



MEYER BURGER

Financial Statements of Meyer Burger Technology Ltd as per 30.9.2016 Swiss Code of Obligations

Unofficial translation. The German version is the binding version.

BALANCE SHEET

in TCHF	Notes	30.09.2016	31.12.2015
Assets			
Current assets			
Cash and cash equivalents		39'138	49'042
Other receivables			
intercompany		6'401	20'704
thirds		383	71
Accrued income and deferred expenses		9'884	60
Total current assets		55'805	69'877
Non-current assets			
Financial assets	2.1	266'318	278'447
Investments	2.2	204'351	204'351
Total non-current assets		470'669	482'798
Total assets		526'474	552'675
Liabilities and equity			
Current liabilities			
Current financial liabilities thirds	2.3	129'882	-
Other payables			
intercompany		8	327
thirds		2'780	1'055
Accrued expenses and deferred income		6'541	9'438
Total current liabilities		139'211	10'820
Non-current liabilities			
Non-current financial liabilities thirds	2.3	100'000	229'746
Provisions		366	365
Total non-current liabilities		100'366	230'111
Equity			
Share capital	2.4	4'569	4'526
Legal capital reserves			
Capital contribution reserves	2.5	473'216	470'407
Other capital reserves		6'093	5'989
Legal retained earnings			
General legal retained earnings		140	140
Reserve for treasury shares	2.6	2'979	3'284
Accumulated losses		-198'445	-171'413
Treasury shares	2.7	-1'654	-1'189
Total equity		286'897	311'744
Total liabilities and equity		526'474	552'675

**INCOME STATEMENT**

in TCHF

	Notes	1.1.-30.09.2016	1.1.-30.09.2015
Other operating income	2.8	11'981	9'747
Personnel expenses		-7'829	-6'812
Compensation to the Board of Directors		-500	-467
Administration expenses		-7'907	-4'379
Impairments on intercompany loans and investments	2.9	-31'290	-
Earnings before interests and taxes		-35'545	-1'912
Financial costs			
Interests paid	2.10	-8'909	-9'523
Other financial expenses		-86	-6
Loss from currency translations	2.11	-	-21'105
Financial income			
Interests received	2.12	13'917	10'868
Gain from currency translations	2.11	726	-
Earnings before taxes		-29'897	-21'677
Income taxes		-18	-14
Net loss		-29'915	-21'691

NOTES TO THE FINANCIAL STATEMENTS

1. PRINCIPLES

1.1 General

These financial statements have been prepared in connection with the ongoing recapitalisation project. The financial statements have been prepared in accordance with the provisions of the Swiss Code of Obligations (32nd Title of the Code of Obligations). The significant valuation policies employed that are not prescribed by the Code are described below.

1.2 Financial assets

Financial assets consist of non-current loans. Loans granted in foreign currencies are measured at the rate on the actual reporting date, with unrealised losses being reported, but not unrealised gains (prudence concept).

1.3 Investments

Meyer Burger applies the principle of individual valuation, but it aggregates Group companies where close business interrelationship exists.

1.4 Interest-bearing liabilities

Interest-bearing liabilities are recognised at nominal value. Financial liabilities are divided into current and non-current depending on their time to maturity, and include in particular liabilities from bonds.

The straight bond and convertible bond issues were initially recognised at fair value including transaction costs. Subsequent measurement is at amortised cost using the effective interest rate method.

1.5 Provisions and contingent liabilities

Provisions are only created if there is an obligation to third parties as a result of a past event, a reliable estimate can be made of the amount of the obligation, and an outflow of resources is probable. If an obligation cannot be estimated with sufficient reliability, it is reported as a contingent liability but not recognised.

Provisions are measured using the best estimate concept, i.e. the amount recognised as a liability is the best estimate of the expenditure required to settle the present obligation on the reporting date. The amount of provisions is reviewed for appropriateness at every reporting date.

1.6 Equity

Equity includes share capital, capital reserves, retained earnings, treasury shares and accumulated losses.

Share capital is the nominal value of all outstanding shares.

Capital reserves contain payments by shareholders in excess of the nominal value. This is the premium, reduced by the excess value over the nominal value of cancelled treasury shares. Gains and losses realised on the sale of treasury shares are also recognised directly in capital reserves. Additionally, reserves created for share-based payments are transferred to capital reserves upon expiry of the vesting period.

Treasury shares comprise shares in Meyer Burger Technology Ltd held by Meyer Burger Technology Ltd itself. Treasury shares are recognised at cost and are not remeasured on the reporting date.

