



**Financial Statements 2017
(Swiss GAAP)**

of

WORLD MARKETS AG

Hünenberg

(CHE-110.096.812)

Contents

Directors, Officers, advisers and company information	3
Balance Sheet	4
Income Statement	5
Notes to the Financial Statements	6
1. Reporting entity and basis of preparation	6
2. Details to the financial statements	7
2.1 Accounts receivable	7
2.2 Prepaid expenses & accrued income	7
2.3 Loans	8
2.4 Securities	8
2.5 Long term receivables from subsidiary	9
2.6 Investments	9
2.7 Short-term, interest-bearing borrowings	10
2.8 Accrued expenses	10
2.9 Long-term, interest-bearing borrowings	10
2.10 Changes in shareholder's equity	11
3. Further disclosures according to Art. 959c Swiss CO	11
3.1 Pledged assets	11
3.2 Average full-time employees	11
3.3 Disclosure about consolidated financial statements	11
3.4 Subsequent events	11

Directors, Officers, advisers and company information

Directors

Dr. David Haas, Dubai, U.A.E.
Rolf H. Küng, Zurich, Switzerland
Adrian Morger, Maienfeld, Switzerland
Dr. Salvatore Toscano, Rome, Italy

Chairman
Director
Director
Director

Registered office

c/o QINO TRUST AG
Rothusstrasse 21
CH-6331 Hunenberg

Company number

CHE-110.096.812

Investor Relations

Aria Services AG
Voltastrasse 61
CH-8044 Zurich

Bankiers

Banque CIC (Suisse)
CH-8021 Zurich

Paying agent

ISP Securitites AG
Bellerivestrasse 45
CH-8008 Zurich

Balance Sheet

(in CHF)

ASSETS	Note	31 December 2017	31 December 2016
Current assets		1 326 475	1 273 892
Cash		- 1 112	- 1 115
Marketable securities		175 000	0
Accounts receivables	2.1	0	0
Other receivables		40 551	39 300
Prepaid expenses & accrued income	2.2	1 112 037	1 235 706
Non-Current Assets		21 619 396	22 151 984
Loans	2.3	10 169 201	10 172 610
Securities	2.4	7 899 559	8 261 984
Long-term receivables from subsidiary	2.5	3 550 634	3 717 387
Investments	2.6	3	3
TOTAL ASSETS		22 945 872	23 425 876

LIABILITIES AND EQUITY		31 December 2017	31 December 2016
Current Liabilities		10 559 277	9 829 515
Accounts payable		706	0
Short-term, interest bearing borrowings	2.7	9 822 621	9 306 293
Other liabilities		409 305	201 777
Accrued expenses	2.8	64 332	59 134
Provision for VAT		262 312	262 312
Non-Current Liabilities		11 585 265	10 553 975
Long-term, interest bearing borrowings	2.9	11 585 265	10 553 975
Total Liabilities		22 144 541	20 383 490
Equity	2.10	801 330	3 042 385
Share capital		6 526 934	6 526 934
Legal reserve from share premium account		2 848 642	2 848 642
Legal reserve from retained earnings		414 826	414 826
Free reserve from share premium account		42 523 305	42 523 305
Retained earnings		-49 271 322	-48 303 462
Profit / (Loss) for the year		-2 241 055	-967 860
TOTAL LIABILITIES AND EQUITY		22 945 872	23 425 876

Income Statement

(in CHF)

	2017	2016
Income from services	-	32 584
Valuation of current securities	25 000	-
Operating expenses	- 48 299	- 250 221
Operating loss	-23,299	- 217 636
Interest expenses	-1 997 950	-1 835 417
Interest income	2.3 -	1 087 628
Other financial expenses	-649	- 924
Foreign exchange gains/(losses)	- 217 358	3 931
Loss before taxes	-2,239,255	- 962 418
Taxes	-1,800	- 5 441
NET LOSS of the year	-2 241 055	- 967 860

Notes to the Financial Statements

1. Reporting entity and basis of preparation

World Markets AG (the "Company") is a company domiciled in Switzerland. The Company exists pursuant to art. 620 et seq. of the Swiss Code of Obligations and has its registered office in Hünenberg, Switzerland.

The Company is focused on the development, management and financing of projects based on undervalued natural resources. The Company targets renewable energy and sustainable forest management opportunities around the world.

(a) Statement of compliance

These financial statements have been prepared in accordance with the accounting standards of the Swiss Code of Obligations (Art. 957ff.) and were approved by the Board of Directors and authorised for issue.

(b) Basis of measurement

These financial statements have been prepared according to the principles of the Swiss Law on accounting and financial reporting. The significant accounting and valuation principles applied are described below:

i. Current & non-current assets

Current & non-current assets are stated at cost.

ii. Current & non-current liabilities

Current and non-current liabilities are stated at face value.

iii. Foreign currency translation

All positions denominated in foreign currencies in the balance sheet were translated to CHF using the rates below. The impact on this translation is presented in position "Translation Differences" in the profit and loss statement.

