

# Consolidated Balance Sheet

in TCHF	30.6.2019		31.12.2018	
<b>Assets</b>				
<b>Current assets</b>				
Cash and cash equivalents	31 688		89 799	
Trade receivables	26 795		26 377	
Other receivables	23 121		14 850	
Net receivables from construction contracts	20 927		6 961	
Inventories	66 178		78 564	
Prepaid expenses and accrued income	8 232		10 117	
<b>Total current assets</b>	<b>176 942</b>	<b>50.5%</b>	<b>226 669</b>	<b>64.9%</b>
<b>Non-current assets</b>				
Other long-term receivables	30 612		591	
Investments in associates	36 712		–	
Property, plant and equipment	76 375		82 274	
Intangible assets	8 946		11 930	
Deferred tax assets	20 727		27 689	
<b>Total non-current assets</b>	<b>173 372</b>	<b>49.5%</b>	<b>122 485</b>	<b>35.1%</b>
<b>Total assets</b>	<b>350 314</b>	<b>100.0%</b>	<b>349 153</b>	<b>100.0%</b>
<b>Liabilities and equity</b>				
<b>Liabilities</b>				
<b>Current liabilities</b>				
Financial liabilities	327		331	
Trade payables	27 286		17 331	
Net liabilities from construction contracts	2 727		5 794	
Customer prepayments	14 652		34 422	
Other liabilities	5 085		4 160	
Provisions	6 926		13 762	
Accrued expenses and prepaid income	29 526		32 946	
<b>Total current liabilities</b>	<b>86 531</b>	<b>24.7%</b>	<b>108 747</b>	<b>31.1%</b>
<b>Non-current liabilities</b>				
Financial liabilities	39 075		55 298	
Other liabilities	1 882		2 231	
Provisions	179		309	
Deferred tax liabilities	2 598		857	
<b>Total non-current liabilities</b>	<b>43 734</b>	<b>12.5%</b>	<b>58 695</b>	<b>16.8%</b>
<b>Total liabilities</b>	<b>130 265</b>	<b>37.2%</b>	<b>167 442</b>	<b>48.0%</b>
<b>Equity</b>				
Share capital	34 259		31 144	
Capital reserves	1 000 065		968 324	
Treasury shares	– 6 528		– 8 741	
Reserve for share-based payments	3 784		4 307	
Accumulated losses	– 811 530		– 813 324	
<b>Total equity excl. minority interests</b>	<b>220 049</b>	<b>62.8%</b>	<b>181 711</b>	<b>52.0%</b>
Minority interests	–		–	
<b>Total equity incl. minority interests</b>	<b>220 049</b>	<b>62.8%</b>	<b>181 711</b>	<b>52.0%</b>
<b>Total liabilities and equity</b>	<b>350 314</b>	<b>100.0%</b>	<b>349 153</b>	<b>100.0%</b>

