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	31.12.2023		31.12.2022	
Assets					
Current assets					
Cash and cash equivalents		150 225		293 163	
Trade receivables	2.1	7 115		11 540	
Other current receivables	2.2	93 624		48 907	
Inventories	2.4	130 811		118 542	
Prepaid expenses and accrued income	2.5	4 293		1 646	
Total current assets		**386 068**	**56.7%**	**473 798**	**65.8%**
Non-current assets					
Financial assets	2.6	25 094		29 951	
Property, plant and equipment	2.7	266 330		210 712	
Intangible assets	2.8	3 228		5 286	
Deferred tax assets	2.14	496		695	
Total non-current assets		**295 148**	**43.3%**	**246 644**	**34.2%**
Total assets		**681 216**	**100.0%**	**720 442**	**100.0%**
Liabilities and equity					
Liabilities					
Current liabilities					
Financial liabilities	2.9	21 314		22 673	
Trade payables	2.10	28 218		33 250	
Net liabilities from production contracts	2.3	–		2 662	
Customer prepayments	2.4/2.10	79 133		872	
Other liabilities	2.11	3 910		2 259	
Provisions	2.12	5 041		4 078	
Accrued expenses and prepaid income	2.13	22 901		23 658	
Total current liabilities		**160 517**	**23.6%**	**89 452**	**12.4%**
Non-current liabilities					
Financial liabilities	2.9	326 189		198 148	
Other liabilities	2.11	168		377	
Provisions	2.12	1 291		1 132	
Deferred tax liabilities	2.14	1 641		2 452	
Total non-current liabilities		**329 289**	**48.3%**	**202 109**	**28.1%**
Total liabilities		**489 806**	**71.9%**	**291 561**	**40.5%**
Equity					
Share capital	2.15	179 861		179 861	
Capital reserves		1 401 980		1 354 438	
Treasury shares	2.15	–4 440		–4 984	
Reserve for share-based payments		7 670		4 632	
Accumulated losses		–1 393 661		–1 105 066	
Total equity		**191 410**	**28.1%**	**428 881**	**59.5%**
Total liabilities and equity		**681 216**	**100.0%**	**720 442**	**100.0%**

The Notes starting on page 108 are an integral part of the consolidated financial statements.

Consolidated Income Statement

in TCHF	Notes	1.1.–31.12.2023		1.1.–31.12.2022	
Net sales	**2.16/2.17/2.18**	**135 035**	**100.0%**	**147 214**	**100.0%**
Other operating income	**2.19**	7 922		9 084	
Currency translation gains and losses on trade receivables and customer prepayments	**4.3**	–1 673		–1 099	
Total income		**141 284**		**155 199**	
Changes in inventories of finished and semi-finished products and machines before acceptance		59 373		26 692	
Cost of products and work in progress		–246 681		–150 725	
Capitalized goods and services	**2.7**	41 459		41 845	
Operating income after costs of products and services	**1.1**	**–4 565**		**73 011**	
Personnel expenses	**2.20**	–94 850		–68 047	
Operating expenses	**2.21**	–64 177		–39 594	
Earnings before interests, taxes, depreciation and amortization (EBITDA)	**1.1**	**–163 592**	**–121.1%**	**–34 630**	**–23.5%**
Depreciation and impairment on property, plant and equipment	**2.7**	–84 257		–17 994	
Amortization and impairment on intangible assets	**2.8**	–2 326		–970	
Earnings before interests and taxes (EBIT)	**1.1**	**–250 175**	**–185.3%**	**–53 594**	**–36.4%**
Financial result	**2.22**	–42 587		–16 441	
Earnings before income taxes		**–292 762**	**–216.8%**	**–70 035**	**–47.6%**
Income taxes	**2.14**	824		185	
Result		**–291 938**	**–216.2%**	**–69 850**	**–47.4%**
Attributable to					
Shareholders of Meyer Burger Technology AG		–291 938	–216.2%	–69 850	–47.4%

in CHF					
Earnings per share					
Basic earnings per share	**4.4**	–0.08		–0.02	
Diluted earnings per share	**4.4**	–0.08		–0.02	

The Notes starting on page 108 are an integral part of the consolidated financial statements.

Consolidated Statement of Changes in Shareholders' Equity

in TCHF	Attributable to shareholders of Meyer Burger Technology AG	
	Share capital	Capital reserves
Notes	2.15	
Equity at 1.1.2022	**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	–	–
Gain and losses from treasury share valuation	–	878
Equity at 31.12.2022	**179 861**	**1 354 438**
Result	–	–
Currency translation differences recognized in reporting period	–	–
Capital increase	–	–
Costs of capital increase	–	–
Equity share of convertible net of transaction cost	–	47 142
Sale/use of treasury shares	–	–
Share-based payments	–	–
Acquisition of treasury shares	–	–
Transfer of shares for employees to the plan participants after vesting period	–	–
Gain and losses from treasury share valuation	–	400
Equity at 31.12.2023	**179 861**	**1 401 980**

The Notes starting on page 108 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					
–5 307	**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**
–	–	–	–291 938	**–291 938**	**–291 938**
–	–	3 343	–	**3 343**	**3 343**
–	–	–	–	**–**	**–**
–	–	–	–	**–**	**–**
–	–	–	–	**–**	**47 142**
478	–	–	–	**–**	**478**
–	3 504	–	–	**–**	**3 504**
–	–	–	–	**–**	**–**
466	–466	–	–	**–**	**–**
–400	–	–	–	**–**	**–**
–4 440	**7 670**	**–27 378**	**–1 366 283**	**–1 393 661**	**191 410**

Consolidated Cash Flow Statement

in TCHF	Notes	1.1.–31.12.2023	1.1.–31.12.2022
Result		**–291 938**	**–69 850**
Depreciation and amortization	**2.7/2.8**	29 203	18 854
Impairment/reversal of impairment on non-current assets	**2.6/2.7/2.8**	57 380	110
Gains/losses from sale of property, plant and equipment and business activities	**2.7/2.8**	–72	–192
Deferred income taxes	**2.14**	–524	–217
Decrease (+)/increase (–) in other (non-current) assets		1 271	–2 278
Increase (+)/decrease (–) in (non-current) provisions	**2.12**	192	–20
Increase (+)/decrease (–) in other (non-current) liabilities		10 351	5 213
Decrease (+)/increase (–) in trade receivables	**2.1**	3 864	–1 700
Decrease (+)/increase (–) in net assets from construction contracts	**2.3**	–	6 264
Decrease (+)/increase (–) in inventories [1]	**2.4**	–21 284	–81 016
Decrease (+)/increase (–) in other receivables and accruals	**2.2/2.5**	–38 442	–207
Increase (+)/decrease (–) in (current) provisions	**2.12**	1 214	1 597
Increase (+)/decrease (–) in trade payables		–7 160	11 865
Increase (+)/decrease (–) in customer prepayments		83 715	–2 911
Increase (+)/decrease (–) in other (current) liabilities and deferrals	**2.11/2.13**	2 105	11 076
Exchange differences		17 751	4 039
Other non-cash-related changes		–	–654
Cash flow from operating activities		**–152 374**	**–100 027**
Investments in property, plant and equipment	**2.7**	–157 149	–122 000
Investment subsidies received	**2.7**	3 182	8 428
Sale of property, plant and equipment	**2.7**	482	550
Sale of investment property	**2.7**	1 929	1 188
Investments in intangible assets	**2.8**	–496	–448
Sale of business activities (net of cash)		–165	–
Increase in rent deposits		–1 645	–1 059
Decrease in bank deposits with limited availability	**2.2**	5 519	6 024
Increase in bank deposits with limited availability	**2.2**	–19 578	–10 786
Cash flow from investing activities		**–167 921**	**–118 103**
Capital increase		–	250 000
Cost of capital increase		–2 503	–9 447
Issuance of convertible bond		210 655	–
Issuance costs of convertible bond		–4 503	–
Repayment of current financial liabilities		–22 194	–11 156
Increase of non-current financial liabilities		–	55 750
Cash flow from financing activities		**181 455**	**285 147**
Change in cash and cash equivalents		**–138 840**	**67 017**
Cash and cash equivalents at the beginning of the period		**293 163**	**231 391**
Currency translation differences on cash and cash equivalents		–4 098	–5 245
Cash and cash equivalents at the end of the period		**150 225**	**293 163**

The Notes starting on page 108 are an integral part of the consolidated financial statements.
Cash and cash equivalents include all cash, bank account balances, time deposits with an original maturity of up to 90 days and money market funds with only insignificant fluctuations in value. Cash and cash equivalents are measured at nominal value.

[1] "Decrease (+)/increase (–) in inventories" include non-cash effects of CHF 55.5 million (2022: CHF -9.1 million) resulting from value adjustments on inventories.

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 13 March 2024. They will be submitted for approval to the Annual General Meeting to be held probably on May 2024.

The Group currency (reporting currency) is the Swiss francs (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 with 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 and impairment 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 and 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 preparing 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 preparing 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 are therefore 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	31.12.2023	31.12.2022
Meyer Burger Technology AG	Thun, Switzerland	CHF	179 860 928		Parent company
Fully consolidated subsidiaries					
Meyer Burger (Singapore) Pte. Ltd	Singapore, Singapore	SGD	1	100.00%	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 (Americas) Colorado Lease Co., LLC	Colorado Springs, USA	USD	0	100.00%	0.00%
Meyer Burger (Germany) GmbH	Hohenstein-Ernstthal, Germany	EUR	112 000 000	100.00%	100.00%
Meyer Burger (Industries) GmbH	Freiberg, Germany	EUR	96 000 000	100.00%	100.00%
Meyer Burger (Solar Valley) GmbH	Bitterfeld-Wolfen, Germany	EUR	50 025 000	100.00%	100.00%
Meyer Burger (Italy) S.r.l.	Milan, Italy	EUR	10 000	100.00%	100.00%
Meyer Burger (NL) B.V.	Eindhoven, Netherlands	EUR	18 200	100.00%	100.00%
Meyer Burger (Switzerland) AG	Thun, Switzerland	CHF	500 000	100.00%	100.00%
Meyer Burger Co. Ltd	Zhubei City, Taiwan	TWD	n/a	0.00%	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	n/a	0.00%	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	n/a	0.00%	100.00%
Meyer Burger (Australia) Pty Ltd	Britinya, Australia	AUD	10	100.00%	0.00%
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				Participation	
Company	Registered office	Currency	Share capital	31.12.2023	31.12.2022
Meyer Burger (Americas) Colorado Lease Co., LLC	Colorado Springs, USA	USD	0	100.00%	0.00%
Meyer Burger (Australia) Pty Ltd	Birtinya, Australia	AUD	10	100.00%	0.00%

Companies excluded from the scope of consolidation				Participation	
Company	Registered office	Currency	Share capital	31.12.2023	31.12.2022
Meyer Burger Co. Ltd	Zhubei City, Taiwan	TWD	102 317 000	0.00%	100.00%
Meyer Burger Sdn. Bhd.	Cyberjaya, Malaysia	MYR	1 000 000	0.00%	100.00%
Meyer Burger Systems (Shanghai) Co. Ltd	Shanghai, China	CNY	102 172 722	0.00%	100.00%

Foundation of Meyer Burger (Australia) Pty Ltd
On 14 March 2023, Meyer Burger (Australia) Pty Ltd, Birtinya, Australia, was founded with the aim of offering its premium solar panels in Australia, a significant and growing market.

