

**UNITED STATES OF AMERICA SECURITIES AND EXCHANGE COMMISSION  
Washington, DC, 20549**

**FORM 1-K  
Annual report**

**ANNUAL REPORT IN ACCORDANCE WITH REGULATION A OF THE SECURITIES ACT  
FOR year ended December 31, 2019**

**Del Mar Energy Inc.**

(The exact name of the company indicated in its articles of association)

**Texas**

(State or other jurisdiction of registration or organization)

**3315 Enterprise Drive, Rowlett, Texas, 75088**

(Full postal address of the Chief Executive Office)

**(940) 202-0502**

(The issuer's phone number, including the area code)

**Caution regarding forward-looking statements**

In this annual report on Form 1-K (the "Annual Report"), we make statements that, in accordance with federal law, are forward looking statements. The words "predict", "believe", "estimate", "potential", "projected", "expect", "anticipate", "intend", "plan", "strive", "may", "could" and similar expressions or statements relating to future periods are intended to define forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause our actual results, performance or achievements, as well as industry performance, to differ materially from any projections of future results, performance or achievements that we express or imply in this annual report or in the information included in this annual report by reference.

The forward-looking statements included in this annual report are based on our current expectations, plans, estimates, assumptions and beliefs, which involve numerous risks and uncertainties. Assumptions related to the above include judgments regarding, among other things, future economic, competitive and market conditions and future business decisions that are difficult or impossible to accurately predict and many of which are beyond our control.

Although we believe that the expectations reflected in such forward-looking statements are based on reasonable assumptions, our actual results and performance may differ materially from those set out in the forward-looking statements. Factors that may have a material impact on our business and future prospects include, in particular, the following:

- our ability to effectively use the funds received from our offer (the "Offer");
- risks associated with the violation of the security of our data;
- Public health crises, pandemics and epidemics, for example, caused by new strains of viruses;
- climate change and natural disasters that can negatively affect our projects and our business;

- changes in economic conditions in general and in industrial markets and private financing in particular;
- limited ability to sell assets due to the relative illiquidity of industrial projects;
- our inability to obtain the necessary external financing;
- risks associated with derivatives or hedging activities;
- high competition in the U.S. industrial market, which may limit our ability to attract or retain suppliers;
- rising interest rates and operating expenses;
- the risk associated with the possible termination or expiration of the land lease agreement;
- our inability to successfully operate or maintain projects;
- Exposure to responsibility related to environmental, health and safety issues;
- Projects that will bring the expected results;
- the level of our debt, as well as the conditions and restrictions imposed on us by our debt agreements;
- our ability to retain our executive directors and other key employees of our Owner;
- The expected rate of return provided to investors;
- the ability of our design, procurement and construction contractors, as well as equipment manufacturers, to fulfill their contracts, including guarantees and sureties;
- or changes in legislation affecting our business or our assets (including changes in corporate tax laws and regulations of the Securities and Exchange Commission ("SEC") related to Regulation A ("Regulation A") of The Securities Act of 1933 as amended or the Law of 2012 "Jumpstart Our Business Startups Act" ("JOBS Act"));
- changes in the business environment and market value of our Projects, including changes in interest rates, the risk of early repayment, default or bankruptcy of the operator or borrower, and in general an increased risk of losses if our investments do not perform as expected;
- our ability to implement effective conflict management policies and procedures interests between various industry investment opportunities sponsored by our Owner;
- our compliance with applicable local, state and federal laws, including the Investment Advisers Act of 1940, as amended (the "Consultants Act"), the Investment Companies Act of 1940, as amended, and other laws and changes in generally accepted accounting principles in the United States ("US GAAP").

Any of the assumptions underlying the forward-looking statements may turn out to be inaccurate. We caution you not to place undue reliance on any forward-looking statements included in this annual report. All forward-looking statements are made as of the date of this annual report, and the risk that actual results will differ materially from the



expectations expressed in this annual report will increase over time. Except as required by federal law, we undertake no obligation to publicly update or revise any forward-looking statements after the date of this annual report, whether as a result of new information, future events, changes in circumstances or for any other reason.

Given the significant uncertainty inherent in the forward-looking statements included in this Annual Report, including, without limitation, those set out above and set out in the "Investment Risks" section of the Offer Circular, the inclusion of such forward looking statements should not be interpreted guarantees that the goals and plans set out in this Annual Report will be achieved by us or any other person.

**Given the risks and uncertainties, do not overly rely on forward-looking statements.**

### **Paragraph 1: Business**

Del Mar Energy Inc, which we call the "Company", is an industrial holding company that operates and accepts direct investments in its own facilities in accordance with the laws of the State of Texas. The company and its current operations are managed by Michael Latham, founder and CEO of the holding company (the "Owner"). The company was established to implement and develop industrial solar, mining, road construction, oil and gas production and energy projects in the United States (each of which is a "project"). The projects will work, generate income and, in some cases, environmental goods to those parties who purchase the final objects under long-term contracts (collectively, we call those who purchase goods "Customers").

The projects will be owned by special purpose entities (each "SPE"). Currently, we assume that each SPE will also be organized as a limited liability company, often in the state of Texas. Thus, the liabilities of a project located in one SPE will not affect the assets of another project located in another SPE.

The Company usually owns 100% of the shares of each SPE, although there may be cases when the Company is a partner in an SPE with another party, for example, with a project development company (defined below). In all cases, the Company will exercise full managerial control over the SPE.

Each of our projects consists of seven large contracts, which the Owner will force the SPE to conclude:

- *Land lease:* For projects located outside the customer's territory, SPE can lease (rather than buy) the land on which the project is located under an agreement that we call a "land lease". (Note: if the project is located on the ground or roof of the customer's house, access rights to the project site are usually included in the electricity purchase and sale agreement free of charge).
- *Construction contract:* For the construction of facilities, SPE will hire a third party to provide design, procurement and construction services in accordance with the contract, which we call the "Construction Contract".
- *Electricity purchase and sale agreement:* In all cases, SPE will sell the electricity produced within the framework of the projects to consumers under an agreement, which we call an "electricity purchase and sale agreement".
- *Contract for the purchase of industrial goods:* In some cases, SPE will sell industrial goods produced within the framework of projects to customers in accordance with an agreement that we call an "Agreement for the Purchase of Industrial Goods".
- *Operation and Maintenance Agreement:* SPE will hire a third party to operate and maintain the Projects in accordance with an agreement that we call a "Project Maintenance Agreement".

- *Purchase and sale agreement:* When the Owner defines a project that, in his opinion meets the investment criteria of the company, it signs a "Purchase and Sale Agreement" on the acquisition of rights to the project from the development company.
- *Tax equality agreements:* In the United States, some projects are eligible for one or more tax benefits. These benefits reduce tax liabilities to the federal and state governments in exchange for investing in the project. In some cases, a company may enter into a partnership with an investment company specializing in equity investments to pay part of the cost of the project in exchange for tax benefits. Such equity tax investment transactions are concluded through the SPE operating agreement and other agreements defining the terms and conditions of equity tax investments. We call all agreements related to equity investments "Tax Capital Agreements". The Owner owns and manages equity investments that the Company can use to monetize tax benefits.

Although the final terms of each of the above agreements may vary from project to project, the rights and obligations of the parties are generally the same in all projects.

Revenue from our projects will consist mainly of payments that we receive from buyers under contracts for the sale of industrial goods. Projects will be profitable if their revenues exceed their expenses.

Currently, the Company plans to hold projects indefinitely, creating a reliable cash flow for Investors. However, if the company decides to sell one or more projects, the manager's experience in this industry suggests that the projects can be sold at a profit:

- *Profitability and Cash flow:* Many investment funds are looking for reliable cash flows that provide targeted returns. From the point of view of such a fund, any of the projects or even the entire portfolio of projects will be an attractive investment. Since income and most expenses are fixed in the contract, the cash flow should be predictable and stable for 20 years.
- *Project Pooling:* Some projects will be too small or unusual for institutional buyers to consider on their own. The company can combine these projects into a larger, more standardized portfolio that will be attractive to these large efficiency-oriented players. A portfolio of this size can withstand commissions and checks related to an institutional level transaction or securitization.
- *Cash flow stabilization:* When a company buys a project, it usually shares the construction risk with the development company that initiated the project. Large investors, as a rule, do not want to take on construction risk and invest only in those projects that already generate positive cash flow, which is called "stabilization". Thus, the company will purchase projects before stabilization and sell them after stabilization. The interest of institutional investors in the portfolio should increase as the portfolio stabilizes.
- *Incremental residual value:* When a company purchases a project, the valuation is based solely on the cash flows projected under the concluded lease agreements, while the residual value of the project is not assumed. There is a high probability that the project will continue to generate revenue after the expiration of the original contract in the form of contract extensions, repositioning or sale to commercial energy markets. This creates a kind of built-in "found value" for our projects, which can be realized upon sale.



## **Competition**

Our net income largely depends on our ability to find, acquire and manage investments with attractive risk-adjusted returns. We compete with many other companies engaged in industrial facilities in the American market, including individuals, corporations, private foundations and other industrial investment organizations, many of which have greater financial resources and lower cost of capital than we do. In addition, there are many companies pursuing acquisition goals similar to those of our Owner, and other companies may be organized in the future, which may increase competition for investments suitable for us. Competitive factors include market presence and visibility, the amount of capital invested in each project, and underwriting standards. If a competitor is willing to risk large amounts of capital in a particular transaction or use more liberal underwriting standards when evaluating potential investments than we do, this may affect our investments and profits. Our competitors may also be willing to accept lower returns on their investments and may succeed in acquiring assets that we have outlined for acquisition. Although we believe that we have every opportunity to compete effectively in each of our businesses, there is tremendous competition in the market, and there is no guarantee that we will be able to compete effectively or that we will not face increased competition in the future, which may limit our ability to conduct business effectively.

