95	–76
Decrease (+) / increase (–) in trade receivables	**2.1**	1 496	5 748
Decrease (+) / increase (–) in net assets from construction contracts	**2.3**	2 608	15 742
Decrease (+) / increase (–) in inventories	**2.4**	–18 560	13 412
Decrease (+) / increase (–) in other receivables and accruals	**2.2**	–8 527	4 711
Increase (+) / decrease (–) in (current) provisions	**2.13**	–1 377	–6 030
Increase (+) / decrease (–) in trade payables		12 439	–4 242
Increase (+) / decrease (–) in customer prepayments		–735	–452
Increase (+) / decrease (–) in other (current) liabilities and deferrals	**2.12/2.14**	1 497	–5 943
Other non-cash-related changes		11 680	1 027
Cash flow from operating activities		**–84 067**	**–34 928**
Investments in property, plant and equipment	**2.8**	–109 971	–20 725
Investment subsidies received	**2.8**	9 632	–
Sale of property, plant and equipment	**2.8**	798	1 912
Sale of investment property	**2.8**	1 698	–
Investments in intangible assets	**2.9**	–6 502	–318
Sale of intangible assets	**2.9**	–	2
Investments in financial assets		–183	–
Sale of business activities	**1.4**	–	21 451
Decrease in bank deposits with limited availability		6 601	8 982
Increase in bank deposits with limited availability		–4 596	–
Cash flow from investment activities		**–102 523**	**11 304**
Capital increase		80 000	165 384
Cost of increase in share capital		–2 890	–9 916
Purchase of treasury shares		–	–2 073
Issuance of convertible bond		152 762	–
Issuance costs of convertible bond		–3 953	–
Increase of current financial liabilities		–	133
Repayment of current financial liabilities		–138	–
Repayment of convertible bond		–	–26 830
Increase of non-current financial liabilities		61 541	1 284
Borrowing costs		–3 598	–
Repayment of non-current financial liabilities		–	–103
Cash flow from financing activities		**283 724**	**127 879**
Change in cash and cash equivalents		**97 134**	**104 255**
Cash and cash equivalents at beginning of period		**139 739**	**35 548**
Currency translation differences on cash and cash equivalents		–5 482	–64
Cash and cash equivalents at the end of the period		**231 391**	**139 739**

The Notes starting on page 76 an integral part of the consolidated financial statements.
Cash and cash equivalents include all cash and bank account balances 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 limited company established 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 23 March 2022. They will be submitted for approval to the Annual General Meeting to be held on 5 May 2022.

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 current 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 so there might be limited comparability to similar figures presented by other companies. In order to provide a clear understanding of 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. gains from sales of group companies or property, plant and equipment, 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.

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 which is normally five years, in justified cases, or 20 years at the most. Group companies are deconsolidated at the point in time when control ceases.

Assets and liabilities as well as income and expenditure for 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.

The 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 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 the following companies:

Consolidated companies				Participation[1]	
Company	Registered office	Currency	Share capital	31.12.2021	31.12.2020
Meyer Burger Technology Ltd	Thun, Switzerland	CHF	133 524 551	Parent company	
Subsidiaries fully consolidated					
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	4 421 500 000	100.00%	100.00%
MBT Systems GmbH	Hohenstein-Ernstthal, Germany	EUR	96 000 000	100.00%	100.00%
Meyer Burger (Americas) Ltd (former MBT Systems Ltd)	Delaware, USA	USD	100	100.00%	100.00%
Meyer Burger (Americas) Lease Co., LLC	Goodyear, USA	USD	0	100.00%	0.00%
Meyer Burger (Germany) GmbH	Hohenstein-Ernstthal, Germany	EUR	112 000 000	100.00%	100.00%
Meyer Burger (Industries) GmbH	Freiberg, Germany	EUR	96 000 000	100.00%	100.00%
Meyer Burger (Italy) S.r.l.	Milan, Italy	EUR	10 000	100.00%	100.00%
Meyer Burger (NL) B.V.	Eindhoven, Netherlands	EUR	18 200	100.00%	100.00%
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 Trading (Shanghai) Co. Ltd	Shanghai, China	CNY	1 655 400	100.00%	100.00%
Meyer Burger Systems (Shanghai) Co. Ltd	Shanghai, China	CNY	102 172 722	100.00%	100.00%
Pasan SA	Neuchâtel, Switzerland	CHF	102 000	100.00%	100.00%
Subsidiaries consolidated at equity					
Oxford Photovoltaics Limited[2]	London, United Kingdom	GBP	3 733	19.76%	19.76%
Oxford PV Germany GmbH[2]	Brandenburg an der Havel, Germany	EUR	25 000	19.76%	19.76%

1 The share of equity corresponds to the share of voting rights.
2 Significant influence was lost over the investments in Oxford Photovoltaics Limited and its fully owned subsidiary Oxford PV Germany GmbH as of 31 August 2021. While the participation percentage remained unchanged both companies left the scope of consolidation and were classified as financial investments as from this date.

Changes in scope of consolidation

Newly founded companies

Company	Registered office	Currency	Share capital	Participation 31.12.2021	Participation 31.12.2020
Meyer Burger (Americas) Lease Co, LLC	Goodyear, USA	USD	0	100.00%	0.00%

Companies excluded from the scope of consolidation

Company	Registered office	Currency	Share capital	Participation 31.12.2021	Participation 31.12.2020
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%

Foundation of Meyer Burger (Americas) Lease Co., LLC

Meyer Burger (Americas) Lease Co., LLC was founded on 16 December 2021 with zero equity as the first of two planned local companies in the USA, with the aim of strengthening Meyer Burger's operations in the USA. Meyer Burger is building a production site for high-performance solar modules in Goodyear, USA. The investment is an important step in meeting Meyer Burger's commitments to produce modules in closer proximity to US end-customers, to source material from regional suppliers, and to improve overall sustainability by reducing transportation emissions and optimizing the carbon footprint of the company's solar modules.

Exclusion from the scope of consolidation of Oxford Photovoltaics Limited

Meyer Burger Technology was informed on 23 July 2021 via a press release as well as a direct letter from Oxford Photovoltaics Limited, London, United Kingdom, that the company considers the joint collaboration agreement, in place since 2019, terminated for its own strategic reasons. With the termination of the strategic partnership and the persistent recusal of Meyer Burger's representative from the Board of Oxford Photovoltaics Limited, Meyer Burger has lost its significant influence over Oxford Photovoltaics Limited and its 100% subsidiary Oxford PV Germany as from 31 August 2021. Accordingly, both companies were removed from the scope of consolidation as from 31 August 2021 and the investment was classified as a financial investment from this date. The related goodwill of CHF 4.9 million was fully impaired through profit and loss and the accumulated currency translation adjustments on the investments of CHF -0.9 million were recycled through the financial result in profit and loss.

The proportionate loss of Oxford Photovoltaics Limited recognized up to 31 August 2021 amounts to CHF 2.9 million as disclosed separately in the consolidated income statement.

Divestment

TCHF	Muegge GmbH / Gerling Applied Engineering, Inc. (2020)	Meyer Burger (PIXDRO) B.V. (2020)	Total divestments (2020)
Cash and cash equivalents	2 674	–	2 674
Trade receivables	2 247	535	2 782
Other current receivables	424	51	475
Prepaid expenses and accrued income	277	–	277
Inventories	8 738	1 325	10 063
Property, plant and equipment	7 120	144	7 264
Intangible assets	412	54	466
Total assets	**21 892**	**2 109**	**24 001**
Current financial liabilities	269	–	269
Trade payables	3 169	330	3 499
Customer prepayments	1 786	255	2 041
Other liabilities	3 246	628	3 874
Current provisions	932	140	1 072
Non-current financial liabilities	2 926	–	2 926
Other non-current liabilities	3	–	3
Non-current provisions	–	–	–
Deferred tax liabilities	8	–	8
Total liabilities	**12 339**	**1 353**	**13 692**
Net Assets	**9 553**	**756**	**10 309**

During 2021, no divestments were made.

Sale of inkjet printing business (PiXDRO)

On 2 April 2020, Meyer Burger announced the closure of the sale of its inkjet printing business (PiXDRO) located within Meyer Burger (Netherlands) B.V., Eindhoven, Netherlands, as of 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 was presented in "Other operating income" in the consolidated income statement in 2020.

Sale of Microwave and Plasma Technology business

On 1 October 2020, Meyer Burger announced the closure of 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 in 2020. The Group recorded a gain on the sale of the investment of CHF 9.7 million that was presented in "Other operating income" in the consolidated income statement in 2020.

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

Individual group companies compile their financial statements in their 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 for operating activity, are recognized in the income statement.

Intercompany loans are considered as liabilities in respect of 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 as having an equity status is analyzed. Foreign currency effects attributable to these long-term intercompany loans which are regarded as having 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	2021	2020	2021	2020
Euro (EUR)	1	1.0331	1.0802	1.0811	1.0705
US Dollar (USD)	1	0.9121	0.8803	0.9141	0.9372
British Pound (GBP)	1	1.2295	1.2015	1.2577	1.2032
Chinese Yuan Renminbi (CNY)	100	14.3592	13.4646	14.1730	13.5945
Japanese Yen (JPY)	100	0.7924	0.854	0.8324	0.8786
Indian Rupee (INR)	100	1.2265	1.2048	1.2365	1.2648
South-Korean Won (KRW)	100	0.0767	0.0809	0.0799	0.0796
Malaysian Ringgit (MYR)	100	21.8951	21.893	22.0574	22.3215
Singapore Dollar (SGD)	1	0.6762	0.6661	0.6804	0.68
Taiwan Dollar (TWD)	100	3.2956	3.1428	3.2736	3.1864

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.