The reserve for treasury shares contains shares in Meyer Burger Technology Ltd that were created for share-based payments and are held indirectly through a subsidiary.

The retained earnings or cumulative losses are undistributed gains and losses.



1.7 Share-based payments

A share-based payment is a transaction in which an entity receives or acquires goods or services as consideration for its equity instruments or by incurring liabilities to the supplier of those goods or services for amounts that are based on the price of the entity's shares or other equity instruments of the entity. The accounting treatment for share-based payments depends on how the transaction is settled, namely whether it is settled by equity instruments or in cash. Under the current share participation programme, Meyer Burger Technology Ltd makes an individual offer to every plan participant in an offer letter stipulating the number of conditional rights to purchase shares, the acquisition price per share, the payment conditions, the acceptance period and the (optional) retention periods. The fair value at the time of the conditional rights, shares or options being granted is recognised in personnel expenses at the time of being granted or, where appropriate, over the vesting period.

1.8 Leases

A fundamental distinction is made between finance leases and operating leases. Meyer Burger Technology Ltd does not have any financial leases, only operating leases. Operating leases (lease and rental agreements) are recognised according to legal ownership, i.e. the resulting payments are recognised as an expense by the lessee or tenant in the period to which they relate, although the leased or rented assets themselves are not recognised.

1.9 Cash flow statement and additional disclosures not included in the Notes

Since Meyer Burger Technology Ltd prepares consolidated financial statements in accordance with a recognised accounting standard (Swiss GAAP FER), in compliance with the statutory provisions, it has not included disclosures in the Notes on interest-bearing liabilities and audit fees, presented a cash flow statement or prepared a management report in these financial statements.

2. DISCLOSURES RELATING TO ITEMS IN THE BALANCE SHEET AND INCOME STATEMENT

2.1 Financial assets

Financial assets consist solely of loans to participations (investments) aimed at financing their ordinary business activity.

2.2 Investments

Meyer Burger Technology Ltd holds the following direct and indirect investments:

Consolidated companies					
Company	Registered office	Currency	Nominal value	Participation ¹⁾	
				30.09.2016	31.12.2015
AIS Automation Dresden GmbH	Dresden, Germany	EUR	51'000	98.23%	97.73%
Diamond Materials Tech, Inc.	Colorado Springs, USA	USD	100	100.00%	100.00%
Gerling Applied Engineering, Inc. ²⁾	Modesto, USA	USD	10'000	98.23%	97.73%
Hennecke Systems GmbH	Zülpich, Germany	EUR	25'000	100.00%	100.00%
MB Services Pte. Ltd	Singapore, Singapore	SGD	1	100.00%	100.00%
MB Systems Co. Ltd	Seoul, Korea	KRW	50'000'000	100.00%	100.00%
MBT Systems GmbH	Zülpich, Germany	EUR	25'000	100.00%	100.00%
MBT Systems Ltd	Delaware, USA	USD	1	100.00%	100.00%
Meyer Burger (Germany) AG ³⁾	Hohenstein-Ernstthal, Germany	EUR	16'207'045	98.23%	97.73%
Meyer Burger (Netherlands) B.V. ⁴⁾	Eindhoven, Netherlands	EUR	18'200	98.23%	97.73%
Meyer Burger (Switzerland) Ltd ²⁾	Thun, Switzerland	CHF	500'000	100.00%	100.00%
Meyer Burger Co. Ltd	Zhubei City, Taiwan	TWD	5'000'000	100.00%	100.00%
Meyer Burger GmbH	Zülpich, Germany	EUR	25'000	100.00%	100.00%
Meyer Burger India Private Ltd	Pune, India	INR	18'552'930	99.19%	99.19%
Meyer Burger Kabushiki Kaisha	Tokyo, Japan	JPY	10'000'000	100.00%	100.00%
Meyer Burger Research AG	Hauterive, Switzerland	CHF	100'000	98.23%	97.73%
Meyer Burger Sdn. Bhd. ⁵⁾	Cyberjaya, Malaysia	MYR	100'000	100.00%	100.00%
Meyer Burger Systems (Shanghai) Co. Ltd	Shanghai, China	CNY	37'460'922	100.00%	100.00%
Meyer Burger Technology AG	Thun, Switzerland	CHF	4'525'517	100.00%	100.00%
Meyer Burger Trading (Shanghai) Co. Ltd	Shanghai, China	CNY	1'655'400	100.00%	100.00%
Muegge GmbH	Reichelsheim, Germany	EUR	400'000	98.23%	97.73%
Pasan SA	Neuenburg, Switzerland	CHF	102'000	100.00%	100.00%
Somont GmbH	Umkirch, Germany	EUR	30'000	100.00%	100.00%

¹⁾ The share of equity corresponds to the share of voting rights.