Foundation of Meyer Burger (Americas) Colorado Lease Co., LLC
Meyer Burger (Americas) Colorado Lease Co., LLC, Colorado Springs, USA, was founded on 27 June 2023, with the aim of further strengthening Meyer Burger's operations in the USA.

Liquidation of Meyer Burger Sdn. Bhd.
On 26 July 2021, Meyer Burger announced that the service activities in Asia will be concentrated at the locations in China and Singapore, leading to the closure of certain subsidiaries in Asia. As a result, Meyer Burger Sdn. Bhd., Cyberjaya, Malaysia, was liquidated as of 26 January 2023.

Sale of Meyer Burger Systems (Shanghai) Co. Ltd
On 22 February 2023, Meyer Burger Systems (Shanghai) Co. Ltd, Shanghai, China, was sold to a third party. The purchase price amounted to CHF 0.2 million. The existing business relating to the sales and service of high-precision metrology products of Meyer Burger's subsidiary Pasan SA, Neuchâtel, Switzerland, is carried out by the remaining Meyer Burger subsidiary Meyer Burger Trading (Shanghai) Co. Ltd, Shanghai, China.

Liquidation of Meyer Burger Co. Ltd
Meyer Burger Co. Ltd, Zhubei City, Taiwan, was liquidated as of 31 March 2023. This liquidation completes the restructuring process in Asia, following the shift to the new business model of manufacturing and selling solar modules.

1.4 Foreign currency translation of subsidiaries' financial statements in foreign currencies
Individual Group companies compile their financial statements in their local currency (functional currency). Assets and liabilities in the 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. Foreign exchange differences in the consolidated cash flow statement are presented in the cash flow from operating activities. Non-cash items are corrected in the cash flow from operating activities.

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 that are regarded as having an equity status is analyzed. Foreign currency effects attributable to these long-term intercompany loans, 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. In the event of any repayment of intragroup loans with equity character, the accumulated foreign currency differences remain in equity.

Currency translation adjustments are regognized in profit and loss on the disposal of investments.

The following translation rates into Swiss francs were used during the reporting year:

		Closing rate		Average rate	
Foreign currency exchange rates	Unit	2023	2022	2023	2022
Euro (EUR)	1	0.926	0.9847	0.9718	1.0047
US Dollar (USD)	1	0.838	0.9232	0.8988	0.9541
British Pound (GBP)	1	1.0655	1.1102	1.1173	1.1782
Chinese Yuan Renminbi (CNY)	100	11.7948	13.3823	12.6866	14.1932
Japanese Yen (JPY)	100	0.5923	0.7001	0.6394	0.7279
Indian Rupee (INR)	100	1.0076	1.1168	1.0882	1.2151
South-Korean Won (KRW)	100	0.0646	0.0733	0.0688	0.074
Malaysian Ringgit (MYR)	100	18.2373	20.9582	19.7041	21.71
Singapore Dollar (SGD)	1	0.6346	0.6886	0.6691	0.6923
Australian Dollar (AUD)	1	0.5694	0.6275	0.5966	0.6624
Taiwan Dollar (TWD)	100	2.7325	3.0034	2.8866	3.2077

1.5 Going concern

In 2023, Meyer Burger incurred a net result of CHF –291.9 million (2022: CHF –69.9 million) and negative cash flows from operating activities of CHF –152.4 million (2022: CHF –100.0 million). This performance mainly reflects the difficult market conditions in Europe, caused by Chinese production overcapacity and the trade restrictions imposed by India and the USA leading to significant oversupply and unprecedented disruption in the European solar market. Political support measures in Germany, are currently under discussion but no decision was made.

Based on current projections, Meyer Burger will require further funding to fulfil its payment obligations and until the Group's cash flow is expected to be positive, Meyer Burger is evaluating and pursuing a combination of different financing options to close the funding gap.

On 23 February 2024 the company published an invitation to an Extraordinary General Meeting to be held on 18 March 2024, to approve a rights issue targeting gross proceeds of CHF 200 million to CHF 250 million which is scheduled for end of March 2024. Such a capital increase is necessary to ensure the Group's solvency from April 2024 and builds the first essential step to financing the operations of Meyer Burger in the future. It serves as a prerequisite for various other financing options and the Group's ability to continue as a going concern.

Additionally, the federal government of Germany has indicated to approve, subject to conditions and with several required pledges, which are not yet finally decided upon, an export agency credit guarantee for financing to be provided by a commercial bank with a target amount of up to USD 95 million under certain conditions. Funding is expected to occur following the entry into long-form credit documentation and the satisfaction of customary conditions precedent. The facility is expected to have a ten-year duration

In addition, Meyer Burger is targeting an advanced manufacturing production tax credit ("45X") financing in the amount of up to USD 300 million, with a term of 5 to 6 years, to be provided by a leading global investment bank that has provided initial non-binding terms.

Also, Meyer Burger continues to pursue additional financing options including a USD 200 million to USD 250 million U.S. Department of Energy ("DOE") guaranteed loan from the Federal Financing Bank under the Title 17 Clean Energy Financing Loan Program.

Meyer Burger's ability to continue as a going concern is dependent on the success of the measures taken in improving its capital basis and liquidity. As a minimum, the capital increase as described above and the timely execution of the export agency credit guarantee and the 45X financing or the DOE loan are required to provide sufficient funding to execute Management's strategy and to ensure the Group's ability to continue as a going concern. If the capital increase as announced is not successful, the Group would most likely not be able to continue as a going concern considering the significance of the capital increase and the interdependency between the successful execution of the capital increase and the other financing options.

Also required is the timely ramp-up of the production sites in the USA including the successful achievement of the assumptions in the business plan. These measures align with Meyer Burger's business strategy and its focus on shareholder value creation.

As a result, material uncertainties regarding the financing of Meyer Burger and the successful implementation of the Group's business model exist that may cast significant doubt regarding the going concern capability of Meyer Burger. However, the Board of Directors is of the opinion that Meyer Burger Technology AG will be successful in the above endeavors and, accordingly, has prepared the consolidated financial statements on a going concern basis.

2 Notes to the Consolidated Financial Statements

2.1 Trade receivables

in TCHF	31.12.2023	31.12.2022
Trade receivables (gross)	8 970	13 406
Allowances	–1 855	–1 866
Trade receivables	**7 115**	**11 540**

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.

The trade receivables mainly consist of the US module business. The decrease against previous year is due to the settlement of a remaining order from the legacy business that was not covered by the factoring agreement. The trade receivables of Meyer Burger (Industries) GmbH, Freiberg, Germany, are covered by factoring, for which a factoring agreement was concluded on 15 June 2021 with Deutsche Factoring Bank GmbH & Co. KG, Bremen, Germany, (factor) with a 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 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. Amounts retained by the factorer for bonus payments are paid directly to the customer by the factorer.

Accounting policies

Trade receivables are measured at nominal value less any allowances. Individual allowances are generally considered based on the specific debtor risks and other known risks. An allowance can also be made on a portfolio basis where this is deemed appropriate based on historical experience. In such cases, the risk pattern is regularly assessed and adjusted where necessary.

Trade receivables in the scope of the factoring agreement are measured at nominal value. No allowance is considered as the payments are virtually certain. With the receipt of cash from the factorer, the trade receivables are settled and the factoring fee is accounted for through profit and loss. 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 operating expenses.

2.2 Other current receivables

in TCHF	31.12.2023	31.12.2022
Prepayments to suppliers	40 524	5 160
Bank deposits with limited availability	30 886	17 877
VAT receivables	9 301	12 103
Other receivables	12 913	13 767
Other current receivables	**93 624**	**48 907**

The increase in advance payments to suppliers compared to the previous year is primarily due to increase results from advance payments to an export financier. In the previous year, the item related to advance payments on wafer orders.

Bank deposits with limited availability of CHF 30.9 million (31 December 2022: CHF 17.9 million) contain various bank balances that are not readily available for use by Meyer Burger. Such accounts include retentions for interest payments and scheduled repayments of the syndicated loan until the third quarter of 2024 with CHF 18.6 million (31 December 2022: none), bank deposits used as securitization for Meyer Burger's guarantee line, amounts relating to guarantees issued by third parties in connection with the syndicated loan agreement and rent deposits.

Other receivables as at 31 December 2023 include the short-term portion of receivables from the sale of the headquarters building in Thun in 2019 of CHF 4.9 million (31 December 2022: CHF 2.4 million) as well as subsidy receivables of CHF 0.6 million (31 December 2022: CHF 3.2 million). Furthermore, an amount of CHF 5.1 million (31 December 2022: CHF 4.3 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 and 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	31.12.2023	31.12.2022
Work in progress	–	22 103
Customer prepayments	–	–24 765
Net production contracts	**–**	**–2 662**
thereof		
Net liabilities from production contracts	–	–2 662
Additional information		
Net sales from the PoC method (income statement)	–1 815	905

Production contracts comprise long-term contracts entered into under Meyer Burger's previous business model as a manufacturer of industrial production equipment. As at 31 December 2023, the last remaining production contract was brought to completion. The negative net sales from the POC method relates to a sales correction from a closed settlement.

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 to cover 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	31.12.2023	31.12.2022
Raw materials, purchased parts, goods for resale	58 852	89 297
Semi-finished goods and work in progress	12 124	6 980
Finished goods	128 045	36 934
Machines before acceptance	1 338	2 583
Customer prepayments	–1 320	– 689
Value adjustment inventories	–68 228	–16 563
Inventories	**130 811**	**118 542**

The increase in inventories is due to higher production activities at the sites in Freiberg, Germany, and Bitterfeld-Wolfen, Germany. Contrary, due to the disruptions in the European solar market as a result of the significant oversupply of solar modules led to lower than expected sales of products. Value adjustments increased by CHF 51.7 million compared to the prior year predominantly due to the net realizable value being lower than the acquisition or production costs at the balance sheet date, resulting in a significant negative effect on the income statement. Value adjustments on finished and semi-finished goods have been recognized in changes in inventories of finished and semi-finished products and machines before acceptance. Value adjustments on raw materials have been recognized in cost of products and work in progress.

As at 31 December 2023, Meyer Burger has pledged inventories in the amount of CHF 76.4 million (31 December 2022: CHF 93.2 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, finished goods, and machines before acceptance. Inventories are classified as machines before acceptance from the time of delivery of the machine to the time of final acceptance by the customer. Spare parts are included in the respective categories.

Raw materials, purchased parts, and goods for resale are measured at the lower of acquisition or production cost and fair value less cost to sell. Semi-finished goods and work in progress, finished goods, and machinery before acceptance are measured at the lower of production cost or fair value less costs to sell. Cash discounts are treated as reductions in purchase price. The fair value less costs to sell is the estimated selling price less estimated cost of completion and distribution costs.

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. The prepayments are only offset against inventories up to the maximum amount of the value of the goods carried in the balance sheet. 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	31.12.2023	31.12.2022
Prepaid expenses and accrued income	3 510	1 646
Tax prepayments	783	–
Prepaid expenses and accrued income	**4 293**	**1 646**

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. The increase compared to the previous year results from prepaid lease payments for the rental of land and buildings in Colorado Springs, Colorado, USA.