Foreign currency rates	2017	2016
EUR	1.1702	1.0720
USD	0.9743	1.0190
GBP	1.3168	1.2582

i. Overdrafts on banks

Due to materiality, overdrafts on bank accounts are presented within cash on the balance sheet. If material, the overdrafts are presented separately in the explanatory notes of the financial statements.

(c) Functional and presentation currency

These financial statements are presented in Swiss Francs (“CHF”), which is the Company’s functional currency.

(d) Changes in presentation

Prior year positions on the balance sheet and the income statement were regrouped to match the presentation as per 31 December 2017. Details are outlined in the details to the financial statements where considered necessary.

(e) Use of estimates and judgements

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in the notes where applicable.

(f) Assessment of going concern

The Company made these Financial Statements available to the Shareholder at the same time when the financial statements for financial year 2019 were released. As per 31 December 2019, the Company presented shareholders equity amounting to about kCHF 918 and continued to exist as a going concern.

2. Details to the financial statements

2.1 Accounts receivable

Accounts receivable	2017	2016
Accounts receivable	250 000	250 000
Value adjustment	- 250 000	- 250 000
Total accounts receivable	0	0

2.2 Prepaid expenses & accrued income

Prepaid expenses & accrued income	2017	2016
Prepayments to Member of the BOD	291 310	264 278
Value adjustment for prepayment to Member BoD	- 264 278	- 264 278
Other prepaid expenses and accrued income	1 085 005	1 235 740
Total prepaid expenses & accrued income	1 112 037	1 235 739

Prepayments to Member of the BOD in financial year 2016 amounting to CHF 264 278 were related to business development expenses of World Market AG. As those expenses were not invoiced by the Member of the BOD as per 31 December 2016 they could not be offset with the corresponding expenses but are presented separately within the position. The increase of CHF 27 023 in Prepayments to Member of BoD is mainly related to foreign currency translations of positions denominated in EUR where – due to materiality – no value adjustments was accounted for.

Other prepaid expenses and accrued income contain accrued income in the amount of mCHF 1. This position is service fee income from financial year 2015. The amount is considered to be recoverable by management.

In 2016, other prepaid expenses and accrued income contains a material payment amounting to CHF 150 000 that was made for a purchase of shares. As per 31 December 2016, these shares were not transferred to World Markets AG, the position was therefore presented as prepaid expenses & accrued income. As per 31 December 2017, those share were transferred and are presented in marketable securities within the current assets.

2.3 Loans

Loans	2017	2016
Loan to F.I.T Timber Ltd	20 265 466	19 102 146
Value adjustments loan to F.I.T Timber Ltd.	-10 170 579	-9 007 259
Loan to F.I.T. Timber Participações S.A.	81 931	81 609
Value adjustments loan to F.I.T. Timber Participações S.A.	- 7 617	- 3 886
Total loans	10 169 201	10 172 610

Since financial year 2015 there is only limited information available about the financial situation of F.I.T. Timber Ltd.. A value adjustment of about mCHF 9 was booked per year end 31 December 2015. As by the latest received financial information, management considered that no further value adjustment is necessary.

Due to the lack of information available, interest of this loan is accounted for but fully value adjusted. Total interest of this loan amounts to mCHF 1.16 in the current year (prior year: mCHF 1.09, not value adjusted), interest and value adjustment is netted in the income statement.

F.I.T. Timber Participações S.A. is a subsidiary of F.I.T. Timber Ltd. As by previous reports and distributed business plans, management considers that no value adjustment is necessary. Due to the lack of information available, interest on this loan is accounted for but fully value adjusted since financial year 2016. The value adjustment is presented separately. The loan to F.I.T. Timber Participações S.A. was issued in USD. As per accounting principles, the position is translated to CHF with year-end rates. The initially loan granted is unchanged to prior year.

2.4 Securities

Securities	2017	2016
<u>F.I.T. - Timber Growth Fund, St. Vincent & the Grenadines</u>		
Book Value	6 181 129	6 181 129
Value adjustment	-6 181 128	-6 181 128
Book Value	<u>1</u>	<u>1</u>
<u>Eidon Ltd., Dubai</u>	7 899 558	8 106 310
Book Value	<u>7 899 558</u>	<u>8 106 310</u>
Total value securities	7 899 559	8 106 311

Regarding valuation of F.I.T. - Timber Growth Fund, St. Vincent & the Grenadines, Management discloses that there was no current financial information available. Therefore the full value adjustment from prior year was

unchanged. F.I.T. - Timber Growth Fund, St. Vincent & the Grenadines is an investment in a fund. The voting rights of the Company does not exceed 20%.

Regarding valuation of Eidon Ltd., Dubai, Management discloses that the asset is valued in USD. As per accounting principle, the position was translated to CHF with year-end rates. The USD-value is unchanged to prior year. Eidon Ltd., Dubai is an investment in a company, the voting right of the Company does not exceed 20%.

2.5 Long term receivables from subsidiary

Long term receivable from subsidiary	2017	2016
Receivable from Sustainable Investments Ltd, St. Vincent & the Grenadines (formerly: F.I.T. Management Ltd, St. Vincent & the Grenadines)	3 634 634	3 728 127
Value adjustment	- 84 000	- 84 000
Total long term receivables from subsidiary	3 550 634	3 644 127

The value adjustment to the receivables from Sustainable Investments Ltd, St. Vincent & the Grenadines in financial year 2015 was considered to be necessary as to the latest information of management, Sustainable Investments Ltd, St. Vincent & the Grenadines has negative equity amounting to about kUSD 84.