²⁾ Meyer Burger Ltd has been merged as per 1.1.2016 with Meyer Burger Global Ltd. In parallel, it has been renamed Meyer Burger (Switzerland) Ltd.

Merged, liquidated or sold companies					
Company	Registered office	Currency	Nominal value	Participation ¹⁾	
				30.09.2016	31.12.2015
Meyer Burger Global Ltd ²⁾	Thun, Switzerland	CHF	500'000	100.00%	100.00%

¹⁾ The share of equity corresponds to the share of voting rights.

²⁾ Meyer Burger Global Ltd has been merged with Meyer Burger Ltd as per 1.1.2016.

Discontinued companies					
Company	Registered office	Currency	Nominal value	Participation ¹⁾	
				30.09.2016	31.12.2015
Roth & Rau India Pvt. Ltd ²⁾	Mumbai, India	INR	100'000	98.23%	97.73%

¹⁾ The share of equity corresponds to the share of voting rights.

²⁾ As the company is no longer active, it will be liquidated in due course. In view of the liquidation the nominal capital has been reduced by INR 826,200 to INR 100,000.

2.3 Non-current financial liabilities

Straight bond

Meyer Burger Technology Ltd issued a straight bond in the amount of CHF 130 million in May 2012. The coupon is 5%, and the bond matures in May 2017. Therefore, this bond has been reclassified to current financial liabilities.

Convertible bond

In September 2014, Meyer Burger Technology Ltd issued a convertible bond in the amount of CHF 100 million, maturing in 2020, and with an investor put option in 2018. The convertible bond carries a coupon of 4% and the conversion price is CHF 11.39. The convertible bond was issued at 100% of the principal amount and will also mature at 100% of that amount in September 2020, unless previously redeemed, converted or repurchased and cancelled. The convertible bond also includes an investor put option after four years, i.e. on 24 September 2018.

2.4 Share capital

The share capital of Meyer Burger Technology Ltd, as of 30 September 2016, was divided into 91,370,360 registered shares with a nominal value of CHF 0.05 each. All shares are fully paid-in.

Conditional share capital

In accordance with Article 3b of the Company's Articles of Association, dated 3 May 2016, the share capital may be increased by a maximum amount of CHF 75,000.00 through the issuance of a maximum of 1,500,000 fully paid-in registered shares with a nominal value of CHF 0.05 each, by the exercise of option rights granted to employees and members of the Board of Directors of the Company or of group companies in accordance with a plan to be prepared and issued by the Board of Directors. The subscription rights of shareholders shall be excluded. Upon acquisition, the new registered shares shall be subject to the limitations for registration in the share register in accordance with Article 4 of the Articles of Association.

In accordance with Article 3c of the Company's Articles of Association, dated 3 May 2016, the share capital may be increased by a maximum amount of CHF 440,000.00 through the issuance of a maximum of 8,800,000 fully paid-in registered shares with a nominal value of CHF 0.05 each, by the exercise of conversion and/or option rights which are granted in connection with convertible bonds, bonds with option rights or similar financial market instruments of the Company or of group companies.

The subscription rights of the shareholders shall be excluded in connection with the issuance of convertible bonds, bonds with option rights or other financial market instruments, which carry conversion and/or option rights. The then current owners of conversion and/or option rights shall be entitled to subscribe for the new shares.

The acquisition of shares through the exercise of conversion and/or option rights and each subsequent transfer of the shares shall be subject to the limitations for registration in the share register in accordance with Article 4 of the Articles of Association.

The Board of Directors is entitled to restrict or exclude the advance subscription rights of existing shareholders, provided that:

- 1) the financing instruments with conversion or option rights are issued in connection with the financing or refinancing of the acquisition of enterprises, divisions thereof or participations or of newly planned investments; or
- 2) an issue by firm underwriting through a bank or a banking syndicate followed by a public offer, thereby excluding the advance subscription rights, seems to be the best way of issue at that point in time, in particular with respect to the terms and conditions of the issue or the timeline of the transaction.

If advance subscription rights are denied by decision of the Board of Directors, the following shall apply:

- 1) conversion rights may be exercisable only for up to ten years, option rights only for up to seven years from the date of the respective issuance; and
- 2) the respective financial market instruments must be issued at the relevant market conditions.