2 Notes to the consolidated financial statements

2.1 Trade receivables

in TCHF	31.12.2021	31.12.2020
Trade receivables (gross)	8 576	10 398
Allowances	–5 084	–5 369
Trade receivables	**3 492**	**5 029**

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 and payment history.

On 15 June 2021, Meyer Burger concluded a factoring agreement with Deutsche Factoring Bank GmbH & Co. KG, Bremen, Germany, (factorer) with an initial term of three years. The bank's purchase price payments are intended to enable Meyer Burger (Industries) GmbH, Freiberg, Germany, to meet its suppliers´ liabilities on time and accordingly do not constitute a common loan or credit. Under the contract, the bank purchases receivables up to a maximum amount of EUR 60 million per annum. Meyer Burger assigns all trade receivables to which it is or it will be entitled to the bank in advance as securities. Excluded from this security assignment are all claims that are already assigned as securities within the scope of the blanket assignment of the syndicated loan agreement as outlined in note 2.10 Financial liabilities. Trade receivables paid through the factoring arrangement are settled upon receipt of payment from the factorer.

Accounting Policies

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.

Trade receivables in the scope of the factoring agreement are measured at nominal value. No allowance is considered as the payments are virtually certain. With the receipt of cash from the factorer, the trade receivables are settled and the factoring fee is accounted for through profit and loss. Trade receivables are fully derecognized only upon receipt of payment from the underlying debtor by the factorer as Meyer Burger still holds responsibility for accounts receivable accounting and the dunning process.

Changes to valuation allowances for doubtful receivables and actual losses on receivables are recognized in other operating expenses.

2.2 Other current receivables

in TCHF	31.12.2021	31.12.2020
Prepayments to suppliers	14 274	8 479
Bank balances with restricted use	15 291	17 296
Other receivables	15 642	12 432
Other receivables	**45 207**	**38 207**

As at 31 December 2021, other current receivables include the deposit used as securitization for Meyer Burger's guarantee line as well as for the collateral for the syndicated loan as outlined in note 2.10 shown as bank balances with restricted use totaling CHF 15.3 million (31 December 2020: CHF 17.3 million).

Other receivables include, for example, VAT receivables and receivables from social security or deposits. In addition, as at 31 December 2021, other current receivables include the short-term portion of receivables from the sale of the headquarter building in Thun of CHF 1.3 million (31 December 2020: CHF 2.3 million) as well as expected subsidies of CHF 1.6 million.

Accounting Policies

Other current receivables include receivables such as VAT credits, withholding tax credits and social security receivables. 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	31.12.2021	31.12.2020
Work in progress	85 200	89 983
Customer prepayments	–74 991	–77 285
Net production contracts	**10 209**	**12 698**
thereof		
Net receivables from production contracts	12 782	14 405
Net liabilities from production contracts	–2 573	–1 707
Additional information		
Net sales from the PoC method (income statement)	5 453	18 406

Production contracts comprise of long-term contracts entered into under Meyer Burger´s previous business model as a manufacturer of industrial production equipment.

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 of contract costs incurred for work performed up to the reporting date as against 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.

When the project is complete and the final acceptance is issued by the customer on its premises, prepayments are offset and only the final payment due is recognized as a trade receivable. Consequently, trade receivables recognized from production contracts are presented net of prepayments made by the customer.

2.4 Inventories

in TCHF	31.12.2021	31.12.2020
Raw materials, purchased parts, goods for resale	50 209	28 747
Semi-finished goods and work in progress	17 448	24 987
Finished goods	3 110	270
Machines before acceptance	5 747	7 855
Customer prepayments	–8 760	–8 434
Value adjustment inventories	–26 564	–29 134
Inventories	**41 190**	**24 307**

The increase in inventories is almost exclusively due to the inventory build up at the two new production sites in Freiberg, Germany and Bitterfeld-Wolfen, Germany which amounted to raw materials, purchased parts, and goods for resale of CHF 27.3 million, semi-finished goods and work in progress of CHF 1.9 million and finished goods of CHF 3.0 million as at 31 December 2021 against inventory reductions for inventories needed under the old business model.

As of 31 December 2021, Meyer Burger Group has pledged certain inventories in the amount of CHF 32.1 million to third parties (31 December 2020: none) as collateralization of the syndicated loan as outlined in note 2.10.

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, and finished goods and machinery before acceptance. Inventories are classified as machinery before acceptance from the time 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 and 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 excessively 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	31.12.2021	31.12.2020
Prepaid expenses and accrued income	606	1 107
Receivables from current income taxes	–	170
Prepaid expenses and accrued income	**606**	**1 277**

Prepaid expenses and accrued income include positions from the usual course of business, such as prepaid rent, insurance and other costs 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	31.12.2021	31.12.2020
Other non-current receivables	7 737	9 135
Allowances	–244	–1 671
Financial investments	19 689	–
Derivatives	319	–
Financial assets	**27 501**	**7 464**

As at 31 December 2021, 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 7.3 million (31 December 2020: CHF 7.2 million). Allowances on the non-current receivables were reduced by CHF 1.4 million, thereof CHF 0.3 million utilized, to CHF 0.2 million as of 31 December 2021 based on the most recent outlook and cover potential risks due to contractual terms.

Financial investments refer to the investment in Oxford Photovoltaics Limited, London, United Kingdom and its fully owned subsidiary Oxford PV Germany GmbH, Brandenburg an der Havel, Germany, which were excluded from the scope of consolidation as of 31 August 2021. The initial measurement was at the determined cost value at the date of reclassification to financial investments. The market value indicators available supported the investment value as per 31 December 2021. Accordingly, no impairment was recognized as of 31 December 2021.

On 2 September 2021, Meyer Burger (Industries) GmbH (MBI) has concluded an interest limitation agreement in the form of a maximum rate agreement ("cap") to secure the interest rate of the syndicated loan agreement. The market value of the cap amounts to CHF 0.3 million as at 31 December 2021. The base value of the cap amounts to EUR 115 million and reflects the investment credit line of the syndicated loan facility. The hedging ratio amounts to 50 percent of the nominal value of the loan. Gains and losses from the interest cap are recognized through profit and loss.

Accounting Policies

Financial assets include loan receivables and other long-term receivables from third parties as well as derivatives and financial equity investments where less than 20% of the voting rights are held.

Loan receivables and other long-term receivables are initially measured at nominal value. Subsequent measurement is at nominal value less any necessary impairment. Amounts are discounted if the effect is material.

Derivative financial instruments are initially measured at acquisition costs and subsequently measured at market value, respectively at acquisition costs less impairments where a market value is not available.

Financial investments refer to securities without a directly observable market value and are initially measured at acquisition costs, respectively the fair value at acquisition date and subsequently measured at acquisition costs less impairments.

2.7 Investments in associates

As at 31 December 2020, the position consisted of the investment in the associated company Oxford Photovoltaics Limited, London, United Kingdom and its fully owned subsidiary Oxford PV Germany GmbH, Brandenburg an der Havel, Germany. Meyer Burger Technology was informed on 23 July 2021 via a press release as well as a direct letter from Oxford Photovoltaics Limited, that the company considers the companie's collaboration agreement, in place since 2019, terminated for its own strategic reasons. With the persistent recusal of Meyer Burger's representative from the Board of Oxford Photovoltaics Limited, Meyer Burger has lost its significant influence over Oxford Photovoltaics Limited and Oxford PV Germany GmbH. Accordingly, the companies were removed from the scope of consolidation as from 31 August 2021 and the respective investment is now classified as a financial asset. The related goodwill of CHF 4.9 million was fully impaired though profit and loss and the accumulated currency translation adjustments on the investments of CHF -0.9 million were recycled through the financial result in profit and loss.

The proportionate loss of Oxford Photovoltaics Limited recognized up to 31 August 2021 amounts to CHF 2.9 million and is shown separately in the consolidated income statement as a result of investments in associates.

Accounting Policies

A holding by an entity 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. Any goodwill, if applicable, 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 the associate´s result. 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
Purchase price							
Balance as at 1.1.2020	**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 at 31.12.2020	**25 730**	**8 838**	**43 137**	**519**	**38**	**10 138**	**88 400**
Changes in scope of consolidation	–	–	–	–	–	–	–
Increase	190	3 234	51 601	–	–	13 471	68 496
Capitalization	–	–	21 106	–	–	9 629	30 735
Reclassification	–	–	4 184	–	–	–4 184	–
Disposal	–50	–	–1 770	–143	–	–	–1 963
Currency translation differences	–1 055	–554	–5 338	–2	3	–1 272	–8 218
Balance as at 31.12.2021	**24 815**	**11 518**	**112 920**	**374**	**41**	**27 782**	**177 450**
Cumulative depreciation and impairments							
Balance as at 1.1.2020	**–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 at 31.12.2020	**–7 767**	**–7 814**	**–34 092**	**–519**	**–38**	**–109**	**–50 338**
Changes in scope of consolidation	–	–	–	–	–	–	–
Ordinary depreciation	–927	–800	–4 530	–	–	–	–6 257
Impairment	–30	–	–	–	–	–	–30
Reclassification	–	–	–	–	–	–	–
Disposal	–10	–20	1 315	143	–	–	1 428
Currency translation differences	315	403	1 307	2	–3	–5	2 019
Balance as at 31.12.2021	**–8 419**	**–8 231**	**–36 000**	**–374**	**–41**	**–114**	**–53 179**
Net book value							
01.01.2020	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
31.12.2021	16 396	3 287	76 920	–	–	27 668	124 271
Amount thereof pledged:							
31.12.2020	–	–	–	–	–	–	–
31.12.2021	16 396	2 667	71 042	–	–	24 202	114 307

The main increase in property, plant and equipment relates to Meyer Burger´s transition towards becoming a solar cell and module producer. Investments of CHF 99.2 million net of government subsidies were made in property, plant and equipment in the German entities driving this change. Of these investments, CHF 30.7 million originate from capitalized self-manufactured machines.

