Half-Year Report

2018

MEYER BURGER

Highlights H1 2018

Meyer Burger is a leading global technology company specialising in innovative systems and production equipment for the photovoltaic (solar), semiconductor and optoelectronics industries. As an international premium brand, we offer our customers in the PV industry superior precision products and innovative solutions for the manufacturing processes of wafers, solar cells and solar modules.

232
Net sales
CHF 232.3 million

29
EBITDA
CHF 29.2 million, 12.6% margin

8
Net result
CHF 8.3 million

55%
Equity ratio 54.6%

Key Figures

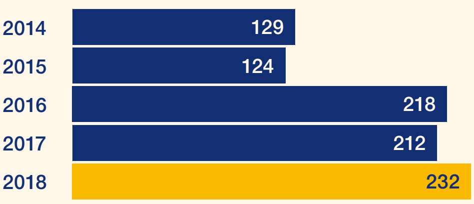
Consolidated income statement

in TCHF	1.1.–30.6.2018	1.1.–30.6.2017
Net sales	232 328	212 294
Operating income after costs of products and services	120 064	98 239
in % of net sales	51.7%	46.3%
EBITDA	29 241	6 949
in % of net sales	12.6%	3.3%
EBIT	14 881	–8 801
in % of net sales	6.4%	–4.1%
Net result	8 292	–16 962

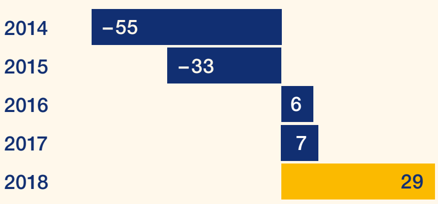
Consolidated balance sheet

in TCHF	30.6.2018	31.12.2017
Total assets	456 715	469 983
Current assets	277 407	275 930
Non-current assets	179 307	194 052
Current liabilities	148 057	163 938
Non-current liabilities	59 494	63 088
Equity	249 163	242 957
Equity ratio	54.6%	51.7%

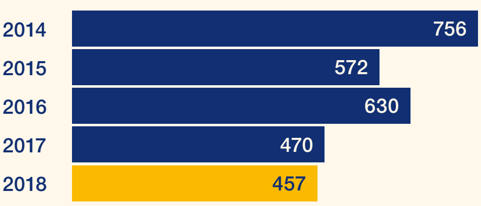
Net sales
1st Half-Year in CHF million



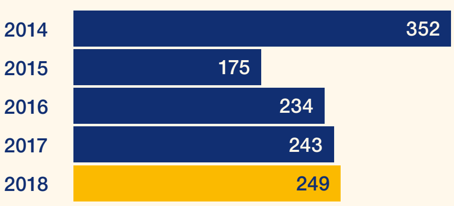
EBITDA
1st Half-Year in CHF million



Total balance sheet
as of 31.12. resp. 30.6.2018 in CHF million



Equity
as of 31.12. resp. 30.6.2018 in CHF million



Management Report 1st Half-Year 2018

Dear shareholders

The first half-year 2018 marked our successful return to profitability at the net earnings level. This achievement is mainly a result of various cost optimisation programmes and measures executed over the past eighteen months and of coherent decisions to discontinue non-profitable business units and products. For the first half of 2018, Meyer Burger reached net sales of CHF 232.3 million, EBITDA of CHF 29.2 million and net earnings of CHF 8.3 million.

Reorganisation of Thun site on track – manufacturing activities in Thun will be discontinued by end of 2018

The reorganisation of the production site in Thun/Switzerland, as announced on 2 November 2017, is on track: in April 2018, Meyer Burger announced a preferred partnership agreement with Mondragon Assembly Group to collaborate on module equipment development and outsource the manufacturing processes for its SmartWire Connection Technology (SWCT™) solution. Mondragon will start to produce SWCT™ equipment for Meyer Burger in January 2019.

