MEYER BURGER

Media release
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Meyer Burger Technology Ltd aims to transform itself from a supplier of production equipment to a technologically leading manufacturer of solar cells and modules. Capital increase targeting gross proceeds of CHF 165 million planned.

- **Meyer Burger Technology Ltd (SIX Swiss Exchange: MBTN or the "Company") today informs about its plans for an ordinary capital increase to finance the built up of production capacities for technologically leading solar cells and modules.**
- **By transforming its business model, the Company significantly expands its value chain to achieve sustainable profits. In the long-term, the Company will benefit from the technology and cost leadership of its patented heterojunction/SmartWire technology (SWCT®).**
- **MBTN invites its shareholders to an Extraordinary General Meeting to be held on July 10, 2020.**

The Board of Directors of the Company proposes an ordinary capital increase to the shareholders at an Extraordinary General Meeting to be held on July 10, 2020. Within the framework of the capital increase, the Company expects to raise gross proceeds of CHF 165 million.

New strategic direction allows Meyer Burger to leverage full value of technological leadership
At the Annual General Meeting held on May 13, 2020, Meyer Burger had announced that it was considering plans for establishing an own large-scale cell and module production in Germany. The reason for this fundamental change of direction is the realization that the Company has not been able to generate profits from its technological leadership in recent years. The Company has shaped the development of photovoltaics along the entire value chain and has set the industry's essential standards, such as the diamond wire saw technology, the PERC technology and precision measurement technology for solar modules. A large proportion of the solar modules produced world-wide today are based on technologies developed by Meyer Burger. By selling its production equipment, however, Meyer Burger relinquished control of its technology and largely left the realization of the added value creation to its customers.

Meyer Burger's Board of Directors has decided that Meyer Burger, as a rule, will in the future manufacture production equipment for Heterojunction/SmartWire exclusively for its own use and aims to become a leading global producer of solar cells and modules. Consequently, the entire value chain will remain with Meyer Burger. The protection of the proprietary technology and the know-how can thus be strengthened, and future improvements of the production facilities will no longer be shared with third parties. The standard equipment and service business will be continued unchanged.

After careful considerations of the available strategic options, the Board of Directors of the Company has decided to pursue a business model focused on own production of cells and modules. Unfortunately, Meyer Burger was not able to agree a mutually beneficial co-operation with REC Group within the given time, as the conditions of the Memorandum of Understanding with REC Group ("MoU") were eventually not met by REC Group to date. As a result, the Board of Directors of Meyer Burger has decided to no longer pursue this strategic option.

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New business model with significant profit potential

"The change of our business strategy from equipment supplier to a vertically integrated cell and module manufacturer is the right and logical next step to secure an appropriate share of the value pool that our globally leading technology generates", explains Franz Richter, Chairman of the Board of Directors of Meyer Burger Technology Ltd.

With Heterojunction/SmartWire, Meyer Burger has developed next-generation photovoltaic technology and has made it ready for the market. The Heterojunction/SmartWire technology has higher conversion efficiency and higher energy yield than the current standard Mono-PERC and other heterojunction technologies currently available. The high performance of the modules at comparatively low production costs is expected to enable us to enter both the high-margin and disproportionately fast-growing segment of roof top systems and the more price-sensitive utility-scale segment. On this basis, the Board of Directors believes that the Company can achieve a unique position within the photovoltaic industry and can create substantial and sustainable added value for its shareholders through sizeable profit margins.

Meyer Burger delivered the proof of concept of heterojunction/SmartWire in mass production at the end of 2019 by successfully establishing a 600 MW production line for a client. The proceeds from the capital increase are expected to be used primarily to build up production capacities and the sales organization. Meyer Burger expects to save significant time and economic resources by acquiring existing production sites in Germany.