Further capital commitments related to property, plant and equipment necessary to fully facilitate the transition are outlined in note 4.5.

In 2021, Meyer Burger accrued government subsidies of CHF 11.3 million which were directly deducted from the cost of acquisition or production of its property, plant and equipment (2020: none).

Meyer Burger Group has pledged certain property, plant and equipment in the amount of CHF 114.3 million to third parties as collateral as outlined in note 2.10 Financial liabilities (31 December 2020: none).

Meyer Burger sold its headquarter building in Thun in 2019 for a total transaction price of CHF 42.5 million, of which CHF 1.0 million became due and were paid in 2021. The cash flow from this transaction is split between sale of investment property and property, plant and equipment according to the underlying classification as per the date of the sale.

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

Accounting Policies

Property, plant and equipment includes 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 is measured at cost less any cumulative depreciation and any cumulative impairment losses. Self-manufactured machines are capitalized and also 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

Government grants are only recognized when there is reasonable assurance that the entity will comply with the attached conditions and that the grant will be received. Government grants relating to asset investments are presented as a deduction from the carrying amount of the respective asset and accordingly are recognized in profit and loss as a reduction of costs such as depreciation and amortization over the useful lifetime of the asset.

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	Software	Capitalized services	Goodwill	Other intangible assets	Total
Purchase price							
Balance as at 1.1.2020	**184 105**	**47 140**	**7 371**	**835**	**278 948**	**8 248**	**526 647**
Change in scope of consolidation	–5 878	–975	–243	–	–5 105	–1 881	–14 082
Increase	–	–	264	–	–	5	269
Capitalization	–	–	50	–	–	–	50
Disposal	–	–	–12	–	–	–6	–18
Currency translation differences	–580	–164	–57	–4	754	–26	–77
Balance as at 31.12.2020	**177 646**	**46 001**	**7 373**	**831**	**274 597**	**6 340**	**512 788**
Change in scope of consolidation	–	–	–	–	–9 400	–	–9 400
Increase	5 406	–	1 088	–	–	1	6 495
Capitalization	–	–	9	–	–	–	9
Disposal	–	–	–	–	–	–	–
Currency translation differences	–4 755	–1 363	–201	–36	–8 067	–	–14 422
Balance as at 31.12.2021	**178 297**	**44 638**	**8 269**	**795**	**257 130**	**6 341**	**495 470**
Cumulative depreciation and impairments							
Balance as at 1.1.2020	**–184 105**	**–42 011**	**–7 002**	**–835**	**–270 917**	**–7 946**	**–512 816**
Change in scope of consolidation	5 878	894	15	–	5 105	1 724	13 616
Ordinary amortization	–	–2 913	–121	–	–1 919	–143	–5 096
Impairment	–	–2 065	–	–	–	–	–2 065
Disposal	–	–	10	–	–	6	16
Currency translation differences	580	94	54	4	–756	22	–2
Balance as at 31.12.2020	**–177 646**	**–46 001**	**–7 045**	**–831**	**–268 487**	**–6 337**	**–506 347**
Change in scope of consolidation	–	–	–	–	9 400	–	9 400
Ordinary amortization	–45	–	–423	–	–1 253	–3	–1 724
Impairment	–	–	–	–	–4 857	–	–4 857
Disposal	–	–	–	–	–	–	–
Currency translation differences	4 516	1 363	157	36	8 067	–	14 139
Balance as at 31.12.2021	**–173 175**	**–44 638**	**–7 311**	**–795**	**–257 130**	**–6 340**	**–489 389**
Net book value							
01.01.2020	–	5 129	369	–	8 031	302	13 831
31.12.2020	–	–	329	–	6 110	3	6 442
31.12.2021	5 122	–	959	–	–	1	6 082

Intangible assets mostly originate from company acquisitions and accordingly have been acquired in business combinations or through specific transactions. In 2021, the increase in technology is mainly due to investments made as part of the realization of the new business model of cell and module production and the expansion of the product portfolio with roof-integrated high-performance solar tiles.

The net effects from impairment in 2021 are mainly due to the goodwill derecognized with the exclusion of Oxford Photovoltaics Limited, London, United Kingdom and its fully owned subsidiary Oxford PV Germany GmbH, Brandenburg an der Havel, Germany from the scope of consolidation.

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 if the assets bring measurable benefit to the company over the course of several years.

Intangible assets from acquisitions, e.g. technology or brands, are measured at fair value at the time of acquisition and are 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. Costs for 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	31.12.2021	31.12.2020
Liabilities towards banks	34	133
Current financial liabilities	**34**	**133**
Convertible bond	122 346	–
Loan facility	58 809	–
Non-current financial liabilities	**181 155**	**–**
Financial liabilities	**181 189**	**133**

As of 15 June 2021 a debt facility was concluded with a bank syndicate for a total of EUR 125.0 million, of which EUR 115.0 million are designated as investment loans and EUR 10.0 million are designated as working capital loans. As of 31 December 2021, EUR 60.0 million of the debt facility were drawn and EUR 10.0 million were granted as documentary credit and guarantee facility (contingent liability). The loan, which matures on 8 March 2027, is to be used to finance investments to expand production capacity at the Bitterfeld-Wolfen (Saxony-Anhalt, Germany) and Freiberg (Saxony, Germany) production sites. The loan is guaranteed through comprehensive transfers of asset collateral from Meyer Burger with current assets of CHF 135.2 million of which CHF 101.4 million refer to pledged bank accounts without restricted use and non-current assets of CHF 114.3 million as well as an internal comfort letter stating a guarantee of EUR 125.0 million by Meyer Burger Technology Ltd. In addition, eighty percent of the loan volume is guaranteed by the Federal Republic of Germany and by the federal states of Saxony and Saxony-Anhalt. The transaction costs of CHF 3.3 million were accrued and are released through profit and loss over the credit period of the loan.

The continuation of the debt facility is subject to compliance with certain covenants in line with standard market practice. A liquidity risk exists should Meyer Burger not be able to fulfill these covenants in the future as outlined in note 3.5.

On 8 July 2021, MBT Systems GmbH, a directly wholly-owned subsidiary of the guarantor Meyer Burger Technology Ltd, issued a green bond with an aggregate principal amount of EUR 145 million. The bond was issued with a denomination of EUR 100,000 per bond at 100% of the principal amount and carries a coupon of 3.5% per annum payable every six months. Unless previously converted or bought back and canceled, the bond will be redeemed on 8 July 2027 at 100% of their principal amount. The bonds are convertible into approximately 247 million registered shares in Meyer Burger sourced from shares to be newly issued from conditional share capital excluding the existing shareholders' advance subscription rights. The initial conversion price has been set at EUR 0.5868, representing a premium of 25% over the issue price of the new shares translated into EUR using the CHF foreign exchange rate at the time of pricing on 1 July 2021, i.e. EUR 0.9115 per CHF 1.00. Meyer Burger is entitled to early redeem the bonds at their principal amount plus accrued interest in accordance with the terms and conditions of the bonds at any time on or after 29 July 2025, if the price of a Meyer Burger share is equal to or exceeds 130% of the then prevailing conversion price over a certain period or if, at any time, less than 15% of the aggregate principal amount of the bonds remain outstanding.

Accounting Policies

Financial liabilities are divided into current and non-current liabilities based 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 component, in turn, reflects the conversion right for the bond. Early conversions of the convertible bond will be considered by reclassifying the debt component into equity as of the conversion date. The remaining convertible bond will still be measured at amortized cost using the effective interest rate method.

Other financial liabilities are carried at their fair value including transaction costs recognized in profit and loss over the credit term. Subsequent measurement is at amortized cost using the effective interest rate method, which generally corresponds to the principal amount.

2.11 Trade payables

in TCHF	31.12.2021	31.12.2020
Trade payables	21 487	9 372
Trade payables	**21 487**	**9 372**

As at 31 December 2021, trade payables include goods received for which an invoice has not yet been received of CHF 13.2 million (31 December 2020: CHF 5.6 million).

2.12 Other liabilities

in TCHF	**31.12.2021**	**31.12.2020**
Other liabilities	2 191	3 332
Current other liabilities	**2 191**	**3 332**
Employee benefits	522	610
Other liabilities	45	47
Non-current other liabilities	**567**	**657**

Other liabilities as at 31 December 2021 and 31 December 2020 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 such as accrued paid annual leave and overtime, profit sharing and short-term incentives.

Other liabilities are measured at cost, which is generally the nominal value. Subsequent measurement is at amortized cost, which is generally also the nominal value.

2.13 Provisions

in TCHF	Warranties	Restructuring	Onerous contracts	Litigation	Other provisions	Total
Balance as at 1.1.2020	**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 at 31.12.2020	**2 856**	**166**	**596**	**603**	**540**	**4 761**
Changes in scope of consolidation	–	–	–	–	–	–
Increase	665	2 500	652	140	3	3 960
Use	–955	–2 003	–560	–270	–	–3 788
Release	–727	–113	–36	–293	–24	–1 193
Reclassification	–	–	–	–	–	–
Currency translation differences	–27	–	–	–	–	–27
Balance as at 31.12.2021	**1 812**	**550**	**652**	**180**	**519**	**3 713**
Of which current						
01.01.2020	3 895	4 701	2 049	–	534	11 179
31.12.2020	2 054	166	596	603	540	3 959
31.12.2021	1 008	550	297	180	519	2 554

Warranties: Provisions for services to be rendered during the contractual warranty period for Meyer Burger’s products. The amount of the provisions is determined from past historical data, industry benchmarks and recognized warranty risks. The outflow of cash is expected within the term of the warranty given, in the majority of cases under the old business model of machine manufacturing within one or two years (maximum). For the sales of Meyer Burger’s solar modules under the new business model the full warranty period of up to 30 years is considered.