Accounting policies

Prepaid expenses, taxes prepayments and accrued income are measured at nominal value less any allowances.

2.6 Financial assets

in TCHF	31.12.2023	31.12.2022
Other non-current receivables	129	5 286
Allowances	–	– 333
Financial investments	19 689	19 689
Deposits (rent and other)	3 940	2 537
Derivatives	1 336	2 772
Financial assets	**25 094**	**29 951**

As at 31 December 2022, other non-current receivables mainly comprised the long-term portion of receivables from the sale of the headquarters building in Thun in 2019 with a net amount of CHF 4.9 million. As at 31 December 2023, this amount had been reclassified to other current receivables.

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 2023. Accordingly, no impairment was recognized as at 31 December 2023.

The deposits with CHF 3.9 million (31 December 2022: CHF 2.5 million) include bank balances with restricted use of CHF 0.7 million (31 December 2022: CHF 0.7 million).

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 1.3 million as at 31 December 2023 (31 December 2022: CHF 2.8 million). The base value of the cap amounts to EUR 80.5 million and reflects the outstanding amount of the syndicated loan facility. The hedging ratio amounts to 50 % 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 cost and subsequently measured at market value, or at acquisition cost less impairments where a market value is not available.

Financial investments refer to securities with no directly observable market value and are initially measured at acquisition cost, or at the fair value at the acquisition date and subsequently measured at acquisition cost 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 1.1.2022	**24 815**	**11 518**	**112 921**	**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**
Increase	6 406	3 204	23 690	–	17	85 856	119 173
Capitalization	–	199	22 903	–	–	18 357	41 459
Reclassification	5 558	–101	47 824	–	–	–53 281	–
Disposal	–25	–64	–1 510	–	–	–	–1 599
Currency translation differences	–1 937	–926	–15 716	–	–1	–7 261	–25 841
Balance as at 31.12.2023	**32 963**	**14 493**	**249 809**	**513**	**16**	**113 146**	**410 940**
Cumulative depreciation and impairments							
Balance as at 1.1.2022	**–8 419**	**–8 231**	**–36 000**	**–374**	**–41**	**–114**	**–53 178**
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**
Ordinary depreciation	–1 134	–1 567	–25 397	–	–3	–	–28 101
Impairment	–	–1	–55 667	–	–	–489	–56 157
Disposal	30	61	1 465	–	–	–	1 556
Currency translation differences	547	645	3 912	–	–	24	5 128
Balance as at 31.12.2023	**–8 857**	**–9 589**	**–125 168**	**–513**	**–3**	**–480**	**–144 609**
Net book value							
01.01.2022	16 396	3 287	76 920	–	–	27 668	124 271
31.12.2022	14 661	3 454	123 137	–	–	69 460	210 712
31.12.2023	24 106	4 904	124 641	–	13	112 666	266 330
Amount thereof pledged:							
31.12.2022	14 691	2 694	117 969	–	–	50 676	186 030
31.12.2023	23 833	4 181	119 190	–	–	19 368	166 572

The main increase in property, plant and equipment relates to Meyer Burger's investments toward becoming a solar cell and module producer. Investments of CHF 160.6 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 expertise to produce its own machinery and self-manufactured machines amounting to CHF 41.4 million were capitalized accordingly.

A sharp increase in Chinese production overcapacity and the trade restrictions imposed by India and the USA led to a significant oversupply and unprecedented disruption in the European solar market in particular in the second half of 2023. In view of the deteriorating European market environment, a triggering event was identified, and consequently an impairment test was carried out. For the cash-generating unit (CGU) comprising solar cell and module production in Germany, the carrying amount exceeded the recoverable amount determined under the concept of fair value less costs of disposal resulting in an impairment loss of total CHF 55.6 million. Due to the uncertainty on the final outcome of the political debate about possible support measures in Germany and Europe to address the survival of the European Solar industry, Management applied a weighted fair value calculation based on two scenarios. One scenario - called the "resilience case" - assumes that political support measures known as resilience bonus and auctions will be taken enabling the continued operation of production sites in Europe and that the module production in Goodyear, USA, will be ramped up in the second quarter of 2024. The other scenario - called the "management case" - does not factor in any support measures and consequently, assumes the restructuring and ultimately closure of the production facilities in Europe.

If the management case had been used as a sole basis, the impairment charge would have been increased by CHF 98 million and if the resilience case had been used as a sole basis, no impairment would have been recognized.

The "resilience case" is assuming that political decisions in Europe would be in favor of the resilience program and the German business would not need to be restructured. The key assumptions in this scenario is that the resilience bonus is granted to customers which leads to higher demand for the modules with higher prices resulting in all production capacities sold. In the USA the module production in Goodyear will be ramped-up in the second quarter of 2024.

The "management case" assumes to close the module production in Freiberg in March 2024 and the cell production in Bitterfeld-Wolfen would continue until 2025 to support the ramp-up of the module production in the USA. It also assumes that all existing modules in Germany are sold in 2024, however at lower prices compared to the resilience case, and received subsidies are repaid.

The recoverable amount of the cash-generating unit comprising solar cell and module production in Germany is determined based on its fair value less cost of disposal, applying the discounted cash flow (DCF) method. The projected free cash flows were estimated on the basis of the business plans approved by management, which cover a 4-year period. For free cash flows extending beyond the detailed planning period within the "resilience case", one transition year and a terminal value were computed.

The terminal value was computed by capitalising the normalised cash flows assuming a steady long-term growth rate of 0.75%, which is below the long-term inflation expectations. The projected cash flows and management assumptions are corroborated by external sources of information. The discount rate is based on the weighted average costs of capital (WACC) and comprises the weighted value of equity and debt. The cost of equity is calculated from the Capital Asset Pricing Model (CAPM). For the calculation of the risk-free rate, a present value-equivalent risk-free rate based on the Nelson-Siegel-Svensson parameters provided by Swiss National Bank (SNB) was derived as of 31 December 2023, amounting to 0.5 %.

Compared to the "resilience case" the recoverable amount within the "management case" was derived on a basis of a planning period until 2025 without a terminal value. For the calculation of the risk-free rate, a present value-equivalent risk-free rate based on the Nelson-Siegel-Svensson parameters provided by Swiss National Bank (SNB) for a term of two years was derived as of 31 December 2023, amounting to 1.1 %.

Weighted average cost of capital (WACC)	WACC	Long-term	Risk	Market	Cost
Cash-generation unit (scenario)	after-tax	growth rate	free rate	risk premium	of debt
CGU comprising solar cell and module production in Germany ("resilience case")	8.5%	0.8%	0.5%	6.0%	3.6%
CGU comprising solar cell and module production in Germany ("management case")	9.0%	n.a.	1.1%	6.0%	4.1%

The two planning scenarios contain different upside and downside risks. Depending on the design and duration of resilience measures, the long-term development of the market and competitive environment and other economical factors, the planned sales and margins may be higher or lower. The value contribution of the management case depends largely on the assumed sales proceeds for the existing inventories and fixed assets with the associated downside and upside risks for prices and sales speed. To consider these risks, the following sensitivity analyzes based on the derived impairment loss of total CHF 55.6 million were carried out:

Sensitivity analysis for impairment loss at CGU Meyer Burger Industries (in CHF million) Impairment change	10%	-10%
Increase/decrease of terminal value EBIT margin within resilience case	–6.4	6.4
Increase/decrease of terminal value WACC within resilience case	6.9	–8.6
Increase/decrease of PPE liquidation value within management case	–4.4	4.4

Furthermore, impairment tests on a value in use basis were carried out for the other cash-generating units which did not result in any impairment.

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

In 2023, Meyer Burger accrued government subsidies of CHF 3.0 million, which were directly deducted from the cost of acquisition or production of its property, plant and equipment (2022: CHF 10.1 million). Subsidies amounting to CHF 24.4 million were deducted from the acquisition costs from 2020 to 2023. Meyer Burger has received subsidies from the states of Saxony-Anhalt and Saxony for the development of environmentally friendly solar cell production via 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 investing in an creating new permanent jobs linked to the investment after the end of the project, maintaining these posts 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 166.6 million to third parties as collateral as outlined in Note 2.9 Financial liabilities (31 December 2022: CHF 186.0 million).

Meyer Burger sold its headquarters building in Thun in 2019 for a total transaction price of CHF 42.5 million, of which CHF 2.3 million became due and was received in 2023. 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 headquarters building rented out to third parties was classed as investment property until its sale in 2019 based on its investment nature.

Property, plant and equipment and investment property are 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 are accordingly 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.

Indications of impairment may include:

- an adverse development in the legal or business environment that materially affects the value of the asset,
- indications that cash flows from the reporting period, the past and/or budgets are below expectations, indicating a reduced economic performance of the asset,
- a significant change in the way an asset is used or evidence of obsolescence due to technical innovation or damage to the asset,
- a significant reduction in the market value of an asset (e.g., contaminated properties),
- increased credit risk on receivables and financial assets,
- the future interest rates relevant to the organization have increased to such an extent that they substantially reduce the value in use as a result of the cash flows discounted at the interest rates,
- the capitalized costs are significantly higher than the originally planned acquisition or production costs of an asset,
- the book value of the organization's equity is higher than its market capitalization.

If there is an indication that an asset may be impaired, the asset's recoverable amount must be determined: If the Fair value less cost of disposal is higher than the carrying amount, it is not necessary to calculate the other value. The asset is then not impaired. If the Fair value less cost of disposal cannot be determined, the recoverable amount is the value in use.

In determining value in use and fair value less costs of disposal, the discount rate applied shall be a pre-tax rate and post-tax rate respectively that reflects market assessments of the time value of money and the risks specific to the asset. The discount rate shall not reflect risks for which future cash flows have been adjusted and should be consistent with the return expected by investors when they choose an investment that generates the same cash flows as those expected from the asset.

The recoverable amount must be calculated for the individual asset or for a group of assets if possible. If this is not possible, the recoverable amount must be calculated for the cash-generating unit of the asset. A cash-generating unit is the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets. Within the Meyer Burger Group, cash-generating units are generally formed at the level of the individual companies, as, generally speaking, the companies each produce and sell one type of product or related product groups, or are otherwise strongly focused in their business activities, so that a further subdivision is not meaningful or does not correspond to the business model.

