

## **PRESS RELEASE**

Balzers, December 6, 2018

# **Sentis Capital sees Meyer Burger on the verge of decisive course changes**

- **In-house production of heterojunction (HJT) and tandem solar cells as a huge opportunity.**
- **The Board of Directors must examine all strategic options, including financing through the capital market.**
- **Meyer Burger must gain new credibility by renewing its Board of Directors.**

We have learned from Meyer Burger (SIX Swiss Exchange: MBTN) that ways to commercialize the high technology portfolio, especially for processes and equipment for manufacturing heterojunction (HJT) and tandem solar cells are being evaluated. A Swiss investment bank supports Meyer Burger in this process.

Sentis Capital PCC, as the largest single shareholder of Meyer Burger Technology AG (6.14% stake in share capital), welcomes this approach. Based on its own analyses, Sentis Capital is also convinced that Meyer Burger has a significant competitive advantage in these technologies.

Currently, the difficult market environment prevents leading manufacturers of solar modules from relying on HJT despite clear advantages. The competitive advantage at the level of gross profit for the producer, is around USD 7ct per watt peak, according to statements by Meyer Burger. However, the complete transition of existing production lines involves high investments by the customers with the simultaneous risk that the competitive advantage will disappear relatively quickly, unless the customer negotiates some form of exclusivity with Meyer Burger.

It is important to note that Meyer Burger has the necessary experience for its own production: Since 2013, the company has been producing HJT solar cells in its own mass production facility in Hohenstein-Ernstthal (Germany). Therefore, the question arises why Meyer Burger is not complementing its business model and using the competitive advantage of net USD 7ct per watt peak for itself? Meyer Burger would thus be able to protect its own technology and benefit directly from future improvements in efficiency and throughput of the equipment.

Therefore, Meyer Burger would follow the extremely successful strategy of First Solar (USA), which, by protecting its own technology and the exclusive ties with its equipment manufacturer in Germany, has achieved a leading position in thin-film technology and created value for its shareholders over many years.

As Meyer Burger is currently not in a position to finance a production of at least 5 to 10 GW from its own funds, in our opinion this would have to be done through a capital increase on the capital market or through a strategic partner who is prepared to pay a corresponding premium.

As Meyer Burger's largest single shareholder, we asked the Board of Directors to review all options in a competitive and global process and to choose the best option for the shareholder. There are indications that the Board of Directors is shying away from presenting the capital market with what may be the best option for financing its own production through the capital market.

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Due to the extreme dimension of this decision for Meyer Burger, the Board of Directors should not decide on a strategic partnership before informing its own shareholders about the attractiveness and possibilities of an investment. Numerous previous examples prove that partnerships are attractive for the partner companies, but not for the company's own shareholders, who often cannot participate equally in the exploitable potential.

In its press release of 16 October, Meyer Burger already announced that changes would be made at the management and board level. We assume that these adjustments will be made promptly in order to enable the new Board of Directors to credibly present this strategic change to the capital market.

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**About Sentis Capital**

Sentis Capital PCC, Balzers, is a subsidiary of Elbogross SA and is responsible for the treasury management and capital market investment of the entire group. Elbogross SA is a holding company based in Switzerland and wholly owned by Petr Kondrashev, resident in Lower Austria. The divisions of Elbogross SA originate from a former industrial conglomerate in the mineral fertilizer sector. Today, the focus of its activities is on corporate investments and real estate.