## **Management**

The Owner has complete freedom of action in relation to all aspects of the Company's activities. For example, the Owner may (I) admit new members to the Company; (II) enter into contracts on behalf of the Company; (III) borrow money; (IV) acquire and dispose of Projects; (V) determine the timing and amount of payments to Participants; (VI) determine the information provided to Participants; (VII) provide collateral rights and other encumbrances on the Company's Projects; and (VIII) to dissolve the company.

Investors financing projects will not have the right to vote on any issue other than the removal of the Owner.

The head may be removed from office for a "reason". The term "cause" includes:

- Irrevocable violation of the Agreement by the Owner;
- Bankruptcy of the Owner;
- A certain misconduct of the head, if the person responsible for the misconduct has not been dismissed.

Voting for the removal of the Owner for a reason must be approved by accredited Investors who have financed more than \$100,000,000 of the Company's projects. The question of whether there is a "reason" will be decided in arbitration conducted according to the rules of the American Arbitration Association, and not in court.

These provisions are mandatory for every person financing the Company's projects, including those who finance the Company's projects through third parties, *i.e.* not through the Platform.

## **Investment strategy**

The company develops most of its projects in the USA with the help of third-party organizations. companies specializing in the development of industrial facilities, which we call "development companies".

The company's relationship with development companies can take various forms. Sometimes a development company not only identifies a potential project, but also issues permits, designs and builds it. Sometimes a development company provides operation and maintenance of a project after its construction. Sometimes a development company sells a project and abandons business completely. Currently, the Owner does not have a development company in the United States, and the company acquires all projects from unrelated parties, but we can



create a development company in the country if the cost of third-party projects becomes too high, if an exceptional market opportunity arises, or if the flow of transactions is slow and additional development potential is required.

Development companies are rewarded for their work and risk. This may include developer compensation or a permanent economic stake in the SPE project.

The Owner reviews projects submitted by development companies and seeks to identify projects that provide the greatest return, taking into account the risk. In particular, we are looking for projects in the states with favorable industrial policies, projects with reliable clients and projects in which the Owner is confident of success. When we find a project that meets these basic criteria, we consider it for investment and try to conclude a purchase and sale agreement that allows the Company to obtain ownership of the project.

We believe that in the future we will be able to continue to acquire and develop new projects, which, according to our forecasts, will have the following characteristics:

- *Capacity:* We intend to focus on projects with high production capacity (NOTE. The capacity of an oil production project is determined in accordance with the "standard test conditions" established by certain laboratories around the world. The actual capacity of an oil production project varies depending on a number of factors).
- *Places:* We choose places based primarily on:
  - o Demand for the final product of production;
  - o Convenient access for maintenance;
  - o Connection points to the necessary elements;
  - o The territory contributing to the accelerated development of the site and policy at the state level that promotes the implementation of industrial projects.
- *Land rights:* Some company-owned projects will be installed on the roofs of clients' houses, others will be located on remote plots of land. In any case, the Company, or rather SPE, will receive access rights to the project ("Access Rights") for the construction and maintenance of the project. For projects located on roofs, access rights are most often granted as part of an electricity purchase agreement with the customer. For projects located on remote plots of land, SPE either acquires or leases property to ensure proper access rights protection.
- *Connecting projects to power or electricity sources:* All projects purchased or built by the company require permission to connect to the local power grid or build transport routes. Such a permit is issued by the local connecting utility company through the connection agreement and the corresponding operating permit.
- *Our own equipment:* We use our own equipment used in the solar energy industry: solar panels that convert sunlight into electrical energy, and inverters that convert direct current from panels to alternating current used in homes and businesses, oil platforms, drilling rigs and substations used in the mining industry, vehicles and construction equipment for the development of projects in our fields of activity.
- *State-level incentives and environmental goods:* In many U.S. states, there are certain incentives to encourage the development of industrial projects. There is a wide range of incentives, including exemption from facilities and sales taxes, pure energy accounting, and public energy. The company will seek to optimize these incentives at the state level to increase the expected return on investment for investors, which may include transactions with third parties for monetization.

- *Tax incentives:* In addition to the benefits provided at the state level, the U.S. Federal government has created numerous tax incentives to encourage the development of industrial projects. These benefits include an investment tax credit ("ITC"), accelerated depreciation of MACRS and bonus depreciation. The company will seek to optimize these federal benefits to increase the expected return on investment for investors, which may include transactions with third parties to monetize certain tax benefits ("Tax Capital").
- *When a Company invests in projects:* As a rule, a Company does not invest in a project until the relevant contracts specified above have been agreed and executed.

Thus, in most cases, Investors are not exposed to many risks at the project level until all these conditions are met. However, for particularly promising projects, the Company can make an exception and finance the costs at an earlier stage.

### **Investment Committee**

When we find a project that meets the basic criteria described above, we consider it for investment by a multidisciplinary committee consisting of experienced managers of the management company (the "Investment Committee"). To approve a project for financing, the unanimous approval of the project by the Investment Committee is required. To make an investment decision, the Investment Committee uses the same memorandum prepared by the Owner for each project.

### **Leverage**

According to the placement circular, the company can borrow money to invest in projects, depending on the circumstances at that time. It says that if a Company needs to implement a project quickly, and it has not yet raised sufficient capital as part of the Proposal, it can make up for the shortfall by borrowing. The Owner will make such a decision as necessary. Currently, neither the Company nor the Projects have borrowed funds.

### **Tax capital**

The Investment Tax Credit ("ITC") has established itself as one of the most important mechanisms of federal policy that stimulate industrial development in the United States. The long-term stability of this federal policy has allowed businesses to continue cutting costs. The EITC is a vivid example of a successful policy that has led to the strengthening and cleansing of the economy.

Currently, EITC is a 26% federal tax credit that is provided to offset the tax obligations of commercial investors in industrial facilities (in accordance with Section 48). In the case of a Section 48 loan, the loan is claimed by the company that installs, develops and/or finances the project.

A tax credit is a reduction in the dollar equivalent of income tax that an individual or company would otherwise pay to the federal government. The size of the EITC depends on the amount of investment in the industry. The EITC for commercial scale projects is equal to 26% of the base invested in eligible industrial facilities. Then the EITC decreases according to the following graph:

- 26% for projects whose construction will begin in 2021 and 2022
- 22% for projects whose construction will begin in 2023
- After 2023, commercial credit is reduced to a constant level of 10%.



Commercial and utility projects whose construction began before December 31, 2023, can still qualify for 26% or 22% of the EITC if they are put into operation before January 1, 2026.

In addition, the IRS is working on a broader project aimed at more clearly defining which property qualifies as industrial property under section 48.

The company invests only in industrial projects, so it will not have tax obligations sufficient to monetize tax benefits. In order to turn tax benefits into capital that can be used to build projects, the company cooperates with investors who specialize in monetizing tax benefits and are called "tax capital investors". The company essentially "exchanges" tax benefits (which usually include accelerated depreciation) with Tax Equity Investors using a special structure known as the Tax Equity Partnership Flip. Within this framework, the company and the tax capital investor create an SPE and sign a special operating agreement under which tax benefits are transferred to the tax capital investor in exchange for preliminary investments in the project.

To attract tax capital, the Company cooperates with an investor associated with the Owner. We can continue to use third-party tax capital from institutional investors as the portfolio grows and depending on which option offers the most favorable conditions for the Company.

#### **Factors that may affect the company's performance**

The ability of a company to operate successfully depends on a number of important factors, including, but not limited to:

- *Tax equality*: Since industrial projects implemented in the United States are eligible for significant tax benefits and accelerated depreciation, competition requires that each project make effective use of these tax benefits. Since the company is engaged only in industrial activities, it does not have significant tax obligations for other types of activities that could be effectively monetized tax credits, therefore, it seeks partnerships with companies with significant tax liabilities that can use tax credits in exchange for upfront cash used to reduce the amount of cash the company needs to develop and build projects. Since most developers of industrial projects require tax capital and only a relatively small number of institutional investors offer this product, there may be intense competition for the supply of tax capital. If the company is unable to raise tax capital from this select group of investors, we may not be able to develop additional projects.
- *Government policy*: Depending on the political situation, government policy may favor or hinder the development of industry. Although the presidential administration has included industrial enterprises in the planned omnibus of expenses, which may provide monetary compensation instead of an investment tax credit, such a policy has not been adopted at the time of preparation of this annual report. Instead, the administration has threatened to impose anti-washing duties on Chinese parts imported to the United States from Vietnam, Malaysia, Thailand and Cambodia, creating problems for the development of the industry.

#### **Offices and staff**

The company's offices are located at 3315 Enterprise Drive, Rowlett, TX. The number of employees of the Company in 2017 amounted to 743 people. During the year ended December 31, 2017, the Company used employees and services provided by the Owner.



## Our income

The revenue from the implementation of our projects consists mainly of payments that we receive from customers under purchase and sale agreements for the final products of our projects. The Company also receives revenue from the sale of projects and the collection of fines from contractors who have not fulfilled certain conditions stipulated in construction contracts ("Liquidation Losses").

For the fiscal year ended December 31, 2019, the company's total revenue was \$187,025,274.44, respectively. As of December 31, 2019, the company has raised financing for its facilities in the amount of USD 21,493,028.92, which is presented below:

### *Revenue recognition Amount as of 12/31/2019 Amount as of 12/31/2018*

Payments to investors	\$39,438,019	\$23,934,572
Sale of projects	\$187,025,274.44	\$144,241,510.3

Our revenue recognition policy complies with ASC-606 and consists of five steps:

Step 1: Study of financial opportunities from the implementation of the project.