In May 2018, Meyer Burger announced the divestment of its Solar Systems business (MegaSlate® products) to Dr Patrick Hofer-Noser, a long-time and internationally respected specialist in the solar industry. As part of the transaction, 32 employees (30 FTE) were transferred to the newly founded 3S Solar Plus AG. The final closing of the transaction took place in June 2018.

In Wafering, the company has signed a manufacturing services agreement with Flex to produce its PV diamond wire saws. Flex will start manufacturing the PV wire saws for Meyer Burger at their production facility at Suzhou (China) beginning in January 2019. As a result, Meyer Burger reconfirms that all manufacturing activities in Thun, as planned, are scheduled to be discontinued by year-end of 2018.

"Several cost efficiency measures and the discontinuation of non-profitable businesses have led to an improvement of profit margins and finally a positive net result for the first half of 2018."

Hans Brändle, Chief Executive Officer

Political decisions have created a challenging market environment

Over the past months, the market environment for PV equipment suppliers was heavily influenced by the intensifying trade crisis between the USA and China which included new import tariffs on PV modules and cells, as well as the 531 announcement of the Chinese government on 31 May 2018 regarding subsidy cuts in the solar industry. Both facts have led to a currently significant reluctance regarding new investments on behalf of Meyer Burger's PV customers.

In this difficult market environment, Meyer Burger achieved total incoming orders of CHF 137.9 million (H1 2017 CHF 308.5 million). The order backlog amounted to CHF 240.9 million as at 30 June 2018 (31.12.2017 CHF 343.8 million). The book-to-bill ratio (incoming orders to net sales) stood at 0.59 for the first half of 2018 (H1 2017 ratio of 1.45).

Turnaround achieved at the net earnings level – the results in detail

Net sales

Net sales amounted to CHF 232.3 million, representing an increase of 9.4% compared to the previous year period (H1 2017 CHF 212.3 million). Positive currency effects on net sales were about CHF 15.2 million or +6.5%. Adjusted for foreign currency effects and the divested DMT operations organic growth of the continuing business was +5.2%.

The sales breakdown changed slightly compared to the previous year, with Asia still remaining Meyer Burger's major customer region: Asia accounted for about 68% (H1 2017 73%), Europe reflected about 28% (H1 2017 22%) and Americas about 3% (H1 2017 5%) of net sales in the first half of 2018.

Operating income after costs of products and services

Operating income after costs of products and services amounted to CHF 120.1 million (H1 2017 CHF 98.2 million), reflecting a margin of 51.7% for the first half of 2018 (H1 2017 46.3%). The margin improvement is mainly due to the discontinuation of non-profitable businesses.

Operating expenses

Personnel expenses declined by CHF 5.1 million or 7.4% compared to the previous year and were CHF 64.2 million (H1 2017 CHF 69.4 million) as Meyer Burger continued to flexibilise its organisation and to significantly reduce its fixed cost base. Other operating expenses amounted to CHF 26.6 million, including one-time charges in a total amount of CHF 4.3 million in conjunction with the divestment of the Solar Systems business activities (H1 2017 CHF 21.9 million).

EBITDA and EBIT

As a result of the higher net sales and improved margins, EBITDA more than quadrupled compared to the previous year period and reached CHF 29.2 million in the first half of 2018 (H1 2017 CHF 6.9 million). The EBITDA margin was 12.6% for the first half of 2018 compared with 3.3% for the corresponding period in 2017.

> **"With CHF 29.2 million, our EBITDA in H1 2018 has more than quadrupled compared to the corresponding period last year."**
>
> **Alexander Vogel, Chairman of the Board of Directors**

Depreciation and amortisation came to a total of CHF 14.4 million (H1 2017 CHF 15.8 million) and have declined further in line with expectations. The division is as follows: CHF 5.4 million for scheduled depreciation of property, plant and equipment and CHF 8.9 million for scheduled amortisation of intangible assets, which resulted mainly from the M&A activities in 2011 and previous years. The result at EBIT level amounted to CHF 14.9 million (H1 2017 CHF −8.8 million).

