

Return to profitability remains key for us

Dear Shareholders

2017 was a year marked by reshaping Meyer Burger to become a profitable company again. Customer projects and the underlying markets for photovoltaic technologies developed very positively and our technology leadership in PV applications was confirmed by a strong set of large customer orders from leading PV manufacturers. Compared to the previous year, incoming orders rose by a substantial CHF 105.1 million to CHF 560.7 million.

“Leading edge products and good momentum especially for cell technologies have led to high incoming orders in a total of CHF 561 million.”

Hans Brändle, Chief Executive Officer

The financial results 2017 were still burdened by one-off extraordinary expenses, mainly in conjunction with the discontinuation of operations in Colorado Springs and Thun. Based on an adjusted basis without these adverse effects, EBITDA amounted to CHF 46.5 million and the net result to CHF -3.1 million in 2017.

Meyer Burger continues to drive the technology roadmap in the PV industry

The growth trend in newly installed photovoltaic (PV) capacity at private and commercial end users continued unabated in 2017. About 100 GW of new PV installed capacity was added in 2017, taking the total installed capacity to between 400 to 410 GW by the end of 2017. This reflects another year of strong growth at a rate of about 33% in 2017. Solar investment globally amounted to about USD 160 billion in 2017, up 18% on the previous year, representing almost half of the total global investment in renewable energy and energy-smart technologies (source: BNEF, Bloomberg New Energy Finance).

The bulk of new installations occurred in China which represented about 53 GW or 50% of the total installed capacity in 2017, followed by India and the US with around 10 GW each. With this, China has increased its strong dominance, not only in the manufacture of PV wafers, cells and modules, but also in terms of the cumulative end-installed PV capacity. With an expected 130 GW and about one third of the market, China leads the major PV markets by far.

The importance of photovoltaic technology as a renewable energy source is expected to rise further. SolarPower Europe and other independent industry experts forecast that annual additions of end-installed PV capacity of more than 100 GW per year will occur in the next 5 years leading to nearly 1 TW (1,000 GW) of total installed solar power by 2021. In the past years, the real end-installed capacities have always been at the high end of the forecasts or even exceeding them.

A large part of that estimated growth comes from government plans and projects to expand solar-driven power in countries such as China, India, Turkey, Japan or Germany, and from technology shifts to increase solar module efficiencies. In addition, there are more and more countries worldwide now joining the “1 GW-club”, i.e. installing over 1 GW in PV capacity per annum.



**Dr Alexander Vogel
and Dr Hans Brändle**
Chairman and Chief
Executive Officer
of Meyer Burger
Technology Ltd

Solar installation programmes like the Chinese Top Runner and Super Top Runner Programmes that require PV suppliers to meet high performance standards (requiring specific module and cell efficiencies/power) are stimulating high-efficiency technologies such as PERC (Passivated Emitter Rear Cell), bifacial n-type cell technologies (like HJT Heterojunction Technology) and lead to the fact that many suppliers already offer 60-cell modules with efficiencies of around 300 W.

Meyer Burger has been a leader in the development of PV manufacturing equipment that optimises production costs and increases cell/module output and will continue to drive the technology roadmap in this industry also in the future.

→ For examples of our technologies see pages 6 – 13.

“Strategically, Meyer Burger remains focussed on industrialising leading edge technology for PV and other industries.”

Alexander Vogel, Chairman of the Board of Directors

Results for fiscal year 2017

Meyer Burger achieved incoming orders of CHF 560.7 million in 2017, representing by far the highest level of incoming orders for the past six years and an increase of 23% compared to the previous year (2016: CHF 455.6 million). This order momentum has, among other reasons, been fueled by the expansion of production capacities and upgrades of PV manufacturing technologies by Tier-1 cell and module producers, mainly located in Asia. However, one of the highlights in 2017 was also an order of CHF 44.9 million for two heterojunction (HJT) solar cell lines from an Italian customer, enabling a future production capacity of up to 200 MW. The total order backlog as per 31 December 2017 was CHF 343.8 million which is an increase of 40% compared to the previous year (31.12.2016: CHF 244.5 million) and provides a solid starting position for the year 2018.

Net sales increased by 4% to CHF 473.3 million (2016: CHF 453.1 million). EBITDA amounted to CHF 12.4 million (2016: CHF 10.5 million). The net result came to a loss of CHF –79.3 million (2016: CHF –97.1 million). The income statement for 2017 includes several adverse effects and one-off extraordinary expenses in a total

amount of about CHF 76 million which are mainly in conjunction with the discontinuation of diamond wire production at Diamond Materials Tech in Colorado Springs, inventory provisions, currency translation losses on trade receivables and customer prepayments and the discontinuation of manufacturing activities in Thun which will take place during the course of 2018. On an adjusted basis, without these adverse effects mentioned, EBITDA would have amounted to CHF 46.5 million and the net result to CHF -3.1 million in 2017.

→ For further detailed information on the results 2017 please refer to the Management Report 2017 on page 2 of the "Report to Fiscal Year 2017" section of this Annual Report.

“Reshaping Meyer Burger has been necessary on our path of returning to profitability.”