Step 2: Complete calculation of the cost of the project, financing and the amount of payments to investors involved in financing

Step 3: Select the objects, the income from which will be used to pay investors

Step 4: Attracting financing for the implementation of projects, paying remuneration to investors from the profits of already implemented projects.

Step 5: Completion of the project implementation and financing stages.

## Our operating costs and expenses

The company incurs various costs and expenses, including:

- bank fees;
- legal costs;
- payments of remuneration and accrued interest to the Owner;
- payments to third parties for the operation and maintenance of Projects;
- payments to the American states in accordance with their legislation;
- debt service and transaction fees (when we borrow money at the company level);
- the cost of an annual financial audit.
- US taxes.

Projects also entail various costs and expenses, including:

- payments to third parties for the operation and maintenance of Projects;

- lease payments to landowners;
- Debt service and transaction fees (when we borrow money at the company level);
- utilities;
- Property taxes;
- bank fees;
- project insurance.

## **Paragraph 2: Management's discussion and analysis of the financial condition and results of operations**

The following discussion of our financial condition and results of operations should be read in conjunction with our financial statements and related notes contained in this annual report. The following discussion contains forward-looking statements reflecting our plans, estimates and beliefs. Our actual results may differ materially from those discussed in the "Cautionary Statement regarding Forward-looking Statements" section. Unless otherwise indicated, the latest results below relate to December 31, 2017.

### **Offer results**

On April 12, 2017, the company began accepting direct financing of its own industrial projects. The offer circular can be obtained by contacting the company. We call the clients financing the projects "Investors".

We have authorized, are allowing and will continue to authorize financing under the Offer for up to \$75 million over any rolling twelve-month period. The proposal is conducted as a continuous one in accordance with Rule 251 (d)(3) of Regulation A. As at December 31, 2017, we have raised total gross revenue of USD 106,568,625.35 through fundraising and USD 31,238,341.37 through promotional activities.

We plan to raise financing as part of our Offer until we raise the capital needed to cover capital expenditures for all projects approved by the Investment Committee. If we fully finance the costs of all projects under the Proposal, we will stop fundraising until the new project is approved by the company for investment.

### **Distributions**

For the fiscal year ended December 31, 2017, the company accepted financing totaling \$23,154,098 and generated revenue of \$106,568,625.35.

As at December 31, 2017, the company's assets amounted to \$38,686,103, including projects owned by the company worth \$37,459,543.3, and current assets on the balance sheet - \$1,226,559.7. The liabilities amount to \$51,788.42.

### **Liquidity and capital resources**

We depend on the net proceeds from financing for the implementation of our proposed investments. We will receive the capital necessary to acquire new projects and conduct our business from proceeds from the Offer and any future offers that we may hold, from secured or unsecured financing from private investors and other creditors, as well as from undistributed funds from our activities. As at December 31, 2017, the Company's cash assets amounted to 594,126.87 USD. If the capital raised during the placement turns out to be insufficient for the construction of future projects, we can raise additional capital to compensate for the difference.



### **Prospects and recent trends**

In addition to the trends and factors that will affect the success of the company, discussed in this annual report and in the section " INVESTMENT RISKS" in the Offer Circular, the company is not aware of any trends, uncertainties, claims, obligations or events that are likely to have a significant negative impact on our revenues, profits from continuing operations, profitability, liquidity or capital resources. However, we warn that any of the points discussed in this annual report and in the section "INVESTMENT RISKS" of the offer circular may have a significant negative impact.

### **Accounting method**

The compensation described in this section has been calculated on an accrual basis.

### **Paragraph 3: Managers and key staff**

<b>Executive Team</b>		
Name	Position	
Richard Bowman	Chief Financial Officer	Full-time employment
Gregory Hall	Chief Technical Officer	Full-time employment
Patrick Fisher	Director of Land and Title Rights	Full-time employment

<b>Executive Officers</b>		
Linda Harper	Capital Markets Specialist	
Adam Adderiy	Investor Relations Manager	Full-time employment
Andrew Lee	Top Manager of Customer Service Department	Full-time employment
Patrick Fisher	Investor Relations Specialist	Full-time employment

### **Management experience**

#### *Richard Bowman*

At one time, he held the position of senior manager in the financial department of a large international holding company Marathon Oil, where he earned a reputation as an uncompromising professional. Thanks to his strategic thinking and ability to make informed decisions, the company's market value has grown by an impressive \$6 billion under his leadership. Richard has implemented reforms that have significantly improved financial performance and optimized costs, which has led to increased trust from shareholders and partners.

When he joined Del Mar Energy Inc., he already had a unique set of skills and ambitions. From the very beginning, Richard has been analyzing market trends and identifying new growth opportunities. He initiated several projects using innovative technologies that allowed the company to increase revenue by 12% in a short period of time.

Progressive ideas and a deep understanding of the energy sector have allowed Del Mar Energy Inc. to enter new markets and strengthen its position in existing ones. Richard continues to actively develop the company, striving to make it an industry leader, and is not going to stop there.

*Gregory Hall Chief Technical Officer*

It was this man who in 2012 insisted on the creation of scientific and technical centers that We have turned around the approach of Del Mar Energy Inc. to the development and implementation of advanced technologies.

Gregory realized that in order for the company to remain competitive in the global market, in the energy market, she had to rely on innovation and research. She recruited the best scientists and engineers, forming teams that focused on research in the field of renewable energy sources, production optimization and the development of new technologies for the extraction and processing of oil and gas.

The creation of these scientific and technical centers was a key factor that allowed Del Mar Energy Inc. to make a qualitative leap in the development of its technologies. Gregory personally supervised the process He was responsible for the launch of the centers, supervised the recruiting of specialists and ensured close interaction between scientists and business units of the company, which made it possible to turn ideas into real commercially successful products. In particular, under his leadership, the company launched several projects that significantly reduced production costs and reduced its carbon footprint.

Gregory has become the epitome of the company's technological heyday. Thanks to his passion for innovation and constant pursuit of excellence, Del Mar Energy Inc. He remains an industry leader, continuing to surprise competitors and investors with his technological achievements. Every year he confirms his status as an "innovative leader", which strengthens his reputation and makes him a key figure in the success of the company.

*Patrick Fisher*

Patrick graduated from high school in San Diego, where he actively participated in school activities and was fond of sports, especially football and swimming. Moving to Hawaii marked the beginning of a new stage in his life, and he chose Honolulu Community College to continue his education. During his studies, he became interested in business and economics, which led him to choose a future direction.

After graduating, Patrick enrolled at the University of Hawaii at Manoa, where he decided to specialize in business administration. There he not only studied, but also actively participated in student life, was elected to the student Senate, where he defended the interests of his classmates and helped organize various university events. At the same time, he worked as a tutor, helping undergraduate students study subjects related to business and management.

In the classroom, he proved himself to be a diligent and purposeful student, actively participating in discussions and always striving to understand the practical side of business. Thanks to his experience as a student senator, Patrick has learned how to communicate effectively, resolve conflicts and manage projects. Working as a tutor not only helped him consolidate his knowledge, but also developed mentoring skills, which became a useful experience in his future career.

**Court proceedings**

Over the past five years, no director, executive director or significant employee of the Company has been convicted, pleaded guilty or pleaded guilty in any criminal case, except for traffic violations and other minor offenses.



During the last five years, no director, executive director or significant employee of the company, as well as no partnership in which the executive director or significant employee the employee was a general partner, and no corporation or other business unit in which the executive director or a significant employee was an executive director was a debtor in a bankruptcy case or any similar case.

**Increased interest**

The distribution of the usual operating cash flow will look like this:

- The Owner calculates projected monthly operating cash flows for Projects based on existing contracts and other assumptions defined in the Project Model for each Project ("Projected Cash Flow").
- The projected cash flow is used to calculate the target internal rate the return ("IRR") for investing in a company.
- Part of the projected cash flow will be paid to Investors until the Owner receives his advance share ("Preferred Income").
- To calculate the preferred payment for each month, the projected cash flow is multiplied by a percentage so that the company's projected IRR is 5% ("Adjusted Operating Cash Flow").
- Each month, the adjusted operating cash flow for that month is distributed to investors.

*When contributions are paid*

The stages of the organization, development and operation of the Company, as well as the remuneration paid by the Company to the Owner and his affiliates at each stage, are presented below:

The stage of the company	Compensation
Company management	Reimbursement of expenses
Project acquisition	Assets management costs Payment for the developer (if applicable)
Project work	Asset management fees
Selling of the project	Remuneration for asset management

**Clause 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF THE FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

The following discussion of our financial condition and results of operations should be read in conjunction with our financial statements and related notes contained in this annual report. The following discussion contains forward-looking statements that reflect our plans, estimates and beliefs. Our actual results may differ materially from those described in this document. Unless otherwise specified, the latest results below relate to December 31, 2019.

**THE RESULTS OF THE INTERACTION**

By December 31, 2019, \$21,493,028.92 had been raised as part of the fundraising.

**BASIC PRINCIPLES OF ACCOUNTING POLICY**

### Investment

For financial reporting purposes, the Company accounts for investments in industrial projects (Projects) in accordance with ASC 360. Projects are carried at cost and amortised on a straight-line basis over the estimated useful lives of the respective assets.