Financial result

The financial result, net, amounted to CHF – 4.0 million for the first half of 2018 (H1 2017 CHF – 7.4 million). The change mainly reflects lower interest expenses due to the redemption of the 5% straight bond (repaid in May 2017) and the reduced nominal amount of outstanding 5.5% convertible bonds as a result of bond conversions since December 2017 (a nominal of CHF 26.8 million remains outstanding as at 30 June 2018). Unrealised foreign currency translation effects in the reporting period were CHF – 1.7 million (H1 2017 CHF + 0.9 million).

Extraordinary result

The extraordinary result amounted to CHF + 0.8 million, mainly in conjunction with revaluations of inventory and provisions connected to the closure of manufacturing activities in Thun (H1 2017 CHF – 0.6 million).

Taxes

Taxes for the first half of 2018 amounted to a tax expense of CHF 3.4 million (H1 2017 tax expense of CHF 0.2 million), representing a tax rate of 29.3%.

Net result

Meyer Burger has reached a profitable level again in its net result, reporting net earnings of CHF 8.3 million for the first half of 2018 (H1 2017 net loss of CHF – 17.0 million). Net earnings per share amounted to CHF + 0.01 for the first half-year 2018 (H1 2017 CHF – 0.03).

Balance sheet as at 30 June 2018

The balance sheet remained solid and with a similar structure compared to year-end 2017. The balance sheet total amounted to CHF 456.7 million (31.12.2017 CHF 470.0 million). Cash and cash equivalents were CHF 102.0 million, inventories CHF 101.4 million, property, plant and equipment CHF 86.6 million, intangible assets CHF 15.5 million and deferred tax assets CHF 75.6 million.

Total liabilities came to CHF 207.6 million, of which trade payables were CHF 32.1 million, customer prepayments CHF 61.9 million, provisions CHF 15.1 million and financial liabilities CHF 56.3 million. Equity amounted to CHF 249.2 million (31.12.2017 CHF 243.0 million). The equity ratio as of 30 June 2018 was 54.6% (31.12.2017 51.7%).

Cash flow

Cash flow from operating activities was CHF – 16.4 million (H1 2017 CHF + 3.5 million). The difference in the operating cash flow compared to the previous year period is mainly due to a temporary increase in inventories.

Cash flow from investing activities was CHF – 1.9 million (H1 2017 CHF + 1.4 million) and includes normal conservative investments in non-current assets of CHF 1.8 million.

Cash flow from financing activities amounted to CHF – 4.2 million (H1 2017 CHF – 134.2 million) and includes the purchase of registered shares for the share participation plan in an amount of CHF 4.1 million.

Further structural measures to safeguard long-term profitability

Meyer Burger achieved substantial improvements in profitability for the first half of 2018. However, in order to ensure the company's long-term profitability, we will initiate additional structural measures during the second half-year. The measures aim to further increase customer proximity, optimise our global production footprint and increase the company's robustness against market volatilities. The programme targets to reduce the break-even level at net earnings to a net sales volume of below CHF 300 million. Details of the programme will be finalised over the next few weeks and implemented immediately thereafter. More information on the individual measures will be announced on 16 October 2018.

2018 Outlook

The long-term positive growth scenario for the PV industry remains intact and further substantial expansion to the end-installed PV capacity is expected for years to come. The positive trend towards higher efficiency in cells and modules will also continue and provides good opportunities for our SWCT™ (SmartWire Connection Technology) and HJT (Heterojunction) technologies.

In the short-term, the investment sentiment with our PV customers has been dampened by the Chinese government decision to cut subsidies and by the US-China trade conflict. As mentioned above, this has led to a weaker than expected order intake for the first half of 2018. Based on this, Meyer Burger is reducing its guidance for 2018 net sales to CHF 400–440 million. The EBITDA margin guidance of about 10% for the full financial year 2018 remains intact.

