SUNVESTA, INC.
QUARTERLY REPORT
FOR THE PERIOD ENDED
JUNE 30, 2018

TABLE OF CONTENTS

1. Name of the Issuer and its predecessors (if any)

SunVesta, Inc. (“SunVesta”) was incorporated in the State of Florida on September 12, 1989.

2. Address of the Issuer’s principal executive offices

SunVesta’s principal place of business is located at Seestrasse 97, Oberrieden, Switzerland CH-8942 and its telephone number is + 41 43 388 40 60.

SunVesta’s registered agent is Hubco Registered Agents Services, Inc., located at 155 Office Plaza Drive, first Floor, Tallahassee, Florida, 32301. Hubco’s telephone number is (800) 443-8177.

3. Security Information

Securities:

SunVesta trades on the OTC Pink electronic trading platform under the symbol “SVSA”.

Common Stock

SunVesta has one class of equity securities outstanding titled “common stock”. The CUSIP is 86801L103.

SunVesta has 107,241,603 shares of fully paid and non-assessable common stock issued and outstanding of the 200,000,000 shares of common stock, par value $0.01, authorized. The holders of the common stock are entitled to one vote for each share held of record on all matters submitted to a vote of stockholders. Holders of the common stock have no pre-emptive rights and no right to convert their common stock into any other securities. There are no redemption or sinking fund provisions applicable to the common stock.

Preferred Stock

SunVesta has one class of equity securities outstanding titled “preferred stock”.

SunVesta has 0 shares of fully paid and non-assessable common stock issued and outstanding of the 50,000,000 shares of preferred stock, par value $0.01, authorized.

Stock Options

SunVesta has adopted *“The SunVesta, Inc. 2013 Stock Option Plan”* pursuant to which it can grant up to 50,000,000 options to purchase shares of its common stock to employees, directors, officers, consultants or advisors on the terms and conditions set forth therein. Options outstanding vest on the satisfaction of certain performance criteria and may be exercised within ten years of the date of grant. SunVesta has granted options to purchase 20,000,000 shares of its common stock at an exercise price of $0.05 per share, none of which options have vested.

Transfer Agent:

Standard Registrar & Transfer Company
440 East 400 South, Suite 200, Salt Lake City, Utah 84111
(801) 571-8844

Standard Registrar & Transfer Company is registered under the Securities and Exchange Act.

Restrictions on the transfer:

None.

Trading Suspension Orders Issued by the SEC in the past 12 months:

None.

Stock split, stock dividend, recapitalization, merger, acquisition, or reorganization either currently anticipated or occurred within the past 12 months:

None.

4. Issuance History

Changes in total shares outstanding of SunVesta in the past two years and any interim period including all offerings of equity securities, debt convertible into equity securities, and all shares or any other securities or options to acquire such securities issued for service describing (1) the securities, (2) the persons or entities to whom such securities were issued and (3) the services provided by such persons or entities:

Securities	Offeree	Service	Date
2,500,000 common stock	Hans Rigendinger	CEO employment agreement	11/08/16
200,000 common stock	Jose Maria Figueres	Director service	11/08/16
200,000 common stock	Howard Glicken	Director service	11/08/16
2,500,000 common stock	Hans Rigendinger	CEO employment agreement	12/27/17
2,500,000 common stock	Hans Rigendinger	CEO employment agreement	05/31/18

5. Financial Statements

SunVesta's condensed consolidated interim financial statements including the accountant's compilation report are attached to this report in appendix.

6. Issuers Business Products and Services

Business Operations
SunVesta is developing a five-star luxury hotel and resort on 22.5 hectares of prime land located in Guanacaste Province, Costa Rica to be known as the Papagayo Bay Resort & Luxury Villas. All planning and permitting for the project is in place. Furthermore, all significant site work is complete. Vertical construction will commence as soon as the financing is secured. The Papagayo Bay Resort is expected to open in 2021. A start to vertical construction and the expected opening date are subject to SunVesta's ability to secure sufficient capital commitments to finish the project.

SIC Code

Standard Industrial Classification (SIC) Code: 7011 Hotels and Motels (which includes resorts as well as ski lodges and ski resorts)

SunVesta's year end is December 31.

