Even if the production of solar modules is highly automated, it needs people like Kristin Gietzelt. She works as an operator and monitors machines in line A in Freiberg. Since summer 2022 she has been working at Meyer Burger, making her one of the many new employees at the site. "I like the family-friendly shift system," she says. "I worked in a restaurant, where it was different."

6

Financial Statements

Consolidated Financial Statements – Meyer Burger Group

Statutory Financial Statements – Meyer Burger Technology AG

Consolidated Financial Statements – Meyer Burger Group

Consolidated Balance Sheet

in TCHF	Notes	31.12.2022		31.12.2021	
Assets					
Current assets					
Cash and cash equivalents		293 163		231 391	
Trade receivables	2.1	11 540		3 492	
Other current receivables	2.2	48 907		45 207	
Net receivables from production contracts	2.3	–		12 782	
Inventories	2.4	118 542		41 190	
Prepaid expenses and accrued income	2.5	1 646		606	
Total current assets		**473 798**	**65.8%**	**334 668**	**67.9%**
Non-current assets					
Financial assets	2.6	29 951		27 501	
Property, plant and equipment	2.7	210 712		124 271	
Intangible assets	2.8	5 286		6 082	
Deferred tax assets	2.14	695		200	
Total non-current assets		**246 644**	**34.2%**	**158 054**	**32.1%**
Total assets		**720 442**	**100.0%**	**492 722**	**100.0%**
Liabilities and equity					
Liabilities					
Current liabilities					
Financial liabilities	2.9	22 673		34	
Trade payables	2.10	33 250		21 487	
Net liabilities from production contracts	2.3	2 662		2 573	
Customer prepayments	2.4	872		3 813	
Other liabilities	2.11	2 259		2 191	
Provisions	2.12	4 078		2 554	
Accrued expenses and prepaid income	2.13	23 658		13 489	
Total current liabilities		**89 452**	**12.4%**	**46 141**	**9.4%**
Non-current liabilities					
Financial liabilities	2.9	198 148		181 155	
Other liabilities	2.11	377		567	
Provisions	2.12	1 132		1 159	
Deferred tax liabilities	2.14	2 452		2 270	
Total non-current liabilities		**202 109**	**28.1%**	**185 151**	**37.6%**
Total liabilities		**291 561**	**40.5%**	**231 292**	**47.0%**
Equity					
Share capital	2.15	179 861		133 525	
Capital reserves		1 354 438		1 161 846	
Treasury shares	2.15	–4 984		–5 307	
Reserve for share-based payments		4 632		3 369	
Accumulated losses		–1 105 066		–1 032 003	
Total equity		**428 881**	**59.5%**	**261 430**	**53.0%**
Total liabilities and equity		**720 442**	**100.0%**	**492 722**	**100.0%**

The Notes starting on page 100 are an integral part of the consolidated financial statements.

Consolidated Income Statement

in TCHF	Notes	1.1.–31.12.2022		1.1.–31.12.2021	
Net sales	**2.16/2.17/2.18**	**147 214**	**100.0%**	**39 905**	**100.0%**
Other operating income	**2.19**	9 084		3 168	
Currency translation gains and losses on trade receivables and customer prepayments	**4.3**	–1 099		–630	
Total Income		**155 199**		**42 443**	
Changes in inventories of finished and semi-finished products and machines before acceptance		26 692		–7 468	
Cost of products and work in progress		–150 725		–36 536	
Capitalized goods and services	**2.7**	41 845		30 744	
Operating income after costs of products and services	**1.1**	**73 011**		**29 183**	
Personnel expenses	**2.20**	–68 047		–60 411	
Operating expenses	**2.21**	–39 594		–41 241	
Earnings before interests, taxes, depreciation and amortization (EBITDA)	**1.1**	**–34 630**	**–23.5%**	**–72 469**	**–181.6%**
Depreciation and impairment on property, plant and equipment	**2.7**	–17 994		–6 287	
Amortization and impairment on intangible assets	**2.8**	–970		–6 581	
Earnings before interests and taxes (EBIT)	**1.1**	**–53 594**	**–36.4%**	**–85 337**	**–213.9%**
Financial result	**2.22**	–16 441		–11 152	
Result from investment in associates		–		–2 906	
Earnings before income taxes		**–70 035**	**–47.6%**	**–99 395**	**–249.1%**
Income taxes	**2.14**	185		–1 092	
Result		**–69 850**	**–47.4%**	**–100 487**	**–251.8%**
Attributable to					
Shareholders of Meyer Burger Technology AG		–69 850	–47.4%	–100 487	–251.8%

in CHF					
Earnings per share					
Basic earnings per share	**4.4**	–0.02		–0.04	
Diluted earnings per share	**4.4**	–0.02		–0.04	

The Notes starting on page 100 are an integral part of the consolidated financial statements.

Consolidated Statement of Changes in Equity

in TCHF	Attributable to shareholders of Meyer Burger Technology AG	
	Share capital	Capital reserves
Notes	2.15	
Equity at 1.1.2021	**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**
Result	–	–
Currency translation differences recognized in reporting period	–	–
Capital increase	46 336	203 664
Costs of capital increase	–	–11 950
Sale/use of treasury shares	–	–
Share-based payments	–	–
Transfer of shares for employees to the plan participants after vesting period	–	–
Reclassification	–	878
Equity at 31.12.2022	**179 861**	**1 354 438**

The Notes starting on page 100 are an integral part of the consolidated financial statements.

				Attributable to shareholders of Meyer Burger Technology AG	
Treasury shares	**Reserve for share-based payments**	Currency translation differences	Other retained earnings	**Accumulated losses**	**Total equity**
2.15					
–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**
–	–	–	–69 850	**–69 850**	**–69 850**
–	–	–3 213	–	**–3 213**	**–3 213**
–	–	–	–	**–**	**250 000**
–	–	–	–	**–**	**–11 950**
431	–	–	–	**–**	**431**
–	2 032	–	–	**–**	**2 032**
769	–769	–	–	**–**	**–**
–878	–	–	–	**–**	**–**
–4 984	**4 632**	**–30 721**	**–1 074 345**	**–1 105 066**	**428 881**

Consolidated Cash Flow Statement

in TCHF	Notes	1.1.–31.12.2022	1.1.–31.12.2021
Result		**–69 850**	**–100 487**
Result from associates		–	2 906
Depreciation and amortization	**2.7/2.8**	18 854	7 981
Impairment / reversal of impairment on non-current assets	**2.6/2.7/2.8**	110	3 742
Gains/losses from sale of fixed assets and business activities	**2.7/2.8**	–192	163
Deferred income taxes	**2.14**	–217	1 079
Decrease (+) / increase (–) in other (non-current) assets		–2 278	–234
Increase (+) / decrease (–) in (non-current) provisions	**2.12**	–20	357
Increase (+) / decrease (–) in other (non-current) liabilities		5 213	–95
Decrease (+) / increase (–) in trade receivables	**2.1**	–1 700	1 496
Decrease (+) / increase (–) in net assets from construction contracts	**2.3**	6 264	2 608
Decrease (+) / increase (–) in inventories	**2.4**	–81 016	–18 560
Decrease (+) / increase (–) in other receivables and accruals	**2.2/2.5**	–207	–8 527
Increase (+) / decrease (–) in (current) provisions	**2.12**	1 597	–1 377
Increase (+) / decrease (–) in trade payables		11 865	12 439
Increase (+) / decrease (–) in customer prepayments		–2 911	–735
Increase (+) / decrease (–) in other (current) liabilities and deferrals	**2.11/2.13**	11 076	1 497
Exchange differences [1]		4 039	11 757
Other non-cash-related changes [1]		–654	–77
Cash flow from operating activities		**–100 027**	**–84 067**
Investments in property, plant and equipment	**2.7**	–122 000	–109 971
Investment subsidies received	**2.7**	8 428	9 632
Sale of property, plant and equipment	**2.7**	550	798
Sale of investment property	**2.7**	1 188	1 698
Investments in intangible assets	**2.8**	–448	–6 502
Investments in financial assets		–	–183
Increase in rent deposits		–1 059	–
Decrease in bank deposits with limited availability		6 024	6 601
Increase in bank deposits with limited availability		–10 786	–4 596
Cash flow from investing activities		**–118 103**	**–102 523**
Capital increase		250 000	80 000
Cost of capital increase		–9 447	–2 890
Issuance of convertible bond		–	152 762
Issuance costs of convertible bond		–	–3 953
Repayment of current financial liabilities		–11 156	–138
Increase of non-current financial liabilities		55 750	61 541
Borrowing costs		–	–3 598
Cash flow from financing activities		**285 147**	**283 724**
Change in cash and cash equivalents		**67 017**	**97 134**
Cash and cash equivalents at beginning of period		**231 391**	**139 739**
Currency translation differences on cash and cash equivalents		–5 245	–5 482
Cash and cash equivalents at the end of the period		**293 163**	**231 391**

The Notes starting on page 100 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.