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

# Consolidated Income Statement

in TCHF	1.1.–30.6.2019		1.1.–30.6.2018	
<b>Net sales</b>	<b>122 567</b>	<b>100.0%</b>	<b>232 328</b>	<b>100.0%</b>
Other operating income	4 704		2 904	
Currency translation gains and losses on trade receivables and customer prepayments	575		1 434	
<b>Income</b>	<b>127 846</b>		<b>236 667</b>	
Changes in inventories of finished and semi-finished products as well as machines before acceptance	22 187		-2 766	
Cost of products and services	-87 908		-114 484	
Capitalised services	974		647	
<b>Operating income after costs of products and services</b>	<b>63 099</b>	<b>51.5%</b>	<b>120 064</b>	<b>51.7%</b>
Personnel expenses	-57 368		-64 248	
Operating expenses	-18 891		-26 575	
<b>Earnings before interests, taxes, depreciation and amortisation (EBITDA)</b>	<b>-13 159</b>	<b>-10.7%</b>	<b>29 241</b>	<b>12.6%</b>
Depreciation and impairment on property, plant, equipment	-4 976		-5 426	
Amortisation and impairment on intangible assets	-3 005		-8 935	
<b>Earnings before interests and taxes (EBIT)</b>	<b>-21 140</b>	<b>-17.2%</b>	<b>14 881</b>	<b>6.4%</b>
Financial result	-3 885		-3 979	
Result from investments in associates	-661		-	
<b>Ordinary result</b>	<b>-25 686</b>	<b>-21.0%</b>	<b>10 901</b>	<b>4.7%</b>
Non-operating result	61		-	
Extraordinary result	27 676		831	
<b>Earnings before taxes</b>	<b>2 052</b>	<b>1.7%</b>	<b>11 732</b>	<b>5.0%</b>
Income taxes	-269		-3 440	
<b>Result</b>	<b>1 783</b>	<b>1.5%</b>	<b>8 292</b>	<b>3.6%</b>
<b>Attributable to</b>				
Shareholders of Meyer Burger Technology Ltd	1 783		8 292	
Minority interests	-		-	
in CHF				
<b>Earnings per share in CHF</b>				
Basic earnings per share	0.00		0.01	
Diluted earnings per share	0.00		0.01	

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

# Consolidated Statement of Changes in Equity

in TCHF

Shareholders of Meyer Burger Technology Ltd

	Share capital	Capital reserves
<b>Equity as at 1.1.2018</b>	<b>31 049</b>	<b>966 460</b>
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
<b>Equity as at 30.6.2018</b>	<b>31 144</b>	<b>968 332</b>
<b>Equity as at 1.1.2019</b>	<b>31 144</b>	<b>968 324</b>
Result	-	-
Currency translation differences recognised in reporting period	-	-
Capital increase	3 114	31 595
Sale/use of treasury shares	-	-5
Share-based payments	-	-
Transfer of shares for employees to the plan participants after vesting period	-	-
Reclassification	-	151
<b>Equity as at 30.6.2019</b>	<b>34 259</b>	<b>1 000 065</b>

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

## 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 interest	Minority interests	Total equity incl. minority interest
-5179	2319	-22912	-214564	-514215	-751692	242957	-	242957
-	-	-	-	8292	8292	8292	-	8292
-	-	-2124	-	-	-2124	-2124	-	-2124
-	-	-	1010	-	1010	1010	-	1010
-	-	-	-	-	-	1695	-	1695
-4124	-	-	-	-	-	-4124	-	-4124
98	-	-	-	-	-	116	-	116
-	1341	-	-	-	-	1341	-	1341
412	-412	-	-	-	-	-	-	-
-79	-177	-	-	-	-	-	-	-
-8870	3071	-25036	-213555	-505924	-744514	249163	-	249163
-8741	4307	-26117	-213555	-573652	-813324	181711	-	181711
-	-	-	-	1783	1783	1783	-	1783
-	-	10	-	-	10	10	-	10
-	-	-	-	-	-	34709	-	34709
26	-	-	-	-	-	21	-	21
-	1814	-	-	-	-	1814	-	1814
1276	-1276	-	-	-	-	-	-	-
911	-1062	-	-	-	-	-	-	-
-6528	3784	-26107	-213555	-571869	-811531	220049	-	220049

# Condensed Consolidated Cash Flow Statement

in TCHF	1.1.–30.6.2019	1.1.–30.6.2018
<b>Result</b>	<b>1 783</b>	<b>8 292</b>
Non-cash items	-20 271	18 844
Decrease of net working capital	-39 067	-43 514
<b>Cash flow from operating activities</b>	<b>-57 555</b>	<b>-16 378</b>
Investments in property, plant and equipment	-3 483	-1 788
Sale of property, plant and equipment	1 291	21
Investments in intangible assets	-134	-382
Sale of business activities	50 000	200
Bank deposits with limited availability	-30 000	-
<b>Cash flow from investing activities</b>	<b>17 674</b>	<b>-1 950</b>
Costs of capital increase	-1 422	-
Purchase of treasury shares	-	-4 124
Repayment of (current) financial liabilities	-2	-
Borrowing of (non-current) financial liabilities	1 356	-
Repayment of (non-current) financial liabilities	-18 000	-40
<b>Cash flow from financing activities</b>	<b>-18 068</b>	<b>-4 164</b>
<b>Change in cash and cash equivalents</b>	<b>-57 949</b>	<b>-22 492</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>89 799</b>	<b>124 700</b>
Currency translation differences on cash and cash equivalents	-162	-236
<b>Cash and cash equivalents at end of period</b>	<b>31 688</b>	<b>101 972</b>