Restructuring: Restructuring provisions are recognized for probable costs of specific reorganizations within the group. In 2021, Meyer Burger announced the closure of the sites in Taiwan, Korea and Malaysia and the downsizing of its site in China. Provisions for related restructuring costs of CHF 0.5 million were outstanding as at 31 December 2021.

Onerous contracts: Onerous contracts provisions are made for contracts under which the unavoidable costs of meeting the contractual obligations exceed the expected economic benefits, specifically rent obligations for rented office space no longer used.

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

Other: Other provisions generally cover various risks arising during the normal course of business based on specific transactions or situations such as possible contractual liabilities.

None of the provisions fulfilled the criteria for discounting as at 31 December 2021 and 31 December 2020.

Accounting Policies

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

Provisions are only created if there is a present obligation to third parties based on 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 this has a significant impact; generally if their amount exceeds CHF 5 million.

2.14 Accrued expenses and prepaid income

in TCHF	31.12.2021	31.12.2020
Accrued expenses	9 945	6 721
Employee benefits	3 359	2 800
Liabilities from current income taxes	185	1 716
Accrued expenses and prepaid income	**13 489**	**11 237**

As at 31 December 2021 and 31 December 2020, accrued expenses and prepaid income mainly include accrued expenses outstanding for payment, prepaid income e.g. due to outstanding machine acceptance, accrued interest expenses not yet paid, employee benefits earned, but not yet paid, and income tax liabilities.

Accounting Policies

Accrued expenses and prepaid income mainly includes 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.

2.15 Taxes

Deferred tax assets and liabilities

	Deferred tax assets		Deferred tax liabilities	
in TCHF	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Trade receivables	13	40	–	–
Inventories	57	56	–	1 270
Financial assets	–	–	43	–
Property, plant and equipment	158	103	13	23
Intangible assets	9	–	–	1
Financial liabilities	–	–	2 153	26
Trade payables	10	130	149	2
Provisions	41	–	–	105
Other liabilities	–	–	–	–
Subtotal	**288**	**329**	**2 358**	**1 427**
Netting	–88	–153	–88	–153
Deferred income taxes	**200**	**176**	**2 270**	**1 274**

Deferred income taxes are shown as a net position for each taxable entity in the balance sheet. As at 31 December 2021 and 31 December 2020, deferred income tax liabilities exceed deferred income tax assets. The deferred income tax liabilities as at 31 December 2021 mainly results from differences in financial liabilities due to the accounting treatment of transaction costs.

Tax loss carry-forwards not recognized

in TCHF	31.12.2021	31.12.2020
Expiry in 1 year	303 498	406 257
Expiry in 2–3 years	127 253	386 165
Expiry in 4–5 years	359 925	204 822
Expiry in more than 5 years	414 978	647 083
Tax loss carry-forwards not recognized	**1 205 655**	**1 644 329**

The total income tax claim on unrecognized tax loss carry-forwards amounts to CHF 160.5 million (31 December 2020: CHF 213.6 million). This takes into account that CHF 577.6 million (31 December 2020: 834.1 million) of 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 tax claim on unrecognized tax loss carry-forwards of the German entities facilitating the new business model amounts to CHF 71 million.

Income taxes

in TCHF	31.12.2021	31.12.2020
Current income taxes	–12	–627
Deferred income taxes	–1 080	363
Income taxes	**–1 092**	**–264**

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

in TCHF	31.12.2021	31.12.2020
Earnings before taxes (EBT)	–99 395	–64 214
Expected average weighted tax rate (%)	15.85%	21.32%
Expected income taxes	**15 754**	**13 690**
Cause for variance:		
Waive of capitalization of tax losses incurred in reporting period	–20 794	–18 057
Deviation from tax rate to expected tax rate of the Group	3 805	2 375
Deviation tax-deductible expenses	44	–291
Income tax in other accounting periods and corrections of prior years	–140	251
Subsequent use of tax loss carry-forwards from previous years	–	132
Non-taxable income	377	1 616
Change of deferred income tax rate in comparison to previous year	–	75
Other effects	–138	–55
Effective income taxes	**–1 092**	**–264**
Effective income taxes (%)	**1.10%**	**0.41%**

The expected tax rates of 15.85% in 2021 and 21.32% in 2020 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 valuation differences between the tax basis 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 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.

2.16 Equity

Share capital

	Number of shares	in CHF
Balance as at 1.1.2020	**685 173 834**	**34 258 692**
Capital increase	1 829 977 372	91 498 868
Balance as at 31.12.2020	**2 515 151 206**	**125 757 560**
Capital increase	155 339 805	7 766 990
Balance as at 31.12.2021	**2 670 491 011**	**133 524 550**

The share capital of Meyer Burger Technology Ltd as at 31 December 2021 was divided into 2,670,491,011 registered shares with a nominal value of CHF 0.05 each. In 2021, Meyer Burger carried out a capital increase that led to an increase by 155,339,805 registered shares based on the previous 2,515,151,206 registered shares outstanding as at 31 December 2020. 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 2021, non-distributable reserves in Group equity totaled CHF 95.3 million (31 December 2020: CHF 87.5 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 of the Swiss Code of Obligations, these may not be distributed within one calendar year of the respective capital increase 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 1 July 2021, 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 1 July 2021, the share capital may be increased by a maximum amount of CHF 12,575,756.00 through the issuance of a maximum of 251,515,120 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 (including the outstanding convertible bond) 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 1 July 2021, the Board of Directors is entitled to increase the share capital of the Company by a maximum amount of CHF 4,808,765.75, at any time until 4 May 2023, through the issuance of a maximum of 96,175,315 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, divisions 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 difficulty 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 of treasury shares in TCHF
1.1.2020	**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**
Purchase	–	–	–
Grant/use	–1 587 076	0.16	–256
31.12.2021	**18 147 882**	**0.29**	**5 307**

While in the course of the capital increase on 2 July 2021 the subscription rights of the shareholders were excluded, Meyer Burger Technology Ltd exercised the full amount of subscription rights on treasury shares held by itself and its subsidiaries in the course of the capital increase on 28 July 2020.

Treasury shares held by subsidiaries

	Number of shares	Price/share in CHF	Value of treasury shares in TCHF
1.1.2020	**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	**–**	**–**	**–**
31.12.2021	**–**	**–**	**–**

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 their 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 the 2017 share plan ended and the shares granted have been transferred to the plan participants.

3 If a plan participant gave notice on their employment contract during the vesting period, the forfeited shares allocated generally were returned to Meyer Burger Technology Ltd. In certain 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 held in conjunction with the employee share plans are held by Meyer Burger Technology Ltd. As at 31 December 2021, these are reserved in full and will be transferred to the respective employees upon expiry of the vesting period.

Meyer Burger Group is not aware of any shares in 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.

2.17 Net sales

in TCHF	2021	2020
Net sales from sales of goods	28 524	63 161
Net sales from rendering of services	5 928	8 890
Net sales from production contracts	5 453	18 406
Net sales	**39 905**	**90 457**

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 goods and services generally 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.

Net revenue from the sale of machinery is also 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.

2.18 Segment reporting

The activities of Meyer Burger Group are divided into the reportable business segments "Modules", "Photovoltaics" and "Specialized Technologies". The segment "Modules" was newly integrated into the internal reporting structure as at year-end 2020 as it is currently being ramped up. The "Cells" segment that was initially envisaged for year-end 2020 was abandoned in June 2021, when it became apparent that Meyer Burger had successfully raised sufficient financing to accelerate the expansion of module production capacity and therefore was able to utilize the full cell capacity within its own module production rather than selling excess cells to third parties. Under the old business model of equipment sales, the activities of Meyer Burger were divided into the reportable segments "Photovoltaics" and "Specialized Technologies". During the ongoing transformation of the Company, the segment "Specialized Technologies" was fully shut down during 2020 with the sale of the respective businesses while the customer projects in the segment "Photovoltaics" are subject to phase out, but still led to a limited amount of revenues in 2021, mainly due to long-term contracts and service provided and will contain the Pasan business only going forward.

Net sales by segments 2021

in TCHF	Modules	Photovoltaics	Specialized Technologies	Total	**Consolidation**	Total after consolidation
Net sales third parties	8 783	31 122	–	39 905	**–**	39 905
Net sales intersegment	–	38 430	–	38 430	**–38 430**	–
Net sales	**8 783**	**69 552**	**–**	**78 335**	**–38 430**	**39 905**

Net sales by segments 2020

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

Modules (new business model)

At its modern sites in Freiberg, Germany and Bitterfeld-Wolfen, Germany, and in future at its site in Goodyear, Arizona, USA, Meyer Burger manufactures high-quality solar cells and modules. 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.

Photovoltaics

The Photovoltaics segment largely comprises Meyer Burger's previous core business of photovoltaics and covers the processing of solar cells, solar modules and solar systems with its portfolio of systems, production equipment and services. Meyer Burger's strategic long-term technological approach which considers core technologies of the photovoltaic value chain and optimally harmonizes technologies across the different processes (cells, modules, solar systems), now serves as the foundation of the company's reorientation directly towards cell and module production. With the ongoing business transition, the respective equipment manufacturing facilities will be utilized for the internal development and setup of production equipment only with the exception of the ongoing Pasan business (cell and module measurement equipment and related services) which will be continued.

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 were sold in September 2020. The segment also included the PiXDRO business of Meyer Burger (Netherland) B.V. until March 2020. Accordingly, the segment is subject to fade out and did not include any transactions for the year 2021.