[1] "Exchange differences" are shown separately for the first time in the Annual Report 2022 and the comparable period has been adjusted accordingly. In the Annual Report 2021 this item was included in "Other non-cash-related changes".

Notes to the Consolidated Financial Statements

1 General information

1.1 Accounting policies

Meyer Burger Technology AG 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 AG's registered shares (ticker: MBTN) are listed on the SIX Swiss Exchange in Zurich. The fiscal year of Meyer Burger Technology AG runs from 1 January to 31 December.

The Board of Directors approved these consolidated financial statements on 23 March 2023. They will be submitted for approval to the Annual General Meeting to be held on 4 May 2023.

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 of tangible fixed assets and amortization on intangible assets.
- "EBIT" corresponds to the 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 AG 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 up to a maximum of 20 years. 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.

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	31.12.2022	31.12.2021
Meyer Burger Technology AG	Thun, Switzerland	CHF	179 860 928		Parent company
Subsidiaries fully consolidated					
Hennecke Systems GmbH	Zülpich, Germany	EUR	n/a	0.00%	100.00%
Meyer Burger (Singapore) Pte. Ltd	Singapore, Singapore	SGD	1	100.00%	100.00%
MB Systems Co. Ltd	Seoul, South Korea	KRW	n/a	0.00%	100.00%
MBT Systems GmbH	Hohenstein-Ernstthal, Germany	EUR	96 000 000	100.00%	100.00%
Meyer Burger (Americas) Ltd	Goodyear, USA	USD	100	100.00%	100.00%
Meyer Burger (Americas) Lease Co., LLC	Goodyear, USA	USD	0	100.00%	100.00%
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 (Solar Valley) GmbH	Bitterfeld-Wolfen, Germany	EUR	50 025 000	100.00%	0.00%
Meyer Burger (Italy) S.r.l.	Milan, Italy	EUR	10 000	100.00%	100.00%
Meyer Burger (NL) B.V.	Eindhoven, Netherlands	EUR	18 200	100.00%	100.00%
Meyer Burger (Switzerland) AG	Thun, Switzerland	CHF	500 000	100.00%	100.00%
Meyer Burger Co. Ltd	Zhubei City, Taiwan	TWD	102 317 000	100.00%	100.00%
Meyer Burger GmbH	Hohenstein-Ernstthal, 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%

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

Changes in scope of consolidation

Newly founded companies

Company	Registered office	Currency	Share capital	Participation 31.12.2022	Participation 31.12.2021
Meyer Burger (Solar Valley) GmbH	Bitterfeld-Wolfen, Germany	EUR	50 025 000	100.00%	0.00%

Companies excluded from the scope of consolidation

Company	Registered office	Currency	Share capital	Participation 31.12.2022	Participation 31.12.2021
Hennecke Systems GmbH	Zülpich, Germany	EUR	25 000	0.00%	100.00%
MB Systems Co. Ltd	Seoul, South Korea	KRW	4 421 500 000	0.00%	100.00%

Foundation of Meyer Burger (Solar Valley) GmbH

Meyer Burger (Solar Valley) GmbH, Bitterfeld-Wolfen, Germany, was founded on 8 November 2022, with the aim of strengthening Meyer Burger's operations of production of solar cells for the company's own solar module production in Goodyear, USA.

Merger of Hennecke Systems GmbH

Hennecke Systems GmbH, Zülpich, Germany, was retrospectively merged into Meyer Burger GmbH, Hohenstein-Ernstthal, Germany, as of 1 January 2022. The transaction did not lead to any changes in control over the underlying assets of the business and did not have any financial effects. On 5 August 2022, the merger was entered in the commercial register of the acquiring company Meyer Burger GmbH, Hohenstein-Ernstthal, Germany, on the basis of the merger agreement of 14 July 2022 and the resolutions of the shareholders' meetings.

Liquidation of MB Systems Co. Ltd

On 26 July 2021, Meyer Burger announced that its service activities in Asia would be concentrated, leading to the closure of the sites in Taiwan, Korea and Malaysia. As a result, MB Systems Co. Ltd, Seoul, South Korea, was liquidated as of 14 April 2022 as the first of the three local companies. The accumulated currency translation adjustments of CHF –0.1 million were recycled through the financial result in profit and loss.

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	2022	2021	2022	2021
Euro (EUR)	1	0.9847	1.0331	1.0047	1.0811
US Dollar (USD)	1	0.9232	0.9121	0.9541	0.9141
British Pound (GBP)	1	1.1102	1.2295	1.1782	1.2577
Chinese Yuan Renminbi (CNY)	100	13.3823	14.3592	14.1932	14.173
Japanese Yen (JPY)	100	0.7001	0.7924	0.7279	0.8324
Indian Rupee (INR)	100	1.1168	1.2265	1.2151	1.2365
South-Korean Won (KRW)	100	0.0733	0.0767	0.0740	0.0799
Malaysian Ringgit (MYR)	100	20.9582	21.8951	21.7100	22.0574
Singapore Dollar (SGD)	1	0.6886	0.6762	0.6923	0.6804
Taiwan Dollar (TWD)	100	3.0034	3.2956	3.2077	3.2736

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	31.12.2022	31.12.2021
Trade receivables (gross)	13 406	8 576
Allowances	–1 866	–5 084
Trade receivables	**11 540**	**3 492**

The maximum credit risk for Meyer Burger 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 2.9 Financial liabilities. Trade receivables paid through the factoring arrangement are settled upon receipt of payment from the factorer. Amounts retained by the factorer for bonus payments are paid directly to the customer by the factorer.

The increase in trade receivables is due to the settlement of the order from the previous business model; otherwise, the trade receivables from the module business are settled by using factoring (see above).

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. The factorer retains a certain percentage of the receivables until the receivable has been collected. This amount is reported in other current receivables. Amounts retained by the factorer for bonus payments are paid directly to the customer by the factorer.

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	31.12.2022	31.12.2021
Prepayments to suppliers	5 160	14 274
Bank deposits with limited availability	17 877	15 291
VAT receivables	12 103	6 195
Other receivables	13 767	9 447
Other current receivables	**48 907**	**45 207**

Bank deposits with limited availability contain various bank balances which are not readily available for use by Meyer Burger. Such accounts include bank deposits used as securitization for Meyer Burger's guarantee line, rent deposits as well as amounts relating to guarantees issued by third parties in connection with the syndicated loan agreement.

Other receivables as at 31 December 2022 include the short-term portion of receivables from the sale of the headquarter building in Thun in 2019 of CHF 2.4 million (31 December 2021: CHF 1.3 million) as well as receivable subsidies of CHF 3.2 million (31 December 2021: CHF 1.6 million). Furthermore, an amount of CHF 4.3 million (31 December 2021: CHF 0.1 million) relates to guarantees for factored receivables where a certain percentage of the receivables is withheld by the factorer until the receivable has been collected. The remaining part refers to multiple smaller categories, such as receivables from social security, other deposits or debtor balances in payables.

Accounting Policies

Other current receivables include receivables such as VAT credits, withholding tax credits and social security receivables. Bank balances with restricted use as well as 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	31.12.2022	31.12.2021
Work in progress	22 103	85 200
Customer prepayments	–24 765	–74 991
Net production contracts	**–2 662**	**10 209**
thereof		
Net receivables from production contracts	–	12 782
Net liabilities from production contracts	–2 662	–2 573
Additional information		
Net sales from the PoC method (income statement)	905	5 453

Production contracts comprise 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.

2.4 Inventories

in TCHF	31.12.2022	31.12.2021
Raw materials, purchased parts, goods for resale	89 297	50 209
Semi-finished goods and work in progress	6 980	17 448
Finished goods	36 934	3 110
Machines before acceptance	2 583	5 747
Customer prepayments	– 689	–8 760
Value adjustment inventories	–16 563	–26 564
Inventories	**118 542**	**41 190**

The increase in inventories is due to the ongoing ramp-up of production at Freiberg, Germany and Bitterfeld-Wolfen, Germany as well as due to the increased sales business activity in the USA. 87.3% of the value adjustment (31 December 2021: 97.7%) mainly results from Meyer Burger's previous business model as a manufacturer of industrial production equipment. The inventories include spare parts for the Company's own machines for module and cell prodution in the amount of CHF 6.8 million (31 December 2021: none).