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 1.1.2022	**178 297**	**44 638**	**8 269**	**795**	**257 130**	**6 341**	**495 470**
Increase	–	–	448	–	–	–	448
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**
Increase	–	–	496	–	–	–	496
Disposal	–	–	–402	–	–	3	–399
Currency translation differences	–4 203	–1 698	–365	–45	–10 053	–	–16 364
Balance as at 31.12.2023	**169 211**	**41 539**	**7 753**	**712**	**238 788**	**6 343**	**464 346**
Cumulative depreciation and impairments							
Balance as at 1.1.2022	**–173 174**	**–44 638**	**–7 311**	**–795**	**–257 130**	**–6 340**	**–489 388**
Change in scope of consolidation	–	–	–	–	–	–	–
Ordinary amortization	–502	–	–468	–	–	–	–970
Impairment	–	–	–	–	–	–	–
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**
Ordinary amortization	–486	–	–617	–	–	–	–1 103
Impairment	–1 223	–	–	–	–	–	–1 223
Disposal	–	–	402	–	–	–3	399
Currency translation differences	4 022	1 698	318	45	10 053	–	16 136
Balance as at 31.12.2023	**–166 711**	**–41 539**	**–7 026**	**–712**	**–238 788**	**–6 342**	**–461 118**
Net book value							
01.01.2022	5 122	–	959	–	–	1	6 082
31.12.2022	4 390	–	895	–	–	1	5 286
31.12.2023	2 500	–	727	–	–	1	3 228

Intangible assets mostly originate from past company acquisitions and have accordingly been acquired in business combinations or through specific transactions. In 2023, no major investments in intangible assets were made. As at 31 December 2023, Meyer Burger has pledged intangible assets in the amount of CHF 0.5 million (31 December 2022: CHF 0.6 million) to third parties as collateralization of the syndicated loan as outlined in Note 2.9.

In view of the deteriorating European market environment, a triggering event was identified and consequently an impairment test had to be carried out. A triggering event has been identified for the IP solar roof tiles. The recoverable amount is based on the fair value less costs of disposal of the individual asset. The value is based on a discounted cash flow over a period of 7 years. The cash flows are discounted using a term-dependent WACC. This resulted in an impairment loss of CHF 1.2 million for the respective IP. Further information can be found in Note 2.7 Property, plant and equipment.

Accounting policies

Intangible assets relate in particular to goodwill, development costs, acquired software, patents, licences, and intangible assets from acquisitions. Intangible assets are recognized if they are clearly identifiable and their 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
Technology	6–10
Customer relationships	6–10
Trade names	6–10
Goodwill	5–20
Software	3

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. Please refer to information on property, plant and equipment.

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	31.12.2023	31.12.2022
Liabilities toward banks	21 314	22 673
Current financial liabilities	**21 314**	**22 673**
Convertible bonds	274 756	121 358
Loan facility	51 433	76 790
Non-current financial liabilities	**326 189**	**198 148**
Financial liabilities	**347 503**	**220 821**

As at 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 is designated as investment loans and EUR 10.0 million as working capital loans. As at 31 December 2023, EUR 80.5 million of the debt facility of EUR 115.0 million (31 December 2022: EUR 115.0 million) was drawn and EUR 10.0 million (31 December 2022: EUR 10.0 million) was granted as a documentary credit and guarantee facility (contingent liability). In the period mandatory repayments of EUR 34.5 million (31 December 2022: EUR 11.5 million) have been made. The loan, which matures on 8 March 2027, has been used to finance investments in the production sites in Bitterfeld-Wolfen, Germany, and Freiberg, Germany. The loan is guaranteed through comprehensive transfers of asset collateral from Meyer Burger with current assets of CHF 88.6 million (31 December 2022: CHF 120.4 million), of which CHF 11.9 million (31 December 2022: CHF 22.2 million) relates to pledged bank accounts without restricted use and non-current assets of CHF 167.1 million (31 December 2022: CHF 186.0 million) that corresponds to the book value after depreciation and impairment as well as an internal comfort letter declaring a guarantee of EUR 125.0 million (31 December 2022: EUR 125.0 million) by Meyer Burger Technology AG. In addition, 80% 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.

As of 31 December 2023, the syndicated loan amounts to CHF 72.7 million, of which CHF 21.3 million is reported under short-term financial liabilities and CHF 51.4 million is reported under long-term financial liabilities. The continuation of the syndicated loan is subject to compliance with certain covenants in line with standard market practice. A liquidity risk exists as outlined in Note 3.5.

Among other conditions, the credit agreement contains certain covenants and further applicable conditions, as it is customary in syndicated loan agreements. The agreed financial covenants of the syndicated loan, precisely the achievement of customary financial ratios, are currently suspended until 30 September 2024, meaning that compliance with them is not required as at 31 December 2023. Given the current loss situation and funding requirements, there are indications that the covenants cannot be complied with after the suspension period and therefore, that the syndicated loan may be terminated immediately by the lenders and become payable. Management continuously monitors the covenants and measures will be taken to ensure continued financing.

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 semi-annually in arrears. Unless previously converted or bought back and cancelled, the bond will be redeemed on 8 July 2027 at 100% of the principal amount. Following the capital increase during 2022, the bonds are convertible into approximately 279 million registered shares in Meyer Burger Technology AG, 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. Following the increase in share capital during 2022, the conversion price has been adjusted to EUR 0.52 and CHF 0.57 respectively. As at 31 December 2023, no convertible bond conversions into shares in Meyer Burger Technology AG have occurred.

On 14 May 2023, 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 216.3 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 3.75% per annum, payable semi-annually in arrears. Unless previously converted or bought back and cancelled, the bonds will be redeemed on 19 May 2029 at 100% of the principal amount. The bond is initially convertible into approximately 311 million registered shares in Meyer Burger Technology AG, 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 0.6953, representing a premium of 27.5% over the issue price of the new shares translated into EUR using the EUR/CHF foreign exchange rate at the time of pricing. As at 31 December 2023, no convertible bond conversions into shares in Meyer Burger Technology AG have occurred.

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 bonds issued were split into a debt component and an equity component upon first recognition (bifurcation). The debt components were obtained by discounting the future coupon payments and the repayment of the principal amounts at the maturity date by a discount rate appropriate to a comparable straight bond. This discount rates are higher than the effective interest rates for the convertible bonds since the latter includes a discount for the conversion rights received. The equity components, in turn, reflect the conversion rights for the bonds. Early conversions of the convertible bonds will be considered by reclassifying the debt component into equity as of the conversion date. The remaining convertible bonds 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 and customer prepayments

in TCHF	31.12.2023	31.12.2022
Trade payables	28 218	33 250
Trade payables	**28 218**	**33 250**
Customer prepayments from modul business	79 133	872
Customer prepayments	**79 133**	**872**

The decrease in trade payables is due to the completed ramp-up of the production lines in Freiberg and Bitterfeld-Wolfen, Germany, and the associated reduction in incoming invoices.

An amount of CHF 79.1 million (31 December 2022: CHF 0.9 million) is reported as customer prepayments within current liabilities on the balance sheet. In 2023, this predominantly concerns prepayments received in the USA as part of the long-term module supply agreements.

2.11 Other liabilities

in TCHF	31.12.2023	31.12.2022
Other liabilities	3 910	2 259
Other current liabilities	**3 910**	**2 259**
Employee benefits	113	332
Other liabilities	55	45
Other non-current liabilities	**168**	**377**

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. The increase compared to the previous year is mainly due to outstanding incoming invoices.

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 1.1.2022	**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
Reclassification	–	–	–	–	–	–
Currency translation differences	–66	–	–10	–2	–24	–102
Balance as at 31.12.2022	**3 668**	**361**	**472**	**210**	**498**	**5 209**
Increase	431	–	700	326	3 017	4 474
Use	–295	–361	–136	43	–	–749
Release	–1 871	–	–317	–97	–	–2 285
Currency translation differences	–75	–	–52	–17	–174	–318
Balance as at 31.12.2023	**1 858**	**–**	**667**	**465**	**3 341**	**6 331**
Of which current						
01.01.2022	1 008	550	297	180	519	2 554
31.12.2022	2 538	361	472	210	497	4 078
31.12.2023	568	–	667	465	3 341	5 041

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 1.3 million (31 December 2022: CHF 3.1 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 2022: CHF 0.6 million).

The warranty provision is split into a current and a non-current portion. The non-current portion is discounted as at 31 December 2023.

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. As at 31 December 2023, all restructuring measures were completed.

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 that 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. A provision totaling with the amount of CHF 1.3 million (31 December 2022: none) was formed for potential payment obligations for wafer and glass delivery quantities not accepted in the financial year 2023 and CHF 1.4 million (31 December 2022: none) for restoration obligations from existing rental agreements were recognized.

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 appropriateness of the amount of provisions is reviewed at every reporting date. Non-current provisions are discounted if this has a significant impact.

2.13 Accrued expenses and prepaid income

in TCHF	31.12.2023	31.12.2022
Accrued customer bonuses	4 470	4 333
Accrued employee benefits	4 326	4 010
Accrued interest convertible bond	3 422	2 415
Current income taxes	233	204
Other accrued expenses and prepaid income	10 450	12 696
Accrued expenses and prepaid income	**22 901**	**23 658**

As at 31 December 2023 and 31 December 2022, other accrued expenses and prepaid income predominantly include accrued expenses relating to various goods and services, for which invoices have not yet been received and prepayments from subsidies related to a research and development project.

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 yet been paid. Furthermore, expenses relating to goods and services for which an invoice has not yet been received as well as accrued customer bonuses and prepayments from subsidies related to a research and development projects from which income was 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	31.12.2023	31.12.2022	31.12.2023	31.12.2022
Trade receivables	12	12	58	–
Inventories	129	347	–	–
Financial assets	–	–	371	797
Property, plant and equipment	246	205	266	23
Intangible assets	3	6	–	–
Other assets	3 178	–	–	–
Financial liabilities	–	–	4 471	1 695
Net liabilities from construction contracts	–	804	–	786
Other liabilities	102	–	496	–
Provisions	894	183	47	13
Subtotal	**4 564**	**1 557**	**5 709**	**3 314**
Netting	–4 068	–862	–4 068	–862
Deferred income taxes	**496**	**695**	**1 641**	**2 452**

Deferred income taxes are reported as a net position for each taxable entity. As at 31 December 2023 and 31 December 2022, deferred income tax liabilities exceed deferred income tax assets. The deferred income tax liabilities as at 31 December 2023 mainly result from differences in financial liabilities due to the accounting treatment of transaction costs.

Tax loss carry-forwards not recognized

in TCHF	31.12.2023	31.12.2022
Expiry in 1 year	–	97 345
Expiry in 2–3 years	309 008	205 825
Expiry in 4–5 years	54 036	200 272
Expiry in more than 5 years	499 994	81 656
Non-forfeitable	531 734	358 349
Tax loss carry-forwards not recognized	**1 394 772**	**943 447**

The total potential income tax claim on unrecognized tax loss carry-forwards amounts to CHF 180.5 million (31 December 2022: CHF 141.4 million). This takes into account the fact that CHF 746.9 million (31 December 2022: CHF 411.3 million) of the 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 usable at the level of cantons and municipalities. The potential tax claim on unrecognized tax loss carry-forwards of the German entities facilitating the new business model amounts to CHF 136.5 million (31 December 2022: CHF 83.7 million).