Segment results

Disclosure of the segment results would lead to much higher transparency in terms of Meyer Burger's cost and margin structure than that of the relevant competitors. 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 in comparison with to its competitors. In addition, such information may have negative impacts on the company's negotiating position with customers and suppliers. For these reasons, Meyer Burger Group does not disclose segment results.

2.19 Segmentation of net sales by geographic market

in TCHF	2021	2020
Switzerland	1 380	386
Germany	13 089	21 109
Rest of Europe	5 090	5 514
Asia	16 710	57 723
America	3 626	5 717
Rest of world	10	8
Net sales	**39 905**	**90 457**

2.20 Other operating income

in TCHF	2021	2020
Gain from sale of property, plant and equipment	139	78
Gain on disposal of subsidiaries and associated companies	–	11 751
Other income	3 029	4 248
Other operating income	**3 168**	**16 077**

In 2021 other operating income mainly consists from social subsidies and non-core revenue e.g. from the staff restaurant and kindergarten.

For 2020, other operating income includes the gain from the sale of the inkjet printing business (PiXDRO) within Meyer Burger (Netherlands) B.V., Eindhoven, Netherlands, for 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, for CHF 9.7 million.

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 reliably 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.

2.21 Personnel expenses

in TCHF	2021	2020
Wages and salaries	–45 598	–40 921
Social security	–7 527	–7 284
Pension benefit expenses	–708	–1 063
Share-based payment expenses	–866	–1 336
Temporary personnel	–2 157	–2 828
Other personnel expenses	–3 555	–507
Personnel expenses	**–60 411**	**–53 939**

During 2021, the German and Swiss entities of Meyer Burger received no short-time work compensation (2020: CHF 2.0 million). The subsidies for research and development costs in the financial year included staff grants of CHF 1.4 million which were offset against personnel expenses.

2.22 Operating expenses

in TCHF	2021	2020
Rental costs	–4 152	–3 284
Maintenance and repair	–1 488	–1 511
Vehicles and transportation expenses	–1 059	–1 377
Property insurance, fees and contributions	–1 432	–1 676
Energy and waste disposal expenses	–6 160	–1 678
Administration expenses	–10 032	–9 090
IT expenses	–2 090	–2 559
Marketing expenses	–3 499	–403
Loss on sale of property, plant and equipment	–301	–8
Expenses for research and development	–3 643	–5 073
Other operating expenses	–7 385	–1 858
Operating expenses	**–41 241**	**–28 517**

The general increase in operating expenses is mainly due to the ramp-up and start of production at the two new sites in Freiberg, Germany and Bitterfeld-Wolfen, Germany. This especially impacted energy and waste disposal expenses as well as rental costs. In addition, marketing costs are well above the previous year's level mainly due to the market launch of Meyer Burger's solar modules with the associated campaign and trade fair presence. Other operating expenses mainly result from changes in provisions for bad debt and include CHF 5.8 million of additional provision for bad debt on receivables from production contracts recognized in the financial year 2021.

2.23 Financial result

in TCHF	2021	2020
Interests income		
Cash and cash equivalents	8	16
Gain of financial assets fair value through p&l	150	–
Financial income	**158**	**16**
Interest expenses		
Liabilities towards banks	–342	–652
Interest paid on other financial liabilities	–8	–
Loans	–588	–
Mortgage loans	–	–32
Convertible bond	–4 902	–1 489
Currency translation differences (net)	–3 982	–109
Other financial expenses	–1 488	–1 156
Financial expenses	**–11 310**	**–3 438**
Financial result (net)	**–11 152**	**–3 422**

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 ensure 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 suitably detailed risk report is drawn up on a semi-annual basis and submitted to the Board of Directors. In 2021, the Board of Directors discussed the risk portfolio at a Board meeting and completed the revision of the risk management system to match Meyer Burger's new business model.

For the purposes of effective risk management, transparency and the proper aggregation of risks in the 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 possible loss are considered for each risk in 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, thereby ensuring that risk assessments are comparable across different areas of the company. A clear risk assessment matrix is drawn up based on the respective results.

3.1 Foreign currency risks

Meyer Burger Group is mainly exposed to exchange rate fluctuations in connection with operating expenses and loans denominated in a currency other than the local functional currencies 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.

The 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 at 31 December 2021 and 31 December 2020, there were no open currency hedge 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. The outstanding EUR 145 million convertible bond maturing in 2027 has been issued with a fixed interest rate while the outstanding EUR 125 million (of which EUR 60 million were drawn as of 31 December 2021) syndicated loan facility, also maturing in 2027, is subject to a variable interest rate. Meyer Burger has partially hedged against interest rate fluctuations on the outstanding loan amounts with an interest rate cap derivative. As at 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 particular on negative interest rates exists for cash and cash equivalents, which are subject to the risk of interest rate fluctuations on different capital markets with a corresponding potential impact on cash flow.

Overall, the risks arising from interest rate fluctuations are analyzed regularly and with the respective mitigating measures in place, they are deemed to have no material impact on the Group's cash flows and results. Based on the variable interest-bearing assets and liabilities that existed at 31 December 2021 it is expected that a one-percentage-point increase in the general level of interest rates including underlying refinancing base rates (e.g. EURIBOR) would increase the ordinary result of the Group by CHF 2.2 million on an annual basis including consideration of the partial interest rate hedge. A one-percentage-point decrease in the interest rate is expected to reduce the ordinary result of the Group by approximately CHF 2.5 million on an annual basis. The interest rate sensitivity is asymmetric mainly because the variable base interest rate of the syndicated loan facility is floored at zero percent.

3.3 Other financial price risks

Meyer Burger Group holds financial equity investments that are not publicly listed and accordingly are subject to the respective financial price risk. The investment is of strategic nature and the valuation of the respective financial instruments is monitored regularly to mitigate, and particularly to minimize, negative financial effects.

Meyer Burger Group is generally only indirectly exposed to fluctuations in commodity prices through the raw materials and semi-finished products it purchases. A commodity is a physical substance, generally a basic resource such as iron ore, nickel, aluminum, copper, silver or other metals, crude oil, natural gas, coal, silicon, etc. The actual price risk arises from the time difference between cost increases implemented by suppliers due to the rise in commodities prices or derivative products thereof and the opportunity for group companies to increase their sales prices. Each group company is responsible for identifying and quantifying its commodity price risks. Meyer Burger Group did not trade in any commodity derivatives during the financial years 2021 and 2020.

3.4 Credit risks

Meyer Burger Group is exposed to various credit risks through its operating activities. The Group has guidelines in place to ensure that products and services are only sold to customers with reliable credit. Outstanding debts are regularly monitored. Credit risks in relation to trade receivables and prepayments are considered in the financial statements by means of individual valuation allowances. Default risks are minimized wherever possible through customer prepayments, trade finance instruments such as factoring and credit insurance. 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. 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 arrears 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 as well as the factoring facility with a volume of up to EUR 60 million, 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.

Due to the change in business model and current ramp-up phase, Meyer Burger does not yet generate sufficient operating results to sustain its operations and is dependent on external debt and equity financing. In the financial year 2021, Meyer Burger has raised liquidity through a capital increase of CHF 80 million, the issuance of a green convertible bond of EUR 145 million, a syndicated loan facility of EUR 125 million of which EUR 60 million were drawn and EUR 10 million were granted as documentary credit and guarantee facility as of 31 December 2021, as well as a factoring agreement for up to EUR 60 million.

Among other conditions, the credit agreement contains certain covenants and further conditions apply, as are customary in syndicated loan agreements. The financial covenants will be measured for the first time on 30 June 2022. The convertible bond placed in the market and the syndicated credit facility are subject to cross default clauses customary in the market, according to which the outstanding amounts can be called due if the borrower, the guarantor or certain subsidiaries are required to early repay another financial obligation due to non-compliance with credit terms.

Meyer Burger's liquidity is deemed sufficient to finance its strategic transformation and create the planned production capacities for cells and modules.

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 recapitalization measures of the pension fund only.

The defined benefit pension plan is a collective pension plan. Due to its 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 112.9% at the end of 2021 (31 December 2020: 111.0%). Accordingly, the table below shows the changes in pension benefit expenses only.

The employees of group companies outside Switzerland are members of state pension plans in 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 2021, contributions of CHF 0.3 million were outstanding to be paid (31 December 2020: CHF 0.2 million).

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

Pension institutions 31.12.2021

Economic benefit/economic obligation and pension benefit expenses in TCHF	Surplus/deficit 31.12.2021	Economic part of the organization 31.12.2021	Economic part of the organization 31.12.2020	Change to prior-year period or recognized in the current result of the period	Contributions relating to the business period	Pension benefit expenses within personnel expenses 2021
Pension schemes without funding surplus/deficit in Switzerland	–	–	–	–	537	537
Pension schemes abroad	–	–	–	–	171	171
Total	**–**	**–**	**–**	**–**	**708**	**708**

Pension institutions 31.12.2020

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

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 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 indefinite term employment contract 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, and 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 the 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	2021	2020
Number of options granted	22 740 836	12 500 000
Date of grant	24.05.2021/03.06.2021	18.12.2020
Options price/fair value at date of grant in CHF	0.20/0.18	0.12
Number of shares granted	1 149 422	5 728 329
Date of grant	24.05.2021/30.12.2021	01.04.2020/23.12.2020
Share price/fair value at date of grant in CHF	0.30/0.41	0.15/0.24
Fair value of shares and options granted in CHF	4 592 751	2 534 904

For the 2021 and 2020 LTI Share Plans, 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 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%.

The actual number of shares that a member of the Board of Directors will receive for the 2021 and 2020 PSU Plans after the expiration of the vesting period can vary between a minimum of 0% and a maximum of 100%.