As of 31 December 2022, Meyer Burger has pledged inventories in the amount of CHF 93.2 million (31 December 2021: CHF 32.1 million) to third parties as collateralization of the syndicated loan as outlined in Note 2.9

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. Spare part are included in the respected categories.

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	31.12.2022	31.12.2021
Prepaid expenses and accrued income	1 646	606
Prepaid expenses and accrued income	**1 646**	**606**

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	31.12.2022	31.12.2021
Other non-current receivables	5 286	7 641
Allowances	–333	– 244
Financial investments	19 689	19 689
Deposits (Rent and other)	2 537	96
Derivatives	2 772	319
Financial assets	**29 951**	**27 501**

As at 31 December 2022, other non-current receivables mainly comprise the long-term portion of receivables from the sale of the headquarter building in Thun in 2019 with a net amount of CHF 4.9 million (31 December 2021: CHF 7.3 million).

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. 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 at 31 December 2022. Accordingly, no impairment was recognized as at 31 December 2022.

The deposits include bank balances with restricted use of CHF 0.7 million (31 December 2021: CHF 0.0 million). In 2022, existing rent deposits were reassessed and two rent deposits in the total amount of CHF 0.7 million were reclassified from short term to long term.

On 2 September 2021, Meyer Burger (Industries) GmbH, Freiberg, Germany, concluded an interest limitation agreement in the form of a maximum rate agreement ("cap") until 28 February 2027 to secure the interest rate of the syndicated loan agreement. The market value of the cap amounts to CHF 2.8 million as at 31 December 2022 (31 December 2021: CHF 0.3 million). The base value of the cap amounts to EUR 103.5 million and reflects the outstanding amount 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 and no significant influence exists through other means.

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 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 1.1.2021	**25 730**	**8 838**	**43 137**	**519**	**38**	**10 138**	**88 400**
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**
Increase	10	1 169	40 277	–	–	29 591	71 047
Capitalization	–	–	22 044	–	–	19 797	41 841
Reclassification	–152	249	5 335	–	–	–5 432	–
Disposal	–573	–151	–977	137	–40	–97	–1 701
Currency translation differences	–1 139	–604	–6 981	2	–1	–2 166	–10 889
Balance as at 31.12.2022	**22 961**	**12 181**	**172 618**	**513**	**–**	**69 475**	**277 748**
Cumulative depreciation and impairments							
Balance as at 1.1.2021	**–7 767**	**–7 814**	**–34 092**	**–519**	**–38**	**–109**	**–50 338**
Ordinary depreciation	–927	–800	–4 530	–	–	–	–6 257
Impairment	–30	–	–	–	–	–	–30
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**
Ordinary depreciation	–815	–1 040	–16 029	–	–	–	–17 884
Impairment	–	–15	–95	–	–	–	–110
Disposal	544	115	909	–137	40	97	1 568
Currency translation differences	390	444	1 733	–2	1	2	2 568
Balance as at 31.12.2022	**–8 300**	**–8 727**	**–49 482**	**–513**	**–**	**–15**	**–67 036**
Net book value							
01.01.2021	17 963	1 024	9 045	–	–	10 029	38 062
31.12.2021	16 396	3 287	76 920	–	–	27 668	124 271
31.12.2022	14 661	3 454	123 137	–	–	69 460	210 712
Amount thereof pledged:							
31.12.2021	16 396	2 667	71 042	–	–	24 202	114 307
31.12.2022	14 691	2 694	117 969	–	–	50 676	186 030

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 112.9 million net of government subsidies were made in property, plant and equipment predominantly in the German entities.

Based on the previous business model Meyer Burger has the knowledge to produce own machinery, accordingly self-manufactured machines amonting to CHF 41.8 million were capitalized.

Further commitments to purchase property, plant and equipment are outlined in Note 4.5 Off-balance sheet liabilities.

In 2022, Meyer Burger accrued government subsidies of CHF 10.1 million which were directly deducted from the cost of acquisition or production of its property, plant and equipment (2021: CHF 11.3 million). Meyer Burger has received subsidies from the states of Saxony-Anhalt and Saxony for the development of an environmentally friendly solar cell production from environmental protection subsidies (Umweltschutzbeihilfe) and as part of the improvement of the regional economic structure. The investments financed by the subsidies are earmarked for a period of five years after the investment period. The subsidies serve to support material expenditure for the investment and creation of new permanent jobs linked to the investment after the end of the project and their occupation for at least five years, as well as to secure the existing permanent jobs.

Meyer Burger has pledged certain property, plant and equipment in the amount of CHF 186.0 million to third parties as collateral as outlined in Note 2.9 Financial liabilities (31 December 2021: CHF 114.3 million).

Meyer Burger sold its headquarter building in Thun in 2019 for a total transaction price of CHF 42.5 million, of which CHF 1.4 million became due and was paid in 2022. The cash flow from this transaction is split between the 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. The part of the headquarter building rented out to third parties was classified as investment property until it's sale in 2019 based on its investment nature.

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. Production costs for self-manufactured machines include directly attributable material costs, directly attributable wages, manufacturing overheads and other directly attributable costs.

Depreciation is generally calculated 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.

2.8 Intangible assets

in TCHF	Technology	Trade names	Software	Capitalized services	Goodwill	Other intangible assets	Total
Purchase price							
Balance as at 1.1.2021	**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
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**
Increase	–	–	448	–	–	–	448
Capitalization	–	–	–	–	–	–	–
Disposal	–	–	–404	–	–	–	–404
Currency translation differences	–4 882	–1 401	–289	–38	–8 289	–	–14 899
Balance as at 31.12.2022	**173 415**	**43 237**	**8 024**	**757**	**248 841**	**6 341**	**480 615**
Cumulative depreciation and impairments							
Balance as at 1.1.2021	**–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
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**
Ordinary amortization	–502	–	–468	–	–	–	–970
Disposal	–	–	404	–	–	–	404
Currency translation differences	4 652	1 401	246	38	8 289	–	14 626
Balance as at 31.12.2022	**–169 025**	**–43 237**	**–7 129**	**–757**	**–248 841**	**–6 340**	**–475 329**
Net book value							
01.01.2021	–	–	329	–	6 110	3	6 442
31.12.2021	5 122	–	959	–	–	1	6 082
31.12.2022	4 390	–	895	–	–	1	5 286

Intangible assets mostly originate from past company acquisitions and accordingly have been acquired in business combinations or through specific transactions. In 2022, no major investments in intangible assets were made. 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.

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 are documented and 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 carrying value exceeds the recoverable amount.

The same method is applied to reversals of 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.

2.9 Financial liabilities

in TCHF	31.12.2022	31.12.2021
Liabilities towards banks	22 673	34
Current financial liabilities	**22 673**	**34**
Convertible bond	121 358	122 346
Loan facility	76 790	58 809
Non-current financial liabilities	**198 148**	**181 155**
Financial liabilities	**220 821**	**181 189**

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 2022, the entire debt facility of EUR 115.0 million (31 December 2021: EUR 60.0 million) was drawn and EUR 10.0 million (31 December, 2021: EUR 10.0 million) was granted as documentary credit and guarantee facility (contingent liability). Since 30 September 2022, quarterly repayments of EUR 5.75 million are mandatory. Hence, an amount of EUR 11.5 million has been repaid as of 31 December 2022. The loan, which matures on 8 March 2027, is to be used to finance investments in expanding production capacity at the Bitterfeld-Wolfen, Germany, and Freiberg, Germany, production sites. The loan is guaranteed through comprehensive transfers of asset collateral from Meyer Burger with current assets of CHF 120.4 million (31 December 2021: CHF 135.2 million) of which CHF 22.2 million (31 December 2021: CHF 101.4 million) refer to pledged bank accounts without restricted use and non-current assets of CHF 186.0 million (31 December 2021: CHF 114.3 million) as well as an internal comfort letter declaring a guarantee of EUR 125.0 million (31 December 2021: EUR 125.0 million) by Meyer Burger Technology AG. 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 AG, 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 cancelled, the bond will be redeemed on 8 July 2027 at 100% of the 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 redeem the bonds early 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 amortization over the term, which generally corresponds to the principal amount.

2.10 Trade payables

in TCHF	31.12.2022	31.12.2021
Trade payables	33 250	21 487
Trade payables	**33 250**	**21 487**

The increase in trade payables is due to the increased business activities under Meyer Burger's new business model at its sites in Germany and USA.

2.11 Other liabilities

in TCHF	31.12.2022	31.12.2021
Other liabilities	2 259	2 191
Other current liabilities	**2 259**	**2 191**
Employee benefits	332	522
Other liabilities	45	45
Other non-current liabilities	**377**	**567**

Other liabilities include various items, such as liabilities for social security payments, customers with credit balances and VAT liabilities. Long-term employee benefits mainly include accruals for social costs related to stock-based compensation.