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.

The Board of Directors approved these consolidated half-year financial statements of Meyer Burger Group for publication on 14 August 2019. The auditors have conducted a review of the statements. For the report on the review, see page 19.

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 brand, Meyer Burger offers its customers in the PV industry superior products and innovative solutions for the manufacturing processes of solar cells and connection technologies. 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. A worldwide service network with spare parts, consumables, process know-how, customer support, after-sales services, training and other services complements the company's comprehensive product portfolio. Meyer Burger is represented in Europe, Asia and North America in the respective key markets, and has subsidiaries and own service centres in China, Germany, India, Japan, Korea, Malaysia, the Netherlands, Switzerland, Singapore, Taiwan and the USA.

## Significant Accounting Policies

The significant accounting and valuation policies are described in detail in the Annual Report for the year ended 31 December 2018. The policies described have been applied consistently to the reporting periods presented.

In the period under review, an investment in an associate was acquired as well as a reclassification to investment property made for the building in Thun. The relevant accounting policies were not included in the Annual Report for the year ended 31 December 2018 and are therefore outlined in the respective notes.

The SIX Exchange Regulation motion with the Sanction Commission against Meyer Burger Technology Ltd in connection with the application and interpretation of Swiss GAAP FER accounting standards did not lead to any adjustments in the present financial statements. The procedure is still pending at the time of the release of these consolidated interim 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

### Precision Surfacing Solutions GmbH/Sale of wafering business

On 7 February 2019, Meyer Burger announced the sale of its wafering and service business for photovoltaic and special materials (e.g. semiconductor and sapphire glass industry) to Precision Surfacing Solutions (PSS). This transaction was completed in April 2019. The Precision Surfacing Solutions GmbH was founded in connection with the sale of the wafering business as a company established under Swiss law located in Gwatt/Thun. The local wafering business was transferred into it and the company was then sold and thus left the scope of consolidation again before the balance sheet date of 30 June 2019. The wafering business contributed third-party sales of CHF 5.9 million and an ordinary result of CHF –1.2 million to the ordinary group result for the half-year 2019. Based on the sale price of CHF 50 million received in cash, the gain from the sale of the wafering business is included in the extraordinary income and amounts to CHF 27.3 million. While the sales price consists of a cash receipt and a possible earn-out component, as of 30 June 2019 no additional income from the sale is expected.

### Oxford Photovoltaics Limited

In March 2019, Meyer Burger acquired 67403 shares of Oxford Photovoltaics Limited, London (GB), equalling an 18.4% share in the company. As of 30 June 2019, the 67403 shares correspond to 19.36% of ordinary shares of Oxford Photovoltaics Limited. The transaction price was settled in Meyer Burger shares with a total value of CHF 37.3 million from the capital increase in March 2019. Based on a comprehensive assessment, significant influence of Meyer Burger over Oxford Photovoltaics Limited was identified and thus it is classified as an associated company and included in the scope of consolidation at equity. Based on the provisional purchase price allocation, the investment value of 37.3 million was supported by the equity value of the company and additionally identified assets, mainly technologies. The loss shared in the first half-year 2019 amounts to CHF 0.7 million.

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### Accounting Policies – Investments in associates

An associate is an investment where significant influence can be exercised either through voting rights or otherwise. Significant influence is presumed to exist when the percentage of votes held is between 20% and 50% and control cannot be exercised.

