



Heinz Streit is the head of his own solar installation company in the canton of Bern. He has been recommending Meyer Burger solar modules to his customers ever since they came on the market. His motto: "It's better to invest more once for higher quality and longevity than to buy cheap goods several times." He is one of the many installers who have registered on Meyer Burger's website.

2

Management Report 2022

Successful transition to PV cell and module manufacturer

Meyer Burger has successfully increased its solar cell and module production capacities; a total of 321 megawatts (MW) of modules was produced in 2022. As we announced on 2 March 2023, we now aim to produce solar modules with a total output of around 800 MW in 2023.

Meyer Burger has also successfully positioned its high-performance products in the European and US markets. Meyer Burger's products have higher technical performance compared to the current market standard and to a number of other differentiating factors including high quality, reliability, yield and sustainability, all made in Europe.

A milestone is the completion of a long-term supply agreement with the US renewable energy developer D. E. Shaw Renewable Investments (DESRI). Under the agreement, Meyer Burger expects to deliver between 3.75 and 5 GW of solar modules into utility-scale solar projects over a time span of approximately five years, starting in 2024.

The relationship with DESRI allows Meyer Burger to accelerate its entry into the utility-scale segment and to fast-track the recognition of Meyer Burger modules for use in large-scale utility installations. Furthermore, the Company has established its ability to command a material price premium over current standard pricing not only in the residential sector, but also in the utility-scale segment (e.g. DESRI).

Meyer Burger and wafer manufacturers Norwegian Crystals and NorSun recently entered into a supply agreement for silicon wafers, thus strengthening the independence of European solar supply chains. The agreement allows Meyer Burger to increase its share of European-sourced wafers and to lower the carbon footprint of its high-performance solar modules.

Sales and marketing

Only 1.5 years after launching its product portfolio, Meyer Burger is perceived as a premium solar module brand focusing on the valuable residential rooftop segment, where it has established its position well. Additionally, the Company has sold its modules to lighthouse projects in the commercial and utility segments, e.g. supplying 6,200 Meyer Burger solar modules for the rooftop installation of the Europa-Park Stadium, home of Bundesliga football club SC Freiburg, making it the second largest PV installation on a stadium roof worldwide.

Selling to approximately 50 distributors and, via them, to more than 1,000 installers in Europe and the USA, Meyer Burger is no longer proactively pursuing orders, but instead allocating volumes to existing customers. Thanks to the continuous marketing and sales activities focusing on distributors, installers and private customers, the Company has managed to consistently achieve premium prices, being able to pass on any increase in material costs.

In 2022, Meyer Burger has continued building a powerful marketing and sales organization, hiring experts in their fields. Alongside the European markets, Meyer Burger started supplying the US market in Q2, 2022. With close to 40 employees in field and inside sales and with representatives in all the major markets in Europe and the USA, the company currently sells to 15 markets worldwide and is ready to scale the announced annual output via the established distribution channels.

Its positioning as a premium PV brand, sustainably manufacturing high-performance solar modules, designed in Switzerland and made in Germany, was mainly conveyed to the target groups via the extension of the digital marketing campaign, content marketing on social media channels, the newly developed sales support tools and five international trade fairs. In addition, Meyer Burger focused on fostering relationships with installers, kicking off partnership programs in Europe and the USA with the goal of increasing customer retention and

building a strong network of Meyer Burger brand ambassadors in all relevant markets.

The demand for premium PV products made in Europe remains very high, boosted in particular by the war in Ukraine and the energy crisis. Meyer Burger is one of the few manufacturers being able to meet this demand and therefore offers the right product portfolio at the right time.

Further ramp-up & expansion

An expansion of solar cell production is planned to take place at the Bitterfeld-Wolfen (Germany) site, and an expansion of solar module production at the Freiberg (Germany) site, and in Goodyear, in the US.

For the required new cell production capacity, the company has entered into a long-term lease agreement for an additional building with more than 40,000 square meters of space adjacent to the current cell factory in Bitterfeld-Wolfen (the former Solibro plant). With this building, further synergies shall be generated and space has been secured for the realization of future expansion plans.

The preparation for the ramp-up by an additional 400 MW at the Freiberg site have been made. The building was remodeled and made ready for the move-in of equipment. Since the beginning of 2023, tools have been brought into the new facility which will accommodate the third module line. The ramp-up will start in Q2, 2023 and production is expected to start in summer 2023.

The leased building in Goodyear is being prepared for production. Facilities and supplies planning is on track. The first product deliveries from the Goodyear facility are expected around mid 2024.

The key equipment for all expansions is mostly built at the Hohenstein-Ernstthal site, Germany, with a small part origination from Thun, Switzerland. This ensures that all proprietary steps in Meyer Burger's production lines remain confidential, and that the ambitious schedules are met.

Supply bottlenecks of system-relevant individual components, which have had to be procured externally, remain a challenge to the further ramp-up in production. So far, all components have been able to be procured, although occasionally there have been time delays.