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, short-term incentives and social costs related to stock-based compensation.

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.

2.12 Provisions

in TCHF	Warranties	Restructuring	Onerous contracts	Litigation	Other provisions	Total
Balance as at 1.1.2021	**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	–	–1 169
Reclassification	–	–	–	–	–	–
Currency translation differences	–27	–	–	–	–24	–51
Balance as at 31.12.2021	**1 812**	**550**	**652**	**180**	**519**	**3 713**
Increase	2 110	55	482	202	3	2 852
Use	–148	–244	–	–104	–	–496
Release	–40	–	–652	–66	–	–758
Currency translation differences	–66	–	–10	–2	–24	–102
Balance as at 31.12.2022	**3 668**	**361**	**472**	**210**	**498**	**5 209**
Of which current						
01.01.2021	2 054	166	596	603	540	3 959
31.12.2021	1 008	550	297	180	519	2 554
31.12.2022	2 538	361	472	210	497	4 078

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. If insufficient empirical data is available, a reasonable estimate is made on the basis of the available knowledge. 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). The portion of the warranty provision relating to the old business model amounts to CHF 3.1 million (31 December 2021: CHF 1.5 million). For the sales of Meyer Burger's solar modules under the new business model, Meyer Burger grants its customers a product and performance guarantee limited to 25 or 30 years. The portion of the warranty provision relating to the new business model amounts to CHF 0.6 million (31 December 2021: CHF 0.3 million).

The warranty provision is split into a current and a non-current portion. The non-current portion is discounted as at 31 December 2022.

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.

Onerous contracts: Onerous contracts provisions are made for contracts under which the unavoidable costs of meeting the contractual obligations exceed the expected economic benefits. This mainly relates to binding sales contracts which are not profitable for Meyer Burger.

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.

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.

2.13 Accrued expenses and prepaid income

in TCHF	31.12.2022	31.12.2021
Accrued customer bonuses	4 333	240
Accrued employee benefits	4 010	3 359
Accrued interest convertible bond	2 415	2 546
Current income taxes	204	185
Other accrued expenses and prepaid income	12 696	7 159
Accrued expenses and prepaid income	**23 658**	**13 489**

As at 31 December 2022 and 31 December 2021, other accrued expenses and prepaid income predominantly include accrued expenses relating to various goods and services, for which invoices have not yet received and prepayments from subsidies related to a research and development project in 2022.

Accounting Policies

Accrued expenses and prepaid income mainly include employee benefits payable and interest payable that have been incurred during the financial year but have not been paid yet. Furthermore, expenses relating to goods and service for which an invoice has not yet been received as well as accrued customer bonuses and prepayments from subsidies related to research and development project from which the income generated in the following year are reported here.

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.

2.14 Taxes

Deferred tax assets and liabilities

	Deferred tax assets		Deferred tax liabilities	
in TCHF	31.12.2022	31.12.2021	31.12.2022	31.12.2021
Trade receivables	12	13	–	–
Inventories	347	57	–	–
Financial assets	–	–	797	43
Property, plant and equipment	205	158	23	13
Intangible assets	6	9	–	–
Financial liabilities	–	–	1 695	2 153
Net liabilities from construction contracts	804	10	786	149
Provisions	183	41	13	–
Subtotal	**1 557**	**288**	**3 314**	**2 358**
Netting	–862	–88	–862	–88
Deferred income taxes	**695**	**200**	**2 452**	**2 270**

Deferred income taxes are reported as a net position for each taxable entity. As at 31 December 2022 and 31 December 2021, deferred income tax liabilities exceed deferred income tax assets. The deferred income tax liabilities as at 31 December 2022 mainly result from differences in financial liabilities due to the accounting treatment of transaction costs.

Tax loss carry-forwards not recognized

in TCHF	31.12.2022	31.12.2021
Expiry in 1 year	97 345	303 498
Expiry in 2–3 years	205 825	127 253
Expiry in 4–5 years	200 272	359 925
Expiry in more than 5 years	81 656	129 668
Non-forfeitable	358 349	283 037
Tax loss carry-forwards not recognized	**943 447**	**1 205 655**

The tax loss carry-forwards that expire on December 31, 2022 are not included in the table below.

The total income tax claim on unrecognized tax loss carry-forwards amounts to CHF 141.4 million (31 December 2021: CHF 160.5 million). This takes into account that CHF 411.3 million (31 December 2021: 577.6 million) of total unrecognized tax loss carry-forwards originate from losses of Meyer Burger Technology AG, 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 at 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 83.7 million (31 December 2021: CHF 71.0 million).

Income taxes

in TCHF	31.12.2022	31.12.2021
Current income taxes	–32	–12
Deferred income taxes	217	–1 080
Income taxes	**185**	**–1 092**

Reconciliation from expected to effective income taxes

in TCHF	31.12.2022	31.12.2021
Earnings before taxes (EBT)	–70 035	–99 395
Expected average weighted tax rate (%)	21.62%	15.85%
Expected income taxes	**15 142**	**15 754**
Cause for variance:		
Waive of capitalization of tax losses incurred in reporting period	–17 133	–20 794
Deviation from tax rate to expected tax rate of the Group	10 262	3 805
Deviation in tax-deductible expenses	–8 991	44
Income tax in other accounting periods and corrections for prior years	–60	–140
Non-taxable income	777	377
Other effects	188	–138
Effective income taxes	**185**	**–1 092**
Effective income taxes (%)	**-0.26%**	**1.10%**

The expected average weighted tax rates of 21.62% in 2022 and 15.85% in 2021 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 Swiss GAAP FER.

Deferred income tax assets are offset against deferred income tax liabilities provided they relate to the same entity and are expected to be settled net or in the same accounting period.

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.

2.15 Equity

Share capital

	Number of shares	in CHF
Balance as at 1.1.2021	**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**
Capital increase	926 727 540	46 336 377
Balance as at 31.12.2022	**3 597 218 551**	**179 860 927**

The share capital of Meyer Burger Technology AG as at 31 December 2022 was divided into 3,597,218,551 registered shares with a nominal value of CHF 0.05 each. On 11 November 2022, Meyer Burger carried out a capital increase that led to an increase by 926,727,540 registered shares based on the previous 2,670,491,011 registered shares outstanding as at 31 December 2021. The share capital is fully paid up.

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

As at 31 December 2022, non-distributable reserves in Group equity totaled CHF 225.3 million (31 December 2021: CHF 95.3 million). These are largely attributable to the capital reserves of Meyer Burger Technology AG 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 10 November 2022, the share capital may be increased by a maximum amount of CHF 6,287,870.00 through the issuance of a maximum of 125,757,400 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 10 November 2022, 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 10 November 2022, 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 2.67% of the outstanding ordinary share capital (3,597,218,551 registered shares) as at 31 December 2022.

Treasury shares

Treasury shares held by Meyer Burger Technology AG

	Number of shares	Price/share in CHF	Value of treasury shares in TCHF
1.1.2021	**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**
Grant/use	–2 147 035	0.15	–323
31.12.2022	**16 000 847**	**0.31**	**4 984**

In the course of the capital increase on 11 November 2022, Meyer Burger Technology AG did not exercise the subscription rights to treasury shares. For the capital increase on 2 July 2021, the subscription rights of the shareholders were excluded.

All treasury shares held in conjunction with the employee share plans are held by Meyer Burger Technology AG. As at 31 December 2022, these are reserved in full and will be transferred to the respective employees upon expiry of the vesting period.

Meyer Burger 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 AG held by Meyer Burger Technology AG 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 that are freely available for the most part. They include the legal, statutory and free reserves. Foreign currency translation differences from the translation of annual financial statements prepared by foreign subsidiaries are also recognized in retained earnings. Foreign currency effects on non-current intercompany loans with an equity character are also recognized directly in equity.

2.16 Net sales

in TCHF	2022	2021
Net sales from sales of goods	144 766	28 524
Net sales from rendering of services	1 543	5 928
Net sales from production contracts	905	5 453
Net sales	**147 214**	**39 905**

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.

2.17 Segment reporting

The activities of Meyer Burger are divided into the following reportable business segments: "Modules", "Photovoltaics" and "Specialized Technologies". Activities under the old business model of equipment sales were reported in the "Photovoltaics" segment. As part of the ongoing transformation of the Company, customer projects in the "Photovoltaics" segment are being phased out, but still led to a limited amount of revenue in 2022, mainly due to long-term contracts and service provided. Due to the comprehensive change in Meyer Burger's business model, the "Specialized Technologies" segment is also being phased out.