Meyer Burger intends to start production in the first half of 2021 and to expand it in consecutive steps in the following years. The Company has already secured several letters of intent from potential customers in Europe and the US to purchase a total over 2 GW of cells and modules per year. Initially, Meyer Burger envisages to produce PV modules primarily for the attractive segment of roof top systems. The Company is targeting an annual production capacity of 400MW during this phase. The Board of Directors expects that this production volume will already enable the newly positioned Meyer Burger Group to achieve an operating profit.

CEO Gunter Erfurt says: "The next technological step is comparable to the transition from 4G to 5G in mobile communications. Only Meyer Burger has brought the 5G technology of the PV industry to market maturity. We can be in the market with our products within just one year. Our manufacturing in Europe is competitive and offers a significant profit potential".

In line with the expected demand for MBTN's high-quality products, Meyer Burger intends to increase annual capacity to 1.4 GW of cell and 0.8 GW of module production by the beginning of 2022 by raising a total of around CHF 180 million of debt in 2021/22. On this basis, Meyer Burger expects annual sales of CHF400 – CHF 450 million and an EBITDA margin of 25% - 30% within three years.

In the longer term, the Company aims to expand annual production capacity to at least 5 GW. Depending on market demand, additional module production facilities are planned in Europe and North America which shall be supplied from a central cell production. Meyer Burger then also expects to gradually increase its market share in the utility-scale segment.

Intellectual property to be better protected in the future

With the aim of capturing the value creation potential of this new technology and securing its own know-how, the Company plans to implement a “captive” business model in the future and will, as a rule, employ its leading technology exclusively for its own purposes. A total of over 45 patent families protect the heterojunction/SmartWire technology, the manufacturing processes, machines and products, as well as further technological steps that are already under development. By embarking on its own production, Meyer Burger expects to be in a better position to protect its intellectual property, as well as the know-how gained over many years of experience.

Fraunhofer study confirms efficiency advantage and a technological lead of at least three years
An expert opinion commissioned by Meyer Burger from the world-renowned Fraunhofer Institute for Solar Energy Systems (Fraunhofer ISE) confirms the global technological lead of at least three years and the market readiness of Meyer Burger's heterojunction/SmartWire technology. Recently, Fraunhofer ISE also confirmed a record efficiency of 25.4% for a heterojunction solar cell manufactured with the Company's latest technology in May 2020. More information on the Fraunhofer study can be found here.

Solar industry at a turning point

Today, the PV market offers unique opportunities for Meyer Burger:

- The incumbent PERC photovoltaic technology is largely exhausted. With its heterojunction/SmartWire technology, Meyer Burger believes it currently possesses the most promising technology to drive the industry's next performance leap.
- The European and global market potential is considerable. In Germany, renewable energy to supply 65 percent of electricity by 2030, and Europe is to become climate neutral by 2050. In Germany alone, the government has set a photovoltaic expansion target of 98 GW until 2030. With its Energy Strategy 2050, Switzerland also intends to increase energy efficiency and promote renewable energy such as photovoltaics. Pursuant to the policy targets of the Federal Council, Switzerland's basic supply of electricity should in the future consist of electricity generated from 100% renewable energy sources as standard. Due to the limited available land area, especially in Western Europe, highly efficient PV technology is particularly important for achieving these goals.
- With the European Green Deal, the European climate targets and the requirement to boost the economies after the Covid-19 pandemic event, the current European industrial policy context is giving the solar industry a tailwind. Solar energy is the most cost-effective, environment-, and climate-friendly technology for generating electricity in many parts of the world and a significant factor for strategic autonomy in the energy sector. With local production, Europe can secure access to the leading technology for power generation of the future, build up a local value chain that is resilient against crises and exploit know-how generated in Europe.

"Affordable solar power for everyone" is the vision of the new Meyer Burger. The Company is determined to make a contribution to the climate-friendly reshaping of the European electricity production industry and will create up to 3,500 direct jobs in the medium term. Local production allows for optimal supply chain management, shorter transport routes and thus reduced CO_2 emissions.