7. Issuer's Facilities

Costa Rican Properties

SunVesta owns the concession rights for approximately 22.5 hectares of undeveloped prime land in Guanacaste Province, Costa Rica that were purchased for $19,700,000.

Executive Offices

SunVesta maintains an office at Seestrasse 97, Oberrieden Switzerland CH-8942 on a leasehold basis with an annual rental expense of $130,000 per annum through December 31, 2019.

8. Officer's Directors and Control Persons

The following table sets forth the name, and position of each director, executive officer, general partners and control persons (control persons are beneficial owners of more than five percent (5%) of any class of SunVesta's equity securities, as of the date of this report.

Name	***Positions Held***
Hans Rigendinger	Chief Executive Officer, Chief Financial Officer, and Director
Dr. Max Rössler	Director
Humberto Pacheco	Director

Involvement in Certain Legal Proceedings

During the past five years there are no events that occurred related to an involvement in legal proceedings that are material to an evaluation of the ability or integrity of any of SunVesta's directors, executive officers, general partners and control persons.

Beneficial Shareholders

Name, address and shareholdings owned by all persons beneficially owning more than ten percent (10%) of any class of SunVesta's equity securities.

Names and Addresses of Managers and Beneficial Owners	***Title of Class***	***Number of Shares***	***Percent of Class***
Hans Rigendinger (1) 97 Seestrasse CH-8942 Oberrieden, Switzerland	Common Stock	40,078,860	37%
Dr. Max Rössler (2) 97 Seestrasse CH-8942 Oberrieden, Switzerland	Common Stock	11,000,000	10%

(1) Mr. Rigendinger holds 10,000,000 unvested stock options granted pursuant to the 2013 SunVesta Stock Option Plan, to purchase additional shares of SunVesta's common stock at an exercise price of $0.05, subject to vesting based on the achievement of certain milestones tied to the development of the Papagayo Bay Resort.

(2) Dr. Rössler holds 10,000,000 unvested stock options granted pursuant to the 2013 SunVesta Stock Option Plan, to purchase additional shares of SunVesta's common stock at an exercise price of $0.05, subject to vesting based on the achievement of certain milestones tied to the development of the Papagayo Bay Resort.

9. Third Party Providers

Name, address, telephone number, and email address of each of the following outside providers that advise SunVesta on matters related to operations, business development and disclosure.

Accountant

TreuVision AG
Wilfriedstrasse 12 CH-8032
Zurich
Switzerland
+41 43 222 59 99
info@treuvision.ch

Legal Counsel

Orsa & Company
700 Lavaca Street, Suite 1400
Austin
Texas 78701
(801) 232 7395
ruairidh@orsacompany.com

10. Issuer Certification

I, Hans Rigendinger, certify that:

1. I have reviewed this quarterly disclosure statement of SunVesta, Inc;

2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and

3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present, in all material respects the financial condition, results of operations and cash flows of Allied Resources, Inc. as of, and for, the periods presented in this disclosure statement.

August 13, 2018

Hans Rigendinger
Chief Executive Officer

Hans Rigendinger
Chief Financial Officer

Appendix

On the following pages you will find the accountant's compilation report and the condensed consolidated interim statements.

Perspective. Progress. Personality.

TREUVISION

SunVesta, Inc.

Accountants' Compilation Report
Condensed Consolidated Interim Financial Statements
June 2018

www.treuvision.ch

To the Board of Directors and
Stockholders of SunVesta, Inc.
CH-4942 Oberrieden

ACCOUNTANT'S COMPILATION REPORT
AUGUST 13, 2018

We have compiled the accompanying condensed consolidated interim financial statements of SunVesta, Inc. and its subsidiaries (the Group), which comprise the consolidated balance sheet as of June 30, 2018 and December 31, 2017, and the related statements of comprehensive loss, stockholder's deficit, cash flows and notes for the six-month periods ended June 30, 2018 and 2017. We have not audited or reviewed the accompanying condensed consolidated interim financial statements and, accordingly, do not express an opinion or provide any assurance about whether the condensed consolidated interim financial statements are in accordance with accounting principles generally accepted in the United States of America.

Management is responsible for the preparation and fair presentation of the condensed consolidated interim financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the condensed consolidated financial statements.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of condensed consolidated interim financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the condensed consolidated interim financial statements.

We are not independent with respect to SunVesta, Inc. because we performed accounting services in the financial statements closing process for the Group.