Net sales by segments 2022

in TCHF	Modules	Photovoltaics	Specialized Technologies	**Total**	Consolidation	**Total after consolidation**
Net sales third parties	124 981	17 553	4 680	**147 214**	–	**147 214**
Net sales intersegment	–	24 168	–	**24 168**	–24 168	**–**
Net sales	**124 981**	**41 721**	**4 680**	**171 382**	**–24 168**	**147 214**

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**

Modules

This segment comprises Meyer Burger's 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 or will manufacture high-quality solar cells and modules. These are equipped with the proprietary heterojunction/SmartWire 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 our ongoing Pasan business (cell and module measurement equipment and related services) which will be continued.

Specialized Technologies

With Specialized Technologies, Meyer Burger provided technologies that are successfully deployed in photovoltaics, particularly in the field of applying or removing layers on different substrates in a wide range of other high-tech markets. As part of a settlement agreement, by order of Meyer Burger (NL) B.V., Eindhoven, Netherlands, business could be concluded and reported under the Specialized Technologies segment. With the completion of this project, the segment being phased out.

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 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 does not disclose segment results.

2.18 Segmentation of net sales by geographic market

in TCHF	2022	2021
Switzerland	20 926	1 380
Germany	74 088	13 089
Rest of Europe	21 428	5 090
Asia	8 940	16 710
America	22 205	3 626
Rest of world	2	10
Net sales	**147 214**	**39 905**

2.19 Other operating income

in TCHF	2022	2021
Gain from sale of property, plant and equipment	229	139
Other income	8 855	3 029
Other operating income	**9 084**	**3 168**

Other operating income increased by CHF 5.9 million compared to the prior year. This is predominantly due to an income from the release of the provision for bad debts of CHF 5.8 million due to actual payments received in the financial year 2022. Furthermore, other income mainly consists of social subsidies and non-core revenue e.g. from the employee restaurant and kindergarten.

Accounting Policies

Other operating income results from regularly conducted secondary business that has an indirect connection to 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.

2.20 Personnel expenses

in TCHF	2022	2021
Wages and salaries	–50 489	–45 598
Social security	–8 856	–7 527
Pension benefit expenses	–786	–708
Share-based payment expenses	–1 969	–866
Temporary personnel	–2 401	–2 157
Other personnel expenses	–3 546	–3 555
Personnel expenses	**–68 047**	**–60 411**

The subsidies for research and development costs in the financial year included employee-related grants of CHF 2.4 million (2021: CHF 1.4 million) which were offset against personnel expenses.

2.21 Operating expenses

in TCHF	2022	2021
Rental costs	–4 135	–4 152
Maintenance and repair	–1 877	–1 488
Vehicles and transportation expenses	–3 479	–1 059
Property insurance, fees and contributions	–2 147	–1 432
Energy and waste disposal expenses	–10 718	–6 160
Administration expenses	–8 001	–10 032
IT expenses	–2 535	–2 090
Marketing expenses	–1 752	–3 499
Loss on sale of property, plant and equipment	–9	–301
Expenses for research and development	–3 673	–3 643
Other operating expenses	–1 268	–7 385
Operating expenses	**–39 594**	**–41 241**

Operating expenses were reduced by CHF 1.6 million compared to the prior year. This is predominantly due to a reduction in other operating expenses, showing a decrease in expenses related to bad debt provisions from CHF 6.4 million in 2021 to CHF 0.2 million in 2022. This decrease was partly offset by a general increase in operating expenses mainly due to the ongoing ramp-up of production at the two sites in Freiberg, Germany, and Bitterfeld-Wolfen, Germany. This impacted energy and waste disposal expenses in particular, as well as vehicle and transportation expenses.

2.22 Financial result

in TCHF	2022	2021
Interests income		
Cash and cash equivalents	719	8
Gain of financial assets fair value through profit and loss	2 581	150
Financial income	**3 300**	**158**
Interest expenses		
Liabilities towards banks	–222	–342
Interest paid on other financial liabilities	–99	–8
Loans	–2 585	–588
Convertible bond	–9 454	–4 902
Currency translation differences (net)	–4 174	–3 982
Other financial expenses	–3 207	–1 488
Financial expenses	**–19 741**	**–11 310**
Financial result (net)	**–16 441**	**–11 152**

3 Risk management

In its capacity as an international group, Meyer Burger 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, analyze and evaluate risks and to eliminate, reduce or transfer them 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 regular basis and submitted to the Board of Directors. In 2022, the Board of Directors discussed the risk reporting at a Board meeting. In another meeting, a risk update was presented to the Board of Directors.

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.

The main financial risks are described below.

3.1 Foreign currency risks

Meyer Burger is mainly exposed to exchange rate fluctuations in connection with operating expenses (e.g. raw material sourced in US dollars) 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.

The Group seeks to realize a high portion of its revenues in the same currencies in which the individual Group companies source their operating material and services – and therefore incur the respective expenses - with the aim of mitigating the exposure to particular currencies (so-called "natural hedging"). Also, the Group aims to pass on higher raw material prices due to currency fluctuations (e.g. an appreciation of the US dollar against the euro) to European customers in the form of price increases.

As at 31 December 2022, the net proceeds from the CHF 250 million capital increase in late 2022 were largely converted into euros and US dollars according to the forecasts for the planned expansion of production capacity for the PV cell and module production and the related production and distribution structures in Europe and the United States.

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 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 may use forward currency contracts to hedge against exchange rate risks. As at 31 December 2022 and 31 December 2021, 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'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 EUR 125 million (of which EUR 103.5 million was outstanding as at 31 December 2022) 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.

A low interest rate risk exists due to fluctuations in interest paid by financial institutions on 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 2022, 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 improve the result of the Group by CHF 1.0 million on an annual basis including consideration of the partial interest rate hedge. Similarly, a one-percentage-point decrease in the interest rate is expected to reduce the result of the Group by approximately CHF 1.0 million on an annual basis.

3.3 Other financial price risks

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

Meyer Burger is 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, silicon, aluminum, copper, silver or other metals, crude oil, natural gas, coal 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 did not trade in any commodity derivatives during the financial years 2022 and 2021.

3.4 Credit risks

Meyer Burger 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 and 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- or A3 (or equivalent) from a recognized rating agency, 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 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 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 years 2021 and 2022, Meyer Burger has raised liquidity through a capital increase of CHF 80 million in 2021 and CHF 250 million in 2022, the issuance of a green convertible bond of EUR 145 million, a syndicated loan facility of EUR 125 million of which EUR 103.5 million was outstanding and EUR 10 million was granted as documentary credit and guarantee facility as of 31 December 2022, as well as a factoring agreement for up to EUR 60 million. Additionally, in 2022 a EUR 10 million cash-collateralized documentary credit and guarantee facility was arranged.

Among other conditions, the credit agreement contains certain covenants and further applicable conditions, as is customary in syndicated loan agreements. As at 31 December 2022 and as of the date of the preparation of the financial statements, the applicable financial covenants were met. Management continuously monitors th covenants. Should there be any indications in the future that the financial covenants cannot be met, measures will be taken to ensure continued financing. 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 repay another financial obligation early due to non-compliance with credit terms.

The implementation of the new business model, in its current form, including in particular the planned initial expansion to approximately 3 GW of nominal annual production capacity of solar panels, as well as the envisaged further long-term growth require additional financing including renegotiation of existing loan facilities. Therefore, management is evaluating various financing instruments and concepts in a proactive dialog with financing partners. There are no indications that the discussions to obtain sufficient financing of the business plan will not be successful.

4 Other disclosures

4.1 Pension plans

Meyer Burger provides pension benefits for its employees for retirement, invalidity and death. Meyer Burger 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 100.6% at the end of 2022 (31 December 2021: 112.9%). Accordingly, the table below shows the changes in pension benefit expenses only.

The employees of Group companies outside Switzerland are members of defined contribution state pension plans in the respective countries in accordance with local legislation.

As at 31 December 2022, contributions of CHF <0.1 million were outstanding to be paid (31 December 2021: CHF 0.3 million).

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

Pension institutions 31.12.2022

Economic benefit/economic obligation and pension benefit expenses in TCHF	Surplus/deficit 31.12.2022	Economic part of the organization 31.12.2022	Economic part of the organization 31.12.2021	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 2022
Pension schemes without funding surplus/deficit in Switzerland	–	–	–	–	646	646
Pension schemes abroad	–	–	–	–	140	140
Total	**–**	**–**	**–**	**–**	**786**	**786**

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**

4.2 Share-based payment

The Company has a share-based payment 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 share-based payment program consists of periodic share or option plans. The Board of Directors determines the individual participants of each plan based on a recommendation of the Executive Board at its reasonable discretion. Shares or 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), respective exercise price per option, 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 or options 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 fair value of the shares and options granted is expensed and accumulated in the share-based payment reserve in equity over the corresponding vesting period. The share-based payment reserve is then released at the vesting date. The fair value of shares refers to the share price of the grant while the fair value of options is calculated taking into account the exercise price, the share price at grant date, the expected volatility, the risk-free interest rate and the expected dividend yield. Plan adjustments, especially to neutralize dilutive effects from the capital increase, are reflected in the fair value of the shares and options granted at the time of the adjustment and accordingly affect expenses and the accumulation of the share-based payment reserve over the remaining duration of the plan.