Authorised share capital

In accordance with Article 3a of the Articles of Association, dated 3 May 2016, the Board of Directors is entitled to increase the share capital of the Company by a maximum amount of CHF 240,000.00, at any time until 3 May 2018, through the issuance of a maximum of 4,800,000 fully paid-in registered shares with a nominal value of CHF 0.05 each.

The Board of Directors is entitled (including in the case of a public offer for shares of the Company) to restrict or exclude the subscription rights of the shareholders and to allocate them to third parties, if the new shares are to be used:

- 1) for the acquisition of enterprises, parts of enterprises, participations or for new investment plans, or in the case of a placement of shares for the financing or refinancing of such transactions;
- 2) for the purpose of the participation of strategic partners or for the purpose of broadening the shareholder constituency in certain investment markets; or

- 3) for the rapid and flexible creation of equity capital through a placement of shares, which would only be possible with difficulties with subscription rights.

The capital increase may occur by means of underwriting and/or partial increases. The Board of Directors is entitled to set the issue price of the shares, the type of contribution and the date of entitlement to dividends. Shares issued under these terms are subject to the limitations for registration in the share register in accordance with Article 4 of the Articles of Association of the Company.

Significant shareholders

30.9.2016

The Company is aware of the following shareholders, who according to Article 120 FMIA – Financial Market Infrastructure Act, respectively held more than 3% of the voting rights based on the share capital registered in the commercial register as of 30 September 2016:

Shareholder ¹	Purchase positions		Sale positions
	Registered shares ²	Financial instruments ³	Financial instruments ³
Generation Investment Management LLP, UK-London	5.13%	-	-
Henderson Global Investors, UK-London	3.22%	-	-
Lancaster Investment Management LLP, UK-London	3.14%	-	-

¹ Voting rights participating according to the latest disclosure notice received from this shareholder.

² Registered shares held in Meyer Burger Technology Ltd according to the disclosure notice.

³ Purchase positions and sale positions, respectively, in conversion and/or purchase rights and sale rights (e.g. call or put options/warrants), equity swaps as well as financial instruments that provide for or permit cash settlement, as well as contracts for difference, all according to the disclosure notice by the shareholder.

31.12.2015

The Company is aware of the following shareholders, who according to Article 120 FMIA – Financial Market Infrastructure Act, respectively held more than 3% of the voting rights based on the share capital registered in the commercial register as of 31 December 2015:

Shareholder ¹	Purchase positions		Sale positions
	Registered shares ²	Financial instruments ³	Financial instruments ³
The Capital Group Companies, Inc., USA-Los Angeles ⁴	10.1618%	-	-
Credit Suisse Group AG, CH-Zürich ⁵	1.24%	4.23%	0.02%
Generation Investment Management LLP, UK-London	3.21%	-	-
Henderson Global Investors, UK-London	3.22%	-	-
Lancaster Investment Management LLP, UK-London	3.14%	-	-
Platinum International Fund, AUS-Sydney ⁶	4.99%	-	-
Platinum Investment Management Limited, AUS-Sydney ⁷	5.33%	-	-

- ¹ Voting rights participation according to the latest disclosure notice received from this shareholder.
- ² Registered shares held in Meyer Burger Technology Ltd according to the disclosure notice.
- ³ Purchase positions and sale positions, respectively, in conversion and/or purchase rights and sale rights (e.g. call or put options/warrant), equity swaps or financial instruments that provide for or permit cash settlement, or contracts for difference), all according to the disclosure notice by the shareholder.
- ⁴ Various fund management companies of The Capital Group Companies, Inc., USA-Los Angeles.
- ⁵ Various subsidiaries of Credit Suisse Group AG, CH-Zurich. 5.10% of the purchase rights are held in connection with securities lending and similar transactions.
- ⁶ Platinum International Fund, AUS-Sydney for own funds under management and rights pertaining to investment management agreements.
- ⁷ Disclosure notice by Platinum Investment Management Limited (January 2013) that Platinum International Fund is the beneficial owner of the registered shares and Platinum Investment Management Limited exercises the voting rights as the investment manager of the fund. The separately mentioned voting rights participation of Platinum International Fund (it was at 3.01% at the timing of this disclosure notice in January 2013), was disclosed as part of the total voting rights participation held by Platinum Investment Management Limited.