### Impairment

The Company performs an impairment assessment in accordance with ASC 360, using the following necessary steps to identify, recognize and assess the impairment of a long-term asset (group) to be stored and used:

- Indicators of impairment - analysis of the presence of signs of impairment
- Test for recoverability - If there are indicators, perform a test for recoverability by comparing the amount of estimated undiscounted future cash flows related to the analyzed long-term asset (group) with its carrying amount (recall that companies cannot reflect the impairment of an asset held and used if it did not pass the test for reimbursement first).
- Impairment assessment - If the undiscounted cash flows used in the reimbursement test are less than the carrying amount of a long-term asset (group), determine the fair value of the long-term asset (group) and recognize an impairment loss if the carrying amount of the long-term asset (group) exceeds its fair value.

### Revenue recognition

The Company follows ASC 606 with respect to revenue recognition.

## **DISTRIBUTION OF DIVIDENDS**

The cash flow is first used to pay for operating expenses at the project level, and then the distributable cash flow is determined (as defined below). The cash flow of a project can be generated in three ways:

- payments under land lease agreements, facility lease agreements, operation and maintenance agreements;
- proceeds from the sale or refinancing of Projects; and
- Penalty for construction contracts (see below).

Although we are not required to do so, in the past and in the future we have declared and paid dividends on a daily basis; however, our owner may declare other periodic payments if circumstances so require.

## **Liquidity and capital resources**

We depend on the net proceeds from financing for the implementation of our proposed investments. We will receive the capital necessary to acquire new projects and conduct our business from proceeds from the Offer and any future offers that we may hold, from secured or unsecured financing from private investors and other creditors, as well as from undistributed funds from our activities. As of December 31, 2019, the Company had cash in the amount of 1,294,038.43 USD. If the capital raised during the placement turns out to be insufficient for the construction of future projects, we can raise additional capital to compensate for the difference.

## **Prospects and recent trends**

In addition to the trends and factors that will affect the success of the company, discussed in this annual report and in the section "INVESTMENT RISKS" in the Offer Circular, the company is not aware of any trends,



uncertainties, claims, obligations or events that are likely to have a significant negative impact on our revenues, profits from continuing operations, profitability, liquidity or capital resources. However, we warn that any of the points discussed in this annual report and in the section "INVESTMENT RISKS" of the offer circular may have a significant negative impact.

### **Accounting method**

The compensation described in this section has been calculated on an accrual basis.

In 2019, Del Mar Energy Inc. continued to implement a competitive remuneration system aimed at attracting, retaining and motivating key employees. This remuneration system was based on transparent principles and adapted to achieve the company's strategic goals.

### **Key aspects:**

1. Total compensation: \$2,176,432.55.
  - Base salary: Fixed pay for key executives, including CEO Michael Latham and CFO Richard Bowman.
  - Bonuses: awarded for the successful completion of strategic projects, attracting new investors and improving operational efficiency.
  - Preferred interest: payments linked to the achievement of key financial indicators.
2. Key principles:
  - Long-term incentives: Owners were given the opportunity to participate in the distribution of profits from successfully completed projects.
  - Transparency and control: remuneration is approved by the investment committee.
3. The contribution of Owners:
  - Michael Latham (CEO): Supervised the launch of new projects and the development of key business areas.
  - Gregory Hall (Technical Director): Led the development of technologies that allowed the company to significantly reduce production costs and implement environmental initiatives.

### **Clause 5: Ownership structure**

Del Mar Energy Inc. is organized as a holding company using special purpose companies (SPEs) to manage projects. This structure minimizes risks and provides a sustainable operating model.

Key elements:

1. **Special Purpose enterprises (SPE):**
  - Each project is managed by a separate SPE, which eliminates cross-risks between assets.
  - All SPEs are fully owned by Del Mar Energy Inc., which provides full control over the projects.
2. **Asset allocation (as of 2019):**
  - **USA:** 61.79% of assets, including oil and gas drilling rigs, road construction and renewable energy projects.
  - **Europe:** 32.91% of assets, mainly mining and renewable energy projects.
3. **Advantages of the structure:**
  - The ability to hold assets in the long term to create a stable income stream.

- The possibility of forming portfolios for sale to large institutional investors after the stabilization of projects.

#### **Clause 6: Holders of securities**

Del Mar Energy Inc. successfully continues to attract private investors through crowdfunding platforms, which has strengthened the company's financial base.

#### **Results of 2019:**

1. **Raised capital:** \$21,493,028.92.
  - These funds were used to finance industrial projects and operational activities.
  - Investors received an equal distribution of profits depending on the volume of their investments.
2. **Income distribution model:**
  - Net profit was distributed among investors on a daily basis, subject to positive cash flow.
  - Additional incentives are provided for long-term investors.
3. **Unique features:**
  - A ban on the transfer of shares to third parties, which preserves the stability of the company's structure.
  - Transparency of financial indicators through regular publication of data.

#### **Paragraph 7: Financial statements**





**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS OF THE INTERNATIONAL INDUSTRIAL HOLDING DEL MAR ENERGY INC FOR 2019 INDEPENDENT AUDITOR'S REPORT**

To private investors of the international industrial holding "DEL MAR ENERGY INC"

**CONCLUSION ON THE AUDIT RESULTS OF THE FINANCIAL STATEMENTS OF THE ORGANIZATION INDUSTRIAL HOLDING**  
Opinion

We have conducted an audit of the reporting on facility objects that are part of the International Industrial Holding DEL MAR ENERGY INC, and transactions with these objects ("Special Purpose Reporting"), which includes:

- Reports on the value of net assets, including the value of the property of the international industrial holding, compiled as at 12/31/2019;
- Monthly reports on the increase (decrease) in the value of property constituting an international organization industrial holding, for each month of 2019;
- Report on remuneration and expenses related to the trust management of property belonging to an international industrial holding for 2019;
- Explanatory note to the annual financial statements of the international industrial holding for 2019.

In our opinion, the accompanying special purpose financial statements of Del Mar Energy Inc, an international industrial holding company, as at December 31, 2019 and for the year then ended, have been prepared in all material respects in accordance with the reporting requirements for assets belonging to an international industrial holding company and operations with this property, provided for by the Investment Companies Act of 1940, FORM 10-K, "2a-7 of the Investment Companies Act", including the order in which the average value of the annual net asset value was calculated.

The basis for expressing an opinion.

We conducted the audit in accordance with the International Standards on Auditing ("ISA"). Our responsibilities in accordance with these standards are further disclosed in the section "Responsibilities of the auditor for the audit of special purpose financial statements" of this report.

We are independent in accordance with the Rules on the Independence of Auditors and Auditing Organizations and the Code of Professional Ethics for Auditors, in accordance with the International Code of Ethics for Professional Accountants (including International Standards of Independence) issued by the International Council on Standards of Ethics for Professional Accountants, and we have fulfilled our other responsibilities in accordance with these requirements of professional ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Important circumstances: accounting principles.

We draw attention to the Explanatory Note to the annual financial statements of Industrial International Holding Company for 2019, which sets out the regulatory requirements for special purpose reporting. The attached special purpose financial statements have been prepared in order to reflect the Company's compliance with the requirements of these U.S. regulatory documents with respect to facilities belonging to Industrial International Holdings and transactions with these facilities. Therefore, these special purpose reports may not be suitable for any other purpose. We do not express a modified opinion on this issue.



Responsibility of the management of an industrial holding company for special purpose reporting.

Management is responsible for the preparation of these special purpose financial statements in accordance with the reporting requirements for facilities belonging to an international industrial holding and transactions with these objects established by US regulations, as well as for the internal control system that management considers necessary for the preparation of special purpose financial statements that are free from material misstatement due to unfair actions or mistakes.

Auditor's responsibility for the audit of special purpose financial statements.

Our objective is to obtain reasonable assurance that the special purpose financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditor's report containing our opinion. Reasonable assurance is a high degree of confidence, but it is not a guarantee that an audit conducted in accordance with the ISA will always identify material misstatements, if any misstatements may be the result of fraud or error and are considered material if, individually or collectively, they can be expected to influence the economic decisions of users made on the basis of these special purpose financial statements.

As part of an audit conducted in accordance with the ISA, we use professional judgment and maintain professional skepticism throughout the audit.

In addition, we:

- Identifying and assessing the risks of material misstatement of the financial statements of a special purpose organization due to fraud or error; developing and conducting audit procedures that meet these risks; and obtaining audit evidence sufficient and appropriate to express our opinion. The risk of non-detection of material misstatements as a result of fraud is higher than the risk of non-detection of material misstatements as a result of error, since fraud may include collusion, forgery, intentional omission, misrepresentation or actions bypassing the internal control system;
- gain an understanding of the internal control system relevant to the audit in order to develop audit procedures appropriate to the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control system;
- Assess the correctness of the accounting policies used and the validity of accounting estimates made by management, as well as the relevant disclosures.

We communicate with management, in particular, about the planned scope and timing of the audit, as well as about significant comments on the audit results, including significant deficiencies in the internal control system that we identified during the audit.

REPORT ON THE RESULTS OF THE PROCEDURES PERFORMED BY THE AUDITOR  
IN ACCORDANCE WITH THE REQUIREMENTS OF THE FEDERAL LAW "ON INVESTMENT FUNDS"

The management of the Management Company is responsible for compliance with the requirements established by US regulations in relation to facility objects that are part of an international industrial holding company and transactions with these objects.

In accordance with the article on investment funds, we conducted an audit:

1. Fulfillment of the requirements for:

- the composition and structure of assets belonging to an international industrial holding;
- assessment of the estimated cost of one investment site, the amount that can be used to finance industrial projects, and the amount of monetary compensation that will be paid in connection with the financing of the company's projects.

2. Compliance with the requirements of an industrial company:



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- rules of accounting and reporting in relation to the property constituting an industrial holding company and transactions with this property;
- requirements for the order of storage of property constituting an industrial holding and documents certifying the rights to property constituting an industrial holding;
- requirements for transactions made with the assets of an industrial holding company.