Specifics on the planned capital increase
Meyer Burger is launching a capital increase targeting gross proceeds of CHF 165 million to finance the establishment of own production capacities for the planned in-house cell and module production and the related distribution structures. The capital increase will only be implemented if gross proceeds of at least CHF 150 million can be raised. Subject to potential amendments, two transaction options will be submitted to the shareholders for approval at the Extraordinary Shareholders' Meeting. This approach aims to ensure the greatest possible transaction security; however, the decision on the chosen structure is ultimately given to the shareholders. For technical reasons, both options require the approval of two thirds of the votes represented.

The Board of Directors prefers Transaction Option I, as this option, in the opinion of the Board of Directors, offers greater price stability and is more likely to attract new institutional investors as shareholders. However, in order

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to achieve the greatest possible transaction security, the Board of Directors recommends that shareholders approve both transaction options.

Transaction Option I (preferred by the Board of Directors):
Transaction Option I is a combination of a) a tranche placed directly with investors with gross proceeds of approx. CHF 30 to a maximum of CHF 55 million excluding subscription rights (Private Investment in Public Equity, the "PIPE Transaction") and b) a rights issue with tradable subscription rights with gross proceeds of CHF 110 to a maximum of CHF 135 million, corresponding to a maximum amount of proceeds of CHF 165 million. The transaction will only be implemented if gross proceeds of at least CHF 150 million can be raised. The investors in the PIPE transaction have committed themselves, in addition to the purchase of the PIPE tranche, as backstop investors (the "PIPE and Backstop Investors") to subscribe for shares in the rights issue in the same amount if such shares are not taken up by the exercise of subscription rights. They thereby guarantee additional approx. CHF 30 to a maximum of CHF 55 million (corresponding to approximately 22-50% of the rights issue) in gross proceeds from the rights issue. The subscription price in the PIPE transaction and the rights issue is identical and will be determined in such way that the subscription price amounts to at least CHF 0.05 per share.

To this end, the Board of Directors proposes to the Extraordinary Shareholders' Meeting to approve, in the context of an ordinary capital increase, the creation of up to 3.3 billion new registered shares with a par value of CHF 0.05 per share, whereof a) a maximum of one third would be issued excluding the subscription rights of existing shareholders, and b) the remaining shares would be issued with the subscription rights of existing shareholders.

To date, commitments by a number of PIPE and Backstop Investors - consisting of existing shareholders such as Sentis Capital (with a total of CHF 30 million, of which CHF 15 million in the PIPE Transaction and CHF 15 million as Backstop) and further investors have, at a subscription price of CHF 0.05, already guaranteed more than half of the maximum amount of the PIPE Transaction and thus more than one third of the maximum total capital increase, whereby these commitments are subject to certain commercial and legal conditions. The PIPE and Backstop Investors that are already shareholders of Meyer Burger have insofar committed themselves to fully exercise their subscription rights within the framework of Transaction Option I, it being understood that the shares subscribed by doing so shall be deducted from their backstop commitment.

Transaction Option II (Alternative)
Transaction Option II shall only be put forward for a vote if Transaction Option I is rejected or not put forward due to market conditions by the Extraordinary Shareholders' Meeting. Transaction Option II is a rights issue with tradable subscription rights granted with respect to the entire transaction with targeted gross proceeds up to CHF 165 million. The capital increase will only be implemented if gross proceeds of at least CHF 150 million can be raised. If Transaction Option II is implemented, an existing shareholder of Meyer Burger, Sentis Capital, has committed to assume an amount of up to CHF 50 million gross proceeds (approx. 30% of the rights issue) as Backstop This commitment, too, is subject to commercial and legal conditions.

To this end, the Board of Directors proposes to the Extraordinary Shareholders' Meeting to approve the creation of up to 16.5 billion new registered shares with a par value of CHF 0.01 per share as part of an ordinary capital increase, while preserving the subscription rights of existing shareholders.