Regarding valuation of Sustainable Investments Ltd, St. Vincent & the Grenadines, Management discloses that there was no current financial information available (2016: no current financial information available). Regarding valuation, Management further discloses that the loan was issued in USD. As per accounting principle, the position was translated to CHF with year-end rates.

2.6 Investments

Investments	2017	2016
<u>Sustainable Investments Ltd, St. Vincent & the Grenadines</u> (formerly: F.I.T. Management Ltd, St. Vincent & the Grenadines)		
Book value	1	1
<i>Capital / Voting Rights</i>	100%	100%
<u>F.I.T. - Timber Ltd., St. Vincent & the Grenadines</u>		
Book Value	187 718	187 718
Value adjustment	- 187 717	- 187 717
Book value	1	1
<i>Capital / Voting Rights</i>	100%	n/a
<u>4WM Engineering & Consulting AG</u> (formerly: Southern Partners AG, Zürich)		
Book value	40 000	40 000
Value adjustment	- 39 999	- 39 999
Book value	1	1
<i>Capital / Voting Rights</i>	40%	40%

2.7 Short-term, interest-bearing borrowings

Short-term, interest-bearing borrowings	2017	2016
Loans originally denominated in USD	9 458 861	8 962 411
Loans originally denominated in CHF	363 760	343 881
Total short-term, interest-bearing borrowings	9 822 621	9 306 293

Short-term, interest bearing borrowings denominated in foreign currency were translated to CHF with year-end rates.

As by the loan agreement of the loans originally denominated in USD, kCHF 9 459 (2016: kCHF 8 962) are due. Therefore, it is shown as short term liability.

As per loan agreement of the loans originally denominated in CHF, kCHF 364 (2016: kCHF 344) can be deemed due by the counterparty and therefore is shown as short-term liability. As per 31 December 2017, this loan was not deemed due by the counterparty.

2.8 Accrued expenses

The current year accrual comprise of CHF 52 500 directors' fees and CHF 11 832 for Audit, other services and taxes. The prior year accrual comprise of CHF 22 500 directors' fees, CHF 15 000 for Audit, CHF 17 067 stamp duty and CHF 4 567 for other expenses and taxes.

2.9 Long-term, interest-bearing borrowings

Long-term, interest-bearing borrowings	2017	2016
Loans in CHF	3 917 812	3 492 537
Loans in EUR	3 420 031	2 987 357
Loans in USD	4 243 627	4 074 081
Total long-term, interest-bearing borrowings	11 581 470	10 553 975

The long-term, interest-bearing borrowings denominated in foreign currency were translated to CHF with year-end rates as per accounting principle.

As per the loan agreement, all of the loans can be deemed due by the creditor. However, management sees these borrowings as long-term borrowings and presents them accordingly. As per 31 December 2017, none of these loans were deemed due by the counterparty.

2.10 Changes in shareholder's equity

	Share capital	share premium	share premium	Reserve	Deficit	Total Equity
1. January 2016	6 526 934	2 848 642	42 523 305	414 826	-48 303 463	4 010 243
Loss of the year					- 967 860	- 967 860
31. December 2016	6 526 934	2 848 642	42 523 305	414 826	-49 271 323	3 042 384
1. January 2017	6 526 934	2 848 642	42 523 305	414 826	-49 271 323	3 042 384
Loss of the year					-2 240 601	-2 240 601
31. December 2016	6 526 934	2 848 642	42 523 305	414 826	-51 511 924	801 783

3. Further disclosures according to Art. 959c Swiss CO

3.1 Pledged assets

As at 31 December 2016, the Company had an outstanding loan of CHF 8 692 411 in favour of a shareholder in relation to the purchase of Sustainable Investments Ltd. Two thirds of the shares of Sustainable Investments Ltd. have been pledged to the seller in relation to this loan.

As at 31 December 2017, the Company had an outstanding loan of CHF 9 485 861 in favour of a shareholder in relation to the purchase of Sustainable Investments Ltd. Two thirds of the shares of Sustainable Investments Ltd. have been pledged to the seller in relation to this loan.

3.2 Average full-time employees

The company did not have any employees in the reporting period (prior year: no employees).

3.3 Disclosure about consolidated financial statements

According to regulations outlined in Art. 963 Swiss CO, consolidated financial statements need to be prepared where a legal entity that is required to file financial reports controls one or more entities that are required to file financial reports. Exceptions are outlined in Art. 963a Swiss CO.

As the consolidated accounts in financial year 2017 were expected not to exceed two of the three thresholds in two consecutive years as stated in Art. 963a Swiss CO, no consolidated financial statements were prepared.

3.4 Subsequent events

These statements were authorised for issuance at the same time as the financial statements for financial year 2019. These financial statements should therefore be read with the information provided for the financial year 2019 and the Report of the Chairman of the Board of Directors covering the years 2014 to 2019.