Based on the results of the procedures carried out, we did not find violations of the requirements of the applicable legislation in all significant aspects.

We have not carried out any procedures regarding the accounting and reporting of the property belonging to the holding and transactions with this property, except for the procedures that we consider necessary to express an opinion on whether the company's special purpose accounts have been prepared as at December 31, 2019 and for the year ended on that date, in all material respects in accordance with the reporting requirements of industrial holdings established by US regulations.

Grace Bennett

Deputy General Director for Audit

Based on Power of attorney No.002-AK-2017 dated 12.01.2018

Deloitte, 695

Town Center Dr. Suite 1000

March 29, 2018

Audited company

The organization is Deloitte International Industrial Holding USA

"DEL MAR ENERGY INC"

3315 Enterprise Drive, Rowlett, TX,

United States





Report on the value of net assets, including the value of assets (property), industrial holding DEL MAR ENERGY INC.

**Section 1: Parameters of the Net Asset Value statement**

<i>Current report date</i>	<i>Previous report date</i>	<i>The code of the currency in which the value is determined net assets</i>
<b>1</b>	<b>2</b>	<b>3</b>
31.12.2019	31.12.2018	USD

**Section 2. Assets**

**Subsection 1. Cash**

<i>Indicator name</i>	<i>Line code</i>	<i>Amount as of the current reporting date</i>	<i>Amount as of the previous reporting date</i>	<i>Share of the total value of assets at the current reporting date, a percentage</i>	<i>Share of the value of net assets at the current reporting date, a percentage</i>
<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>
Cash - total	01	1,294,038.43	942,723.04	1.4	1.4
Including: on accounts in the depository - total	01.01	1,294,038.43	942,723.04	1.4	1.4
Including: in US currency	01.01.01	1,294,038.43	942,723.04	1.4	1.4
In a foreign currency	01.01.02	0.00	0.00	0.00	0.00
Including accounts with credit institutions - total	01.02	0.00	0.00	0.00	0.00
In US currency	01.02.01	0.00	0.00	0.00	0.00
In a foreign currency	01.02.02	0.00	0.00	0.00	0.00

**Subsection 2. Industrial projects (excluding unrealized ones)**

<i>Indicator name</i>	<i>Line code</i>	<i>Amount (cost) as of the current reporting date</i>	<i>Amount (cost) as of the previous reporting date</i>	<i>Share of total assets at the current reporting date, a percentage</i>	<i>Share of net asset value at the current reporting date, a percentage</i>
<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>
Industrial facilities - total	02	87,409,476.09	62,039,436.93	94.7	94.7
Including: Industrial facilities in the USA.	02.01	57,031,433.52	43,305,632.36	61.79	61.79
Including: Industrial projects aimed at mining	02.01.01	36,487,386.75	22,430,493.48	39.53	39.53





Road construction projects	02.01.02	5,381,593.28	3,306,026.73	5.83	5.83
Energy facilities	02.01.03	7,381,038.46	4,328,524.41	8	8
Renewable energy production facilities	02.01.04	8,381,037.43	5,002,424.03	9.08	9.08
Coal mining enterprises	02.01.05	29,778,420.25	8,238,163.92	32.26	32.26
Including: Industrial projects in Europe	02.02	30,378,042.57	18,733,804.57	32.91	32.91
Including: mining operations, fossil sites	02.02.01	9,381,029.33	7,037,201.43	10.16	10.16
Road construction projects	02.02.02	3,098,283.74	2,326,024.92	3.36	3.36
Energy facilities	02.02.03	5,394,201.83	3,401,439.38	5.84	5.84
Renewable energy production facilities	02.02.04	4,372,036.54	2,309,306.04	4.74	4.74
Coal mining enterprises	02.02.05	8,132,492.13	3,659,833.20	8.81	8.81
Securities	02.03	0.00	0.00	0.00	0.00
Patents	02.04	16,046,758.09	11,230,392.03	17.38	17.38
Laboratories and research centers	02.05	12,874,609.63	9,439,432.49	13.95	13.95

**Subsection 3. Monetary claims under loan and credit facility agreements, including those satisfied at the expense of a mortgage**

Indicator name	Line code	Amount (cost) at the current reporting date	Amount (cost) at the previous reporting date	Share of total assets at the current reporting date, a percentage	Share of net asset value at the current reporting date, a percentage
1	2	3	4	5	6
Monetary claims under credit facility agreements and loan agreements, including those satisfied with mortgages - total	03	0.00	0.00	0.00	0.00
Including : Cash accounts receivable on loans and borrowings of the agreement, not satisfied with the mortgage	03.01	0.00	0.00	0.00	0.00
Mortgages	03.02	0.00	0.00	0.00	0.00



**Subsection 4. Other property not specified in subsections 1-3**

<i>Name</i>	<i>Line code</i>	<i>Amount (cost) as of the current reporting date</i>	<i>Amount (cost) as of the previous reporting date</i>	<i>Share of net asset value at the current reporting date, a percentage</i>	<i>Share of net asset value at the current reporting date, a percentage</i>
<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>
<i>Other assets - total</i>	04	4,097,483.13	3,406,324.52	4.44	4.44
<i>Including: Road transport</i>	04.01	943,247.27	692,339.58	1.02	1.02
<i>Building materials</i>	04.02	164,450.42	692,339.58	0.18	0.18
<i>Share in joint ventures</i>	04.03	14,063,842.74	2,549,534.52	15.24	15.24

**Subsection 5. Debts**

<i>Indicator name</i>	<i>Line code</i>	<i>Amount (cost) as of the current reporting date</i>	<i>Amount (cost) as of the previous reporting date</i>	<i>Share of total assets at the current reporting date, a percentage</i>	<i>Share of net asset value at the current reporting date, a percentage</i>
<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>
<i>Total debt - total</i>	05	-495,782.72	-398,433.41	-0.54	-0.54
<i>Indebtedness to investors</i>	05.01	-178,402.73	-127,034.58	-0.19	-0.19
<i>Indebtedness to auditors</i>	05.02	-38,948.16	-32,346.43	-0.04	-0.04
<i>Tax arrears</i>	05.03	-278,431.83	-239,052.4	-0.3	-0.3
<i>Other accounts receivable</i>	05.04	0.00	0.00	0.00	0.00

**Subsection 6. Total value of assets**

<i>Indicator name</i>	<i>Line code</i>	<i>Amount (cost) as of the current reporting date</i>	<i>Amount (cost) as of the previous reporting date</i>	<i>Share of net asset value at the current reporting date, a percentage</i>
<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
<i>Total asset value (sum of lines 01+02+03+04 )</i>	06	92,800,997.65	65,990,051.08	100.54



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## Section 2. Obligations

Indicator name	Line code	Amount as of the current reporting date	Amount as of the previous reporting date	Share in the total amount of obligations as of the current reporting date, a percentage	Share of net asset value at the current reporting date, a percentage
1	2	3	4	5	6
Accounts payable arrears	07	0.00	0.00	0.00	0.00
Reserve for payment of remuneration - total	08	50,000,000	40,000,000	0.00	0.00
Including: Obligations to investors	08.01	-178,402.73	127,034.58	-0.19	-0.19
Specialized depository, registrar, auditing organization and appraiser	08.02	-38,948.16	32,346.43	-0.04	-0.04
Total liabilities	09	-495,782.72	398,433.41	-0.54	-0.54

## Section 3. Net assets

Indicator name	Line code	The value of the indicator as of current reporting date	The value of the indicator as of the previous reporting date
1	2	3	4
Net asset value (difference between lines 06 and 09)	10	92,305,214.93	65,591,617.67
Additional paid-in capital that is not considered a net asset	11	60,000,000	60,000,000
Including: Insurance premium	12	20,000,000	20,000,000

Founder and CEO of Del Mar Energy Inc. Michael Latham

Authorized Representative of the specialized depository Grace Bennett





Allocation of assets and liabilities assumed in calculating the value of net assets

1. Decryption of section "Assets"

Subsection 1. Monetary assets

1.1. Cash on accounts in banking organizations

<i>Line number</i>	<i>Name of the bank</i>	<i>SWIFT of the Bank</i>	<i>RSSD ID</i>	<i>Account currency code</i>	<i>Type of bank account</i>	<i>The amount of cash</i>	<i>Share in the total value of assets, (units)</i>
<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>
1	Bank of America	BOFAUS 3DAU2	1443266	USD	Current account	487,392.43	0.53
<b>Total</b>	X	X	X	X	X	487,392.43	0.53

1.2 Funds on deposit accounts in banking organizations

<i>Line number</i>	<i>Name of the bank</i>	<i>SWIFT of the Bank</i>	<i>RSSD ID</i>	<i>Account currency code</i>	<i>Type of bank account</i>	<i>The amount of cash</i>	<i>Share in the total value of assets, a percentage</i>
<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>
1	Bank of America	BOFAUS 3DAU2	1443266	USD	Deposit accounts	397,681.79	0.43
<b>Total</b>	X	X	X	X	X	397,681.79	0.43

1.3 Funds in an independent depository

<i>Line number</i>	<i>Cell phone code</i>	<i>Account currency code</i>	<i>The amount of cash</i>	<i>Share in the total value of assets, a percentage</i>
<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
1	US128-29427	USD	407,764.21	0.44
<b>Total</b>	X	X	407,764.21	0.44

Subsection 2: Industrial facilities in the USA

2.1. Industrial projects aimed at mining

<i>Line number</i>	<i>Object type</i>	<i>Location</i>	<i>Total amount (units)</i>	<i>Total cost</i>	<i>The average cost of the project</i>	<i>Share in the total value of net assets, a percentage</i>	<i>Dreaming</i>
<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>
1	Oil rigs	The State of Texas	186	10,164,461.30	54,647.64	11.01	0
2	Oil rigs	The State of New Mexico	34	3,837,024.43	112,853.66	4.16	0