Information valid for both Transaction Options:
The subscription ratio and the subscription price are expected to be determined immediately prior to the Extraordinary Shareholders' Meeting. These and other conditions of the transaction option approved by the Extraordinary Shareholders' Meeting will be included in an offer prospectus, which is expected to be published on July 14, 2020. The offer period is expected to start on July 14, 2020 and end on July 22, 2020. Trading of the subscription rights at the SIX Swiss Exchange is expected to start on July 14, 2020 and end on July 20, 2020.

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The repayment of the convertible bond due in September 2020 (the outstanding principal amount is approximately CHF 26.8 million) is expected to be financed from existing assets. However, since the terms of the convertible bond will also entail an adjustment of the conversion price due to the implementation of the capital increase, the Extraordinary Shareholders' Meeting has simultaneously to approve an increase in the conditional share capital provided for this purpose in both transaction options.

The proceeds from the capital increase are to be used primarily to implement the new business model.

The Board of Directors has also given the mandate to examine possibilities for reducing the number of shares in order to increase the trading price of the shares to a level customary on the stock exchange.

Credit Suisse acts as Global Co-Ordinator for the contemplated rights issue. Credit Suisse and Zürcher Kantonalbank ("ZKB") act as Joint Lead Managers for the rights issue. ACXIT Capital and ZKB act as joint placement agents for the PIPE private placement transaction. ACXIT Capital also acts as overall financial advisor to Meyer Burger Technologies LTD for this contemplated transaction.

As part of the planned capital increase, Meyer Burger is publishing a quarterly report as an exception. The report for the 1st quarter 2020 can be viewed on the Company's website via the following link: https://www.meyerburger.com/en/investors/financial-reports-publications/

Link to the invitation to the extraordinary general meeting: https://www.meyerburger.com/en/investors/annual-general-meeting/

Link to media and analyst presentation:
https://www.meyerburger.com/en/investors/presentations/

Invitation to view webcast for media and analysts:

On the occasion of today's announcement, we invite media representatives and analysts to view a webcast with the management of Meyer Burger, who will outline in detail the Company's new strategic orientation and the the planned capital increase:

19.06.2020: 10:00am CEST: Webcast Media (German):
Participants Link:
https://78449.choruscall.com/dataconf/productusers/meyerburger/mediaframe/38791/indexl.html

Conference Call: Participants that would like to verbally ask a question, may call the following numbers, 10 – 15 minutes before conference start:

Switzerland / Europe: +41 (0) 58 310 50 00
United Kingdom: +44 (0) 207 107 06 13
United States: +1 (1) 631 570 56 13

Other international numbers available **HERE**

19.06.2020: 14:00pm CEST: Webcast Analysts (English):

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Contact persons:
Nicole Borel, Head of Corporate Communications
Tel: +41 (0)33 221 28 34
nicole.borel@meyerburger.com

Dynamics Group AG
Andreas Durisch, Senior Partner
Tel +41 43 268 27 47 | Mob +41 79 358 87 32
adu@dynamicsgroup.ch

About Meyer Burger Technology Ltd
www.meyerburger.com

Meyer Burger is a leading and globally active technology company specializing in innovative systems and production equipment for the photovoltaic (solar) industry. As an internationally renowned premium brand, Meyer Burger offers its customers in the PV industry dependable precision products and innovative solutions for the manufacture of high-efficiency solar cells and solar modules.

The comprehensive product range is complemented by a worldwide service network with spare and wearing parts, consumables, process know-how, maintenance and after-sales service, training courses and additional services. Meyer Burger is represented in the respective key markets in Europe and Asia and has subsidiaries and its own service centers in China, Germany, Japan, Korea, Malaysia, Switzerland, Singapore, Taiwan and the USA. The registered shares in Meyer Burger Technology Ltd are listed at the SIX Swiss Exchange (Ticker: MBTN).

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pursuant to article 652a of the CO and article 27 et seq. of the Listing Rules, in each case in conjunction with article 109 of the FinSO. Investors are advised to consult their bank or financial adviser before making any investment decision.

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