Dr Alexander Vogel
Chairman of the Board
of Directors

Dr Hans Brändle
Chief Executive Officer

Consolidated Balance Sheet

in TCHF	30.6.2018		31.12.2017	
Assets				
Current assets				
Cash and cash equivalents	101 972		124 700	
Trade receivables	30 367		32 633	
Other receivables	20 358		25 407	
Net receivables from construction contracts	12 839		1 137	
Inventories	101 353		83 314	
Prepaid expenses and accrued income	10 518		8 739	
Total current assets	**277 407**	**60.7%**	**275 930**	**58.7%**
Non-current assets				
Other long-term receivables	1 575		1 624	
Property, plant and equipment	86 604		91 138	
Intangible assets	15 497		24 380	
Deferred tax assets	75 631		76 910	
Total non-current assets	**179 307**	**39.3%**	**194 052**	**41.3%**
Total assets	**456 715**	**100.0%**	**469 983**	**100.0%**
Liabilities and equity				
Liabilities				
Current liabilities				
Financial liabilities	490		328	
Trade payables	32 112		29 970	
Net liabilities from construction contracts	753		12 666	
Customer prepayments	61 863		67 065	
Other liabilities	4 225		5 004	
Provisions	14 872		15 883	
Accrued expenses and prepaid income	33 742		33 020	
Total current liabilities	**148 057**	**32.4%**	**163 938**	**34.9%**
Non-current liabilities				
Financial liabilities	55 813		57 128	
Other liabilities	2 604		3 031	
Provisions	271		1 565	
Deferred tax liabilities	806		1 364	
Total non-current liabilities	**59 494**	**13.0%**	**63 088**	**13.4%**
Total liabilities	**207 552**	**45.4%**	**227 026**	**48.3%**
Equity				
Share capital	31 144		31 049	
Capital reserves	968 332		966 460	
Treasury shares	–8 870		–5 179	
Reserve for share-based payments	3 071		2 319	
Accumulated losses	–744 514		–751 692	
Total equity excl. minority interests	**249 163**	**54.6%**	**242 957**	**51.7%**
Minority interests	–		–	
Total equity incl. minority interests	**249 163**	**54.6%**	**242 957**	**51.7%**
Total liabilities and equity	**456 715**	**100.0%**	**469 983**	**100.0%**

The Notes starting on page 13 are an integral part of the consolidated financial statements.

Consolidated Income Statement

in TCHF	1.1.–30.6.2018		1.1.–30.6.2017	
Net sales	**232 328**	**100.0%**	**212 294**	**100.0%**
Other operating income	2 904		2 196	
Currency translation gains and losses on trade receivables and customer prepayments	1 434		–3 738	
Income	**236 667**		**210 752**	
Changes in inventories of finished and semi-finished products as well as machines before acceptance	–2 766		5 925	
Cost of products and services	–114 484		–119 768	
Capitalised services	647		1 330	
Operating income after costs of products and services	**120 064**	**51.7%**	**98 239**	**46.3%**
Personnel expenses	–64 248		–69 393	
Operating expenses	–26 575		–21 897	
Earnings before interests, taxes, depreciation and amortisation (EBITDA)	**29 241**	**12.6%**	**6 949**	**3.3%**
Depreciation and impairment on property, plant, equipment	–5 426		–6 095	
Amortisation and impairment on intangible assets	–8 935		–9 655	
Earnings before interests and taxes (EBIT)	**14 881**	**6.4%**	**–8 801**	**–4.1%**
Financial result	–3 979		–7 413	
Ordinary result	**10 901**	**4.7%**	**–16 214**	**–7.6%**
Extraordinary result	831		–590	
Earnings before taxes	**11 732**	**5.0%**	**–16 804**	**–7.9%**
Income taxes	–3 440		–158	
Result	**8 292**	**3.6%**	**–16 962**	**–8.0%**
Attributable to				
Shareholders of Meyer Burger Technology Ltd	8 292		–16 816	
Minority interests	–		–146	
in CHF				
Earnings per share				
Basic earnings per share	0.01		–0.03	
Diluted earnings per share	0.01		–0.03	

The Notes starting on page 13 are an integral part of the consolidated financial statements.