3	Oil rigs	The State of Ohio	26	1,964,093.03	75,542.04	2.13	0
4	Gas rigs	The State of Texas	14	1,431,039.11	102,217.08	1.55	0
5	Gas rigs	The State of Louisiana	12	831,307.76	69,275.65	0.9	0
6	Oil refinery	The State of Texas	1	1,941,374.32	1,941,374.32	2.1	0
7	Oil refinery	The State of California	1	1,843,344.56	1,843,344.56	2	0
8	Filtration systems	The State of Texas	38	436,205.34	11,479.09	0.47	0
9	Filtration systems	X	67	782,395.73	11,677.55	0.85	0
10	Transportation	The State of Texas	1	1,390,738.29	1,390,738.29	1.51	0
11	Laboratory	The State of California	1	934,302.14	934,302.14	1.01	0
12	Sampling stations	The State of Texas	2	1,464,076.72	732,038.36	1.59	0
13	Boiler room	The State of Texas	4	594,847.83	148,711.96	0.64	0
14	Fuel and greases warehouse	The State of Texas	1	749,504.47	749,504.47	0.81	0
15	Gas stations	X	72	7,466,297.06	103,698.57	8.09	0
16	Pumping stations	The State of Texas	3	462,397.29	154,132.43	0.5	0
17	Compressor stations	The State of New Mexico	2	193,917.64	96,958.82	0.21	X
18	Total	X	465	36,487,386.75	X	39.53	X

## 2.2 Road construction projects

Line number	Object type	Location	Total number of units	Total cost	The average cost of the project	Share of the total value of the net assets, a percentage	Note
1	2	3	4	5	6	7	8
1	Private highway	The State of Texas	1	1,492,078.54	1,492,078.54	1.62	0
2	Private highway	New York	1	1,937,638.46	1,937,638.46	2.1	0
3	Road pavement research lab	New York	6	973,416.03	162,236.01	1.05	0
4	Special purpose vehicles	X	89	632,401.73	7,105.64	0.69	0
5	Building material	X	X	346,058.52	X	0.37	0
6	Total	X	X	5,381,593.28	X	5.83	X



### 2.3 Energy facilities

<i>Line number</i>	<i>Object type</i>	<i>Location</i>	<i>Total number (units)</i>	<i>Total cost</i>	<i>The average cost of the object</i>	<i>Share of the total value of the net assets, a percentage</i>	<i>Note</i>
1	2	3	4	5	6	7	8
1	Thermal power plant	California	5	4,331,021.56	866,204.31	4.69	0
2	The hydroelectric power plant	New Mexico	3	3,050,016.90	1,016,672.30	3.3	0
3	Total	X	8	7,381,038.46	X	8	X

### 2.4 Renewable energy production facilities

<i>Line number</i>	<i>Type of the object</i>	<i>Location</i>	<i>Total amount (units)</i>	<i>Total cost</i>	<i>The average cost of the object</i>	<i>Share of the total value of the net assets, a percentage</i>	<i>Note</i>
1	2	3	4	5	6	7	8
1	Windmills	Alabama	77	2,439,201.37	31,677.94	2.64	0
2	Windmills	New Mexico	54	602,391.94	11,155.41	0.65	0
3	Solar panels	X	157	1,903,354.26	12,123.28	2.06	0
4	Solar stations	New Mexico	2	1,593,507.96	796,753.98	1.73	0
5	Stabilizers	X	302	1,842,581.90	6,101.26	2	0
6	Total	X	592	8,381,037.43	X	9.08	X

### 2.5 Coal mining enterprises

<i>Line number</i>	<i>Type of object</i>	<i>Location</i>	<i>Total quantity (units)</i>	<i>Total cost</i>	<i>The average cost of the project</i>	<i>Share in the total value of net assets, a percentage</i>	<i>Note</i>
1	2	3	4	5	6	7	8
1	Coal deposits	New Mexico	13	24,031,483.1	1,848,575.62	26.03	0
2	Drills	X	231	5,746,937.15	24,878.52	6	0
3	Total	X		29,778,420.25	X	32.26	X





### Subsection 3: Industrial facilities in the USA

#### 3.1 Industrial projects aimed at mining

<i>Line number</i>	<i>Type of the object</i>	<i>Location</i>	<i>Total number of units</i>	<i>Total cost</i>	<i>The average cost of the object</i>	<i>Share in the total value of net assets, a percentage</i>	<i>Note</i>
<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>
1	Oil rigs	Germany	52	3,531,034.38	67,904.51	3.83	0
2	Oil rigs	France	16	1,738,029.17	108,626.82	1.88	0
3	Gas rigs	Spain	22	1,493,056.57	67,866.21	1.62	0
4	Filtration systems	Germany	56	867,463.02	15,490.41	0.94	0
5	Filtration systems	Spain	174	2,758,043.83	15,850.83	2.99	0
6	Redistributors	Lithuania	127	647,055.84	5,094.93	0.70	0
7	Cleaning systems	Germany	89	937,046.12	10,528.61	1.02	0
8	Cleaning systems	Spain	387	4,503,355.84	11,636.58	4.88	0
9	Transport stations	France	3	935,492.35	311,830.78	1.01	0
10	Transportation Calibration stations	France	2	483,641.53	241,820.77	0.52	0
11	Sampling stations	Great Britain	6	853,302.74	142,217.12	0.52	0
12	Primary Labs	Italy	3	349,724.62	116,574.87	0.38	0
13	Warehouse equipment	Italy	6	853,356.38	142,226.06	0.92	0
14	Technological points	Great Britain	7	985,035.38	140,719.34	1.07	0
15	Designing points	Germany	3	4,322,531.43	1,440,843.81	4.68	0
16	Marshalling yards	Netherlands	43	5,119,874.37	119,066.85	5.55	0
17	Total	X	X	30,378,042.57	X	32.91	X

#### 3.2 Road construction projects

<i>Line number</i>	<i>Object type</i>	<i>Location</i>	<i>Total amount (units)</i>	<i>Total cost</i>	<i>The average cost of the object</i>	<i>Share in the total value of net assets, a percentage</i>	<i>Example</i>
<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>
1	Motorway	France	1	664,248.27	664,248.27	0.72	0
2	Motorway	Germany	1	897,391.72	897,391.72	0.97	0



3	Special purpose equipment	X	78	752,613.86	9,648.9	0.82	0
4	Building material	X	X	302,837.91	X	0.33	0
5	Production laboratories	Spain	1	204,832.74	204,832.74	0.22	0
6	Railway	GREAT BRITAIN	X	276,359.24	X	0.30	0
7	Total	X	X	3,098,283.74	X	3.36	X

### 3.3 Energy facilities in Europe

Line number	Object type	Location	Total amount (units)	Total cost	The average cost of the project	Share in the total value and in the net assets, a percentage	Note
1	2	3	4	5	6	7	8
1	Thermal electrostatics	Asia	2	632,646.47	316,323.235	0.69	0
2	Hydroelectric power plants	Spain	1	1,852,503.37	1,852,503.37	2.01	0
3	Hydroelectric power plants	Great Britain	1	2,909,051.99	2,909,051.99	3.15	0
4	Total	X	4	5,394,201.83	X	5.84	X

### 3.4 Renewable energy production facilities

Line number	Object type	Location	Total amount (units)	Total cost	The average cost of the object	Share of the total value of the net assets, a percentage	Note
1	2	3	4	5	6	7	8
1	Solar panels	UAE	127	1,927,843.91	15,179.87	2.09	0
2	Windmills	Netherlands	29	739,038.26	25,484.08	0.8	0
3	Windmills	Germany	57	847,943.35	14,876.2	0.92	0
4	Stabilizers	X	784	857,211.02	1,093.38	0.93	0
5	Total	X	997	4,372,036.54	X	4.74	X



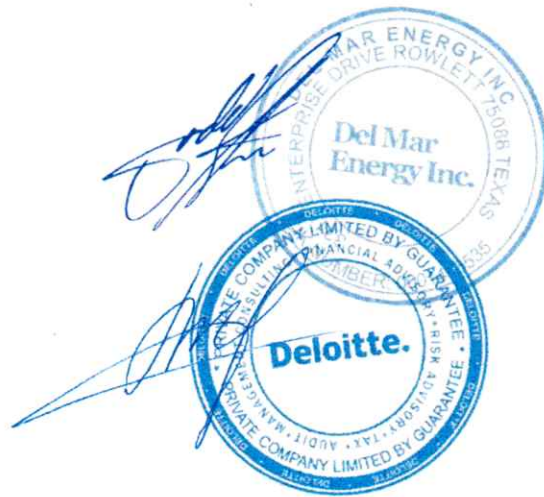
# Deloitte.