2.5 Capital contribution reserves

Out of the total amount of TCHF 473,216 as at 30 September 2016, TCHF 470,407 was approved by the Federal Tax Administration and is available for distribution free of withholding tax. The increase of TCHF 2,809 compared to 31 December 2015 corresponds to the premium paid on the movements recognised in the employee share plans in the year under review, particularly the expired 2014 share plan. These premiums are also reported to the Federal Tax Administration for approval for potential distribution free of withholding tax.

2.6 Reserve for treasury shares

The current share participation programmes set up in accordance with 1.7 above resulted in holdings of treasury shares in Meyer Burger Technology Ltd at the subsidiaries involved up to the end of the vesting period. The law stipulates that a special reserve for treasury shares has to be created for these allocated shares during the vesting period in the amount of the number of allocated shares multiplied by the purchase price.

2.7 Treasury shares

Treasury shares held by Meyer Burger Technology Ltd

	No. of shares	price/share in CHF	Value treasury shares in CHF
01.01.2015	56'359	10.22	576
Acquisition	107'224	6.19	663
Sale	-4'224	11.81	-50
31.12.2015	159'359	7.46	1'189
Acquisition	108'344	6.50	704
Sale	-25'741	9.26	-238
30.09.2016	241'962	6.84	1'654



Treasury shares held by subsidiaries

		No. of shares	price/share in CHF	Value treasury shares in CHF
01.01.2015		619'926	6.36	3'941
Increase share plan 2015	1)	584'372	3.73	2'182
Decrease share plan 2013	2)	-301'693	5.97	-1'800
Decrease share plan 2014	3)	-63'492	8.69	-551
Decrease share plan 2015	3)	-103'686	4.47	-464
31.12.2015		735'427	4.49	3'305
Increase share plan 2016	4)	828'922	1.99	1'648
Decrease share plan 2014	5)	-254'741	6.21	-1'582
Decrease share plan 2015	3)	-63'420	5.91	-375
Decrease share plan 2016	3)	-6'578	1.84	-12
30.09.2016		1'239'610	2.40	2'979

1) Share plan 2015: the shares have been allocated and issued at a price of CHF 6.15 (market price at the time of allocation less CHF 0.05 nominal value). After allocation, the shares are subject to a twenty-two-months' vesting period during which the sale is forbidden. Due to legal reasons, the shares allocated to the Board of Directors and to the employees of Meyer Burger Technology Ltd (200.974 shares) are held by Meyer Burger Ltd. Those shares have been transferred at the nominal value (CHF 0.05).

2) In April 2015, the two-years' vesting period of share plan 2012 ended and the shares have been transferred to the plan participants.

3) If a plan participant gives notice to the employment contract during the vesting period, the shares allocated are returned to Meyer Burger Technology Ltd. In some particular cases (i.e. if Meyer Burger terminates an employment contract for economical reasons or if a group company is sold), the leaving participant is entitled to keep the shares, i.e. an early vesting is performed.

4) Share plan 2016: the shares have been allocated and issued at a price of CHF 3.77 (market price at the time of allocation less CHF 0.05 nominal value). After allocation, the shares are subject to a thirty-six-months' vesting period during which the sale is forbidden. Due to legal reasons, the shares allocated to the Board of Directors and to the employees of Meyer Burger Technology Ltd (396.965 shares) are held by Meyer Burger Ltd. Those shares have been transferred at the nominal value (CHF 0.05).

5) In April 2016, the two-years' vesting period of share plan 2014 ended and the shares have been transferred to the plan participants.

All treasury shares that are held in conjunction with the employee share plans are held by subsidiaries of Meyer Burger Technology Ltd. They are therefore reserved in full and will be transferred to employees upon expiry of the vesting period.

Meyer Burger Technology Ltd does not hold any treasury shares in connection with the employee share plan and no treasury shares held by Meyer Burger Technology Ltd are reserved.

Meyer Burger Group is not aware of any shares in the company being held by the pension fund.

2.8 Other operating income

Other operating income includes mainly management fees that were invoiced to the consolidated companies.

2.9 Impairments of non-current assets

Adjustments on loans to group companies booked in previous years were appropriately tested and adjusted in 2016.

2.10 Interest expenses and fees

In the period under review and in previous year, interests and fees for the bond and convertible bond were recognized as interest expenses as described in Note 2.3. The fees in connection with the provision of the credit facility agreement with the banking syndicate are also recognised under this item.