Income taxes

in TCHF	31.12.2023	31.12.2022
Current income taxes	300	–32
Deferred income taxes	524	217
Income taxes	**824**	**185**

Reconciliation from expected to effective income taxes

in TCHF	31.12.2023	31.12.2022
Earnings before taxes (EBT)	–292 762	–70 035
Expected average weighted tax rate (%)	28.18%	21.62%
Expected income taxes	**82 500**	**15 142**
Cause for variance:		
Waive of capitalization of tax losses incurred in reporting period	–61 593	–17 133
Deviation from tax rate to expected tax rate of the Group	–21 388	10 262
Deviation in tax-deductible expenses	1 526	–8 991
Income tax in other accounting periods and corrections for prior years	–	–60
Non-taxable income	–	777
Other effects	–221	188
Effective income taxes	**824**	**185**
Effective income taxes (%)	**-0.43%**	**-0.26%**

The expected average weighted tax rates of 28.18% in 2023 and 21.62% in 2022 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 1.1.2022	**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**
Balance as at 31.12.2023	**3 597 218 551**	**179 860 927**

The share capital of Meyer Burger Technology AG as at 31 December 2023 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 2023, non-distributable reserves in Group equity totaled CHF 35.9 million (31 December 2022: CHF 225.3 million). These are largely attributable to the capital reserves of Meyer Burger Technology AG arising from the capital increases.

Conditional share capital

In accordance with Article 3b of the company's Articles of Association, dated 4 May 2023, 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 are excluded. Upon acquisition, the new registered shares will 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 4 May 2023, the share capital may be increased by a maximum amount of CHF 29,500,000.00 through the issuance of a maximum of 590,000,000 fully paid-in registered shares with a nominal value of CHF 0.05 each, by the exercise of conversion and/or option rights that 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 are 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 will 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 will 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.

Treasury shares

Treasury shares held by Meyer Burger Technology AG

	Number of shares	Price/share in CHF	Value of treasury shares in TCHF
1.1.2022	**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**
Grant/use	–3 244 412	0.17	–544
31.12.2023	**12 756 435**	**0.35**	**4 440**

In the course of the capital increase on 11 November 2022, Meyer Burger Technology AG did not exercise the subscription rights to treasury shares.

All treasury shares held in conjunction with the employee share plans are held by Meyer Burger Technology AG. As at 31 December 2023, 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 canceled 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	2023	2022
Net sales from sales of goods	135 818	144 766
Net sales from rendering of services	1 032	1 543
Net sales from production contracts	–1 815	905
Net sales	**135 035**	**147 214**

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 when the following specific criteria are fulfilled:

Net revenue from the sale of goods and services is generally recognized after deduction of discounts at the time of the sale to the customer once the risks and rewards of product ownership 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 product ownership 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 company transformation, customer projects in the “Photovoltaics” segment are being phased out, but still led to a limited amount of revenue in 2023, mainly due to long-term contracts and service provided. Due to the comprehensive change in Meyer Burger’s business model, the “Specialized Technologies” segment was phased out in the current year.

Net sales by segments 2023

in TCHF	Modules	Photovoltaics	Specialized Technologies	**Total**	Consolidation	**Total after consolidation**
Net sales third parties	127 905	7 130	–	**135 035**	–	**135 035**
Net sales intersegment	–	14 527	–	**14 527**	–14 527	**–**
Net sales	**127 905**	**21 657**	**–**	**149 562**	**–14 527**	**135 035**

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**

Modules

This segment comprises Meyer Burger’s new business model. At its modern sites in Freiberg, Germany, and Bitterfeld-Wolfen, Germany, and in the 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 and cost-effectiveness. 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 toward 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 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 was concluded and reported under the Specialized Technologies segment. With the completion of this project, the segment was 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. There were no changes compared to the previous year.

2.18 Segmentation of net sales by geographic market

in TCHF	2023	2022
Switzerland	21 981	20 926
Germany	69 285	74 088
Rest of Europe	18 656	21 428
Asia	5 726	8 940
America	19 383	22 205
Rest of world	4	2
Net sales	**135 035**	**147 214**

2.19 Other operating income

in TCHF	2023	2022
Gain from sale of property, plant and equipment	46	229
Other income	7 876	8 855
Other operating income	**7 922**	**9 084**

Other operating income decreased by CHF 1.2 million compared to the prior year. Other income mainly consists of the release of provisions for bad debts, 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 when a sale transaction of property, plant and equipment or an investment is completed.

2.20 Personnel expenses

in TCHF	2023	2022
Wages and salaries	–70 743	–50 489
Social security	–11 941	–8 856
Pension benefit expenses	–947	–786
Share-based payment expenses	–3 186	–1 969
Temporary personnel	–3 550	–2 401
Other personnel expenses	–4 483	–3 546
Personnel expenses	**–94 850**	**–68 047**

Personnel expenses increased by CHF 26.8 million compared to the prior year, which is attributable to the higher number of employees due to the ramp-up.

The subsidies for research and development costs in the financial year included employee-related grants of CHF 2.4 million (2022: CHF 2.4 million), which were offset against personnel expenses.

2.21 Operating expenses

in TCHF	2023	2022
Rental costs	–12 060	–4 135
Maintenance and repair	–3 670	–1 877
Vehicles and transportation expenses	–3 985	–3 479
Property insurance, fees and contributions	–2 629	–2 147
Energy and waste disposal expenses	–19 121	–10 718
Administration expenses	–9 118	–8 001
IT expenses	–3 036	–2 535
Marketing expenses	–3 181	–1 752
Loss on sale of property, plant and equipment	–5	–9
Expenses on research and development	–5 210	–3 673
Other operating expenses	–2 162	–1 268
Operating expenses	**–64 177**	**–39 594**

Operating expenses increased by CHF 24.6 million compared to the prior year. This is predominantly due to the ongoing ramp-up of production at the two sites in Freiberg, Germany, and Bitterfeld-Wolfen, Germany, as well as the ramp-up of production at the site in Goodyear, USA. This mainly impacted rental costs, energy, and waste disposal expenses in particular, as well as maintenance and repair expenses and marketing expenses.

2.22 Financial result

in TCHF	2023	2022
Interest income		
Cash and cash equivalents	8 033	719
Gain/loss of financial asset fair value through profit and loss	–214	2 581
Financial income	**7 819**	**3 300**
Interest expenses		
Liabilities toward banks	–3	–222
Interest paid on other financial liabilities	–1 031	–99
Loan facility	–5 334	–2 585
Adjustments to present value provisions	–16	–
Convertible bond	–19 022	–9 454
Currency translation differences (net)	–22 144	–4 174
Other financial expenses	–2 856	–3 207
Financial expenses	**–50 406**	**–19 741**
Financial result (net)	**–42 587**	**–16 441**

The financial result increased significantly, mainly due to higher currency translation differences of CHF 22.1 million (2022: CHF 4.2 million) and interest on convertible bond of CHF 19.0 million (2022: CHF 9.5 million).

3 Financial 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 identify, analyze, and evaluate risks effectively 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 2023, the risk reporting was presented to the Board of Directors and discussed at two Board meetings.

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 (known as "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.

The net proceeds from the EUR 216.3 million green convertible bond issuance in May 2023 have been or will be mostly invested and spent in the same currency (euro).

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 managing 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 2023 and 31 December 2022, 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 current financial liabilities can generally bear both fixed and variable interest rates. Both outstanding convertible bonds (EUR 145 million maturing in 2027 and EUR 216.3 million maturing in 2029) have been issued with a fixed interest rate, while the EUR 125 million syndicated loan facility (of which EUR

80.5 million was outstanding as at 31 December 2023), 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 2023, 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 0.6 million on an annual basis, taking into consideration 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 0.6 million on an annual basis.

3.3 Other financial price risks

Meyer Burger holds financial equity investments that are not publicly listed and are accordingly 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 2023 and 2022.

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 positions already value-adjusted.

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, as well as the market distortion in Europe, Meyer Burger does not yet generate sufficient operating results to sustain its operations and is dependent on external debt and equity financing. In the 2021 to 2023 financial years, Meyer Burger raised liquidity through capital increases of CHF 80 million in 2021 and CHF 250 million in 2022, the issuance of green convertible bonds of EUR 145 million in 2021 and EUR 216.3 million in 2023, a syndicated loan facility of EUR 125 million, of which EUR 80.5 million (CHF 72.7 million) was outstanding and EUR 10 million was granted as a multipurpose money-market and documentary credit and guarantee facility as at 31 December

2023, and a factoring agreement for up to EUR 60 million, both set up in 2021. The factoring facility duly expires at the end of June 2024 and was utilized with EUR 3.6 million as at the end of 2023. Additionally, in 2022 a EUR 10 million cash-collateralized documentary credit and guarantee facility was arranged.

The convertible bonds 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.

Based on current projections, Meyer Burger will require funding to fulfill its future payment obligations. This funding gap, which is expected to enable the Group to become cash flow positive in the mid-term. In order to close the funding gap, additional equity and debt financing including renegotiation of existing loan facilities is required. Therefore, management is evaluating various financing instruments and concepts in a proactive dialog with financing partners and investors. Accordingly, Meyer Burger intends to take further measures to address this risk as outlined in Note 1.5 (Going concern).

4 Other Disclosures

4.1 Pension plans

Meyer Burger provides pension benefits for its employees for retirement, disability, 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 defined benefits. An obligation beyond the payment of its contributions exists for the employer only in the event of recapitalization measures of the pension fund.

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 105.2% at the end of 2023 (31 December 2022: 100.6%). 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 2023, contributions of CHF <0.1 million were outstanding (31 December 2022: CHF <0.1 million).

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

Pension institutions 31.12.2023

Economic benefit/economic obligation and pension benefit expenses in TCHF	Surplus/deficit 31.12.2023	Economic part of the organization 31.12.2023	Economic part of the organization 31.12.2022	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 2023
Pension schemes without funding surplus/deficit in Switzerland	–	–	–	–	804	804
Pension schemes abroad	–	–	–	–	143	143
Total	**–**	**–**	**–**	**–**	**947**	**947**

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**

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 from the Executive Board at its reasonable discretion. Shares or options may only be allocated to employees with an employment contract for an indefinite-term and in positions not under notice, and to serving members of the Board of Directors.

Each participant receives an individual offer letter, stipulating the number of share units or options being offered, the acquisition price per share (if any), the 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 allocated by the Board of Directors 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 therefore cannot sell (in part or in full), 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 the 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	2023	2022
Number of options granted	15 507 225	17 234 885
Date of grant	13.04.2023	08.06.2022
Options price/fair value at date of grant in CHF	0.26	0.21
Fair value of shares and options granted in CHF	4 016 371	3 550 386

For the 2023, 2022, and 2021 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 company's share price and the exercise date of the options.

Share payment

In 2023 and 2022 the Board of Directors received shares as part of its remuneration.

in TCHF	2023	2022
Number of shares transferred	1 754 036	875 256
Date of transfer	23.06.2023/15.12.2023	24.06.2022/15.12.2022
Share price/fair value at date of transfer in CHF	0.58/0.18	0.44/0.54
Fair value of shares transferred in CHF	477 499	431 247

Accounting policies

A share-based payment is generally 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 AG 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, expected 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 AG 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	2023	2022
Currency translation differences on trade receivables and customer prepayments	–1 673	–1 099
Currency translation differences on cost of products and services	126	2 108
Currency translation differences on other operating expenses	302	37
Currency translation differences on financial expenses/income	–22 144	–4 181
Currency translation differences	**–23 389**	**–3 135**

The effect from unrealized currency translation differences is generally recognized in the financial result. The currency loss on Group loans totaled CHF 22.7 million (2022: CHF 2.3 million), of which a loss of CHF 20.1 million (2022: CHF 1.7 million) was recognized in the financial results and a loss of CHF 2.6 million (2022: CHF 0.6 million) directly in equity due to the equity-like nature of the respective loans. The increase compared to the previous year is due to higher credit volumes and less favorable exchange rates. The remaining currency differences are deducted in other items.