/s/TreuVision AG
Zurich, Switzerland

SunVesta, Inc.
and its subsidiaries

Condensed consolidated interim financial statemements
June 2018

August 14, 2018

SunVesta, Inc.

Consolidated balance sheets
as at June 30, 2018 and December 31, 2017

		June 30, 2018 (unaudited)	December 31, 2017 (audited)
Assets			
Current assets			
Cash and cash equivalents		4,345,641	4,058,982
Other assets		633,384	772,182
Total current assets	$	**4,979,025**	**4,831,164**
Non-current assets			
Property and equipment - net		82,146,077	76,423,695
Deposits related to construction work		636,518	851,665
Restricted cash		1,668,052	1,669,917
Total non-current assets	$	**84,450,648**	**78,945,277**
Total assets	$	**89,429,672**	**83,776,440**
Liabilities and stockholders' deficit			
Current liabilities			
Accounts payable		1,212,316	1,796,916
Accrued expenses		2,782,423	3,083,131
Other liabilities		50,591	28,720
Convertible CHF-Bonds		11,060,232	11,032,145
Liability related to conversion feature		252,564	922,087
Provisions for liquidated damages		5,120,000	5,120,000
Total current liabilities	$	**20,478,125**	**21,982,999**
Non-current liabilities			
CHF-Bonds		38,683,857	31,853,298
Notes payable to related parties not subordinated		21,643,245	20,490,817
Notes payable to related parties subordinated		81,025,237	79,339,011
Pension liabilities		207,102	210,031
Total non-current liabilities	$	**141,559,441**	**131,893,157**
Total liabilities	$	**162,037,567**	**153,876,156**
Stockholders' deficit			
Preferred stock, $0.01 par value; 50,000,000 shares authorized, no shares issued and outstanding			
Common stock, $0.01 par value; 200,000,000 shares authorized; 107,241,603 shares issued and outstanding		1,072,416	1,047,416
Additional paid-in capital		23,386,026	23,404,808
Accumulated other comprehensive income/(loss)		787,036	(769,600)
Accumulated deficit		(97,853,373)	(93,782,340)
Total stockholders' deficit	$	**(72,607,894)**	**(70,099,716)**
Total liabilities and stockholders' deficit	$	**89,429,672**	**83,776,440**

The accompanying notes are an integral part of these unaudited condensed interim financial statements.

SunVesta, Inc.

Consolidated statements of comprehensive loss
for the financial periods ended 30 June 2018 and 2017

		Three months ended		Six months ended	
		June 30, 2018 (Unaudited)	June 30, 2017 (Unaudited)	June 30, 2018 (Unaudited)	June 30, 2017 (Unaudited)
Revenues					
Revenues, net		-	-	-	-
Cost of revenues		-	-	-	-
Gross profit	$	-	-	-	-
Operating expenses					
General and administrative expenses		(992,266)	(1,137,286)	(1,945,768)	(2,513,257)
Impairment expenses		-	-	-	(280,242)
Total operating expenses	$	**(992,266)**	**(1,137,286)**	**(1,945,768)**	**(2,793,499)**
Income/(loss) from operations	$	**(992,266)**	**(1,137,286)**	**(1,945,768)**	**(2,793,499)**
Other income/(expenses)					
Interest income		17,984	13,678	36,294	30,848
Interest expense		(1,986,468)	(1,946,419)	(3,840,238)	(2,737,722)
Change in Fair Value of Conversion Feature		358,481	322,939	674,847	985,540
Gain/loss on extinguishment of debt		-	2,245,619	-	2,245,619
Exchange differences		1,676,575	(1,955,837)	707,890	(2,540,391)
Other income/(expenses)		27,294	(59,453)	295,942	(65,207)
Total other expenses	$	**93,866**	**(1,379,473)**	**(2,125,265)**	**(2,081,313)**
Loss before income taxes		**(898,400)**	**(2,516,759)**	**(4,071,033)**	**(4,874,812)**
Income Taxes		-	(85,133)	-	(85,133)
Net income/(loss)	$	**(898,400)**	**(2,601,892)**	**(4,071,033)**	**(4,959,945)**
Comprehensive income/(loss)					
Foreign currency translation		3,915,083	(3,750,983)	1,556,636	(5,031,479)
Comprehensive income/(loss)	$	**3,016,683**	**(6,352,875)**	**(2,514,397)**	**(9,991,424)**
Earnings/(loss) per common share					
Basic and diluted	$	(0.01)	(0.02)	(0.04)	(0.05)
Weighted average common shares					
Basic and diluted		**107,241,603**	**104,741,603**	**107,241,603**	**106,487,853**

The accompanying notes are an integral part of these unaudited condensed interim financial statements.