Share plan

in TCHF	2022	2021
Number of options granted	17 234 885	22 740 836
Date of grant	08.06.2022	24.05.2021/03.06.2021
Options price/fair value at date of grant in CHF	0.21	0.20/0.18
Number of shares granted	-	668 896
Date of grant	-	24.05.2021
Share price/fair value at date of grant in CHF	-	0.30
Fair value of shares and options granted in CHF	3 550 386	4 395 735

For the 2022, 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 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%.

Share payment

In 2022 and 2021 the Board of Directors received shares as part of their remuneration.

in TCHF	2022	2021
Number of shares transferred	875 256	480 526
Date of transfer	24.06.2022/15.12.2022	30.12.2021
Share price/fair value at date of transfer in CHF	0.44/0.54	0.41
Fair value of shares transferred in CHF	431 247	197 016

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 employees, including the Executive Board, and the Board of Directors.

When shares are issued, the value of the shares to be issued corresponds to the current market price of the Meyer Burger Technology Ltd share at the time of allocation. A comprehensive external appraisal is obtained in each case for the share and option valuation, which takes into account any defined performance criteria, expectations of market developments/volatilities and other relevant parameters in the valuation. This forms the basis for the accounting of the share-based payments.

The share-based payments are recognized evenly over the vesting period in the income statement under personnel expenses (account for share-based payments). The vesting period corresponds to the period between the allocation of the shares and the date on which the shares can be freely disposed of. Over the vesting period, the reserve for share-based payments is thus accumulated in equity. After the vesting period, the entire reserve for share-based payments for the relevant share plan is transferred to the capital reserves of Meyer Burger Technology Ltd if the shares were newly created. Otherwise, the reserve for share-based payments and the treasury shares reserved for the plan distribution are derecognized. Any social security contributions payable on the share-based payments after the end of the vesting period must be accrued accordingly and recorded on an accrual basis.

4.3 Currency translation differences

in TCHF	2022	2021
Currency translation differences on trade receivables and customer prepayments	–1 099	–630
Currency translation differences on cost of products and services	2 108	1 057
Currency translation differences on other operating expenses	37	17
Currency translation differences on financial expenses/income	–4 181	–3 917
Currency translation differences	**–3 135**	**–3 473**

The effect from unrealized currency translation differences is gerenally recognized in the financial result. The currency loss on Group loans totaled CHF 2.3 million (2021: CHF 0.4 million), of which a loss of CHF 1.7 million (2021: CHF 1.2 million) was recognized in the financial results and a loss of CHF 0.6 million (2021: gain of CHF 0.8 million) directly in equity due to the equity-like nature of the respective loans.

4.4 Earnings per share

in TCHF	2022	2021
Basic		
Net result attributable to shareholders of Meyer Burger Technology AG (in TCHF)	–69 850	–100 487
Weighted average number of ordinary shares (in 1 000)	2 796 080	2 567 826
Basic earnings per share (in CHF)	**–0.02**	**–0.04**
Diluted		
Diluted earnings per share (in CHF)	**–0.02**	**–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 2022 as well as 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 AG is negative in both years, dilutive effects, if any, are disregarded.

4.5 Off-balance sheet liabilities

in TCHF	31.12.2022	31.12.2021
Investment obligations from contracts already signed	172 930	114 882

The investment obligations as at 31 December 2022 and as at 31 December 2021 mainly refer to the acquisition of the necessary equipment in the German and US 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	31.12.2022	31.12.2021
Due date in the next financial year	14 764	5 875
Due date from 2 to 5 years	30 532	21 395
Due date more than 5 years	28 139	6 269
Future liabilities from operating lease	**73 435**	**33 539**

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 5.0 million that will fall due in the years 2022 to 2029. In addition, operating lease obligations include CHF 7.4 million for the rent of the production facilities in Bitterfeld-Wolfen, Germany with a contractual term until 2027 and CHF 35.9 million with a contractual term until 2037. Meyer Burger (Americas) Lease Co., Goodyear, USA has concluded a leasing contract with a remaining volume of USD 9.6 million 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 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	2022	2021
Guarantees (not product-related)	7 369	8 875
Contingent liabilities	**7 369**	**8 875**

During 2019, 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, in respective of 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.

As at 31 December 2022, no 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

In February 2023, Meyer Burger (Industries) GmbH, Freiberg, Germany, signed a supply agreement for silicon wafers with the manufacturer NorSun AS, Oslo, Norway. The agreement is an important step in strengthening the independence of European supply chains.

Meyer Burger Sdn. Bhd., Cyberjaya, Malaysia, was liquidated as of 14 February 2023. On 22 February 2023, the sale of Burger Systems (Shanghai) Co. Ltd, Shanghai, China, by equity transfer was official completed.

On 2 March 2023, Meyer Burger communicated that in order to meet the steadily increasing demand for faster growth of its manufacturing capacities, the Board of Directors of Meyer Burger Technology AG has decided to introduce a unified product platform for its solar modules. This allows to build-up manufacturing capacities faster and with less risk in the future.

No further events occurred between 31 December 2022 and 22 March 2023 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 AG

Thun

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of Meyer Burger Technology AG and its subsidiaries (the Group), which comprise the consolidated balance sheet as at 31 December 2022, and the consolidated income statement, the consolidated statement of changes in equity, the consolidated cash flow statement for the year then ended, and notes to the consolidated financial statements, including a summary of accounting policies.

In our opinion, the consolidated financial statements (pages 94 to 125) give a true and fair view of the consolidated financial position of the Group as at 31 December 2022 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.

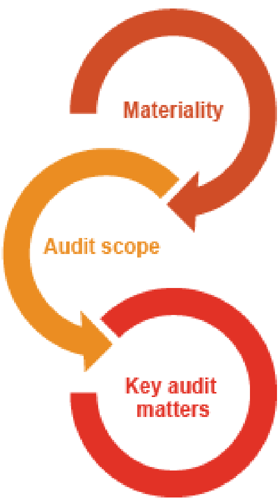
Basis for opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). 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 2,000,000

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

Our audit scope addressed 78 % of the Group's net sales. In addition, we performed specified procedures on the reporting packages of three companies in three countries, which addressed a further 17 % of the Group's net sales and two further companies, which we addressed other risk characteristics.

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

Recognition and existence of property, plant, and equipment

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Telefon: +41 58 792 75 00, www.pwc.ch

Materiality

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

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

Overall Group materiality	CHF 2,000,000
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 200,000 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 three 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 78% of the Group’s net sales, while the specified procedures at three Group companies addressed 17% of net sales and two companies with other risks.

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.

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 210.7 million are recognized as per 31 December 2022, whereof CHF 112.9 million were capitalized in financial year 2022. 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 10.1 million in the financial year 2022) were deducted from the investment expenditure. Costs capitalized include own work capitalized in the amount of CHF 41.8 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 of: • the significance and complexity of the balance sheet items in the consolidated financial statements (note 2.7 'property, plant, and equipment').	As part of our audit, we assessed the existence of internal processes and controls for the recognition of PPE and the methodological approach used to identify, account for and measure PPE, including government grants and own work capitalized. In addition, we performed the following audit procedures: • We inspected project documents to satisfy ourselves of the respective project progress of the cell und module lines in Bitterfeld-Wolfen und Freiberg. 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 based on internal forecasts and evaluated the reasonableness of the underlying estimates and assumptions. We also reviewed procurement contracts which Meyer Burger has entered in connection with the investments made on a sample basis. • 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. • We assessed the government grants regarding recognition based on the conditions and provisions in the grant notifications and further underlying documents. • Furthermore, we assessed the estimates made by management. Based on our audit procedures, we consider management's approach to recognizing PPE reasonable.

Board of Directors' responsibilities for the consolidated financial statements

The Board of Directors is responsible for the preparation of the consolidated financial statements, which 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 SA-CH 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 SA-CH, 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.