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 with 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	2021	2020
Currency translation differences on trade receivables and customer prepayments	–630	–555
Currency translation differences on cost of products and services	1 057	491
Currency translation differences on other operating expenses	17	168
Currency translation differences on financial expenses/income	–3 917	–63
Currency translation differences	**–3 473**	**41**

The effect from unrealized currency translation differences at the reporting date is generally recognized in the financial result. The currency loss on Group loans totaled CHF 0.4 million (2020: CHF 7.2 million), of which a loss of CHF 1.2 million (2020: CHF 1.1 million) was recognized in the income statement and a gain of CHF 0.8 million (2020: loss of CHF 6.1 million) directly in equity due to the equity-like nature of the respective loans.

4.4 Earnings per share

in TCHF	2021	2020
Basic		
Net result attributable to shareholders of Meyer Burger Technology Ltd (in TCHF)	–100 487	–64 478
Weighted average number of ordinary shares (in 1 000)	2 567 826	1 523 514
Basic earnings per share	**–0.04**	**–0.04**
Diluted		
Diluted earnings per share	**–0.04**	**–0.04**

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

In 2021, there was no dilution effect from the convertible bond as the share price was below the conversion price of the convertible bond of EUR 0.5868 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	31.12.2021	31.12.2020
Investment obligations from contracts already signed	114 882	34 525

The investment obligations as at 31 December 2021 and as at 31 December 2020 mainly refer to the acquisition of the necessary equipment in the German entities related to Meyer Burger's business transition and the ramp-up of the cell and module production.

4.6 Future liabilities from operating leases

in TCHF	31.12.2021	31.12.2020
Due date in the next financial year	5 875	3 814
Due date from 2 to 5 years	21 395	12 195
Due date more than 5 years	6 269	7 405
Future liabilities from operating lease	**33 539**	**23 414**

Obligations arising from operating leases mainly relate to rental agreements. Subsequent to the sale of the headquarters 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 2022 to 2029. In addition, operating lease obligations include CHF 9.1 million for the rent of the production facilities in Bitterfeld-Wolfen, Germany with a contractual term until 2027.

Meyer Burger (Americas) Lease Co., Goodyear, USA has concluded a leasing contract with a total volume of USD 10.8 million starting on 1 June 2022 and running until 2027 to establish a production site for high-performance solar modules in Goodyear, Arizona.

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 resulting payments are recognized as an expense.

4.7 Contingent liabilities

in TCHF	2021	2020
Guarantees (not product-related)	8 875	8 549
Contingent liabilities	**8 875**	**8 549**

During 2020, Meyer Burger entered into a sales contract for the building in Thun. Through 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.

Since the acquisition of the equity share of Oxford Photovoltaics Limited, the company was also an identified related party until the exclusion from the scope of consolidation as at 31 August 2021. 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 sales transactions in the amount of CHF 4.5 million were conducted in the first eight months of 2021 (2020: CHF 14.3 million).

As at 31 December 2021, no other material transactions were conducted and no receivables or liabilities were 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

Russia began an invasion of Ukraine at the end of February 2022 in an escalation of the Russo-Ukrainian War. This military attack led to a general market destabilization and supply chain interruptions in different sectors with global reach. While the direct effects on the business are expected to be rather modest, Meyer Burger could suffer from supply chain disruptions, transportation hindrances and the like based on the further development of the situation.

No further event occurred between 31 December 2021 and 23 March 2022 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 2021 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 71 to 103) give a true and fair view of the consolidated financial position of the Group as at 31 December 2021 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 1,350,000

We concluded full scope audit work at five Group companies in two countries.

Our audit scope addressed 71.8% of the Group's net sales. In addition, we performed specified procedures on the reporting packages of five companies in four countries, which addressed a further 18.5% of the Group's net sales.

We performed analytical procedures at all other companies.

As key audit matters the following areas of focus have been identified:

Accounting and measurement of the investment in Oxford Photovoltaics Limited

Recognition and existence of property, plant, and equipment

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

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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 1,350,000
Benchmark applied	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 135,000 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 five Group companies that required specified procedures due to the size and/or risk characteristics. The full scope audits of Group companies addressed 71.8% of the Group's net sales, while the specified procedures at five Group companies addressed 18.5% of net sales.

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.

Accounting and measurement 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. The shareholding corresponds to 19.76% of the share capital of Oxford Photovoltaics Limited. Based on a comprehensive assessment of the significant influence, the investment was classified as an associated company in 2019 and accounted for applying the equity method. Due to the termination of the strategic partnership and the exclusion of the Group's representative from the Board of Directors of Oxford Photovoltaics Limited, Meyer Burger concluded that they have lost significant influence.	We verified management's approach and assessment of the accounting and measurement of the investment in Oxford Photovoltaics Limited. We performed the following audit procedures: • We analyzed management's assessment of the loss of significant influence and reviewed the related postings • With regard to the measurement assessment, we evaluated the market and technology developments in the solar industry based on studies and discussions with management

Accordingly, the investment was reclassified to financial investments as of 31 August 2021. The remaining goodwill of CHF 4.6 million was impaired and the currency translation reserve of CHF 0.9 Mio. was recycled as a loss through the income statement. The financial investment in Oxford Photovoltaics Limited is accounted at the resulting deemed historical costs of CHF 19.7 million as of 31 December 2021. We consider the accounting and measurement of the investment in Oxford Photovoltaics Limited to be a key audit matter because: • the scope for judgement with regard to the classification as an associate and its reclassification to financial investments • the estimation uncertainty in assessing the future development of the perovskite solar technology and the resulting value for the financial investment; and • the significance of the balance sheet items in the consolidated financial statements (note 2.6 'financial assets').	• We assessed Oxford Photovoltaics Limited' s ability to initiate ongoing financing based on discussions with management of Meyer Burger and Oxford Photovoltaics Limited • We evaluated management's assessment about a possible market value of the shares and compared it with the information provided by Oxford Photovoltaics Limited • We benchmarked the book value with independent sources We consider the approach taken by the Board of Directors and management in relation to the accounting and measurement of the investment in Oxford Photovoltaics Limited to be reasonable.

Recognition and existence of property, plant, and equipment

Key audit matter	How our audit addressed the key audit matter
In the consolidated financial statements property, plant, and equipment (PPE) in the amount of CHF 124.3 million are recognised as per 31 December 2021, whereof 110.5 million were capitalized in financial year 2021. PPE are mainly production facilities, which were acquired in the context of the new business model for the build-up of the production facilities for cell and module manufacturing. Government grants for partial financing (CHF 11.3 million in the financial year) were deducted from the above-mentioned gross investment expenditure. Costs capitalized include own work capitalized in the amount of CHF 30.7 million, mainly including machinery and equipment. In addition, directly attributable costs were allocated to the ramp-up phase, among other things. We consider the recognition and existence of PPE to be a key audit matter because: • the significance of the balance sheet items in the consolidated financial statements (note 2.8 'property, plant, and equipment').	As part of our audit, we assessed the internal processes and controls for the recognition of PPE and the methodological approach used to identify, account for and measure PPE, including own work capitalized, and discussed these with the responsible management personnel. In addition, we performed the following audit procedures: • We performed a physical inspection of significant items of PPE at the two production plants in Bitterfeld-Wolfen and Freiberg in order to verify their existence and operational use. In doing so, we also inspected project documents to satisfy ourselves of the respective project progress. In order to examine the existence of investments made, we also inspected underlying supporting documents (such as purchase orders, invoices, acceptance protocols, etc.) on a sample basis. • We assessed the recoverability of the assets acquired on the basis of internal forecasts and evaluated the reasonableness of the underlying estimates and assumptions. We also reviewed procurement contracts with a volume of more than EUR 0.1 million, which Meyer Burger has entered into in connection with the investments made. • With regards to own work capitalized which was performed by various Group companies, we examined on a sample basis whether this expenditure was directly attributable to the respective asset. In addition, we assessed

in detail the criteria for capitalization on a sample basis for individual items.

• Furthermore, we assessed the estimates made by management (useful life, residual carrying amount, etc.).

On the basis of our audit procedures, we consider management's approach to recognizing PPE reasonable.

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

René Rausenberger	Yvonne Burger
Audit expert Auditor in charge	Audit expert

Bern, 23 March 2022

Financial Statements - Meyer Burger Technology

Balance Sheet

in TCHF	Notes	31.12.2021	31.12.2020
Assets			
Current assets			
Cash and cash equivalents		94 798	58 582
Other receivables			
intercompany		2 183	5 968
third parties		14 525	17 095
Accrued income and deferred expenses		110	133
Total current assets		**111 616**	**81 778**
Non-current assets			
Financial assets	**2.1**	68 236	112 276
Investments	**2.2**	268 432	207 053
Total non-current assets		**336 668**	**319 329**
Total assets		**448 284**	**401 107**
Liabilities and equity			
Current liabilities			
Other payables			
intercompany		6 415	7 755
third parties		243	390
Accrued expenses and deferred income		1 444	981
Current provisions		517	790
Total current liabilities		**8 619**	**9 916**
Non-current liabilities			
Provisions		114	130
Total non-current liabilities		**114**	**130**
Equity			
Share capital	**2.3**	133 525	125 758
Legal capital reserves			
Capital contribution reserves	**2.4**	569 788	497 555
Other capital reserves		5 892	6 046
Legal retained earnings			
General legal retained earnings		140	140
Accumulated losses		–264 487	–232 875
Treasury shares	**2.5**	–5 307	–5 563
Total equity		**439 551**	**391 061**
Total liabilities and equity		**448 284**	**401 107**

Income Statement

in TCHF	Notes	1.1.–31.12.2021	1.1.–31.12.2020
Other operating income	**2.6**	3 656	5 251
Other operating expenses	**2.7**	–466	–1 055
Personnel expenses		–1 375	–4 789
Administration expenses		–6 943	–8 040
Impairments on intercompany loans, investments and financial assets	**2.8**	–23 497	–13 530
Earnings before interests and taxes		**–28 625**	**–22 163**
Financial costs			
Interest expenses	**2.9**	–333	–1 705
Other financial expenses	**2.12**	–2 060	–8 482
Loss from currency translations	**2.11**	–3 078	–340
Financial income			
Interest income	**2.1**	2 588	10 914
Earnings before taxes		**–31 508**	**–21 776**
Income taxes		–104	–74
Net result		**–31 612**	**–21 850**

Notes to the Financial Statements

1 Accounting policies

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). Any 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 and financial equity investments where less than 20% of the voting rights are held. Loans granted in foreign currencies are measured at the rate on the actual reporting date, with unrealized foreign currency losses being taken into account, but not unrealized foreign currency gains (prudence principle).

