



**Financial Statements 2016
(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. 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 2016	31 December 2015
Current assets		1 542 238	1 569 289
Cash		2 921	285 765
Trade receivables	2.1	0	0
Other receivables		39 300	26 125
Prepaid expenses & accrued income	2.2	1 500 017	1 257 399
Non-Current Assets		22 151 984	20 833 959
Loans	2.3	10 172 610	9 083 517
Securities	2.4	8 261 984	8 106 311
Long term receivables from related company	2.5	3 717 387	3 644 127
Investments	2.6	3	3
TOTAL ASSETS		23 694 223	22 403 247

LIABILITIES AND EQUITY		31 December 2016	31 December 2015
Current Liabilities		10 097 862	8 955 699
Accounts payable		0	20 320
Short-term, interest bearing borrowings	2.7	9 306 293	8 288 730
Other liabilities		205 813	47 506
Accrued expenses		323 445	336 831
Provision for VAT		262 312	262 312
Non-Current Liabilities		10 553 975	9 437 304
Long-term, interest bearing borrowings	2.8	10 553 975	9 437 304
Total Liabilities		20 651 837	18 393 003
Equity	2.9	3 042 385	4 010 244
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		-48 303 462	-47 326 586
Profit / (Loss) for the year		- 967 860	- 976 877
TOTAL LIABILITIES AND EQUITY		23 694 223	22 403 247

Income Statement

(in CHF)

	2016	2015
Income from services	32 584	1 449 593
Operating expenses	- 251 145	-1 000 059
Operating Profit	- 218 561	449 534
Value adjustments on non current assets	0	- 84 000
Interest expenses	-1 835 417	-1 491 166
Interest income	1 087 628	0
Foreign exchange gains	3 931	181 062
Extraordinary expenses	0	- 10 275
Prior period positions	0	- 707
Loss before taxes	- 962 418	- 955 551
Taxes	- 5 441	- 21 326
NET LOSS of the year	- 967 860	- 976 877

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	2016	2015
EUR	1.0720	1.0863
USD	1.0190	0.9998
GBP	1.2582	1.4730

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) 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 Trade Receivables

Trade Accounts receivable	2016	2015
Accounts receivable	250 000	250 000
Value adjustment	- 250 000	- 250 000
Total Accounts receivable	0	0

2.2 Prepayments

Prepaid expenses and accrued income	2016	2015
Prepayments to Member of BOD	264 278	254 664
Other prepaid expenses and accrued income	1 235 740	1 002 735
Total Prepayments	1 500 017	1 257 399

Prepayments to Member of the BOD were related for business development expenses of World Market AG in 2015. As those expenses were not invoiced by the Member of BOD as per 31.12.2016 they could not be offset with the corresponding expenses which are stated in the position "Accrued expenses" in the same amount.

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

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 31.12.2016, these shares were not transferred to World Markets AG. Management considered that no value adjustment is considered necessary.

2.3 Loans

Loans	2016	2015
Loan to F.I.T Timber Ltd	19 102 146	18 014 517
Value adjustments loan to F.I.T Timber Ltd.	-9 007 259	-9 007 259
Loan to F.I.T. Timber Participações S.A.	77 723	76 259
Total Value Loans	10 172 610	9 083 517

For the year ended 31.12.2015, a value adjustment to the loan to F.I.T. Timber Ltd was necessary as there was only limited information about the financials of F.I.T. Timber Ltd. available. As by previous reports and recent distributed business plans, management considered that no further value adjustments are necessary. For the year ended 31.12.2016, the situation is unchanged, there was no additional financial information available. Based on the received reports, management still considers that no further value adjustments are necessary. The increase in the loan compared to prior year is due to interest, no further loan was agreed upon.

The F.I.T. Timber Participações S.A. is a subsidiary of F.I.T. Timber Ltd. As by previous reports and recent distributed business plans, management considers that no value adjustments are necessary.

The loan to F.I.T. Timber Participações S.A. was issued in USD. As per accounting principles, the position was translated to CHF with year-end rates. The initially granted loan is unchanged to prior year.

2.4 Securities

Securities	2016	2015
<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>	8 261 983	8 106 310
Book Value	<u>8 261 983</u>	<u>8 106 310</u>
Total Value Securities	8 261 984	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.

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 does not exceed 20%.

2.5 Long term receivables from related company

Long term receivable from related company	2016	2015
Receivable from Sustainable Investments Ltd, St. Vincent & the Grenadines (formerly: F.I.T. Management Ltd, St. Vincent & the Grenadines)	3 801 387	3 728 127
Value adjustment	- 84 000	- 84 000
Total Value Long term receivables from related company	3 717 387	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. 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. Business services amounting to kUSD 2 were performed in the current financial year which increased the loan slightly.

2.6 Investments

Investments	2016	2015
<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%

For the year ended December 31, 2015, only limited financial information about 4WM Engineering & Consulting AG was available. Therefore, the position was fully impaired and valued at CHF 1. In financial year 2016, Management received full access to the financial information about 4WM Engineering & Consulting AG. According to the information received, a reduction of the value adjustment would have been possible. However, as it is

currently unclear if this increase in equity is sustainable, Management still applied a full value adjustment for the financial year 2016.

2.7 Short-term, interest bearing borrowings

Short-term, interest bearing borrowings	2016	2015
Loans originally denominated in USD	8 962 411	7 966 515
Loans originally denominated in CHF	343 881	322 215
Total short-term, interest bearing borrowings	9 306 293	8 288 730

The short-term, interest bearing borrowings denominated in foreign currency were translated to CHF with year-end rated.

As per Loan Agreement of the loans originally denominated in USD, kCHF 8 962 (2015: kCHF 7 967) are due. Therefore it is shown as short term liability.

As per Loan Agreement of the loans originally denominated in CHF, kCHF 344 (2015: kCHF 322) can be deemed due by the creditor and therefore is shown as short term liability. As per 31.12.2016, this loan was not deemed due by the creditor.

2.8 Long-term, interest bearing borrowings

Long-term, interest bearing borrowings	2016	2015
Loans in CHF	3 492 537	3 048 962
Loans in EUR	2 987 357	2 712 894
Loans in USD	4 074 081	3 675 448
Total long-term, interest bearing borrowings	10 553 975	9 437 304

The long-term, interest bearing borrowings denominated in foreign currency were translated to CHF with year-end rated.

As per Loan Agreement, all of the loans can be deemed due by the creditor. However, management sees these borrowings as long-term borrowings and discloses them accordingly. As per 31.12.2016, none of these loans were deemed due by the creditor.

2.9 Changes in shareholder's equity

	Share capital	Legal res from share premium	Free res. From share premium	Legal Reserve	Deficit	Total Equity
1. January 2015	6 526 934	2 848 642	42 523 305	414 826	-47 326 586	4 987 121
Loss of the year					- 976 877	- 976 877
31. December 2015	6 526 934	2 848 642	42 523 305	414 826	-48 303 463	4 010 244
1. January 2016	6 526 934	2 848 642	42 523 305	414 826	-48 303 463	4 010 244
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

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 this shareholder in relation to this loan.

As at 31 December 2015, the Company had an outstanding loan of CHF 7 996 515 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 this shareholder in relation to such loan.

3.2 Average full-time employees

The company did not have any employees in 2016 and 2015.

3.3 Extraordinary and prior period positions

The prior year extraordinary expenses (kCHF 10) are mainly related to a prepayment which is considered not to be recoverable.

3.4 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 2016 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.

3.5 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.