Momentum & market

The imperative to decarbonize the global energy supply has recently been augmented by a global energy crisis, most acutely in Europe. Solar and wind energy are expected to form the backbone of

the global transition toward renewable energy sources, providing electrical power generated at the lowest levelized cost of electricity (LCOE) compared to fossil fuels and nuclear energy.

In the context of the rapidly growing global demand for solar energy, there is also an increasing focus from customers and policy makers on diversifying the production of solar cells and modules.

European and US policies including the European "Fit for 55" strategy and the REPowerEU program as well as the US Inflation Reduction Act further support both solar deployment and industrial activities.

Meyer Burger finds itself well positioned to benefit from these trends as one of the few currently-established photovoltaic (PV) cell and module manufacturers outside of Asia. The company expects to capitalize on its proprietary technology and its roadmap of innovative products.

Successful equity raise of CHF 250M

The successful capital increase of CHF 250 million enables Meyer Burger to seize the opportunity to accelerate its expansion to approximately 3 gigawatts of production capacity per year by 2024 and to build up the related production and distribution structures.

Encouraging sales performance

The results of the financial year 2022 reflect the successful market entry of Meyer Burger's solar modules. Net sales developed favorably to CHF 147.2 million (2021: CHF 39.9 million) of which CHF 125.0 million stems from sales in the modules segment (2021: CHF 8.8 million) and thus builds the foundation for the success of Meyer Burger's new business model. The photovoltaics segment was internalized with the exception of the completion of outstanding projects and Pasan's measurement technology business. The regional sales mix has developed in line with the clear focus on the European market for the market entry with 79% (49% in 2021). Sales to the American market amounted to 15% (9% in 2021) while sales to the Asian market reduced to 6% mainly based on the completion of long-term projects (42% in 2021). The regional sales mix is expected to tend even more strongly towards Europe and America with the production capacity expansions at the related sites.

Operating costs still reflect ramp-up

With the strong operational ramp-up, personnel costs still precede sales volumes and further increased to CHF 68.0 million (2021: CHF 60.4 million). Operating expenses slightly decreased to CHF 39.6 million (2021: CHF 41.2 million) even

against additional new infrastructural costs, such as rent and energy, marketing costs and additional administrative costs for the financing measures. This led to an EBITDA of CHF –34.6 million (2021: CHF –72.5 million) and a respective EBITDA margin of –23.5% (2021: –181.6%).

Depreciation and amortization increased based on the new fully-equipped production sites. Accordingly EBIT stood at CHF –53.6 million (2021: CHF –85.3 million) with a margin of –36.4% (2021: –213.9%).

Financial result reflects successful financing measures

The net financial result was CHF –16.4 million (2021: CHF –11.2 million). Financial expense in the fiscal year included interest expenses for the syndicated loan and the green convertible bond of CHF –12.0 million (2021: CHF –5.5 million). The valuation of intercompany loans to foreign subsidiaries led foreign currency translation effects of CHF 0.6 million (2021: CHF –0.8 million). In addition, there were other foreign currency translation effects of CHF –4.2 million (2021: CHF –4.0 million), other interest expenses of CHF –0.3 million (2021: CHF –0.3 million) and other financial expenses of CHF –3.2 million (2021: CHF –1.5 million) as well as interest income of CHF 0.7 million (2021: CHF <0.1 million) and a gain on fair value on derivatives of CHF 2.6 million (2021: CHF 0.2 million). In the previous year, the proportionate result from investments in associates due to the interest in Oxford PV amounted to CHF –2.9 million up to its derecognition from the scope of consolidation as of the end of August 2021.

Net result

Meyer Burger generated a group result of CHF –69.9 million (2021: CHF –100.5 million)

which equates to a net result per share of CHF –0.02 (2021: CHF –0.04).

Balance sheet reflects investments in growth

As at 31 December 2022, the balance sheet total increased to CHF 720.4 million (31 December 2021: CHF 492.7 million), mainly due to the investments made in the high-speed ramp-up of the two new facilities as well as the successful capital increase. In the face of further necessary investments, the cash position of the Group stood at CHF 293.2 million (31 December 2021: CHF 231.4 million) while trade working capital remained relatively stable at CHF 94.2 million (31 December 2021: CHF 33.4 million) mainly based on higher inventories at year-end. Property, plant and equipment included investments made and capitalizations net of investment subsidies received of CHF 112.9 million (2021: CHF 99.2 million) and at 31 December 2022 amounted to CHF 210.7 million (31 December 2021: CHF 124.3 million) reflecting the successful realization of the further ramp-up. Intangible assets of CHF 5.3 million as at year-end 2022 (31 December 2021: CHF 6.1 million) included the investments made in the intellectual property for the expansion of Meyer Burger’s product portfolio into innovative solar roof tiles.

Equity reflects successful capital increase

The increase in equity reflects the successful CHF 250 million capital increase carried out in November 2022. The successful capital increase enables Meyer Burger to seize the opportunity to accelerate its expansion to approximately 3 GW of production capacity per year.