## 3.5 Coal mining enterprises

Line number	Object type	Location	Total amount (units)	Total cost	The average cost of the object	Share of the total value of the net assets, a percentage	Note
1	2	3	4	5	6	7	8
1	Deposit	Italy	4	5,757,565.44	1,439,391.36	6.24	0
2	Mine	Italy	8	2,374,926.69	296,865.84	2.57	0
3	Total	X	12	8,132,492.13	X	8.81	X

Founder and CEO of the industrial holding company Michael Latham

Authorized Representative of the specialized depository Grace Bennett





## REPORT ON THE INCREASE (DECREASE) IN THE VALUE OF PROPERTY OWNED BY AN INTERNATIONAL INDUSTRIAL HOLDING

### Section 1: Parameters of the report on the increase (decrease) in the value of the property

<i>The reporting period</i>	<i>The code of the currency in which the value of the net assets is determined</i>
<b>1</b>	<b>2</b>
January 2019	USD

### Section 2: Parameters of the report on the increase (decrease) in the value of the property

<i>Indicator name</i>	<i>Line code</i>	<i>The value of the indicator for the reporting period</i>
<b>1</b>	<b>2</b>	<b>3</b>
<i>An increase in the "+" (decrease in the "-") value of the property as a result of transactions with property - total</i>	01	10,480,245.09
<i>Including as a result of transactions :</i>		
<i>Sale of land plots</i>	01.01	1,382,038.38
<i>Sale of enterprises and production facilities</i>	01.02	2,498,276.29
<i>Sale of industrial facilities</i>	01.03	7,439,201.72
<i>Sale of motor vehicles</i>	01.04	74,928.26
<i>Sale of scientific developments and patents</i>	01.05	563,024.28
<i>Design Documentation Development &amp; Sale</i>	01.06	0.00
<i>Profit from renting out the facilities owned by the company</i>	01.07	0.00
<i>Receiving dividends from facility investments</i>	01.08	0.00
<i>Sale of art treasures</i>	01.09	0.00
<i>Interest income on bank accounts</i>	01.10	0.00
<i>Receiving dividends from thirdparty investment companies</i>	01.11	0.00
<i>Other income</i>	01.12	3,429,021.47
<i>Other expenses</i>	01.13	-4,248,014.29
<i>Depreciation of facilities in the course of production activities</i>	01.14	-658,231.02
<i>Total: increase the "+" or decrease of the "-" in the value of the property (lines 01+01.01+01.02+01.03+01.04 + 01.05+01.06+01.07+01.08 +01.09)</i>	01.15	10,480,245.09





REPORT ON THE INCREASE (DECREASE) IN THE VALUE OF PROPERTY OWNED BY AN INTERNATIONAL INDUSTRIAL HOLDING

**Section 1: Parameters of the report on the increase (decrease) in the value of the property**

<i>The reporting period</i>	<i>The code of the currency in which the value of the net assets is determined</i>
<b>1</b>	<b>2</b>
February 2019	USD

**Section 2: Parameters of the report on the increase (decrease) in the value of the property**

<i>Indicator name</i>	<i>Line code</i>	<i>The value of the indicator for the reporting period</i>
<b>1</b>	<b>2</b>	<b>3</b>
An increase in the "+" (decrease in the "-") value of the property as a result of transactions with property - total	01	15,864,575.76
Including as a result of transactions :		
Sale of land plots	01.01	748,234.29
Sale of enterprises and production facilities	01.02	1,028,826.82
Sale of industrial facilities	01.03	6,291,023.01
Sale of motor vehicles	01.04	84,921.48
Sale of scientific developments and patents	01.05	284,201.41
Design Documentation Development & Sale	01.06	0.00
Profit from renting out the facilities owned by the company	01.07	0.00
Receiving dividends from facility investments	01.08	0.00
Sale of art treasures	01.09	0.00
Interest income on bank accounts	01.10	0.00
Receiving dividends from thirdparty investment companies	01.11	0.00
Other income	01.12	7,492,103.28
Other expenses	01.13	-492,207.24
Depreciation of facilities in the course of production activities	01.14	-103,527.29
Total: increase "+" or decrease "-" in the value of the property (lines 01+01.01+01.02+01.03+01.04+01.05+01.06+01.07+01.08+01.09)	01.15	15,864,575.76



## REPORT ON THE INCREASE (DECREASE) IN THE VALUE OF PROPERTY OWNED BY AN INTERNATIONAL INDUSTRIAL HOLDING

### Section 1: Parameters of the report on the increase (decrease) in the value of the property

<i>The reporting period</i>	<i>The code of the currency in which the value of the net assets is determined</i>
<b>1</b>	<b>2</b>
March 2019	USD

### Section 2: Parameters of the report on the increase (decrease) in the value of the property

<i>Indicator name</i>	<i>Line code</i>	<i>The value of the indicator for the reporting period</i>
<b>1</b>	<b>2</b>	<b>3</b>
<i>An increase in the "+" (decrease in the "-") value of the property as a result of transactions with property - total</i>	01	21,382,586.02
<i>Including as a result of transactions :</i>		
<i>Sale of land plots</i>	01.01	11,420,021.38
<i>Sale of enterprises and production facilities</i>	01.02	749,201.24
<i>Sale of industrial facilities</i>	01.03	847,240.30
<i>Sale of motor vehicles</i>	01.04	-49,294.87
<i>Sale of scientific developments and patents</i>	01.05	7,392,042.92
<i>Design Documentation Development &amp; Sale</i>	01.06	0.00
<i>Profit from renting out the facilities owned by the company</i>	01.07	0.00
<i>Receiving dividends from facility investments</i>	01.08	0.00
<i>Sale of art treasures</i>	01.09	0.00
<i>Interest income on bank accounts</i>	01.10	0.00
<i>Receiving dividends from third party investment companies</i>	01.11	0.00
<i>Other income</i>	01.12	1,382,041.28
<i>Other expenses</i>	01.13	-281,737.21
<i>Impairment of real estate in the course of operations</i>	01.14	-76,928.02
<i>Total: increase "+" or decrease "-" in the value of the property (lines 01+01.01+01.02+01.03+01.04+01.05+01.06+01.07+01.08+01.09</i>	01.15	21,382,586.02



## REPORT ON THE INCREASE (DECREASE) IN THE VALUE OF PROPERTY OWNED BY AN INTERNATIONAL INDUSTRIAL HOLDING

### Section 1: Parameters of the report on the increase (decrease) in the value of the property

<i>The reporting period</i>	<i>The code of the currency in which the value of the net assets is determined</i>
<b>1</b>	<b>2</b>
April 2019	USD

### Section 2: Parameters of the report on the increase (decrease) in the value of the property

<i>Indicator name</i>	<i>Line code</i>	<i>The value of the indicator for the reporting period</i>
<b>1</b>	<b>2</b>	<b>3</b>
An increase in the "+" (decrease in the "-") value of the property as a result of transactions with property - total	01	0.00
Including as a result of transactions :		18,008,518.38
Sale of land plots	01.01	
Sale of enterprises and production facilities	01.02	1,482,920.39
Sale of industrial facilities	01.03	-582,402.13
Sale of motor vehicles	01.04	8,429,572.57
Sale of scientific developments and patents	01.05	74,921.48
Design Documentation Development & Sale	01.06	746,249.32
Profit from renting out the facilities owned by the company	01.07	0.00
Receiving dividends from facility investments	01.08	0.00
Sale of art treasures	01.09	0.00
Interest income on bank accounts	01.10	0.00
Receiving dividends from thirdparty investment companies	01.11	0.00
Other income	01.12	7,429,214.02
Other expenses	01.13	-572,491.84
Depreciation of facilities in the course of production activities	01.14	-482,385.82
Total: increase the "+" or decrease value of the "-" property (lines 01+01.01+01.02+01.03+01.04 +01.05+01.06+01.07+01.08+01.09)	01.15	18,008,518.38





REPORT ON THE INCREASE (DECREASE) IN THE VALUE OF PROPERTY OWNED BY AN INTERNATIONAL INDUSTRIAL HOLDING

Section 1: Parameters of the report on the increase (decrease) in the value of the property

<i>The reporting period</i>	<i>The code of the currency in which the value of the net assets is determined</i>
<b>1</b>	<b>2</b>
May 2019	USD

Section 2: Parameters of the report on the increase (decrease) in the value of the property

<i>Indicator name</i>	<i>Line code</i>	<i>The value of the indicator for the reporting period</i>
<b>1</b>	<b>2</b>	<b>3</b>
<i>An increase in the "+" (decrease in the "-") value of the property as a result of transactions with property - total</i>	01	5,352,228.50
<i>Including as a result of transactions :</i>		
<i>Sale of land plots</i>	01.01	-7,320,763.46
<i>Sale of enterprises and production facilities</i>	01.02	4,294,291.41
<i>Sale of industrial facilities</i>	01.03	485,395.92
<i>Sale of motor vehicles</i>	01.04	57,402.49
<i>Sale of scientific developments and patents</i>	01.05	0.00
<i>Design Documentation Development &amp; Sale</i>	01.06	0.00
<i>Profit from renting out the facilities owned by the company</i>	01.07	0.00
<i>Receiving dividends from facility investments</i>	01.08	0.00
<i>Sale of art treasures</i>	01.09	0.00
<i>Interest income on bank accounts</i>	01.10	0.00
<i>Receiving dividends from thirdparty investment companies</i>	01.11	0.00
<i>Other income</i>	01.12	8,438,293.74
<i>Other expenses</i>	01.13	-7,439.21
<i>Depreciation of facilities in the course of production activities</i>	01.14	-194,952.39
<i>Total: increase "+" or decrease "-" in the value of the property (lines 01+01.01+01.02+01.03+01.04 +01.05+01.06+01.07+01.08 +01.09)</i>	01.15	5,352,228.50



## REPORT ON THE INCREASE (DECREASE) IN THE VALUE OF PROPERTY OWNED BY AN INTERNATIONAL INDUSTRIAL HOLDING

### Section 1: Parameters of the report on the increase (decrease) in the value of the property

<i>The reporting period</i>	<i>The code of the currency in which the value of the net assets is determined</i>
<b>1</b>	<b>2</b>
June 2019	USD

