



**Financial Statements 2018
(Swiss GAAP)**

of

WORLD MARKETS AG

Hünenberg

(CHE-110.096.812)

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Directors, Officers, advisers and company information

Directors

Dr. David Haas, Dubai, U.A.E.
Rolf H. K ng, 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 2018	31 December 2017
Current assets		1 580 887	1 326 475
Cash		3 260	- 1 112
Marketable securities		175 000	175 000
Accounts receivables	2.1	250 000	0
Other receivables		41 976	40 551
Prepaid expenses & accrued income	2.2	1 110 651	1 112 037
Non-Current Assets		21 739 462	21 619 396
Loans	2.3	10 169 713	10 169 201
Securities	2.4	7 954 044	7 899 559
Long-term receivables from subsidiary	2.5	3 575 703	3 550 634
Investments	2.6	40 002	3
TOTAL ASSETS		23 320 349	22 945 872

LIABILITIES AND EQUITY		31 December 2018	31 December 2017
Current Liabilities		11 677 034	10 559 277
Accounts payable		706	706
Short-term, interest bearing borrowings	2.7	10 898 429	9 822 621
Other liabilities		451 255	409 305
Accrued expenses	2.8	64 332	64 332
Provision for VAT		262 312	262 312
Non-Current Liabilities		12 661 756	11 585 265
Long-term, interest bearing borrowings	2.9	12 661 756	11 585 265
Total Liabilities		24 338 791	22 144 541
Equity	2.10	-1 018 441	801 330
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		-51 512 377	-49 271 322
Profit / (Loss) for the year		-1 819 771	-2 241 055
TOTAL LIABILITIES AND EQUITY		23 320 349	22 945 872

Income Statement

(in CHF)

	2018	2017
Income from services	6,348	-
Valuation of current securities	-	25,000
Operating expenses	-19,577	-48,299
Operating loss	-13,229	- 23 299
Interest expenses	-2,202,006	-1,997,950
Other financial expenses	-655	-649
Foreign exchange gains/(losses)	106,120	-217,358
Extraordinary income and expense	2.11 289,999	-
Loss before taxes	-1,819,771	-2 239 255
Taxes	-	- 1 800
NET LOSS of the year	-1 819 771	-2 241 055

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 ("Swiss CO") 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	2018	2017
EUR	1.1253	1.1702
USD	0.9810	0.9743
GBP	1.2531	1.3168

iv. 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) 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.

(e) 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	2018	2017
Accounts receivable	250 000	250 000
Value adjustment	-	- 250 000
Total accounts receivable	250 000	0

The value adjustment was reversed in the reporting period as this receivable was sold in 2019 for CHF 250 000.

2.2 Prepaid expenses & accrued income

Prepaid expenses & accrued income	2018	2017
Prepayments to Member of the BOD	289 924	291 310
Value adjustment for prepayment to Member BoD	- 264 278	- 264 278
Other prepaid expenses and accrued income	1 085 005	1 085 005
Total prepaid expenses & accrued income	1 110 651	1 112 037

Prepayments to Member of the BOD were related to business development expenses. As those expenses are not invoiced as per 31 December 2018 they could not be offset with the corresponding liability. Variation in the position is due to foreign exchange fluctuations which were not additionally adjusted.

Other prepaid expenses and accrued income comprise mainly of an accrued income of mCHF 1 from 2015.

2.3 Loans

Loans	2018	2017
Loan to F.I.T Timber Ltd	20 265 466	20 265 466
Value adjustments loan to F.I.T Timber Ltd.	-10 170 579	-10 170 579
Loan to F.I.T. Timber Participações S.A.	82 496	81 931
Value adjustments loan to F.I.T. Timber Participações S.A.	- 7 670	- 7 617
Total loans	10 169 713	10 169 201

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 the Company does not calculate any interest on this loan (prior year: interest of this loan is accounted for but fully value adjusted, total interest amounted to mCHF 1.16)

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 the Company does not calculate any interest on this loan (prior year: interest of this loan is accounted for but fully value adjusted).

2.4 Securities

Securities	2018	2017
<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>	7 954 043	7 899 558
Book Value	<u>7 954 043</u>	<u>7 899 558</u>
Total value securities	7 954 044	7 899 559

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	2018	2017
Receivable from Sustainable Investments Ltd, St. Vincent & the Grenadines (formerly: F.I.T. Management Ltd, St. Vincent & the Grenadines)	3 659 703	3 634 634
Value adjustment	- 84 000	- 84 000
Total long term receivables from subsidiary	3 575 703	3 550 634

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 (prior year: 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	2018	2017
<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%	100%
<u>4WM Engineering & Consulting AG</u> (formerly: Southern Partners AG, Zürich)		
Book value	40 000	40 000
Value adjustment	-	- 39 999
Book value	40 000	1
<i>Capital / Voting Rights</i>	40%	40%

The value adjustment regarding 4WM Engineering & Consulting AG was reversed in the reporting period as this investment was sold in 2019 at book value.

2.7 Short-term, interest-bearing borrowings

Short-term, interest-bearing borrowings	2018	2017
Loans originally denominated in USD	10 512 826	9 458 861
Loans originally denominated in CHF	385 603	363 760
Loans originally denominated in EUR	0	0
Total short-term, interest-bearing borrowings	10 898 429	9 822 621

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 10 513 (2017: kCHF 9 459) are due. Therefore, it is shown as short term liability.

As per loan agreement of the loans originally denominated in CHF, kCHF 386 (2017: kCHF 364) can be deemed due by the counterparty and therefore is shown as short-term liability. As per 31 December 2018, this loan was not deemed due by the counterparty.

2.8 Accrued expenses

The current and the prior year accrual comprise of CHF 52 500 directors' fees and CHF 11 832 for audit, other services and taxes.

2.9 Long-term, interest-bearing borrowings

Long-term, interest-bearing borrowings	2018	2017
Loans in CHF	7 867 299	3 921 607
Loans in EUR	782 240	3 420 031
Loans in USD	4 012 217	4 243 627
Total long-term, interest-bearing borrowings	12 661 756	11 585 265

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 2018, none of these loans were deemed due by the counterparty.

2.10 Changes in shareholder's equity

	Share capital	Legal res from share premium	Free res from share premium	Legal Reserve	Deficit	Total Equity
1. January 2017	6 526 934	2 848 642	42 523 305	414 826	-49 271 323	3 042 384
Loss of the year					-2 241 055	-2 241 055
31. December 2017	6 526 934	2 848 642	42 523 305	414 826	-51 512 378	801 329
1. January 2018	6 526 934	2 848 642	42 523 305	414 826	-51 512 378	801 329
Loss of the year					-1 819 771	-1 819 771
31. December 2018	6 526 934	2 848 642	42 523 305	414 826	-53 332 149	-1 018 443

2.11 Extraordinary income and expense

The position comprises of the reversal of two value adjustment:

- CHF 39 999 (related to the Investment 4WM Engineering & Consulting AG, see note 2.6), and
- CHF 250 000 (related to accounts receivables, see note 2.1).

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

3.1 Pledged assets

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.

As at 31 December 2018, the Company had an outstanding loan of CHF 10 512 826 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 2018 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.