SunVesta, Inc.

Consolidated statements of stockholder's deficit for the financial period ended 30 June 2018

	Common Stock	Additional Paid-in Capital	Accumulated Other Comprehensive Loss	Accumulated deficit	Total Stockholders' Deficit
January 1, 2018	**$ 1,047,416**	**$ 23,404,808**	**$ (769,600)**	**$ (93,782,340)**	**$ (70,099,716)**
Translation adjustments	-	-	1,556,636	-	1,556,636
Net loss	-	-	-	(4,071,033)	(4,071,033)
Stock based compensation expense	-	6,218	-	-	6,218
Increase in share capital	25,000	(25,000)	-	-	-
June 30, 2018	**$ 1,072,416**	**$ 23,386,026**	**$ 787,036**	**$ (97,853,373)**	**$ (72,607,894)**

The accompanying notes are an integral part of these unaudited condensed interim financial statements.

SunVesta, Inc.

Consolidated statements of cash flows
for the financial periods ended 30 June 2018 and 2017

		January 1 to June 30, 2018 (Unaudited)	January 1 to June 30, 2017 (restated*) (Unaudited)
Cash flows from operating activities			
Net loss	$	(4,071,035)	(4,959,944)
Adjustments to reconcile net loss to net cash			
Depreciation and amortization		52	19,625
Impairment expenses		-	269,695
Amortization of debt issuance costs, commissions and		397,137	783,077
Accrued interest on debt		3,602,164	2,186,431
Extinguishment of debt		-	(2,245,620)
Unrealized exchange differences		(760,263)	2,628,982
Stock compensation expense		6,218	68,905
Capitalised interest on construction in process		(1,865,386)	(1,931,989)
Other income related to conversion feature		(674,847)	(1,025,698)
Cash flow impact of increase / decrease in:			
Other assets		132,827	(62,581)
Accounts payable		(583,399)	(1,686,583)
Accrued expenses		(243,730)	(284,222)
Other liabilities		23,103	23,982
Net cash used in operating activities	**$**	**(4,037,158)**	**(6,215,938)**
Cash flow from investing activities			
Payments to acquire property, plant and equipment		(3,641,910)	(1,957,931)
Proceeds from sale of property, plant and equipment		-	32,260
Deposits related to construction		-	190,002
Net cash used in investing activities	**$**	**(3,641,910)**	**(1,735,669)**
Cash flows from financing activities			
Proceeds from notes payable related parties		8,044,902	12,080,699
Proceeds from bond issuance, net of commissions and debt issuance costs		(1,055)	548,121
Repayment of bonds		-	(2,305,714)
Proceeds from note payable and other debt		-	525,055
Repayments of note payable and other debt		-	(1,000,000)
Net cash provided by financing activities	**$**	**8,043,847**	**9,848,162**
Effect of exchange rate changes		(79,985)	88,024
Net increase / - decrase in cash		**284,794**	**1,984,578**
Cash and cash equivalents incl. restricted cash, beginning of period		5,728,898	2,473,492
Cash and cash equivalents incl. restricted cash, end of period	**$**	**6,013,693**	**4,458,070**

Additional information	January 1 to June 30, 2018	January 1 to June 30, 2017
Increase of CHF Bond III by debiting loan due to Global Care AG (non-cash)	7,381,864	-
Transfer of Convertible CHF-Bond II to CHF-Bond IV (non-cash)	-	26,091,605
Transfer of Convertible CHF-Bond II to notes payable to Global Care AG (non-cash)	-	1,564,444
Interest paid	1,807,000	1,020,671

* Restatement due to new requirement to include restricted cash in the reconciliation of cash and cash equivalents at the beginning and end of the period. Please also see note 9.

The accompanying notes are an integral part of these unaudited condensed interim financial statements.