4.4 Earnings per share

in TCHF	2023	2022
Basic		
Net result attributable to shareholders of Meyer Burger Technology AG (in TCHF)	–291 938	–69 850
Weighted average number of ordinary shares (in 1 000)	3 440 077	2 796 080
Basic earnings per share (in CHF)	**–0.08**	**–0.02**
Diluted		
Diluted earnings per share (in CHF)	**–0.08**	**–0.02**

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

In both 2023 and 2022, there was no dilution effect from the convertible bond as the share price was below the conversion price of the 2021 convertible bond of EUR 0.5868 and the 2023 convertible bond of EUR 0.6953. 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	31.12.2023	31.12.2022
Investment obligations from contracts already signed	158 178	172 930

The investment obligations as at 31 December 2023 and as at 31 December 2022 mainly refer to the acquisition of the necessary equipment in the German and U.S. entities related to Meyer Burger's business transition and the ramp-up of cell and module production.

4.6 Future liabilities from operating leases

in TCHF	31.12.2023	31.12.2022
Due date in the next financial year	17 630	14 764
Due date in 2 to 5 years	54 822	30 532
Due date in more than 5 years	103 171	28 139
Future liabilities from operating leases	**175 623**	**73 435**

Obligations arising from operating leases mainly relate to rental agreements. Subsequent to the sale of the headquarters building in Thun in 2019, Meyer Burger rents its offices in this location with a related rent obligation of CHF 3.1 million that will fall due in 2024 to 2029. In addition, operating lease obligations include EUR 6.4 million for the rent of the production facility in Bitterfeld-Wolfen, Germany, with a contractual term until 2027, and EUR 27.6 million for the rent of the warehouse in Bitterfeld-Wolfen, Germany, with a contractual term until 2037. Meyer Burger (Americas) Lease Co., Goodyear, USA has concluded a leasing contract with a remaining volume of USD 7.7 million running until 2027 to establish a production site for high-performance solar modules in Goodyear, Arizona. In addition, a warehouse lease agreement was concluded with a contractual term until 2032 and a remaining value of USD 14.3 million. In order to establish a production site for solar cells in Colorado Springs, Colorado, USA, Meyer Burger (Americas) Colorado Lease Co. has concluded a leasing contract with a remaining volume of USD 128.1 million running until 2041.

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	2023	2022
Guarantees (not product-related)	4 921	7 369
Contingent liabilities	**4 921**	**7 369**

During 2019, Meyer Burger entered into a sales contract for the building in Thun, Switzerland. Through the contract, Meyer Burger guaranteed a minimum level of annual rent payments to the buyer. The guarantee is limited to CHF 10 million, with respect to 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 will also bear the external costs, should any court proceedings against tenants be initiated 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 2023, no material transactions were conducted and no receivables or liabilities were outstanding toward 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

Meyer Burger announced on 17 January 2024 that it has prepared a plan to stop sustained losses in Europe and focus on profitable growth in the US together with its existing and potentially new offtake and industrial partners. Also Meyer Burger announced a funding gap to realize this successful ramp-up in the USA.

On 23 February 2024 Meyer Burger has published the invitation to its Extraordinary General Meeting to be held on 18 March 2024, to approve a rights issue targeting gross proceeds of CHF 200 million to CHF 250 million. The proceeds from the rights issue in combination with other financing should enable Meyer Burger to close the financing gap announced on 17 January 2024. As there has not yet been any decision on policy support measures to remediate current market distortions created by oversupply and dumping prices of solar modules in Germany, known as resilience bonus and auctions, Meyer Burger also announced that it has decided to start preparations for the closure of its Freiberg site, which would take effect in April 2024. A negative decision on the resilience bonus and auctions would cause the closing the Freiberg site and a restructuring in Europe which would have additional financial impact such as approximately CHF 100 million higher impairments on the group's assets and restructuring costs, that cannot yet be conclusively and reliably assessed since a ultimate decision is not yet made. A positive decision on the resilience bonus and auctions would cause the need to revisit the impairment expenses and potentially reverse charges recorded in the financial statements.

No further events occurred between 31 December 2023 and 13 March 2024 that would have a material effect on the recognized carrying amounts of assets and liabilities of the Group.

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 2023, and the consolidated income statement, the consolidated statement of changes in shareholders' equity, the consolidated cash flow statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements (pages 103 to 136) give a true and fair view of the consolidated financial position of the Group as at 31 December 2023 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.

Material uncertainty related to going concern

We draw your attention to note 1.5 to these financial statements, which states that the Group depends on significant new funding such as the capital increase and further financing as well as the successful implementation of its business plans. If the capital increase as described in note 1.5 is not successful, the Group would most likely not be able to continue as a going concern considering the significance of the capital increase and the interdependency between the successful execution of the capital increase and the other financing options. This, along with other matters as described in note 1.5, indicates the existence of a material uncertainty which may cast significant doubt about the ability of the Group to continue as a going concern. Our opinion is not modified in respect of this matter.

Our audit approach

Overview

Overall Group materiality: CHF 2.50 million

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

Our audit scope addressed 82 % of the Group’s Net sales. In addition, we performed specified procedures on the reporting packages of three companies in two countries, which addressed a further 14 % of the Group's Net sales and four further companies, which we addressed other risk characteristics

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

- Valuation of inventories
- Recoverability of property, plant, and equipment (PP&E)

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 2.50 million
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 Risk & Audit Committee that we would report to them misstatements above CHF 0.25 million 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 three Group companies that required specified procedures due to the size and/or risk characteristics. The full scope audits of Group companies addressed 82% of the Group's net sales, while the specified procedures at three Group companies addressed 14% of net sales and four companies with other risks.

The audit of the consolidated financial statements was performed by the supporting audit team in Germany, to whom we provided instructions and with whom we were in constant contact to discuss the treatment of transactions that are material to the consolidated financial statements as well as questions regarding valuation and disclosure. In addition, we participated in important discussions with Meyer Burger's management and Board of Directors.

Key audit matters

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. In addition to the matter described in the 'Material uncertainty related to going concern' section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Valuation of inventories

Key audit matter	How our audit addressed the key audit matter
The Group accounts for inventories of CHF 130.8 million which is a significant proportion of total assets as of 31 December 2023. Inventories are measured at the lower of acquisition or production cost and fair value less cost to sell. In 2023, the Group recognized an expense for value adjustments of CHF 51.7 million. We consider the valuation of inventories to be a key audit matter as they represent a significant amount and the Board of Directors applies significant judgement in performing the value adjustments triggered by the market fluctuations of solar modules. Please refer to note 2.4 «Inventories» in the notes to the consolidated financial statements.	In particular, we performed the following audit procedures to test the valuation of inventories: • We conducted sample-based inspections to verify compliance with the lower of acquisition or production cost and fair value less cost to sell principle. • We assessed the appropriateness of key assumptions, which include sales price trends and marketability of solar modules. • We assessed slow-moving inventories and the appropriateness of the resulting write-downs. • We performed sample-based inspections to determine whether the Group's calculation of valuation was mathematically correct and appropriate. • We assessed the intercompany profit elimination process at Group level being adequate. • We assessed the reasonableness of the disclosures in the consolidated financial statements. Based on our audit procedures, we consider the Board of Directors' approach as a reasonable basis for the valuation of inventories.

Recoverability of property, plant, and equipment (PP&E)

Key audit matter	How our audit addressed the key audit matter
The Group accounts for property, plant, and equipment of CHF 266.3 million which is a significant proportion of total assets as of 31 December 2023. PP&E is stated at historical cost less depreciation and impairment, if needed. In 2023, the Group recognized an impairment expense of CHF 56.2 million. We consider the recoverability of PP&E to be a key audit matter due to the significant amount that these assets represent, and the Board of Directors' significant judgement required in performing the impairment tests. In particular, the following risks exist related to Board of Directors' recoverability assessment: • Property, plant, and equipment are assessed by comparing the carrying amount of the respective cash-generating unit (CGU) to the recoverable amount. If the carrying amount exceeds the recoverable amount, an impairment loss is recognized. The recoverable amount is the higher of value in use and fair value less costs of disposal, which management has calculated at the level of a CGU. The value in use is determined based on the discounted future cash flows expected to be generated by the CGU. The valuation at fair value less costs of disposal is based on the perspective of a market participant and includes the immediate sale of the assets or their discounted future cash flows forecasted to be generated by the CGU. • Impairment testing is complex and based on a range of assumptions that require judgement. These include assumptions for achieving estimated cash flows in the detailed planning period, terminal value, discount rates and long-term growth rates. Please refer to note 2.7 « Property, plant, and equipment » of the notes to the consolidated financial statements.	To assess the recoverability of PP&E, we performed in particular the following audit procedures: • We analyzed the Board of Directors' business plan for plausibility, with the support of internal experts. • We verified the Group's underlying valuation model, as well as the discount rates applied to determine the recoverable amounts with the support of valuation experts. • We compared the resulting recoverable amounts against the corresponding book values and assessed the completeness and appropriateness of the recorded impairment loss. • We assessed the reasonableness of the disclosures in the consolidated financial statements. Based on our audit procedures, we consider the Board of Directors' approach as a reasonable basis to assess the recoverability of PP&E.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements, the consolidated financial statements, the remuneration report and our auditor's reports thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Directors' responsibilities for the consolidated financial statements

The Board of Directors is responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with Swiss GAAP FER and the provisions of Swiss law, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor’s responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and 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 judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- Conclude on the appropriateness of the Board of Directors’ use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them regarding all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Board of Directors or its relevant committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In accordance with article 728a para. 1 item 3 CO and PS-CH 890, we confirm the existence of an internal control system that has been designed, pursuant to the instructions of the Board of Directors, for the preparation of the consolidated financial statements.