Consolidated Statement of Changes in Equity

in TCHF	Attributable to shareholders of Meyer Burger Technology Ltd	
	Share capital	Capital reserves
Equity as at 1.1.2017	**27 411**	**904 194**
Result	–	–
Currency translation differences recognised in reporting period	–	–
Capital increases (follow-up costs capital increase December 2016)	–	–199
Purchase Meyer Burger (Germany) GmbH shares after change in control	–	207
Purchase of treasury shares	–	–
Sale/use of treasury shares	–	–73
Share-based payments	–	–
Transfer of shares for employees to the plan participants after vesting period	–	–
Reclassification	–	833
Equity as at 30.6.2017	**27 411**	**904 962**
Equity as at 1.1.2018	**31 049**	**966 460**
Result	–	–
Currency translation differences recognised in reporting period	–	–
Goodwill recycling	–	–
Conversion of convertible bond	96	1 599
Purchase of treasury shares	–	–
Sale/use of treasury shares	–	18
Share-based payments	–	–
Transfer of shares for employees to the plan participants after vesting period	–	–
Reclassification	–	255
Equity as at 30.6.2018	**31 144**	**968 332**

The Notes starting on page 13 are an integral part of the consolidated financial statements.

Attributable to shareholders of Meyer Burger Technology Ltd								
Treasury shares	**Reserve for share-based payments**	Currency translation differences	Offset goodwill	Other retained earnings	**Accumulated losses**	**Total equity excl. minority interests**	**Minority interests**	**Total equity incl. minority interests**
–2 947	**2 651**	**–28 911**	**–237 677**	**–430 668**	**–697 256**	**234 053**	**372**	**234 424**
–	–	–	–	–16 816	**–16 816**	**–16 816**	–146	**–16 962**
–	–	28	–	–	**28**	**28**	4	**32**
–	–	–	–	–	**–**	**–199**	–	**–199**
–	–	–	–	–285	**–285**	**–77**	–27	**–105**
–3 822	–	–	–	–	**–**	**–3 822**	–	**–3 822**
130	–	–	–	–	**–**	**57**	–	**57**
–	1 014	–	–	–	**–**	**1 014**	–	**1 014**
1 052	–1 052	–	–	–	**–**	**–**	–	**–**
396	–1 229	–	–	–	**–**	**–**	–	**–**
–5 191	**1 383**	**–28 883**	**–237 677**	**–447 769**	**–714 328**	**214 238**	**202**	**214 440**
–5 179	**2 319**	**–22 912**	**–214 564**	**–514 215**	**–751 692**	**242 957**	**–**	**242 957**
–	–	–	–	8 292	**8 292**	**8 292**	–	**8 292**
–	–	–2 124	–	–	**–2 124**	**–2 124**	–	**–2 124**
–	–	–	1 010	–	**1 010**	**1 010**	–	**1 010**
–	–	–	–	–	**–**	**1 695**	–	**1 695**
–4 124	–	–	–	–	**–**	**–4 124**	–	**–4 124**
98	–	–	–	–	**–**	**116**	–	**116**
–	1 341	–	–	–	**–**	**1 341**	–	**1 341**
412	–412	–	–	–	**–**	**–**	–	**–**
–79	–177	–	–	–	**–**	**–**	–	**–**
–8 870	**3 071**	**–25 036**	**–213 555**	**–505 924**	**–744 514**	**249 163**	**–**	**249 163**