1 Corporate information

On August 27, 2007, SunVesta Inc. ("Company") acquired SunVesta Holding AG ("SunVesta AG"). SunVesta AG has two wholly-owned subsidiaries: SunVesta Projects and Management AG, a Swiss company and SunVesta Holding España SL, a Spanish company which wholly-owns SunVesta Costa Rica SA, a Costa Rican company.

The Company is focused on the development of a holiday resort in Costa Rica. Planning for this project has been fully completed, all required permits have been granted, and excavation work is near completion. The Company is in the process of securing financing for the project and has not realized revenue to date. Since the financing of the project is not complete, the Company's activities are subject to significant risks and uncertainties.

These consolidated financial statements are prepared in US Dollars on the basis of generally accepted accounting principles in the United States of America ("US GAAP").

2 Going concern

The Company is in the process of developing a hotel project in the Papagayo Gulf Tourism area of Guanacaste, Costa Rica known as the Papagayo Bay Resort & Luxury Villas ("Papagayo Bay Resort"). The project is expected to open in 2021. Until the completion of the project, the following expenditures are estimated to be incurred:

a.	Project cost	$	240,000,000
b.	Overhead expenses		20,000,000
c.	Total, excluding other potential projects	$	260,000,000

Sixty to seventy percent of the net project cost is intended to be financed through the issuance of secured debt facilities, for which negotiations are in progress. The remaining thirty to forty percent of the net project cost, as well as non-recuperated overhead expenses are intended to be financed by the main shareholders or lenders of the project, i.e Hans Rigendinger, shareholder, Company Director and Chief Executive Officer, and Dr. Max Rössler, controlling shareholder of Aires International Investment Inc. and Global Care AG, as well as a Company Director.

On July 16, 2012, certain principal shareholders of the Company or principal lenders to the project entered into a Guaranty Agreement in favour of the Company. The purpose of the guaranty is to ensure that until such time as financing is secured for the entire project that each will act as guarantors to creditors of SunVesta Holding AG.

The Guaranty Agreement requires that within 30 days of receiving a demand notice, requested funds are made available by the guarantors to the Company. Based on this guaranty, management believes that available funds are sufficient to finance cash flows for the twelve months subsequent to June 30, 2018, and the filing date, though future anticipated cash outflows for investing activities are dependent on the availability of financing.

On September 22, 2015, the signatories to the guaranty formally agreed to maintain the guaranty, as necessary, until December 31, 2018.

On October 28, 2016, Hans Rigendinger and Dr. Max Rössler formally agreed to maintain the guaranty, as necessary, until completion of the construction of the Papagayo Bay Resort, after which date the guaranty will expire.

3 Property & equipment

		June 30, 2018	December 31, 2017
Concession Land	$	19,700,000	19,700,000
IT Equipment		227,601	230,820
Other equipment and furniture		227,636	230,836
Leasehold improvements		76,193	77,271
Construction in-process [1]		62,445,167	56,722,733
Gross		**82,676,598**	**76,961,659**
Less accumulated depreciation		(530,521)	(537,965)
Net	**$**	**82,146,077**	**76,423,694**
Depreciation expenses for the period ended June 30, 2018 and December 31, 2017		53	39,562
[1] Breakdown of construction in-process:			
– Capitalised interest		18,088,863	16,223,483
– Other project cost		44,356,304	40,499,250
Total construction in-process		**62,445,167**	**56,722,733**

The concession land comprises approximately 224'000 m^2 of land for the Papagayo Bay Resort and will remain secure until 2052. According to current legislation in Costa Rica the concessions can then be extended.

The construction in process through June 30, 2018 and December 31, 2017, is represented primarily by architectural work related to the Papagayo Bay Resort as well as excavation and infrastructure work, and capitalised interest expenses.

Deposits related to construction work:
The Company placed deposits with contractors for excavation and infrastructure work to be offset against invoices as work is completed. As of June 30, 2018 and December 31, 2017, the Company had deposits of $636,518 and $851,665 respectively, which have not yet been set off.