Hans Brändle, Chief Executive Officer

Reshaping the company to secure future profitability

Meyer Burger had to take a number of tough decisions in 2017 to further optimise its cost base and concentrate its product portfolio. A detailed analysis of market opportunities led to decisions to close the site in Minhang, China and to discontinue diamond wire production for PV applications at Diamond Materials Tech (DMT) in Colorado Springs, USA in the first half of 2017. In November, the company announced a reorganisation of its production site in Thun. Manufacturing of diamond wire saws will be moved from Thun to China during the course of 2018 in order to achieve more flexible cost structures, reduce delivery time and costs and further increase customer proximity. We are also evaluating strategic alternatives for the company's solar systems business, which mainly addresses the Swiss market with its MegaSlate® products for building integrated solar panels. By mid-November, Meyer Burger further announced that it divested the non-PV related diamond wire production business of DMT to Thermocompact Group for about USD 6 million.

Many of these steps have been difficult to take, as the reshaping affected over 240 employees in all the different locations. But streamlining Meyer Burger's product offering and focusing our resources on products with strong USPs has become an important task on the company's return to profitability.

335 Watt Heterojunction / SmartWire Connection module presented at Meyer Burger's first Technology Day

Meyer Burger held its first Technology Day for investors at the technology and production site in Hohenstein-Ernstthal, Germany, on 30 November 2017. The event focused on major product innovations and the leading role that our technologies have played in shaping the PV industry. As one of the highlights, management unveiled a champion 335 Watt module based on Heterojunction (HJT) cell technology and SmartWire Connection Technology (SWCT™). The 334.9 W module output was measured and confirmed by TÜV Rheinland – Solar Energy Assessment Center Cologne (SEACC).

Processing of the HJT solar cells in the 60-cell glass/white backsheet module was done on an industrial manufacturing line at Meyer Burger (Germany) GmbH in Hohenstein-Ernstthal, which continuously achieves an average of 320 Watt with best modules above 330 Watt. The HJT cells used for the 335 Watt record module had an average busbar-less efficiency of 23.5% using commercially available 6-inch n-type wafers. The best cell achieved a busbar-less efficiency of 24.02%.

“The 335 W module produced on our industrial manufacturing line is an important step in our ambitious HJT / SWCT industrialisation roadmap.”

Hans Brändle, Chief Executive Officer

Strong share price performance allowed early conversion of CHF 71.3 million of outstanding convertible bonds – de-risking of balance sheet

The strong share price performance in 2017 (for the entire year 2017: +146%) allowed Meyer Burger to launch a voluntary incentive offer to holders of the CHF 100 million 5.5% convertible bonds due 2020. The company offered to pay a cash incentive of CHF 250 per CHF 5,000 principal amount of the bonds to bondholders who elected to exercise their right to convert their bonds into Meyer Burger registered shares during a 9-day period at the end of November, early December 2017.

“71.3% of the outstanding principle amount of the convertible bond was converted into equity.”

Alexander Vogel, Chairman of the Board of Directors

At the end of the incentive offer period, bondholders representing CHF 71.215 million of the outstanding principal amount of the convertible bond accepted the offer and converted their bonds into shares. An additional CHF 0.080 million of convertible bonds was converted later during December 2017. Through these conversions, liabilities in the company's balance sheet were reduced and equity was strengthened, leading to a further de-risking of the balance sheet.

Changes in the Executive Board and in the Board of Directors

During 2017, we also made some organisational alignments within the Executive Board: Dr Gunter Erfurt, previously Chief Operating Officer was appointed new Chief Technology Officer (CTO). Daniel Lippuner joined the Executive Board and took over the role as Chief Operating Officer (COO). Those changes were effective as of 1 September 2017. As of that date, the Executive Board consists of Dr Hans Brändle (CEO), Michel Hirschi (CFO), Michael Escher (CCO), Dr Gunter Erfurt (CTO) and Daniel Lippuner (COO).

The Annual General Meeting 2017 elected Michael R. Splinter and Hans-Michael Hauser as new members of the Board of Directors.

→ Information on the CVs of the Board of Directors and the Executive Board members can be found in the section “Report to Fiscal Year 2017” – Corporate Governance.

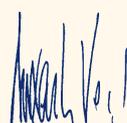
Outlook

We remain convinced that the long-term positive trend for more efficient solar energy systems will continue and that there are major opportunities ahead in the coming years for innovative companies such as Meyer Burger. For 2018, we are targeting net sales of between CHF 450 and 500 million and an EBITDA margin of about 10%.

→ Detailed information on the 2017 annual results can be found in the section “Report to Fiscal Year 2017” – Management Report.

Thank you

Being fully aware that 2017 was another very challenging year for our employees, the Board of Directors and the Executive Board would like to thank all employees for their work and dedication to Meyer Burger. We also thank our customers, suppliers and business partners for their continuous support. Finally, we extend our thanks to you, our shareholders, for your loyalty to Meyer Burger.



Dr Alexander Vogel
Chairman of the Board



Dr Hans Brändle
Chief Executive Officer