2.11 Gains and losses from currency translations

The sharp fall in the value of the EUR in January 2015 is the main reason for losses from currency translations in 2015, resulting from devaluated foreign currency loans to foreign subsidiaries.

2.12 Interest income

The interest income reported includes the interest received for loans granted to consolidated group companies as well as interest income from banks and interest from short-term money market instruments.

3. OTHER DISCLOSURES

3.1 Full-time employees

The average number of full-time employees for both the reporting period and the previous year did not exceed 50.

3.2 Liabilities to pension funds

There are no liabilities to pension funds.

3.3 Lease obligations not recorded in the balance sheet

in TCHF	30.9.2016	31.12.2015
Up to 1 year	134'685	77'449
1 – 5 years	237'231	161'399
Total	371'916	238'848

These amounts comprise the rental or lease payments due by the end of the agreement or the expiry of the Notice period.

3.4 Collateral provided to third parties

To secure a bank guarantee issued by a member of the banking syndicate under the framework loan agreement, limited collateral was provided as a pledge to this bank in the amount of TCHF 1,159 in 2012. The bank guarantee in question expired as at 31 December 2015.

3.5 Contingent liabilities (guarantees and pledged assets)

As at 30 September 2016, Meyer Burger Technology Ltd provided a guarantee for the framework loan agreement with several Swiss financial institutions. This credit line matures on 30 April 2017. The framework loan agreement contains a guarantee limit of CHF 90 million. Bank guarantees in the amount of TCHF 18,405 (31 December 2015: TCHF 21,709) had been drawn as at 31 December 2015.

Meyer Burger Technology Ltd is the borrower of a guaranteed credit from a German financial institution. The credit line amounted to TCHF 11,426 as at 30 September 2016 (2015: TCHF 11,370). The guaranteed credit can be drawn by subsidiaries by way of pledged assets/guarantees for advance payments, warranties or the extinguishment of debt. It cannot be used for the collateralisation of loans. A total of TCHF 4,280 of this guaranteed credit had been used as at 30 September 2016 (31 December 2015: TCHF 5,923).

Meyer Burger Technology Ltd acts as guarantor for the mortgage-backed loan for the building in Thun. This credit agreement was concluded between Meyer Burger Ltd and a consortium of Swiss banks in March 2013, maturing in April 2015, under which Meyer Burger Ltd received proceeds of CHF 30 million. Meyer Burger Technology Ltd acts as guarantor for this agreement with a maximum amount of CHF 33 million. The agreement was extended for a further two years to April 2017 in the first quarter of 2015.

In addition, there were several guarantees of Meyer Burger Technology Ltd for group companies in favour of third parties for a maximum amount of TCHF 17,230 as at 30 September 2016 (31 December 2015: TCHF 11,094). They mainly concern guarantees to customers and suppliers of Group companies.

Binding letters of comfort and liquidity commitments in favour of Group companies

Meyer Burger Technology Ltd issued a binding letter of comfort in favour of Meyer Burger (Germany) AG and its subsidiaries that secures the allocation of liquidity by Meyer Burger Technology Ltd up to a maximum amount of EUR 110 million, should such need arise. Meyer Burger (Germany) companies had used EUR 101,7 million as at 30 September 2016 (31 December 2015: EUR 110 million). The binding letter of comfort expires on 26 February 2018.

In addition to the letter of comfort in favour of Meyer Burger (Germany) AG, Meyer Burger Technology Ltd has issued additional liquidity commitments in favour of Group companies to ensure the provision of liquidity by Meyer Burger Technology Ltd. This enables the Group companies in question to settle their accounts payable to creditors on time.

3.6 Shares granted to members of the Board of Directors, members of the Executive Board and employees

In the years 2016 (until 30 September 2016) and 2015, shares were allocated to members of the Board of Directors and employees as follows:

	No. of shares	price/share in CHF ¹⁾	Value of allocated shares in
2016			
Allocated to the Board of Directors and Executive Board ¹⁾	303'821	3.82	1'161
Allocated to employees	93'144	3.82	356
Total	396'965		1'517
2015			
Allocated to the Board of Directors and Executive Board ¹⁾	159'694	6.20	990
Allocated to employees	41'280	6.20	256
Total	200'974		1'247

¹⁾ The participants have been charged with the nominal value of CHF 0.05 per share.