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, 13 March 2024

Statutory Financial Statements – Meyer Burger Technology AG

Balance Sheet

in TCHF	Notes	31.12.2023	31.12.2022
Assets			
Current assets			
Cash and cash equivalents		92 013	196 732
Other receivables			
Intercompany		19 186	5 336
Third parties		3 966	8 202
Accrued income and deferred expenses		88	152
Total current assets		**115 253**	**210 422**
Non-current assets			
Financial assets	2.1		
Intercompany		290 070	163 040
Third parties		19 689	19 689
Investments	2.2	44 814	357 943
Total non-current assets		**354 573**	**540 672**
Total assets		**469 826**	**751 094**
Liabilities and equity			
Current liabilities			
Other payables			
Intercompany		9 776	5 674
Third parties		972	372
Accrued expenses and deferred income		2 739	6 397
Current provisions		519	492
Total current liabilities		**14 006**	**12 935**
Non-current liabilities			
Loans - Intercompany		101 860	–
Provisions		26	143
Total non-current liabilities		**101 886**	**143**
Equity			
Share capital	2.3	179 861	179 861
Legal capital reserves			
Capital contribution reserves	2.4	773 452	773 452
Other capital reserves		6 039	6 191
Legal retained earnings			
General legal retained earnings		140	140
Treasury shares	2.5	–4 440	–4 984
Accumulated losses		–216 644	–264 646
Loss/gain for period		–384 474	48 002
Total equity		**353 934**	**738 016**
Total liabilities and equity		**469 826**	**751 094**

Income Statement

in TCHF	Notes	1.1.–31.12.2023	1.1.–31.12.2022
Other operating income	**2.6**	8 505	8 131
Other operating expenses	**2.7**	–1 350	–
Personnel expenses	**2.8**	–2 164	–1 603
Administration expenses	**2.9**	–13 840	–13 454
Impairments/reversal of impairments on intercompany loans, investments and financial assets	**2.10**	–373 640	63 525
Earnings before interests and taxes		**–382 489**	**56 599**
Financial costs			
Interest expenses	**2.11**	–2 109	–216
Other financial expenses	**2.12**	–129	–7 706
Loss from currency translations	**2.13**	–21 789	–2 992
Financial income			
Interest income	**2.14**	22 268	2 317
Earnings before taxes		**–384 248**	**48 002**
Income taxes		–226	–159
Net result		**–384 474**	**47 843**

Notes to the Financial Statements

1 Accounting Policies

1.1 General

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. These annual financial statements have been prepared in accordance with the provisions of the Swiss Code of Obligations (32^{nd} 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 appropriateness of the amount of provisions is reviewed 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 canceled 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/or 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, nor has it presented a cash flow statement prepared a report on the financial year in these annual financial statements.

1.8 Going concern

In 2023, Meyer Burger Technology AG incurred a net result of CHF –384.5 million (2022: CHF 47.8 million), resulting mostly from impairments on investments. This performance mainly reflects the difficult market conditions in Europe for Group companies, caused by Chinese production overcapacity and the trade restrictions imposed by India and the USA leading to significant oversupply and unprecedented disruption in the European solar market which consequently influence the valuation of investments and intercompany loans of Meyer Burger Technology AG as a holding company. Political support measures in Germany, are currently under discussion but no decision was made.

Based on current projections, Meyer Burger Technology AG and Group companies will require further funding to fulfil its payment obligations and until the Company’s cash flow is expected to be positive the Group is evaluating and pursuing a combination of different financing options to close the funding gap.

On 23 February 2024 the Company published an invitation to an Extraordinary General Meeting to be held on 18 March 2024, to approve a rights issue targeting gross proceeds of CHF 200 million to CHF 250 million which is scheduled for end of March 2024. Such a capital increase is necessary to ensure the Company’s solvency from April 2024 and builds the first essential step to finance the operations of Meyer Burger in the future. It serves as a prerequisite for various other financing options and the Company’s ability to continue as a going concern.

Additionally, the federal government of Germany has indicated to approve, subject to conditions and with several required pledges, which are not yet final decided upon, an export agency credit guarantee for financing to be provided by a commercial bank with a target amount of up to USD 95 million under certain conditions. Funding is expected to occur following the entry into long-form credit documentation and the satisfaction of customary conditions precedent. The facility is expected to have a ten-year duration.

In addition, Meyer Burger is targeting an advanced manufacturing production tax credit (”45X”) financing in the amount of up to USD 300 million, with a term of 5 to 6 years, to be provided by a leading global investment bank that has provided initial non-binding terms.

Also, Meyer Burger continues to pursue additional financing options including a USD 200 million to USD 250 million U.S. Department of Energy (”DOE”) guaranteed loan from the Federal Financing Bank under the Title 17 Clean Energy Financing Loan Program.

Meyer Burger Technology AG is exposed to the risk that investments in the Group companies do not generate sustainable cash flows and lose value as well as loans granted to Group companies could default if the planned financing measures cannot be successfully realized. The Company has also provided various funding guarantees for Group companies (Note 3.3 Contingent liabilities). If the Group companies are not able to meet their payment obligations as part of this funding, there is the risk that guarantees could become due, resulting in additional payment obligations of CHF 548.4 million for the Company.

The continuing viability of Meyer Burger Technology AG and its ability to continue as a going concern is dependent on the success of measures taken by Meyer Burger and Group companies to improve its capital basis and liquidity, the ramp-up of the production sites in the USA according to plan, the successful achievement of the assumptions in the business plan as well as in its continuing efforts to make sustainable profits. These measures align with Meyer Burger's business strategy and its focus on shareholder value creation.

As a result, there is a material uncertainty that may cast significant doubt regarding the going concern capability of Meyer Burger Technology AG. However, the Board of Directors is of the opinion that Meyer Burger Technology AG and its Group companies will be successful in the above endeavors and, accordingly, has prepared the financial statements on a going concern basis.

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 December 2023, the loan from Meyer Burger (Industries) GmbH was impaired by CHF 19.3 million, as a result of an impairment test. The remaining amount of the financial assets represents a financial equity investment.

As at 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 production in the USA will be sufficient to serve and to repay the loans in the medium to long term.

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	31.12.2023	31.12.2022
Meyer Burger (Singapore) Pte. Ltd	Singapore, Singapore	SGD	1	100.00%	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 (Americas) Colorado Lease Co., LLC	Colorado Springs, USA	USD	0	100.00%	0.00%
Meyer Burger (Germany) GmbH	Hohenstein-Ernstthal, Germany	EUR	112 000 000	100.00%	100.00%
Meyer Burger (Industries) GmbH	Freiberg, Germany	EUR	96 000 000	100.00%	100.00%
Meyer Burger (Solar Valley) GmbH	Bitterfeld-Wolfen, Germany	EUR	50 025 000	100.00%	100.00%
Meyer Burger (Italy) S.r.l.	Milan, Italy	EUR	10 000	100.00%	100.00%
Meyer Burger (NL) B.V.	Eindhoven, Netherlands	EUR	18 200	100.00%	100.00%
Meyer Burger (Switzerland) Ltd	Thun, Switzerland	CHF	500 000	100.00%	100.00%
Meyer Burger Co. Ltd	Zhubei City, Taiwan	TWD	n/a	0.00%	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	n/a	0.00%	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	n/a	0.00%	100.00%
Meyer Burger (Australia) Pty Ltd	Britinya, Australia	AUD	10	100.00%	0.00%
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 (Australia) Pty Ltd

On 14 March 2023, Meyer Burger (Australia) Pty Ltd, Birtinya, Australia, was founded with the aim of offering its premium solar panels in Australia, a significant and growing market.

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

Meyer Burger (Americas) Colorado Lease Co., LLC, Colorado Springs, USA, was founded on 27 June 2023, with the aim of further strengthening Meyer Burger's operations in the USA.

Liquidation of Meyer Burger Sdn. Bhd.

On 26 July 2021, Meyer Burger announced that the service activities in Asia will be concentrated at the locations in China and Singapore, leading to the closure of certain subsidiaries in Asia. As a result, Meyer Burger Sdn. Bhd., Cyberjaya, Malaysia, was liquidated as of 26 January 2023.

Sale of Meyer Burger Systems (Shanghai) Co. Ltd

On 22 February 2023, Meyer Burger Systems (Shanghai) Co. Ltd, Shanghai, China, was sold to a third party. The existing business relating to the sales and service of high-precision metrology products of Meyer Burger's subsidiary Pasan SA, Neuchâtel, Switzerland, is carried out by the remaining Meyer Burger subsidiary Meyer Burger Trading (Shanghai) Co. Ltd, Shanghai, China.

Liquidation of Meyer Burger Co. Ltd

Meyer Burger Co. Ltd, Zhubei City, Taiwan, was liquidated as of 31 March 2023. This liquidation completes the restructuring process in Asia, following the shift to the new business model of manufacturing and selling solar modules.

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 in producing 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 retroactively 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 to be liquidated.

2.3 Share capital

The share capital of Meyer Burger Technology AG as at 31 December 2023 was divided into 3,597,218,551 registered shares with a nominal value of CHF 0.05 each. The share capital is fully paid up. 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.

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 4 May 2023, 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 are excluded. Upon acquisition, the new registered shares will 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 4 May 2023, the share capital may be increased by a maximum amount of CHF 29,500,000.00 through the issuance of a maximum of 590,000,000 fully paid-in registered shares with a nominal value of CHF 0.05 each, by the exercise of conversion and/or option rights that 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 are 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 will 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 will 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, and 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.

Significant shareholders

The company is aware of the following shareholders, who according to Article 12 of the Financial Market Infrastructure Act (FMIA) held more than 3% of the voting rights (based on the share capital registered in the commercial register) as at 31 December 2023 and 31 December 2022, respectively. The disclosure notices are published on the website of the disclosure office.[1]

	Registered shares[3]	
Shareholder[2]	31.12.2023	31.12.2022
Sentis Capital PCC (Cell 3)[4]	10.01%	10.01%
BlackRock, Inc.	5.10%	5.10%
Universal-Investment-Gesellschaft mbH	3.40%	3.40%
BNP Paribas Funds Energy Transition[6]	3.36%	–
UBS Fund Management (Switzerland) AG	3.16%	–
Norges Bank (the Central Bank of Norway)	–	4.03%
Millenium Partners LP[5]	–	3.05%
Swisscanto Fondsleitung AG	–	3.02%

1 https://www.ser-ag.com/de/resources/notifications-market-participants/significant-shareholders.html#/
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.
6 The beneficial owner was BNP Paribas Asset Management UK Ltd.

2.4 Capital contribution reserves

Of the total CHF 773.5 million capital contribution reserves as at 31 December 2023, CHF 736.3 million was approved by the Swiss Federal Tax Administration as available for distribution free of withholding tax (31 December 2022: CHF 544.5 million).

The capital contribution reserves as at 31 December 2023 include capital transaction costs of CHF 37.2 million not approved for potential distribution free of withholding tax by the Swiss Federal Tax Administration based on current practice.

The increase of CHF 191.7 million is based on the capital increase in the 2022 financial year.

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
01.01.2022	**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**
Grant/use	–3 244 412	0.17	–544
31.12.2023	**12 756 435**	**0.35**	**4 440**

In the course of the capital increase on 11 November 2022, Meyer Burger Technology AG did not exercise the subscription rights to treasury shares.

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 2023, 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.

2.7 Other operating expenses

In 2023, other operating expenses reflect losses on bad debts from Group companies of CHF 1.3 million. In 2022, no other operating expenses were incurred.

2.8 Personnel expenses

Personnel expenses in 2023 mainly consist of payments to the Board of Directors of CHF 1.0 million (2022: CHF 0.9 million), employee remuneration of CHF 0.7 million (2022: CHF 0.2 million), external staff remuneration of CHF 0.6 million (2022: CHF 0.7 million), and accruals for reserves for share-based payments of CHF 0.4 million (2022: CHF 0.4 million).

2.9 Administration expenses

In 2023, administration expenses mainly include management costs of CHF 7.4 million (2022: CHF 4.6 million), which were largely passed on to subsidiaries, and consulting costs of CHF 2.4 million (2022: CHF 3.2 million).

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 2023, additional impairments on investments and loans to Group companies in the amount of CHF 374 million were deemed necessary based on expected future cash flows. For further information on the impairment see Note 2.7 on page 116.