Condensed Consolidated Cash Flow Statement

in TCHF	1.1.–30.6.2018	1.1.–30.6.2017
Result	**8 292**	**–16 962**
Non-cash items	18 844	18 174
Increase/decrease of net working capital	–43 514	2 277
Cash flow from operating activities (operative cash flow)	**–16 378**	**3 489**
Investments in securities	–	–15 065
Sale of securities	–	18 125
Investments in property, plant and equipment	–1 788	–2 330
Sale of property, plant and equipment	21	451
Investments in intangible assets	–382	–70
Sale of intangible assets	–	287
Sale of business activities Solar Systems	200	–
Cash flow from investing activities	**–1 950**	**1 398**
Capital increase (follow-up costs capital increase December 2016)	–	–199
Purchase of shares of Meyer Burger (Germany) GmbH	–	–105
Purchase of treasury shares	–4 124	–3 822
Repayment of (current) financial liabilities	–40	–130 036
Cash flow from financing activities	**–4 164**	**–134 162**
Change in cash and cash equivalents	**–22 492**	**–129 275**
Cash and cash equivalents at beginning of period	**124 700**	**246 427**
Currency translation differences on cash and cash equivalents	–236	53
Cash and cash equivalents at end of period	**101 972**	**117 205**

The Notes starting on page 13 are an integral part of the consolidated financial statements.

Condensed Notes to the Consolidated Financial Statements

General information

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

These consolidated half-year financial statements of Meyer Burger Group were approved for publication by the Board of Directors on 10 August 2018. The auditors have conducted a review of the statements (for a report on the review see page 18).

The Group currency (reporting currency) is the Swiss Franc (CHF). The consolidated statements are shown in thousands of Swiss Francs.

Meyer Burger is a leading global technology company specialising in innovative systems and processes based on semiconductor technologies. The company's focus is on photovoltaics (solar industry) while its competencies and technologies also cover important areas of the semiconductor and the optoelectronic industries as well as other selected high-end markets based on semiconductor materials. As an international premium brand, Meyer Burger offers its customers in the PV industry superior products and innovative solutions for the manufacturing processes of wafers, solar cells and solar modules. Meyer Burger provides substantial added value to its customers and clearly differentiates itself from its competitors by focusing on the core technologies of the value chain. The company's comprehensive product portfolio is complemented by a worldwide service network with spare parts, consumables, process know-how, customer support, after-sales services, training and other services. Meyer Burger is represented in Europe, Asia and North America in the respective key markets and has subsidiaries and own service centers in China, Germany, India, Japan, Korea, Malaysia, the Netherlands, Switzerland, Singapore, Taiwan and the USA. The company is also working intensively to develop new PV markets such as South America, Africa and the Arab region.

Significant Accounting Policies

The significant accounting and valuation policies are described in detail in the Annual Report for the year ended 31 December 2017. The policies described have been applied consistently to the reporting periods presented. The SIX Exchange Regulation application for a sanction in connection with the application and interpretation of Swiss GAAP FER accounting rules did not lead to any adjustments in the present financial statements. The decision of the Sanction Commission is still pending at the time of approval of the half-year financial statements.

1.1 Basis of accounting

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

No amendments to the Swiss GAAP FER Standards have come into force that are relevant to Meyer Burger.

1.2 Changes in scope of consolidation

A new company was established with the view to the sale of the business activities Solar Systems. However, upon completion of the transaction, this company left the scope of consolidation before the balance sheet date of 30 June 2018. Therefore, the scope of consolidation remains unchanged compared to the Annual Report as at 31 December 2017.

1.3 Foreign currency translation

The following translation rates into Swiss Francs were used:

		Closing rate			Average rate		
	Unit	30.6.2018	31.12.2017	30.6.2017	1st HY 2018	2017	1st HY 2017
European Euro (EUR)	1	1.1571	1.1696	1.0931	1.1700	1.1116	1.0765
US Dollar (USD)	1	0.9934	0.9763	0.9580	0.9668	0.9846	0.9950
Chinese Yuan Renminbi (CNY)	100	15.0093	14.9980	14.1232	15.1828	14.5704	14.4694
Japanese Yen (JPY)	100	0.8975	0.8666	0.8528	0.8892	0.8779	0.8851
Indian Rupee (INR)	100	1.4515	1.5324	1.4841	1.4729	1.5121	1.5140
Korean Won (KRW)	100	0.0892	0.0916	0.0839	0.0899	0.0871	0.0871
Malaysian Ringgit (MYR)	100	24.6191	24.0639	22.3181	24.5465	22.9062	22.6632
Singapore Dollar (SGD)	1	0.7285	0.7305	0.6940	0.7288	0.7131	0.7082
Taiwan Dollar (TWD)	100	3.2611	3.2913	3.1511	3.2730	3.2356	3.2431