3.7 Compensation, shareholdings and loans to members of the Board of Directors and of the Executive Board (disclosure in accordance with the Swiss Code of Obligations and the Ordinance against Excessive Compensation at stock exchange listed companies – OaEC)

According to Article 130 OaEC the Board of Directors is obliged to prepare a Remuneration Report annually. This report includes compensation and loans to members of the Board of Directors and of the Executive Board and related persons. The shareholders have agreed to this Remuneration Report with consultative vote on 3 May 2016 on the ordinary General Meeting of shareholders. Total remuneration amount to the Board of Directors and to the Executive Board for financial year 2016 has been agreed by General Meeting of shareholders on 29 April 2015. The Remuneration Report on effectively paid compensations in financial year 2016 will be prepared as per 31 December 2016 and provided to the shareholders on the next ordinary General Meeting.

2016

The members of the Board of Directors and of the Executive Board (including related parties) held the following participations through shares and restricted shares in Meyer Burger Technology Ltd of 30 September 2016:



Name	Position	Registered shares (non-restricted)	Restricted registered shares ¹⁾	Total participation ²⁾
		(number)	(number)	(in % of outstanding shares)
Peter M. Wagner	Chairman of the Board of Directors	69'885	32'788	0.11%
Dr Alexander Vogel	Vice Chairman of the Board of Directors	115'869	65'796	0.20%
Wanda Eriksen-Grundbacher	Member of the Board of Directors	-	6'086	0.01%
Dr Franz Richter	Member of the Board of Directors	-	6'086	0.01%
Heinz Roth	Member of the Board of Directors	53'893	13'115	0.07%
Prof Dr Konrad Wegener	Member of the Board of Directors	27'864	17'975	0.05%
Peter Pauli	Member of the Board of Directors, Executive Officer	Chief 1'919'399	301'755	2.43%
Michel Hirschi	Chief Financial Officer	38'745	125'313	0.18%
Michael Escher	Chief Commercial Officer	13'514	63'461	0.08%
Thomas Kipfer	Chief Operating Officer	-	32'461	0.04%
Sylvère Leu	Chief Innovation Officer	24'843	77'427	0.11%
Total as of 30 September 2016		2'264'012	742'263	3.29%

¹⁾ Details of shares not yet vested in the table below:

Grant date	Number of shares	Vesting period until
22.03.2016	303'821	21.03.2019
27.03.2015	159'694	24.03.2017

The remaining restricted registered shares have been subject to an optional retention period.

²⁾ Total participation as a percentage of the number of outstanding registered shares as of 30 September 2016 (91'370'360 shares).

2015

The members of the Board of Directors and of the Executive Board (including related parties) held the following participations through shares and restricted shares in Meyer Burger Technology Ltd of 31 December 2015:

Name	Position	Registered shares (non-restricted)	Restricted registered shares ¹⁾	Total participation ²⁾
		(number)	(number)	(in % of outstanding shares)
Peter M. Wagner	Chairman of the Board of Directors	62'903	19'482	0.09%
Dr Alexander Vogel	Vice Chairman of the Board of Directors	115'869	53'623	0.19%
Heinz Roth	Member of the Board of Directors	51'100	7'793	0.07%
Prof Dr Konrad Wegener	Member of the Board of Directors	26'864	10'860	0.04%
Peter Pauli	Member of the Board of Directors, Executive Officer	Chief 1'829'045	310'957	2.36%
Michel Hirschi	Chief Financial Officer	31'000	82'622	0.13%
Michael Escher	Chief Commercial Officer	-	37'708	0.04%
Sylvère Leu	Chief Innovation Officer	5'500	55'383	0.07%
Total as of 31 December 2015		2'122'281	578'428	2.98%

¹⁾ Details of shares not yet vested in the table below:

Grant date	Number of shares	Vesting period until
27.03.2015	159'694	24.03.2017
12.05.2014	89'199	30.04.2016

The remaining restricted registered shares have been subject to an optional retention period.

²⁾ Total participation as a percentage of the number of outstanding registered shares as of 31 December 2015 (90'510'332 shares).

3.8 Going concern

Meyer Burger Technology Ltd raised long-term capital on 24 May 2012 with the Issue of a CHF 130 million bond denominated in Swiss francs. The bond bears interest at 5% per annum and runs for five years with a maturity date on 24. May 2017.

The loan facility with several Swiss financial institutions in order to fund acquisitions and working capital matures in April 2017. In addition to this loan facility providing a guarantee limit of CHF 90 million, Meyer Burger (Switzerland) AG successfully extended the agreement on a loan secured by mortgage certificates of CHF 30 million with the same banking consortium until the end of April 2017.