1.3 Investments

Meyer Burger generally applies the principle of individual valuation while aggregating investments in group companies with close business interrelationships.

1.4 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 a future outflow of resources is probable. If an obligation cannot be identified 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.

1.5 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 share value reflecting the share premium. The position is reduced by the excess value over the nominal value of any 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.

Retained earnings or accumulated losses consist of undistributed gains, and respectively accumulated losses.

1.6 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.

1.7 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 not included disclosures on interest-bearing liabilities and audit fees in these notes, has not presented a cash flow statement and has not 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 mainly consist of loans to direct and indirect subsidiaries of Meyer Burger Technology Ltd aimed at financing their ordinary business. In addition, as of 31 August 2021, the investments in Oxford Photovoltaics Limited, London, United Kingdom and its fully owned subsidiary Oxford PV Germany GmbH, Brandenburg an der Havel, Germany, were reclassified from investments into financial assets based on the loss of significant influence over the companies' business activities.

2.2 Investments

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

Companies

				Participation[1]	
Company	Registered office	Currency	Share capital	31.12.2021	31.12.2020
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	4 421 500 000	100.00%	100.00%
MBT Systems GmbH	Hohenstein-Ernstthal, Germany	EUR	96 000 000	100.00%	100.00%
Meyer Burger (Americas) Ltd (former MBT Systems Ltd)	Delaware, USA	USD	100	100.00%	100.00%
Meyer Burger (Americas) Lease Co., LLC	Goodyear, USA	USD	0	100.00%	0.00%
Meyer Burger (Germany) GmbH	Hohenstein-Ernstthal, Germany	EUR	112 000 000	100.00%	100.00%
Meyer Burger (Industries) GmbH	Freiberg, Germany	EUR	96 000 000	100.00%	100.00%
Meyer Burger (Italy) S.r.l.	Milan, Italy	EUR	10 000	100.00%	100.00%
Meyer Burger (NL) B.V.	Eindhoven, Netherlands	EUR	18 200	100.00%	100.00%
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 Traiding (Shanghai) Co. Ltd	Shanghai, China	CNY	1 655 400	100.00%	100.00%
Meyer Burger Systems (Shanghai) Co. Ltd	Shanghai, China	CNY	102 172 722	100.00%	100.00%
Oxford Photovoltaics Limited[2]	London, United Kingdom	GPB	3 733	19.76%	19.76%
Oxford PV Germany GmbH[2]	Brandenburg an der Havel, Germany	EUR	25 000	19.76%	19.76%
Pasan SA	Neuchâtel, Switzerland	CHF	102 000	0.00%	100.00%

[1] The share of equity corresponds to the share of voting rights.
[2] Significant influence was lost over the investments in Oxford Photovoltaics Limited and its fully owned subsidiary Oxford PV Germany GmbH as of August 2021. While the participation percentage remained unaffected, the classification was changed to financial assets.

Foundation of Meyer Burger (Americas) Lease Co., LLC

Meyer Burger (Americas) Lease Co., LLC was founded on 16 December 2021 with zero equity as the first of two planned local companies in the USA, with the aim of strengthening Meyer Burger´s operations in the USA. Meyer Burger is establishing a production site for high-performance solar modules in Goodyear, USA. The investment is an important step in meeting Meyer Burger's commitments to produce modules in closer proximity to US end-customers, to source material from regional suppliers, and to improve overall sustainability by reducing transportation emissions and optimizing the carbon footprint of the company's solar modules.

Loss of control over Oxford Photovoltaics Limited

Meyer Burger Technology was informed on 23 July 2021 via a press release as well as a letter from Oxford Photovoltaics Limited, London, United Kingdom, that the company considers the joint collaboration agreement, in place since 2019, terminated for its own strategic reasons. With the persistent recusal of Meyer Burger's representative from the Board of Oxford Photovoltaics Limited, Meyer Burger has lost its significant influence over Oxford Photovoltaics Limited and its 100% subsidiary Oxford PV Germany GmbH as from 31 August 2021. While the participation percentage remained unaffected, the classification was changed to financial assets. The related revaluation led to an impairment of CHF 17.5 million. .

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.

2.3 Share capital

The share capital of Meyer Burger Technology Ltd as at 31 December 2021 was divided into 2,670,491,011 registered shares with a nominal value of CHF 0.05 each. On 2 July 2021, Meyer Burger Technology Ltd carried out a capital increase. The capital increase led to an increase of 155,339,805 registered shares based on the 2,515,151,206 registered shares outstanding as per 31 December 2020. 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 1 July 2021, 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 1 July 2021, the share capital may be increased by a maximum amount of CHF 12,575,756.00 through the issuance of a maximum of 251,515,120 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 1 July 2021, the Board of Directors is entitled to increase the share capital of the Company by a maximum amount of CHF 4,808,765.75, at any time until 4 May 2023, through the issuance of a maximum of 96,175,315 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, divisions 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 difficulty 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 (96,175,315 registered shares) of the Articles of Association represents 3.60% of the outstanding ordinary share capital (2,670,491,011 registered shares) as of 31 December 2021.

Significant shareholders

The Company is aware of the following shareholders, who according to Article 12 of. FMIA (Financial Market Infrastructure Act) held more than 3% of the voting rights (based on the share capital registered in the commercial register) as at 31 December 2021 and respectively 31 December 2020. The disclosure notices are published on the website of the disclosure office.[1]

	Registered shares[3]	
Shareholder[2]	31.12.2021	31.12.2020
Sentis Capital PCC (Cell 3)[4]	10.01%	14.73%
Invesco Ltd, Hamilton, Bermuda	5.41%	5.41%
BlackRock, Inc.	5.10%	–
Universal-Investment-Gesellschaft mbH	3.71%	–
UBS Fund Management (Switzerland) AG	3.01%	–
Swisscanto Fondsleitung AG	3.00%	4.57%
J O Hambro Capital Management Limited[5]	–	3.78%

[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.

2.4 Capital contribution reserves

Of the total CHF 569.8 million capital contribution reserves as at 31 December 2021, CHF 475.2 million were approved by the Federal Tax Administration as available for distribution free of withholding tax (31 December 2020: CHF 408.1 million).

The increase of CHF 67.1 million is based on the capital increase in the financial year 2020. The premiums of the 2021 capital increase are again reported to the Federal Tax Administration for approval for potential distribution free of withholding tax.

The capital contribution reserves as at 31 December 2021 include capital transaction costs of CHF 29.2 million not approved for potential distribution free of withholding tax by the Federal Tax Administration based on current practice.

2.5 Treasury shares

Treasury shares held by Meyer Burger Technology Ltd

	No. of shares	Price/share in CHF	Value of treasury shares in TCHF
01.01.2020	**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**
Grant/use	–1 587 076	0.16	–256
31.12.2021	**18 147 882**	**0.29**	**5 307**

While in the course of the capital increase on 2 July 2021 the subscription rights of the shareholders were excluded, Meyer Burger Technology Ltd exercised the full amount of subscription rights on treasury shares held by itself and its subsidiaries in the course of the capital increase on 28 July 2020.

Treasury shares held by subsidiaries

	No. of shares	Price/share in CHF	Value of treasury shares in TCHF
01.01.2020	**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	**–**	**–**	**–**
31.12.2021	**–**	**–**	**–**

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 their 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-year vesting period of the 2017 share plan ended and the shares granted have been transferred to the plan participants.

3 If a plan participant gave notice on their employment contract during the vesting period, the forfeited shares allocated generally were returned to Meyer Burger Technology Ltd. In certain 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 held in conjunction with the employee share plans are held by Meyer Burger Technology Ltd. As at 31 December 2021, these are reserved in full and will be transferred to the respective employees upon expiry of the vesting period.

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

2.6 Other operating income

Other operating income mainly includes management fees that invoiced to the group companies and dividends received. In 2021, dividends of CHF 0.9 million were received from subsidiaries (2020: CHF 1.8 million).

2.7 Other operating expenses

Other operating expenses reflect losses on bad debts from group companies.

2.8 Impairments on intercompany loans, investments and financial assets

The valuation of investments and loans to group companies is reviewed at least annually. As at 31 December 2021, additional impairments on investments and loans to group companies and the financial asset of Oxford Photovoltaics Limited were deemed necessary based on expected future cash flows. The impairments to the initial valuation reflect this critical assessment.

2.9 Interest expenses

In the year under review and in the previous year, negative interest and bank fees were recognized as interest expenses. In the current year 2021, a debt waiver on an intercompany loan was recognized through profit and loss. In the previous year, interest expenses also included interest on the convertible bond fully repaid in 2020, as well as the commitment fee relating to provision of the syndicated credit facility agreement, which matured in August 2020.

2.10 Interest income

Interest income includes the interest received on loans granted to group companies.