4 Borrowings

Changes in the amounts borrowed between January 1, 2018 and June 30, 2018, were as follows:

	CHF Convertible Bonds		CHF Non-Convertible Bonds				
	Convertible CHF-Bond I (2015-2018) $	Convertible CHF-Bond II (2015-2018) $	CHF-Bond III (2016-2020) $	CHF-Bond IV (2017-2022) $	Conversion Feature $	Notes payable to related parties $	Total $
Balances January 1, 2018	2,270,618	8,761,527	4,652,406	27,200,893	922,087	99,829,827	143,637,358
Increase, net of transaction cost	-	-	-	(1,055)	-	8,044,902	8,043,847
Repayments	-	-	-	-	-	-	-
Amortization transaction cost	37,260	170,810	28,169	160,898	-	-	397,137
Accrual of interest	-	-	-	-	-	3,602,164	3,602,164
Exchange of debt instruments (non-cash transactions)	-	(21,091)	7,381,864	21,091	-	(7,381,864)	0
Change in Conversion liability due to volume change	-	-	-	-	-	-	-
Change in Conversion liability due to valuation	-	-	-	-	(674,847)	-	(674,847)
Extinguishment of dept	-	-	-	-	-	-	-
Foreign exchange differences	(32,707)	(126,185)	(375,752)	(384,656)	5,323	(1,426,548)	(2,340,524)
Balances June 30, 2018	**2,275,171**	**8,785,061**	**11,686,686**	**26,997,171**	**252,564**	**102,668,482**	**152,665,135**
- thereof subordinated	-	-	-	-	-	81,025,237	81,025,237
- thereof not subordinated	2,275,171	8,785,061	11,686,686	26,997,171	252,564	21,643,245	71,639,898
- thereof current liabilites	2,275,171	8,785,061	-	-	252,564	-	11,312,796
- thereof non-current liabilites	-	-	11,686,686	26,997,171	-	102,668,482	141,352,339

The Company's financial liabilities measured at fair value on a recurring basis consisted of the liability related to conversion feature. The fair value of the liability is classified as Level 3 in the fair value hierarchy and determined using a Black-Scholes model to calculate the option value at each reporting date and multiplied by the number of potentially convertible shares. The assumptions as of June 30, 2018 were as follows:

Stock Price: CHF 5.08	Annualized Risk Free Rate:	0.001%
Exercise Price: CHF 8	Annualized Volatility:	80%
Time to Maturity: 0.25 years		

The assumptions as of December 31, 2017 are as follows:

Stock Price: CHF 5.08	Annualized Risk Free Rate:	0.001%
Exercise Price: CHF 8	Annualized Volatility:	80%
Time to Maturity: 0.75 years		

5 General and administrative expenses

General and administrative expenses are comprised of the following:

	Three-month period ended June 30, 2018 $	Three-month period ended June 30, 2017 $	Six-month period ended June 30, 2018 $	Six-month period ended June 30, 2017 $
Rental & related expenses	32,645	36,993	66,356	76,112
Audit	11,200	49,996	70,348	149,606
Consulting	550,733	483,582	1,004,835	1,179,333
Marketing, Investor & public relations	152	17,742	152	28,242
Travel expenses	41,431	172,548	120,210	306,506
Personnel costs including social security's costs and share based remuneration	206,837	230,435	419,640	513,968
Office expenses	1,265	-	6,112	203
Various other operating expenditures	148,003	145,991	258,116	259,286
Total according statement of comprehensive loss	**992,266**	**1,137,286**	**1,945,768**	**2,513,257**

6 Opening date "Paradisus Papagayo Bay Resort & Luxury Villas"

Dated April 27, 2016, the Company amended its agreement with Meliá ("Seventh addendum to the management agreement of March 8, 2011") to postpone the opening date as follows:

a. New completion date: September 15, 2018 (subject to force majeure)

b. Should the completion not occur by September 15, 2018 and should the parties not have agreed in writing an extension to such date, after September 15, 2018, the Company would be obligated to pay Melía a daily amount of $2,000 as liquidated damages.

c. Should the completion not occur by November 15, 2018, Meliá would be entitled to terminate the agreement and receive from the Company $5,000,000 in liquidated damages, unless the parties agree in writing to extend the completion date.

On July 10, 2018, a conciliation agreement was signed between Meliá and SunVesta, that terminated the existing management agreement. On July 11, 2018, the first $1 million of a total of $5.12 million obligation in accrued liquidated damages was paid to Meliá.

7 Earnings per share

The following table shows the number of stock equivalents of the Company that were excluded from the computation of diluted earnings per share for the respective period because the effect would have been anti-dilutive.