Associates are consolidated using the equity method. Using the equity method, the investment in associates is initially recognised at cost. The carrying amount is subsequently adjusted for changes in the investor's share of the equity of the associate. The net result of associated companies is shown separately in the income statement.

At the time of their initial consolidation, the identifiable assets and liabilities of subsidiaries are restated to fair value. Goodwill represents the difference between the acquisition costs and the fair value of the acquired net assets. Goodwill is recognised in full in equity (retained earnings) at the acquisition date.

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### 1.3 Foreign currency translation

The following translation rates into Swiss Francs were used:

	Unit	Closing rate			Average rate		
		30.6.2019	31.12.2018	30.6.2018	1 <sup>st</sup> HY 2019	2018	1 <sup>st</sup> HY 2018
European Euro (EUR)	1	1.1121	1.1269	1.1571	1.1296	1.1550	1.1700
US Dollar (USD)	1	0.9781	0.9858	0.9934	0.9999	0.9786	0.9668
Chinese Yuan Renminbi (CNY)	100	14.2214	14.3580	15.0093	14.7342	14.7996	15.1828
Japanese Yen (JPY)	100	0.9068	0.8984	0.8975	0.9088	0.8859	0.8892
Indian Rupee (INR)	100	1.4155	1.4119	1.4515	1.4276	1.4318	1.4729
Korean Won (KRW)	100	0.0847	0.0883	0.0892	0.0872	0.0889	0.0899
Malayan Ringgit (MYR)	100	23.6029	23.8545	24.6191	24.2716	24.2503	24.5465
Singapore Dollar (SGD)	1	0.7225	0.7232	0.7285	0.7356	0.7253	0.7288
Taiwan Dollar (TWD)	100	3.1510	3.2071	3.2611	3.2240	3.2460	3.2730

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 remained stable at CHF 350.3 million as at 30 June 2019 which equals a 0.3% increase compared to CHF 349.2 million as at 31 December 2018.

Based on the operating result, cash and cash equivalents decreased from CHF 89.8 million to CHF 31.7 million as detailed in the cash flow statement. In the course of the sale of the wafering business, Meyer Burger received a cash payment of CHF 50 million. The proceeds were used to payback financial liabilities of CHF 18 million. An additional CHF 30 million were deposited for securing the guarantee limit of CHF 60 million within the syndicated bank loan. These are shown within other long-term receivables.

Due to the capital increase carried out in March the equity increased by CHF 34.7 million. Meyer Burger Technology Ltd issued 62 288 420 registered shares out of its existing authorised capital. The issuance increased Meyer Burger's listed share capital to CHF 34 258 691.70, divided into 685 173 834 registered shares with a nominal value of CHF 0.05 each. As the newly registered shares were used to settle the investment in Oxford PV, the capital increase was cash-neutral except for the cost incurred in the course of the transaction and the capital increase of CHF 2.6 million of which CHF 1.4 million were paid in the first half-year.



## Notes to the Income Statement

The extraordinary result of CHF 27.7 million includes the result from the sale of the wafering business as per 30 April 2019 as well as the reversal of unused accruals for restructuring initially recognised through the extraordinary result. The non-operating result disclosed is due to the reclassification of the building in Thun as investment property for the part rented out to third parties. The reclassification did not lead to any valuation difference.

Further details to the income statement can be found in the respective sections in the management report on pages 5 and 6.

### Accounting Policies – Investment property

Investment property is property held to earn rent and/or for value appreciation. Where the owner uses a portion of the property for his own use and another portion is held to earn rent or for value appreciation and these portions could be sold or leased out separately, an entity accounts for the portions separately.

An investment property is measured initially at its cost. Transaction costs are included in the initial measurement. These costs do not include start-up costs, abnormal amounts of wasted material, labour or other resources incurred in constructing or developing the property or operating losses incurred before the investment property achieves the planned level of occupancy. After initial recognition, investment properties are measured using the cost model based on the purchase price or construction costs less any accumulated depreciation and any accumulated impairment losses.