Report on other legal and regulatory requirements

In accordance with article 728a paragraph 1 item 3 CO and PS-CH 890, we confirm that an internal control system exists which has been designed for the preparation of the 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

Licensed audit expert
Auditor in charge

Rahel Sopi

Licensed audit expert

Bern, 22 March 2023

Statutory Financial Statements – Meyer Burger Technology AG

Balance Sheet

in TCHF	Notes	31.12.2022	31.12.2021
Assets			
Current assets			
Cash and cash equivalents		196 732	94 798
Other receivables			
intercompany		5 336	2 183
third parties		8 202	14 525
Accrued income and deferred expenses		152	110
Total current assets		**210 422**	**111 616**
Non-current assets			
Financial assets	2.1	182 729	68 236
Investments	2.2	357 943	268 432
Total non-current assets		**540 672**	**336 668**
Total assets		**751 094**	**448 284**
Liabilities and equity			
Current liabilities			
Other payables			
intercompany		5 674	6 415
third parties		372	243
Accrued expenses and deferred income		6 397	1 444
Current provisions		492	517
Total current liabilities		**12 935**	**8 619**
Non-current liabilities			
Provisions		143	114
Total non-current liabilities		**143**	**114**
Equity			
Share capital	2.3	179 861	133 525
Legal capital reserves			
Capital contribution reserves	2.4	773 452	569 788
Other capital reserves		6 191	5 892
Legal retained earnings			
General legal retained earnings		140	140
Accumulated losses		–216 644	–264 487
Treasury shares	2.5	–4 984	–5 307
Total equity		**738 016**	**439 551**
Total liabilities and equity		**751 094**	**448 284**

Income Statement

in TCHF	Notes	1.1.–31.12.2022	1.1.–31.12.2021
Other operating income	**2.6**	8 131	3 656
Other operating expenses	**2.7**	–	–466
Personnel expenses	**2.8**	–1 603	–1 375
Administration expenses	**2.9**	–13 454	–6 943
Impairments on intercompany loans, investments and financial assets	**2.10**	63 525	–23 497
Earnings before interests and taxes		**56 599**	**–28 625**
Financial costs			
Interest expenses	**2.11**	–216	–333
Other financial expenses	**2.12**	–7 706	–2 060
Loss from currency translations	**2.13**	–2 992	–3 078
Financial income			
Interest income	**2.14**	2 317	2 588
Earnings before taxes		**48 002**	**–31 508**
Income taxes		–159	–104
Net result		**47 843**	**–31 612**

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 AG held by Meyer Burger Technology AG 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 AG 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 AG 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 AG aimed at financing their ordinary business. As of 31 December 2022, Meyer Burger Technology AG made significant reversals of impairments on loans to Meyer Burger (Americas) Ltd., Goodyear, USA, amounting to CHF 63.8 million. Based on a business valuation, it is expected that the future cash flows of Meyer Burger (Americas) Ltd. after the successful ramp-up of the production in the USA are sufficient to serve and to repay the loans in the medium to long term.

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. The market value indicators available supported the investment value as at 31 December 2022. Accordingly, no impairment was recognized as at 31 December 2022.

2.2 Investments

Meyer Burger Technology AG holds the following direct and indirect investments in subsidiaries:

Companies

				Participation[1]	
Company	Registered office	Currency	Share capital	31.12.2022	31.12.2021
Hennecke Systems GmbH	Zülpich, Germany	EUR	n/a	0.00%	100.00%
Meyer Burger (Singapore) Pte. Ltd	Singapore, Singapore	SGD	1	100.00%	100.00%
MB Systems Co. Ltd	Seoul, South Korea	KRW	n/a	0.00%	100.00%
MBT Systems GmbH	Hohenstein-Ernstthal, Germany	EUR	96 000 000	100.00%	100.00%
Meyer Burger (Americas) Ltd	Goodyear, USA	USD	100	100.00%	100.00%
Meyer Burger (Americas) Lease Co., LLC	Goodyear, USA	USD	0	100.00%	100.00%
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 (Solar Valley) GmbH	Bitterfeld-Wolfen, Germany	EUR	50 025 000	100.00%	0.00%
Meyer Burger (Italy) S.r.l.	Milan, Italy	EUR	10 000	100.00%	100.00%
Meyer Burger (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	102 317 000	100.00%	100.00%
Meyer Burger GmbH	Hohenstein-Ernstthal, 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%

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

Foundation of Meyer Burger (Solar Valley) GmbH

Meyer Burger (Solar Valley) GmbH, Bitterfeld-Wolfen, Germany, was founded on 8 November 2022, with the aim of strengthening Meyer Burger's operations of production of solar cells for the company's own solar module production in Goodyear, USA.

Merger of Hennecke Systems GmbH

Hennecke Systems GmbH, Zülpich, Germany, was retrospectively merged into Meyer Burger GmbH, Hohenstein-Ernstthal, Germany, as of 1 January 2022. The transaction did not lead to any changes in control over the underlying assets of the business and did not have any financial effects. On 5 August 2022, the merger was entered in the commercial register of the acquiring company Meyer Burger GmbH, Hohenstein-Ernstthal, Germany, on the basis of the merger agreement of 14 July 2022 and the resolutions of the shareholders' meetings.

Liquidation of MB Systems Co. Ltd

On 26 July 2021, Meyer Burger announced that its service activities in Asia would concentrated, leading to the closure of the sites in Taiwan, Korea and Malaysia. As a result, MB Systems Co. Ltd, Seoul, South Korea, was liquidated as of 14 April 2022 as the first of the three local companies.

2.3 Share capital

The share capital of Meyer Burger Technology AG as at 31 December 2022 was divided into 3,597,218,551 registered shares with a nominal value of CHF 0.05 each. On 10 November 2022, Meyer Burger Technology AG carried out a capital increase. The capital increase led to an increase of 926,727,540 registered shares based on the 2,670,491,011 registered shares outstanding as at 31 December 2021. 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 10 November 2022, the share capital may be increased by a maximum amount of CHF 6,287,870.00 through the issuance of a maximum of 125,757,400 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 10 November 2022, 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 10 November 2022, 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 up to 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 2.67% of the outstanding ordinary share capital (3,597,218,551 registered shares) as at 31 December 2022.

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 2022 and 31 December 2021 respectively. The disclosure notices are published on the website of the disclosure office.[1]

	Registered shares[3]	
Shareholder[2]	31.12.2022	31.12.2021
Sentis Capital PCC (Cell 3)[4]	10.01%	10.01%
BlackRock, Inc.	5.10%	5.10%
Norges Bank (the Central Bank of Norway)	4.03%	–
Universal-Investment-Gesellschaft mbH	3.40%	3.71%
Millenium Partners LP[5]	3.05%	–
Swisscanto Fondsleitung AG	3.02%	3.00%
Invesco Ltd, Hamilton, Bermuda	–	5.41%
UBS Fund Management (Switzerland) AG	–	3.01%

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 AG according to the disclosure notice.
4 The beneficial owner was Petr Kondrashev, Austria.
5 The beneficial owner was Israel Englander.

2.4 Capital contribution reserves

Of the total CHF 773.5 million capital contribution reserves as at 31 December 2022, CHF 544.5 million were approved by the Federal Tax Administration as available for distribution free of withholding tax (31 December 2021: CHF 475.2 million).

The increase of CHF 69.3 million is based on the capital increase in the financial year 2021. The premiums of the 2022 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 2022 include capital transaction costs of CHF 25.2 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 AG

	No. of shares	Price/share in CHF	Value of treasury shares in TCHF
01.01.2021	**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**
Grant/use	−2 147 035	0.15	−323
31.12.2022	**16 000 847**	**0.31**	**4 984**

In the course of the capital increase on 11 November 2022, Meyer Burger Technology AG did not exercise the subscription rights to treasury shares. With the capital increase on 2 July 2021 the subscription rights of the shareholders were excluded.

Treasury shares held by subsidiaries

All treasury shares held in conjunction with the employee share plans are held by Meyer Burger Technology AG. As at 31 December 2022, these are reserved in full and will be transferred to the respective employees upon expiry of the vesting period.

Meyer Burger 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 were invoiced to subsidiaries. In 2022, no dividends were received from subsidiaries (2021: CHF 0.9 million)

2.7 Other operating expenses

In 2021, other operating expenses reflect losses on bad debts from Group companies with CHF 0.5 million. In 2022, no other operating epenses were incurred.

2.8 Personnel expenses

Personnel expenses in 2022 mainly consists of payments to the Board of Directors of CHF 0.9 million, accruals for reserves for sharebased-payments of CHF 0.4 million, employee remuneration of CHF 0.2 million and external staff remuneration of CHF 0.7 million.

2.9 Administration expenses

In 2022, administration expenses mainly include consulting costs of CHF 3.2 million and management costs of CHF 4.6 million which were largely passed on to subsidiaries. Additionally, administration expenses included issuance stamp duty of CHF 2.9 million related to the capital increase.