Workforce

Employees (FTE)	2022	2021	2020	2019	2018
Total at year-end	1 034	789	548	805	1 191
Operations	663	444	185	304	481
Research, Development	168	170	162	213	281
Sales, Services	91	87	126	189	281
Finance, Administration	112	88	75	99	148

From an HR perspective, 2022 was all about recruiting – about 400 new colleagues came on board. At the end of 2022, Meyer Burger employed about 1100 people from 19 nations who worked tirelessly and with great focus to make the successful

change in the business model happen. In addition, there were around 20 trainees and interns. The search for new employees remains a challenge in the new year. The aim is to recruit around another 400 new colleagues. In the production area, the

five-shift system is proving to be a benefit when choosing Meyer Burger as an employer, as applicants rate it as family- and health-friendly.

For more information on Human Resources issues see page 41.

Risk management

Meyer Burger uses various risk management instruments to manage its strategic, financial and operational risks. The Executive Board assesses and evaluates the identified risks. The results of the risk assessment, including any countermeasures determined as necessary, are submitted to the Board of Directors at regular intervals. Risk management is integrated into the company's management processes and is carried out in close coordination with those responsible for the internal control system and internal audit.

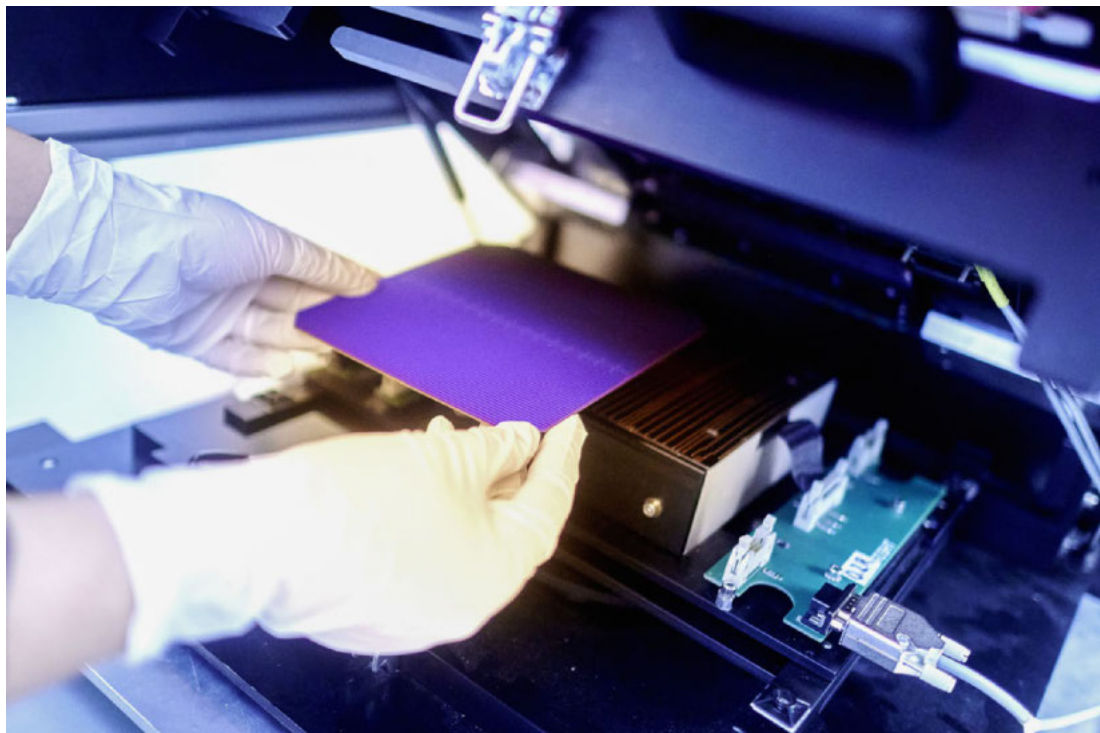
Risks are classified into six different groups for which the relevant managing directors are responsible. These risk groups are Financial, Legal/Governance & Compliance, Communication, Management, Operations and External. Different risk categories are assigned to the respective risk groups.

With the new business model, the related set-up of new processes and the changing environment, risk management has become more important than ever, amongst other standardized risk management within IT processes and the related infrastructure. For more detailed information about financial risk management, see Note 3 on page 119.

Occupational safety is of major importance to Meyer Burger. Risks are minimized and a high degree of process safety is achieved through careful analysis of operating procedures and the provision of employee training. For information about employees see the section before and the corresponding part of the Sustainability Report on page 31.



The Meyer Burger world of tomorrow is being created in western Switzerland. Researchers are using pilot plants to manufacture new products that will further increase the efficiency and yield of the solar modules. As always at Meyer Burger, the equipment comes from the company's own machine development department in Saxony. Here, the delivery of a new machine in March 2023.



To ensure high product quality, high-quality measurements are required at many points throughout production – from wafer inspection to final inspection of the finished solar module. Pasan in Neuchâtel develops these measurement systems for Meyer Burger.



Part of the former logistics center has been converted and now offers space for another 400 megawatts in Freiberg. Many machines are already standing and waiting to be awakened by the Meyer Burger engineers.



Full house: In the solar cell production facility in Thalheim, all machines are in place and produce hundreds of thousands of heterojunction solar cells every day.