In December 2023, loans from Meyer Burger (Switzerland) AG in the amount of CHF 155.0 million and from Pasan SA in the amount of CHF 4.2 million as well as receivables in the amount of CHF 0.8 million, which had previously been fully impaired, were converted into a capital contribution. The contribution was preceded by an offset against the loss carry-forwards. Only the portion exceeding the loss carry-forwards was included in the capital contribution. As at 31 December 2023, the investments in both companies were written down.

In addition, the investment in MBT Systems GmbH in the amount of CHF 358.4 million, including a capital contribution of CHF 45.3 million in 2023, and the loan from Meyer Burger (Industries) GmbH in the amount of CHF 19.3 million were impaired. In addition, the value adjustment on the Meyer Burger (Switzerland) AG loan was reversed due to repayment of CHF 7.3 million. The disposal of Meyer Burger Co. Ltd, Meyer Burger Systems (Shanghai) Co. Ltd and Meyer Burger Sdn. Bhd. resulted in reversals of impairments of CHF 0.5 million.

2.11 Interest expenses
In 2023, intagroup interest and losses from money market funds were recognized as interest expenses. In 2022, interest expenses included negative interest.

2.12 Other financial expenses
In 2023, there were no significant other financial expenses. In 2022, other financial expenses mainly refer to capital increase costs in the amount of CHF 7.5 million.

2.13 Loss from currency translation
The currency translation rate of the US dollar (USD) decreased by 9% (2022: increase of 1%) while the currency translation rate of the euro (EUR) decreased by 7% (2022: 5%) 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. In 2023, it also includes gains from money market funds.

3 Other Disclosures
3.1 Full-time employees
The average number of full-time employees did not exceed 50 employees in both the reporting period and the previous period.

3.2 Liabilities to pension funds
As at 31 December 2023, contributions to pension funds of CHF <0.1 million were outstanding to be paid (31 December 2022: none).

3.3 Contingent liabilities
As at 31 December 2023, several guarantees were granted by Meyer Burger Technology AG for Group companies in favor of third parties for a maximum amount of CHF 548.4 million (31 December 2022: CHF 274.9 million). This amount relates to a letter of comfort for the syndicated loan toward Meyer Burger (Industries) GmbH, Freiberg, Germany. As at 31 December 2023, the entire debt facility of EUR 115.0 million (31 December 2022: EUR 115.0 million) was drawn and EUR 10.0 million (31 December 2022: EUR 10.0 million) was granted as a documentary credit and guarantee facility. As at 31 December 2023, a EUR 80.5 million (31 December 2022: EUR 113.5 million) from the syndicated loan were outstanding. In addition, as at 31 December 2023, EUR 3.6 million (31 December 2022: EUR 17.9 million) of the guarantee for the factoring facility toward Meyer Burger (Industries) GmbH, Freiberg, Germany, was utilized. This guarantee is limited to 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 in the amount of EUR 145 million, of which EUR 2.4 million in accrued interest was outstanding as at 31 December 2023 (31 December 2022: EUR 2.4 million). As at 31 December, a guarantee for the convertible bond issued by MBT Systems GmbH, Hohenstein-Ernstthal, Germany, was issued on 17 May 2023 in the amount of EUR 216.3 million, of which EUR 1.0 million in accrued interest was outstanding.

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 site in Goodyear, Arizona, USA, with delivery of the modules between 2024 and 2029. As at 6 October 2022, Meyer Burger Technology AG has a seller parent guarantee for DESRI. As at 31 December 2023, the guarantee amounted to CHF 24.6 million. As of 21 March 2023, there is also a guarantee for INGKA with an amount of CHF 47.8 million as at 31 December 2023.

During 2020, Meyer Burger Technology AG signed a bilateral framework agreement for credit products with a Swiss financial institution, which was 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 2023, CHF 0.1 million in cash collateral was deposited (31 December 2022: CHF 4.2 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 2.3 million as at 31 December 2023 (31 December

2022: CHF 2.5 million), of which CHF 0.9 million was cash collateralized (31 December 2022: CHF 1.7 million). The credit facility can be drawn by subsidiaries by way of guarantees for advance payments, warranty bonds, or other types of guarantees. It cannot be used for the collateralization of loans.

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

Meyer Burger Technology 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 2023 and 2022, 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
2023					
Allocated to the Board of Directors	1 754 036	–	0.580/0.1779	–	478
Allocated to the Executive Board	–	4 984 261	–	0.259	1 291
Allocated to employees	–	10 522 964	–	0.259	2 725
Total	**1 754 036**	**15 507 225**	**–**	**–**	**4 494**
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**

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

2023

Members of the Board of Directors and the Executive Board (including related parties) held the following shares in Meyer Burger Technology AG as at 31 December 2023:

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	1 056 725	–	0.14%
Mark Kerekes	Member of the Board of Directors	7 925 812	812 211	–	0.24%
Prof. Dr. Urs Schenker	Member of the Board of Directors	11 069 762	644 987	–	0.33%
Andreas R. Herzog	Member of the Board of Directors	518 456	812 211	–	0.04%
Katrin Wehr-Seiter	Member of the Board of Directors	–	425 276	–	0.01%
Dr. Gunter Erfurt	Chief Executive Officer	505 734	–	12 577 770	0.36%
Markus Nikles	Chief Financial Officer	250 000	–	1 055 341	0.04%
Katja Tavernaro	Chief Sustainability Officer	86 913	–	6 538 884	0.18%
Daniel Menzel	Chief Operating Officer	–	–	5 103 842	0.14%
Total as at 31 December 2023		**24 490 431**	**3 751 410**	**25 275 837**	**1.49%**

[1] In the participation table, the number of restricted registered shares under RSU/PSU plans for the Executive Board and Board of Directors includes the maximum potential amount of shares that could be vested from the 2021/2022/2023 LTI Share Plans. The number of options under a share plan includes the maximum amount of shares that could be vested under the 2023 option plans.

Grant/purchase date	Number of shares	Number of options	Vesting period until
15.12.2023	1 342 044		14.12.2026
23.06.2023	411 992		22.06.2026
13.04.2023		4 984 261	12.04.2026
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
18.12.2020	–	10 000 000	24.05.2024

[2] Participation as a percentage of the number of outstanding registered shares as at 31 December 2023 (3,597,218,551 shares).

2022

Members of the Board of Directors and the Executive Board (including related parties) held the following shares 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 Board and Board of Directors includes the maximum potential amount of shares that could be vested from the 2020/2021/2022 LTI Share 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).

3.7 Events after the reporting date

On 23 February 2024 Meyer Burger Technology AG has published the invitation to its Extraordinary General Meeting to be held on 18 March 2024, to approve a rights issue targeting gross proceeds of CHF 200 million to CHF 250 million. The proceeds from the rights issue in combination with other financing should enable Meyer Burger to close the financing gap announced on 17 January 2024. As there has not yet been any decision on policy support measures to remediate current market distortions created by oversupply and dumping prices of solar modules in Germany, known as resilience bonus and auctions, Meyer Burger also announced that it has decided to start preparations for the closure of its Freiberg site, which would take effect in April 2024. Closing the Freiberg site and a restructuring in Europe would have different financial effects that cannot yet be conclusively and reliably assessed since a ultimate decision has not yet been made.

No further events occurred between 31 December 2023 and 13 March 2024 that would have a material effect on the recognized carrying amounts of assets and liabilities of Meyer Burger Technology AG.

Proposed carry forward of the accumulated losses to the Annual General Meeting of Shareholders

The Board of Directors proposes that:

in TCHF	2023	2022
	Proposal by the Board of Directors	Resolution by the General meeting of Shareholders
For decision by the General Meeting		
Balance carried forward from the previous year	–216 644	–264 487
Net loss/gain for period	–384 474	47 843
Total accumulated losses	**–601 118**	**–216 644**
Proposal by the Board of Directors		
Balance to be carried forward	**–601 118**	**–216 644**

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 2023, and the income statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements (pages 143 to 154) 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.

Material uncertainty related to going concern

We draw your attention to note 1.8 to these financial statements, which states that the Company depends on significant new funding such as the capital increase and further financing as well as the successful implementation of its business plans. This, along with other matters as described in note 1.8, indicates the existence of a material uncertainty which may cast significant doubt about the ability of the company to continue as a going concern. If it is not possible for the company to continue as a going concern, the financial statements will need to be prepared on the basis of liquidation values. This would lead to a substantiated concern that the Company's liabilities exceed its assets within the meaning of article 725b CO requiring compliance with the corresponding legal provisions. Our opinion is not modified in respect of this matter.

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Our audit approach

Overview

Overall materiality: CHF 2.0 million

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 Company, the accounting processes and controls, and the industry in which the Company operates.

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

Valuation of investments in Group companies, of intercompany loans, and of receivables

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 2.0 million
Benchmark applied	Total assets
Rationale for the materiality benchmark applied	We chose total assets as the benchmark, because, in our view, it is the benchmark against which the performance of the Company, which primarily holds investments in and grants loans to Group companies, is most commonly measured, and it is a generally accepted benchmark for holding companies.

We agreed with the Risk & Audit Committee that we would report to them misstatements above CHF 0.2 million 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.

Key audit matters

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. In addition to the matter described in the 'Material uncertainty related to going concern' section, we have determined the matters described below to be the key audit matter to be communicated in our report.

Valuation of investments in Group companies, of intercompany loans, and of receivables

Key audit matter	How our audit addressed the key audit matter
As at 31 December 2023, Meyer Burger Technology AG reported investments in Group companies (CHF 44 million), intercompany loans (CHF 290 million) and receivables (CHF 19 million). These line items are measured at historical cost less impairment, if needed. The Company has tested the valuation of these investments, intercompany loans and receivables. This testing resulted in an impairment charge of CHF 374 million in total. Please refer to note 2.10 'Impairments on intercompany loans, investments and financial assets' in the notes to the financial statements. We consider the valuation of the investments in Group companies, intercompany loans and receivables to be a key audit matter as these assets represent a significant amount and the Board of Directors applies significant judgement in the choice of model and assumptions made in the impairment test. .	We assessed the valuation of the investments in Group companies, intercompany loans and receivables by performing the following audit procedures: • We compared the market capitalization with the book value of the shareholders' equity of Meyer Burger Technology AG. • We analyzed the Board of Directors business plan for plausibility, with the support of internal experts. • We verified the Company's underlying valuation model, as well as the applied discount rate to determine the recoverable amount with the support of valuation experts. • We compared the results of management's valuations against the corresponding book value and assessed the completeness and appropriateness of the recorded impairment charges. • We assessed the reasonableness of the disclosures in the financial statements. We consider the Board of Directors approach to be a reasonable basis to support the valuation of the investments in Group companies, intercompany loans and receivables.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements, the consolidated financial statements, the remuneration report and our auditor's reports thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Directors' responsibilities for the financial statements

The Board of Directors is responsible for the preparation of 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 judgement 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.

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them regarding all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Board of Directors or its relevant committee, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In accordance with article 728a para. 1 item 3 CO and PS-CH 890, we confirm the existence of an internal control system that has been designed, pursuant to the instructions of the Board of Directors, for the preparation of the financial statements.

We further confirm that the proposed carry forward of the accumulated losses complies with Swiss law and the Company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

PricewaterhouseCoopers AG

René Rausenberger

Licensed audit expert
Auditor in charge

Rahel Sopi

Licensed audit expert

Bern, 13 March 2024