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

Notes to the Balance Sheet

Total assets decreased by about 2.8% to CHF 456.7 million as at 30 June 2018 compared to CHF 470.0 million as at 31 December 2017.

Notes to the Income Statement

For details to the income statement please refer to the sections “Net sales”, “Operating income after costs of products and services”, “Operating expenses”, “Financial result”, “Extraordinary result” and “Taxes” in the management report on the first half-year 2018 on pages 5 and 6.

The extraordinary result includes the effects of the subsequent measurement of assets and liabilities in connection with the discontinuation of production activities at the Thun site. A net gain of TCHF 831 resulted in particular from the revaluation of raw materials, semi-finished and finished goods (extraordinary income in the amount of TCHF 1024) and the adjustment of the provision for social plan benefits and retention payments (extraordinary expenses of TCHF 193).

Other Information

1.4 Segment reporting

The activities of Meyer Burger Group are divided into the reportable business segments “Photovoltaics” and “Specialised Technologies”.

Net sales by segments 1.1.–30.6.2018

in TCHF	Photovoltaics	Specialised Technologies	**Total**	Consolidation	**Total after consolidation**
Net sales thirds	202 396	29 932	**232 328**	–	**232 328**
Net sales intercompany	451	6 797	**7 247**	–7 247	**–**
Net sales	**202 847**	**36 729**	**239 576**	**–7 247**	**232 328**

Net sales by segments 1.1.–30.6.2017

in TCHF	Photovoltaics	Specialised Technologies	**Total**	Consolidation	**Total after consolidation**
Net sales thirds	186 114	26 180	**212 294**	–	**212 294**
Net sales intercompany	449	10 321	**10 771**	–10 771	**–**
Net sales	**186 564**	**36 501**	**223 065**	**–10 771**	**212 294**

Photovoltaics: The Photovoltaics segment largely comprises the core business of photovoltaics and covers the processes of wafering, solar cells and solar modules with its portfolio of systems, production equipment and services.

Meyer Burger pursues the strategically long-term technology approach of considering core technologies of the photovoltaic value chain and optimally harmonising the technologies along the different processes (wafers, cells, modules). Significant efficiency improvements in wafers, cells and modules can be achieved by using the latest technologies, which will continue to substantially reduce our customers’ production costs (Total Cost of Ownership).

Specialised Technologies: With Specialised Technologies, Meyer Burger uses technologies that are successfully deployed in photovoltaics, particularly in the field of applying or removing layers on different substrates and materials as well as for slicing crystalline and other hard and brittle materials, in a wide range of other high-tech markets. Muegge's microwave and plasma technologies are used in biotechnology and environmental technology. PiXDRO inkjet print technology is used in the semiconductor industry as a pioneering technology. MicroSystems offers excellent solutions for surface treatment and sensor production with innovative plasma and ion-beam technologies. As a software development specialist, AIS manufactures control systems for factory automation, the automotive industry and other complex industrial processes. With this extensive portfolio, Meyer Burger is perfectly positioned and can efficiently take an active approach to new trends in other industries on the basis of its existing core technologies.

As outlined above, Meyer Burger currently manages its operations in different operating business units, which are grouped into the reporting business segments "Photovoltaics" and "Specialised Technologies". Disclosure of the segment results would lead to much higher transparency in terms of cost and margin structure than that of relevant competitors, and Meyer Burger would be the only company to present detailed information on segment profitability. Most of the relevant competitors are companies without publicly available financial information or are large companies with large reporting segments in which comparable information is diluted accordingly. The disclosure of segment results would therefore lead to a considerable competitive disadvantage for Meyer Burger compared to its competitors. In addition, such information may have negative impacts on the company's negotiating position with customers and suppliers. For this reason Meyer Burger Group does not disclose segment results.