Rental income from investment properties is recognised on a separate income account as part of the non-operating result. When posting maintenance and operating expenses for investment property, a distinction is made as to whether rental income is generated by the respective property. If not, maintenance and operating expenses are recognised in a separate expense account.

## Other Information

### 1.4 Segment reporting

Based on the management structure, the activities of Meyer Burger Group are clustered into the reportable business segments “Photovoltaics” and “Specialised Technologies”.

#### Net sales by segments from 1 January 2019 to 30 June 2019

in TCHF	Photovoltaics	Specialised Technologies	Total	Consolidation	Total after consolidation
Net sales thirds	99601	22966	122567	–	122567
Net sales intercompany	192	4510	4703	–4703	–
<b>Net sales</b>	<b>99793</b>	<b>27477</b>	<b>127270</b>	<b>–4703</b>	<b>122567</b>

#### Net sales by segments from 1 January 2018 to 30 June 2018

in TCHF	Photovoltaics	Specialised Technologies	Total	Consolidation	Total after consolidation
Net sales thirds	202396	29932	232328	–	232328
Net sales intercompany	451	6797	7247	–7247	–
<b>Net sales</b>	<b>202847</b>	<b>36729</b>	<b>239576</b>	<b>–7247</b>	<b>232328</b>

**Photovoltaics:** The Photovoltaics segment largely comprises the core business of photovoltaics and covers the processes of wafering, solar cells, solar modules and solar systems with its portfolio of systems, production equipment and services. The wafering business was sold as of 30 April 2019 and thus is included in the above figures up until this date. 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 (cells and connection technologies). Significant efficiency improvements in 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. 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 well 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 our cost and margin structure than that of our relevant competitors, and we would be the only company to present detailed information on segment profitability. Most of our 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 profitability measures for the segments.

### **1.5 Related party transactions**

The related parties consist primarily of shareholders, members of the Board of Directors and of the Executive Board, and associated companies.

The company procures consultancy services from Meyerlustenberger Lachenal Attorneys at Law. Dr Alexander Vogel, up to 2 May 2019 the Chairman of the Board of Directors, is a partner in this law firm. The scope of the services procured amounted to CHF 0.3 million in the first half of 2019 until 2 May 2019 and CHF 0.4 million in the first half of 2018. Of the compensation to related parties as described above, CHF 0.2 million had not yet been paid as at 30 June 2019 (30.6.2018: CHF 0.4 million) and was recognised as a liability in the balance sheet.

Since the acquisition of the equity share of Oxford Photovoltaics Limited, the company is also an identified related party. While no transactions occurred with Oxford Photovoltaics Limited in the first half-year 2019, Meyer Burger has entered into a formal Collaboration Agreement with Oxford Photovoltaics Limited that sets the basis of the collaboration and future transactions.

As of 30 June 2019, no other transactions were conducted or receivables or liabilities outstanding towards other related parties or associated companies. All business relations with related parties are conducted at arm's length. No unusual transactions were effected with either the main shareholders or other related parties.

## **1.6 Contingent liabilities**

No contingent liabilities existed as at 30 June 2019.

## **1.7 Events after the reporting date**

On 23 July 2019, the syndicated bank loan with a guarantee facility of CHF 60 million and the loan, of which CHF 12 million are still outstanding was extended by the bank syndicate up until August 2020. On 13 August 2019, the bank syndicate agreed to temporarily release CHF 10 million of the CHF 30 million cash collateral because of the currently low utilization of the guarantee facility. In addition, on 31 July 2019, EUR 1.5 million were deposited for securing the guarantee limit with a German Bank.

No further events have occurred between 30 June and 14 August 2019 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***

***Thun***

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 18) of Meyer Burger Technology AG for the period from 1 January 2019 to 30 June 2019.

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

Rolf Johner

Yvonne Burger

Bern, 14 August 2019

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