2.10 Impairments on intercompany loans, investments and financial assets

The valuation of investments and loans to subsidiaries as well as financial assets is reviewed at least annually. As at 31 December 2022, additional impairments on investments and loans to Group companies were deemed necessary based on expected future cash flows. In addition, the line item includes significant reversals of impairments on loans to Meyer Burger (Americas) Ltd. amounting to CHF 63.8 million.

2.11 Interest expenses

In the current and previous financial year, negative interest and bank fees were recognized as interest expenses. In the previous year, a debt waiver on an intercompany loan was also recognized through profit and loss.

2.12 Other financial expenses

Other financial expenses mainly refer to capital increase costs of CHF 7.5 million in 2022 (2021: CHF 1.9 million).

2.13 Loss from currency translation

The currency translation rate of the US dollar (USD) increased by 1% (2021: 3%) while the currency translation rate of the euro (EUR) decreased by 5% (2021: 4%) in the reporting year. This resulted in a cumulative loss from currency translation.

2.14 Interest income

Interest income includes the interest received on loans granted to Group companies and bank balances.

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 2022, no contributions to pension funds were outstanding to be paid (31 December 2021: none).

3.3 Contingent liabilities

As at 31 December 2022, several guarantees were granted by Meyer Burger Technology AG for Group companies in favor of third parties for a maximum amount of CHF 274.9 million (31 December 2021: CHF 227.4 million). This amount consists of a letter of comfort for the syndicated loan towards Meyer Burger (Industries) GmbH, Freiberg, Germany. As at 31 December 2022, the entire debt facility of EUR 115.0 million (31 December 2021: EUR 60.0 million) was drawn and EUR 10.0 million (31 December 2021: EUR 10.0 million) was granted as documentary credit and guarantee facility. In addition, as at 31 December 2022 EUR 17.9 million (31 December 2021: EUR 2.3 million) of the guarantee for the factoring facility towards Meyer Burger (Industries) GmbH, Freiberg, Germany, was utilized. This guarantee is limited to the amount of EUR 60 million. In addition, a guarantee for the convertible bond issued by MBT Systems GmbH, Hohenstein-Ernstthal, Germany, was issued on 30 June 2021 with the amount of EUR 145 million of which accrued interest of EUR 2.4 million was outstanding to be paid as at 31 December 2022 (31 December 2021: EUR 2.4 million).

Meyer Burger (Americas) Ltd and DESRI PROCUREMENT LLC (DESRI), Delaware, USA, have signed a binding agreement to supply at least 3.75 GW of solar modules for DESRI's large-scale projects. It is planned that the modules will be manufactured at Meyer Burger's Goodyear, Arizona site, USA, with delivery of the modules between 2024 and 2029. As of 6 October 2022, Meyer Burger Technology AG has a seller parent guarantee for DESRI.

During 2020, Meyer Burger Technology AG signed a bilateral framework agreement for credit products with a Swiss financial institution, which is still valid throughout 2022. 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 2022, CHF 4.2 million cash collateral was deposited (31 December 2021: CHF 11.6 million).

In addition, Meyer Burger Technology AG is the borrower and pledger of a credit facility from a German financial institution. The credit line amounted to CHF 2.5 million as at 31 December 2022 (31 December 2021: CHF 2.6 million), of which CHF 1.7 million was cash collateralized (31 December 2021: CHF 2.6 million). The credit facility can be drawn by subsidiaries by way of guarantees for advance payments, warranty bonds or other types of guarantees. It cannot be used for the collateralization of loans.

3.4 Letters of comfort and liquidity commitments in favor of Group companies

Meyer Burger Technology AG 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 2022 and 2021, 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
2022					
Allocated to the Board of Directors	875 256	-	0.4436/0.5410		431
Allocated to the Executive Board		5 090 291	-	0.206	1 049
Allocated to employees		12 144 594	-	0.206	2 502
Total	**875 256**	**17 234 885**	**–**	**–**	**3 982**
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**

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

2022

The members of the Board of Directors and of the Executive Board (including related parties) held the following participations in Meyer Burger Technology AG as at 31 December 2022:

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)
Dr. Franz Richter	Chairman of the Board of Directors	4 133 754	1 170 312	–	0.15%
Mark Kerekes	Member of the Board of Directors	7 925 812	980 899	–	0.25%
Prof. Dr. Urs Schenker	Member of the Board of Directors	11 069 763	305 200	–	0.32%
Andreas R. Herzog	Member of the Board of Directors	518 456	980 899	–	0.04%
Katrin Wehr-Seiter	Member of the Board of Directors	–	85 489	–	0.00%
Dr. Gunter Erfurt	Chief Executive Officer	505 734	–	11 006 202	0.32%
Markus Nikles	Chief Financial Officer	250 000	–	–	0.01%
Katja Tavernaro	Chief Sustainability Officer	86 913	–	5 753 100	0.16%
Dr. Moritz Borgmann	Chief Commercial Officer	–	–	5 556 058	0.15%
Daniel Menzel	Chief Operating Officer	–	–	4 318 058	0.12%
Total as at 31 December 2022		**24 490 432**	**3 522 799**	**26 633 418**	**1.52%**

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 2020/2021/2022 LTI Share Plans. The number of options under share plan includes the maximum amount of shares that could be vested under the 2022 option plans.

Grant/purchase date	Number of shares	Number of options	Vesting period until
15.12.2022	441 309		14.12.2025
24.06.2022	433 947		23.06.2025
08.06.2022		5 090 291	07.06.2025
30.12.2021	480 526		30.12.2024
03.06.2021	–	11 543 127	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

2 Participation as a percentage of the number of outstanding registered shares as at 31 December 2022 (3,597,218,551 shares).

2021

The members of the Board of Directors and of the Executive Board (including related parties) held the following participations in Meyer Burger Technology AG 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)
Dr. 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%
Prof. Dr. 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%
Dr. Gunter Erfurt	Chief Executive 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.

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).

3.7 Significant events after the reporting date

Meyer Burger Sdn. Bhd., Cyberjaya, Malaysia, was liquidated as of 14 February 2023. On 22 February 2023, the sale of Burger Systems (Shanghai) Co. Ltd, Shanghai, China, by equity transfer was official completed.

On 2 March 2023, Meyer Burger communicated that in order to meet the steadily increasing demand for faster growth of its manufacturing capacities, the Board of Directors of Meyer Burger Technology AG has decided to introduce a unified product platform for its solar modules. This allows to build-up manufacturing capacities faster and with less risk in the future.

No further events occurred between 31 December 2022 and 22 March 2023 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 AG

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Report on the audit of the financial statements

Opinion

We have audited the financial statements of Meyer Burger Technology AG (the Company), which comprise the balance sheet as at 31 December 2022, and the income statement for the year then ended, and notes to the financial statements, including a summary of accounting policies.

In our opinion, the financial statements (pages 131 to 140) comply with Swiss law and the company's articles of incorporation.

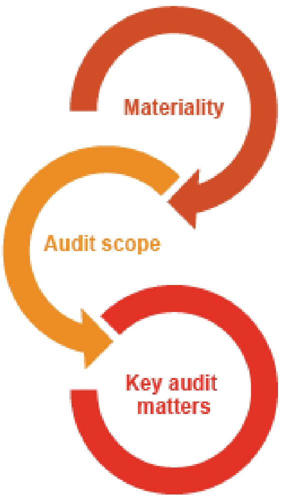
Basis for opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). 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 Company 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 5,800,000

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

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Materiality

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

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

Overall materiality	CHF 5,800,000
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 200,000 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 2022, Meyer Burger Technology AG reported investments in Group companies (CHF 358 million), intercompany loans (CHF 163 million) and receivables (CHF 5.3 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 recognized. We considered the assessment of the valuations of the investments in Group companies and current and non-current intercompany loan and receivables (please refer to note 2.10‘ Impairments on intercompany loans, investments and financial assets’ in the notes to the financial statements) to be a key audit matter because of: • the significant judgement involved in performing the impairment tests, • the operating results of certain companies, and • the significant amount that these assets represent.	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 capitalization with the book value of the shareholders' equity of Meyer Burger Technology AG • We verified the underlying valuation model prepared by management as well as the WACC applied to determine the recoverable amounts with the support of valuation experts • We analyzed 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 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.

Board of Directors' responsibilities 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 Company'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 Company 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 SA-CH 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 SA-CH, 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 Company'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 Company'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 Company 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.

Report on other legal and regulatory requirements

In accordance with article 728a paragraph 1 item 3 CO and PS-CH 890, we confirm that an internal control system exists which has been designed for the preparation of the 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	Rahel Sopi
Licensed audit expert Auditor in charge	Licensed audit expert

Bern, 22 March 2023