1.5 Related party transactions

The related parties consist primarily of shareholders, members of the Board of Directors and of the Executive Board, and non-consolidated subsidiaries.

The company procures consultancy services from Meyerlustenberger Lachenal Attorneys at Law. Dr Alexander Vogel, a member of the Board of Directors, is a partner in this law firm. The scope of the services procured amounted to TCHF 434 in the first half of 2018 and TCHF 305 in the first half of 2017.

Of the compensation to related parties as described above, TCHF 363 had not yet been paid as at 30 June 2018 (30 June 2017: TCHF 189) and was recognised as a liability in the balance sheet.

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.

1.6 Contingent liabilities

No contingent liabilities existed as at 30 June 2018.

1.7 Sale of business activities Solar Systems

On 14 May 2018, Meyer Burger announced the sale of its business activities Solar Systems ("Energy Systems"). This transaction was completed at the end of June. The loss resulting from this sale is included in other operating expenses and amounts to CHF 4.3 million. This includes goodwill recycling of around CHF 1 million. The sale price consists of a cash receipt and an earn-out component.

1.8 Events after the reporting date

No events have occurred between 30 June and 10 August 2018 which would have a material effect on the recognised carrying amounts of assets and liabilities of the Meyer Burger Group or would have to be disclosed at this point.

Report on the Review

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

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According to your request, we have reviewed the interim consolidated financial statements (balance sheet, income statement, cash flow statement, statement of changes in equity and notes / pages 8 to 17) of Meyer Burger Technology Ltd for the period from 1 January 2018 to 30 June 2018.

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

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

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

PricewaterhouseCoopers AG

Hanspeter Gerber   René Jenni

Bern, 10 August 2018

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Information for investors and the media

Registered shares Meyer Burger Technology Ltd

Swiss valor number	10850379
ISIN	CH0108503795
Listing	SIX Swiss Exchange
Ticker symbol	MBTN
Reuters	MBTN.S
Bloomberg	MBTN SW
Nominal value per registered share	CHF 0.05
Number of outstanding shares	622 885 414 as of 30 June 2018
Share price high/low H1 2018	CHF 2.25/CHF 0.83
Closing price as of 30 June 2018	CHF 0.94

Convertible bond 2014–2020

Swiss valor number	25344513
ISIN	CH0253445131
Listing	SIX Swiss Exchange
Ticker symbol	MBT14
Reuters	MBTN
Bloomberg	MBTN SW
Coupon	5.50% per annum
Outstanding amount	CHF 26 830 000
Conversion price	CHF 0.98
Maturity	24 September 2020
Bond price high/low H1 2018	221.00%/128.00%
Closing price as of 30 June 2018	130.00%

Other information

Accounting Standard	Swiss GAAP FER
Auditors	PricewaterhouseCoopers AG
Share Register	Computershare Switzerland Ltd

Important dates

16 August 2018	Publication Half-Year Results 2018, Conference call for analysts and investors
21 March 2019	Publication Fiscal Year Results 2018, Analyst and Media Conference, Metropol, Zurich
2 May 2019	Ordinary Annual General Meeting Kultur- und Kongresszentrum, Thun

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Declaration on forward-looking statements

This document contains statements that constitute “forward-looking” statements, relating to Meyer Burger. Because these forward-looking statements are subject to risks and uncertainties, the reader is cautioned that actual future results may differ from those expressed in or implied by the statements, which constitute projections of possible developments. All forward-looking statements are based only on data available to Meyer Burger at the time of preparing the Half-Year Report 2018. Meyer Burger does not undertake any obligation to update any forward-looking statements contained in these documents as a result of new information, future events or otherwise.

The Half-Year Report 2018 is available in electronic form, in German and English. The original German language version is binding.

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

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