To refinance these short-term financial instruments, Meyer Burger prepared a comprehensive recapitalization programme. This comprehensive plan also includes an amendment of the terms of the Convertible Bond. In September 2014, Meyer Burger issued this unsecured Convertible Bond in the amount of CHF 100 million, maturing in 2020 and with an investor put option in 2018.

The planned financial recapitalization programme essentially consists of three elements:

- an increase in the share capital of the Company aimed at generating gross cash proceeds of approx. CHF 160 million
- an extension of the term of the bank facilities of the Company of CHF 60 million (guarantee line) and CHF 30 million (loan secured by mortgage certificates) each by three years.
- an amendment of the terms of the Convertible Bond (Bond Terms) by means of a resolution of the meeting of the bondholders (Bondholders' Meeting)

Based on the facts set out above, the Company's board of directors decided to convene a Bondholders' Meeting. Currently, the bondholders have the right, subject to certain conditions, to demand early repayment of the Bonds they hold at their nominal value (plus interest accrued) in September 2018 (**Investor Put**). In order to ensure the long-term financing of the group, the Company proposes to the Bondholders' Meeting that the Investor Put shall be deleted in the Bond Terms. In return, the coupon of the Bonds shall increase from 4% to 5.5% p.a. (retroactively as of 24 September 2016). The strike price shall also be adjusted so that it is 25% above the average of the daily volume-weighted share price of the Meyer-Burger shares in a 20-days period (starting on 3 January 2017), but at least 25% above the subscription price of the new shares to be issued as determined by the board of directors of the Company in the course of the ordinary capital increase and not more than 25% above a maximum price which is determined depending on a theoretical value of the Meyer-Burger share after disposal of the pre-emptive right and on the subscription price. Thus, the implicit option value of the Bonds and the conversion probability shall be increased.

With regards to the aforementioned capital increase, the Company cooperates with a bank syndicate consisting of Credit Suisse AG and UBS AG. The existing shareholders will be granted pre-emptive rights in accordance with their existing shareholding. The extension of the term of the bank facilities is, inter alia, conditional upon the successful completion of the capital increase.

The structure of the comprehensive recapitalisation programme with its elements capital increase, amendment of the convertible bond terms and the extension of the existing loan facilities are designed in mutual dependency. The board of directors assume a successful extension and/or a recapitalization of the financial instruments and for this reason, the interim report as of 30 September 2016 was prepared under the assumption of the going concern capability of the company. A material uncertainty that may cast significant doubt regarding the going concern capability of the company exists, if the envisaged recapitalization programme fails and if the company with regard to this case won't be able to generate additional funds.

3.9 Significant events after the reporting date

If the planned amendment of the terms of the convertible bond will be agreed, annual additional interest costs of TCHF 1'500 are to be expected.

Beyond the above mentioned events there were no significant events in between the balance sheet date and 9 November 2016, the date when the Board of Directors of Meyer Burger Technology Ltd approved these financial statements.



Report of the auditor

to the Board of Directors of Meyer Burger Technology AG

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According to your request, we have audited the interim financial statements of Meyer Burger Technology AG ("the Company"), which comprise the balance sheet, income statement and notes (pages 2 to 14), for the period from 1 January 2016 to 30 September 2016.

Board of Directors' responsibility

The Board of Directors is responsible for the preparation of the interim financial statements in accordance with the requirements of Swiss law. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of interim financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on these interim financial statements based on our audit. We conducted our audit in accordance with Swiss Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the interim financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the interim financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the interim financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation of the interim financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the existence and effectiveness of the entity's internal control system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the interim financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the interim financial statements for the period from 1 January 2016 to 30 September 2016 comply with the accounting, disclosure and valuation requirements of Swiss law that are applicable for the preparation of financial statements.

Emphasis of matter

We draw your attention to note 3.8 of the interim financial statements in which the Board of Directors discloses the measures to ensure the successful refinancing of the bond repayable in May 2017. The successful refinancing of the bond depends primarily on the approval of the shareholders regarding the requested capital increase or on the ability of the Company to generate sufficient additional funds.

PricewaterhouseCoopers AG, Bahnhofplatz 10, Postfach, CH-3001 Bern, Switzerland
Telefon: +41 58 792 75 00, Telefax: +41 58 792 75 10, www.pwc.ch

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As long as the planned refinancing has not taken place successfully, a material uncertainty exists, which may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not qualified in respect of this matter.

PricewaterhouseCoopers AG



Rolf Johner
Audit expert



René Jenni
Audit expert

Bern, 10 November 2016