	Three-month period ended June 30, 2018 $	Three-month period ended June 30, 2017 $	Six-month period ended June 30, 2018 $	Six-month period ended June 30, 2017 $
Options to Directors	20,000,000	20,000,000	20,000,000	20,000,000
Total Options	**20,000,000**	**20,000,000**	**20,000,000**	**20,000,000**
Shares to directors	-	2,900,000	-	2,900,000
Shares to third parties	-	-	-	-
Total Shares	**-**	**2,900,000**	**-**	**2,900,000**
Total Options and shares	**20,000,000**	**22,900,000**	**20,000,000**	**22,900,000**

A number of 1,380,863 stock equivalents of SunVesta Holding AG associated with the Convertible CHF Bond were excluded from the computation of diluted earnings per share for the reporting period, because the effect would have been anti-dilutive (1,492,053 for the comparative period).

8 Subsequent events

Management has evaluated subsequent events after the balance sheet date, through the issuance of the financial statements, for appropriate accounting and disclosure. The Company has determined that, except for what is mentioned in note 6 above, there are no events that warrant disclosure or recognition in the financial statements.

9 Basis of preparation of this report

This unaudited condensed consolidated interim financial report has been prepared in accordance with accounting principles generally accepted in the United States ("U.S. GAAP"). The interim report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended December 31, 2017 and any public announcements made by our Company during the interim reporting period.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

Due to rounding, the sum of individual positions may be higher or lower than 100%.

New and amended standards adopted by the Company

There were no new and amended standards adopted by the Company for the first time in this reporting period which had a material impact on the Company’s unaudited condensed consolidated interim financial statement except the following:

In November 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Updates ASU 2016-18, requiring that restricted cash and restricted cash equivalents be included with cash and cash equivalents when reconciling the beginning-of-period and end-of- period total cash amounts shown on the statement of cash flows. Consequently, transfers between cash and restricted cash is not presented as a separate line item in the operating, investing or financing sections of the cash flow statement. The amendments were effective for public business entities for fiscal years beginning after December 15, 2017, and interim periods within those fiscal years. The Company considers that ASU 2016-18 has had only a limited impact on the presentation of the statement of cash flows.

New standards and interpretations not yet adopted

Several new standards and amendments to standards and interpretations are effective for annual periods beginning after the closing date of this report and have not been applied in preparing these unaudited condensed consolidated interim financial statements:

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update 2016-02, Leases (Topic 842). The standard requires the recognition of lease assets and lease liabilities by lessees for those leases classified as operating leases. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition. The standard requires lessors to classify leases as either sales-type, finance or operating. A sales-type lease occurs if the lessor transfers all the risks and rewards, as well as control of the underlying asset, to the lessee. If risks and rewards are conveyed without the transfer of control, the lease is treated as a financing lease. If the lessor does not convey risks and rewards or control, an operating lease results. The standard will become effective for the Company beginning January 1, 2019. The Company is currently assessing the impact that the adoption of this standard will have on its consolidated results of operations, financial condition, cash flows, and financial statement disclosures.

In June 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Updates ASU 2016-13, Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments, requiring certain changes to the recognition and measurement as well as disclosure of incurred and expected credit losses. The standard will become effective for the Company beginning January 1, 2020. The Company is currently assessing the impact that the adoption of this standard will have on its consolidated results of operations, financial condition, cash flows, and financial statement disclosures.

In July 2017, the Financial Accounting Standards Board (FASB) issued Accounting Standards Updates ASU 2017-11, requiring certain changes to the presentation and disclosures of changes to liability or equity classification of financial instruments. The amendments are effective for public business entities for fiscal years beginning after December 15, 2018, and interim periods within those fiscal years. The Company is currently assessing the impact that the adoption of this standard will have on its consolidated results of operations, financial condition, cash flows, and financial statement disclosures.

In June 2018, the Financial Accounting Standards Board (FASB) issued Accounting Standards Updates ASU 2018-07, requiring certain changes to nonemployee share-based payment accounting. The amendments are effective for public business entities for fiscal years beginning after December 15, 2018, and interim periods within those fiscal years. The Company is currently assessing the impact that the adoption of this standard will have on its consolidated results of operations, financial condition, cash flows, and financial statement disclosures.