2.11 Loss from currency translation

The currency translation rate of the US Dollar (USD) increased by 3% while the currency translation rate of the Euro (EUR) decreased by 4% in the reporting year. This resulted in a cumulative loss from currency translation. In 2020, the main foreign currency (USD) decreased by 9%.

2.12 Other financial expenses

Other financial expenses mainly refer to capital increase costs.

3 Other disclosures

3.1 Full-time employees

The average number of full-time employees did not exceed 50 employees for the reporting period as well as the previous period.

3.2 Liabilities to pension funds

As at 31 December 2021, no contributions to pension funds were outstanding to be paid (31 December 2020: CHF <0.1 million).

3.3 Contingent liabilities

As at 31 December 2021, several guarantees were granted by Meyer Burger Technology Ltd for group companies in favor of third parties for a maximum amount of CHF 227.4 million (31 December 2020: CHF 0.3 million). As at 31 December 2021, Meyer Burger Technology Ltd granted a letter of comfort for the syndicated loan towards Meyer Burger (Industries) GmbH, Freiberg, Germany with a loan limit of EUR 125 million of which CHF 72.3 million was utilized. In addition, Meyer Burger Technology Ltd granted a guarantee for the factoring facility towards Meyer Burger (Industries) GmbH, Freiberg, Germany with a limit of EUR 60 million of which CHF 2.4 million was utilized at the balance sheet date. In addition, a guarantee for the convertible bond issued by MBT Systems GmbH, Hohenstein-Ernstthal, Germany was issued on 30 June 2021 in the amount of EUR 145 million of which accrued interest of CHF 2.5 million was outstanding to be paid as at 31 December 2021.

During 2020, Meyer Burger Technology Ltd signed a bilateral framework agreement for credit products with a Swiss financial institution, which is still valid throughout 2021. The bank´s claims are secured with a right of lien of up to a principal amount of CHF 25.0 million and as at 31 December 2021, CHF 11.6 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 2.6 million as at 31 December 2021 (31 December 2020: CHF 2.7 million), of which CHF 2.6 million was cash collateralized (2020: CHF 2.7 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.

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 respective group companies to confidently settle their accounts payable to creditors on time.

3.5 Shares allocated to the Board of Directors, Executive Board and employees

In the years 2021 and 2020, 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 of treasury shares/options in TCHF
2021					
Allocated to the Board of Directors	1 149 422	-	0.299/0.4006	–	392
Allocated to the Executive Board	-	4 940 169	-	0.177	874
Allocated to employees	-	17 800 667	-	0.177/0.198	3 315
Total	**1 149 422**	**22 740 836**	**–**	**–**	**4 581**
2020					
Allocated to the Board of Directors	2 033 900	-	0.236	–	480
Allocated to the Executive Board[1]	618 600	9 000 000	0.15	0.12	1 173
Allocated to employees	3 075 829	3 500 000	0.15	0.12	784
Total	**5 728 329**	**12 500 000**	**–**	**–**	**2 437**

1 In the form of options from 18.12.2020.

3.6 Share ownership by the Board of Directors and the Executive Board

2021

The members of the Board of Directors and of the Executive Board (including related parties) held the following participations in Meyer Burger Technology Ltd as at 31 December 2021:

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	3 031 597	877 755	–	0.15%
Mark Kerekes	Member of the Board of Directors	5 814 003	791 150	–	0.25%
Urs Schenker	Member of the Board of Directors	8 142 859	115 451	–	0.31%
Andreas R. Herzog	Member of the Board of Directors	340 451	819 144	–	0.04%
Gunter Erfurt	Chief Technology Officer	374 617	105 373	8 970 085	0.35%
Jürgen Schiffer	Chief Financial Officer	292 364	–	–	0.01%
Katja Tavernaro	Chief Sustainability Officer	–	64 380	4 735 042	0.18%
Total as at 31 December 2021		**17 995 891**	**2 773 253**	**13 705 127**	**1.29%**

1 In the participation table, the number of restricted registered shares under RSU/PSU plans for the Executive Committee and Board of Directors includes the maximum potential amount of shares that could be vested from the 2019/2020/2021 LTI Share Plans. The number of options under share plan includes the maximum amount of shares that could be vested under the 2021 option plans.

Grant/purchase date	Number of shares	Number of options	Vesting period until
30.12.2021	480 526		30.12.2024
03.06.2021	–	3 705 127	02.06.2024
24.05.2021	501 672	–	23.05.2024
23.12.2020	1 525 425	–	22.12.2023
18.12.2020	–	10 000 000	17.12.2023
01.04.2019/03.05.2019	265 640	–	31.03.2022/02.05.2022

2 Participation as a percentage of the number of outstanding registered shares as at 31 December 2021 (2,670,491,011 shares).

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 as at 31 December 2020:

Name	Position	Registered shares (number)	RSU/PSU/ restricted shares under share plan[1] (number)	Options under share plan[1] (number)
Franz Richter	Chairman of the Board of Directors	2 994 157	613 798	–
Mark Kerekes	Member of the Board of Directors	5 814 003	508 475	–
Urs Fähndrich	Member of the Board of Directors	143 705	508 475	–
Andreas R. Herzog	Member of the Board of Directors	225 000	536 479	–
Gunter Erfurt	Chief Technology Officer	374 617	203 734	6 500 000
Jürgen Schiffer	Chief Financial Officer	42 000	–	2 500 000
Total as at 31 December 2020		**9 593 482**	**2 370 961**	**9 000 000**

[1] In the participation table, the number of restricted registered shares under RSU/PSU plans for the Executive Committee and Board of Directors includes the maximum potential amount of shares that could be vested from the 2018/2019/2020 LTI Share Plans.

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 at 31 December 2020 (2,515,151,206 shares).

3.7 Significant events after the reporting date

Russia began an invasion of Ukraine at the end of February 2022 in an escalation of the Russo-Ukrainian War. This military attack led to a general market destabilization and supply chain interruptions in different sectors with global reach. While the direct effects on the business are expected to be rather modest, Meyer Burger could suffer from supply chain disruptions, transportation hindrances and the like based on the further development of the situation.

No events occurred between 31 December 2021 and 23 March 2022 that would have a material effect on the recognized carrying amounts of assets and liabilities of Meyer Burger Technology Ltd 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 financial statements

Opinion

We have audited the financial statements of Meyer Burger Technology Ltd, which comprise the balance sheet as at 31 December 2021, income statement and notes to the financial statements for the year then ended, including a summary of significant accounting policies.

In our opinion, the financial statements (pages 109 to 119) as at 31 December 2021 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 3,800,000

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 matters the following areas of focus have been identified:

Impairment testing of investments in Group companies, of intercompany loans, and receivables

Accounting and measurement 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 financial statements are free from material misstatement. Misstatements may arise due to fraud or

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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 3,800,000
Benchmark applied	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 Audit Committee that we would report to them misstatements above CHF 190,000 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, of intercompany loans, and receivables

Key audit matter	How our audit addressed the key audit matter
As at 31 December 2021, Meyer Burger Technology Ltd reported investments in Group companies (CHF 268.4 million), intercompany loans (CHF 48.5 million, noncurrent) and receivables (CHF 2.2 million, current). Investments in Group companies, intercompany loans and receivables are measured 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, intercompany loans and receivables. Where necessary, impairment charges have been recognised. 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 2.8 'Impairments on investments and financial assets' in the notes to the financial statements) to be a key audit matter because of: • the significant scope for judgement involved in performing the impairment tests, • the operating results of certain companies, and	We assessed the need for impairment of the investments in Group companies, 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 prepared by management as well as the WACC applied to determine the recoverable amounts • We checked the Business Plan, which is approved by the Board of Directors for plausibility. • We compared the results of management's valuations against the corresponding book value and assessed the completeness and correct booking of the necessary impairment charges.

• the significant amount that these assets represent.	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.

Accounting and measurement 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. The shareholding corresponds to 19.76% of the share capital of Oxford Photovoltaics Limited. Based on a comprehensive assessment of the possibility to exercising significant influence, the investment was classified as an associated company in 2019 and presented as an investment. Due to the termination of the strategic partnership and the exclusion of Meyer Burger's representative from the Board of Directors of Oxford Photovoltaics Limited, Meyer Burger concluded that they have lost the possibility to exercising significant influence. Accordingly, the investment was reclassified to financial assets as of 31 August 2021 and an impairment of CHF 17.5 million was recognized. The value of the financial asset as at 31 December 2021 amounts to CHF 19.7 million. We consider the accounting and measurement of the investment in Oxford Photovoltaics Limited to be a key audit matter because: • the scope for judgement with regard to the classification and its reclassification from investments to financial assets • the estimation uncertainty in assessing the future development of the perovskite solar technology and the resulting value for the financial investment, as well as • the significance of the balance sheet items in the consolidated financial statements (note 2.1 'financial assets').	We verified management's approach and assessment of the accounting and measurement of the investment in Oxford Photovoltaics Limited. We performed the following audit procedures: • We analyzed management's assessment of the loss of significant influence and reviewed the related postings • With regard to the measurement assessment, we evaluated the market and technology developments in the solar industry based on studies and discussions with the management • We assessed Oxford Photovoltaics Limited' s ability to initiate ongoing financing based on discussions with management of Meyer Burger and Oxford Photovoltaics Limited • We evaluated management's assessment about a possible market value of the shares and compared it with the information provided by Oxford Photovoltaics Limited • We benchmarked the book value to independent sources We consider the approach taken by the Board of Directors and management in relation to the accounting and measurement of the investment in Oxford Photovoltaics Limited to be reasonable.

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 recommend that the financial statements submitted to you be approved.

PricewaterhouseCoopers AG

René Rausenberger	Yvonne Burger
Audit expert Auditor in charge	Audit expert

Bern, 23 March 2022