### Section 2: Parameters of the report on the increase (decrease) in the value of the property

<i>Indicator name</i>	<i>Line code</i>	<i>The value of the indicator for the reporting period</i>
<b>1</b>	<b>2</b>	<b>3</b>
<i>An increase in the "+" (decrease in the "-") value of the property as a result of transactions with property - total</i>	01	17,810,423.24
<i>Including as a result of transactions :</i>		
<i>Sale of land plots</i>	01.01	4,039,735.43
<i>Sale of enterprises and production facilities</i>	01.02	8,159.39
<i>Sale of industrial facilities</i>	01.03	6,302,839.35
<i>Sale of motor vehicles</i>	01.04	-65,942.93
<i>Sale of scientific developments and patents</i>	01.05	3,591,034.93
<i>Design Documentation Development &amp; Sale</i>	01.06	0.00
<i>Profit from renting out the facilities owned by the company</i>	01.07	0.00
<i>Receiving dividends from facility investments</i>	01.08	0.00
<i>Sale of art treasures</i>	01.09	0.00
<i>Interest income on bank accounts</i>	01.10	0.00
<i>Receiving dividends from thirdparty investment companies</i>	01.11	0.00
<i>Other income</i>	01.12	4,592,035.93
<i>Other expenses</i>	01.13	-583,506.38
<i>Depreciation of facilities in the course of production activities</i>	01.14	-73,932.48
<i>Total: increase "+" or decrease "-" in the value of the property (lines 01+01.01+01.02+01.03+01.04 +01.05+01.06+01.07+01.08 +01.09)</i>	01.15	17,810,423.24



REPORT ON THE INCREASE (DECREASE) IN THE VALUE OF PROPERTY OWNED BY AN INTERNATIONAL INDUSTRIAL HOLDING

**Section 1: Parameters of the report on the increase (decrease) in the value of the property**

<i>The reporting period</i>	<i>The code of the currency in which the value of the net assets is determined</i>
<b>1</b>	<b>2</b>
July 2019	USD

**Section 2: Parameters of the report on the increase (decrease) in the value of the property**

<i>Indicator name</i>	<i>Line code</i>	<i>The value of the indicator for the reporting period</i>
<b>1</b>	<b>2</b>	<b>3</b>
<i>An increase in the "+" (decrease in the "-") value of the property as a result of transactions with property - total</i>	01	12,237,020.66
<i>Including as a result of transactions :</i>		
<i>Sale of land plots</i>	01.01	853,920.92
<i>Sale of enterprises and production facilities</i>	01.02	8,482,857.33
<i>Sale of industrial facilities</i>	01.03	3,925,396.03
<i>Sale of motor vehicles</i>	01.04	-75,351.04
<i>Sale of scientific developments and patents</i>	01.05	853,204.93
<i>Design Documentation Development &amp; Sale</i>	01.06	0.00
<i>Profit from renting out the facilities owned by the company</i>	01.07	0.00
<i>Receiving dividends from facility investments</i>	01.08	0.00
<i>Sale of art treasures</i>	01.09	0.00
<i>Interest income on bank accounts</i>	01.10	0.00
<i>Receiving dividends from thirdparty investment companies</i>	01.11	0.00
<i>Other income</i>	01.12	77,539.92
<i>Other expenses</i>	01.13	-485,821.04
<i>Depreciation of facilities in the course of production activities</i>	01.14	-1,394,726.39
<i>Total: increase "+" or decrease "-" in the value of the property (lines 01+01.01+01.02+01.03+01.04 +01.05+01.06+01.07+01.08 +01.09)</i>	01.15	12,237,020.66





## REPORT ON THE INCREASE (DECREASE) IN THE VALUE OF PROPERTY OWNED BY AN INTERNATIONAL INDUSTRIAL HOLDING

### Section 1: Parameters of the report on the increase (decrease) in the value of the property

<i>The reporting period</i>	<i>The code of the currency in which the value of the net assets is determined</i>
<b>1</b>	<b>2</b>
August 2019	USD

### Section 2: Parameters of the report on the increase (decrease) in the value of the property

<i>Indicator name</i>	<i>Line code</i>	<i>The value of the indicator for the reporting period</i>
<b>1</b>	<b>2</b>	<b>3</b>
<i>An increase in the "+" (decrease in the "-") value of the property as a result of transactions with property - total</i>	01	12,286,500.74
<i>Including as a result of transactions :</i>		
<i>Sale of land plots</i>	01.01	11,482,013.48
<i>Sale of enterprises and production facilities</i>	01.02	294,873.34
<i>Sale of industrial facilities</i>	01.03	847,284.92
<i>Sale of motor vehicles</i>	01.04	-48,257.74
<i>Sale of scientific developments and patents</i>	01.05	0.00
<i>Design Documentation Development &amp; Sale</i>	01.06	0.00
<i>Profit from renting out the facilities owned by the company</i>	01.07	0.00
<i>Receiving dividends from facility investments</i>	01.08	0.00
<i>Sale of art treasures</i>	01.09	0.00
<i>Interest income on bank accounts</i>	01.10	0.00
<i>Receiving dividends from thirdparty investment companies</i>	01.11	0.00
<i>Other income</i>	01.12	0.00
<i>Other expenses</i>	01.13	-374,248.65
<i>Depreciation of facilities in the course of production activities</i>	01.14	84,835.39
<i>Total: increase "+" or decrease "-" in the value of the property (lines 01+01.01+01.02+01.03+01.04 +01.05+01.06+01.07+01.08 +01.09)</i>	01.15	12,286,500.74



## REPORT ON THE INCREASE (DECREASE) IN THE VALUE OF PROPERTY OWNED BY AN INTERNATIONAL INDUSTRIAL HOLDING

### Section 1: Parameters of the report on the increase (decrease) in the value of the property

<i>The reporting period</i>	<i>The code of the currency in which the value of the net assets is determined</i>
<b>1</b>	<b>2</b>
September 2019	USD

### Section 2: Parameters of the report on the increase (decrease) in the value of the property

<i>Indicator name</i>	<i>Line code</i>	<i>The value of the indicator for the reporting period</i>
<b>1</b>	<b>2</b>	<b>3</b>
<i>An increase in the "+" (decrease in the "-") value of the property as a result of transactions with property - total</i>	01	-3,885,803.78
<i>Including as a result of transactions :</i>		
<i>Sale of land plots</i>	01.01	857,350.37
<i>Sale of enterprises and production facilities</i>	01.02	247,659.42
<i>Sale of industrial facilities</i>	01.03	-8,430,274.23
<i>Sale of motor vehicles</i>	01.04	-56,344.84
<i>Sale of scientific developments and patents</i>	01.05	846,359.84
<i>Design Documentation Development &amp; Sale</i>	01.06	0.00
<i>Profit from renting out the facilities owned by the company</i>	01.07	0.00
<i>Receiving dividends from facility investments</i>	01.08	0.00
<i>Sale of art treasures</i>	01.09	0.00
<i>Interest income on bank accounts</i>	01.10	0.00
<i>Receiving dividends from thirdparty investment companies</i>	01.11	0.00
<i>Other income</i>	01.12	3,485,873.93
<i>Other expenses</i>	01.13	-75,035.83
<i>Depreciation of facilities in the course of production activities</i>	01.14	-750,392.44
<i>Total: increase "+" or decrease "-" in the value of the property (lines 01+01.01+01.02+01.03+01.04 +01.05+01.06+01.07+01.08+01.09)</i>	01.15	-3,885,803.78



## REPORT ON THE INCREASE (DECREASE) IN THE VALUE OF PROPERTY OWNED BY AN INTERNATIONAL INDUSTRIAL HOLDING

### Section 1: Parameters of the report on the increase (decrease) in the value of the property

<i>The reporting period</i>	<i>The code of the currency in which the value of the net assets is determined</i>
<b>1</b>	<b>2</b>
October 2019	USD

### Section 2: Parameters of the report on the increase (decrease) in the value of the property

<i>Indicator name</i>	<i>Line code</i>	<i>The value of the indicator for the reporting period</i>
<b>1</b>	<b>2</b>	<b>3</b>
<i>An increase in the "+" (decrease in the "-") value of the property as a result of transactions with property - total</i>	01	-6,724,548.64
<i>Including as a result of transactions :</i>		
<i>Sale of land plots</i>	01.01	-7,693,852.57
<i>Sale of enterprises and production facilities</i>	01.02	659.350
<i>Sale of industrial facilities</i>	01.03	759,395.82
<i>Sale of motor vehicles</i>	01.04	-94,306.39
<i>Sale of scientific developments and patents</i>	01.05	853,346.83
<i>Design Documentation Development &amp; Sale</i>	01.06	0.00
<i>Profit from renting out the facilities owned by the company</i>	01.07	0.00
<i>Receiving dividends from facility investments</i>	01.08	0.00
<i>Sale of art treasures</i>	01.09	0.00
<i>Interest income on bank accounts</i>	01.10	0.00
<i>Receiving dividends from thirdparty investment companies</i>	01.11	0.00
<i>Other income</i>	01.12	0.00
<i>Other expenses</i>	01.13	-354,086.94
<i>Depreciation of facilities in the course of production activities</i>	01.14	-194,395.39
<i>Total: increase "+" or decrease "-" in the value of the property (lines 01+01.01+01.02+01.03+01.04 +01.05+01.06+01.07+01.08+01.09)</i>	01.15	-6,724,548.64





## REPORT ON THE INCREASE (DECREASE) IN THE VALUE OF PROPERTY OWNED BY AN INTERNATIONAL INDUSTRIAL HOLDING

### Section 1: Parameters of the report on the increase (decrease) in the value of the property

<i>The reporting period</i>	<i>The code of the currency in which the value of the net assets is determined</i>
<b>1</b>	<b>2</b>
November 2019	USD

### Section 2: Parameters of the report on the increase (decrease) in the value of the property

<i>Indicator name</i>	<i>Line code</i>	<i>The value of the indicator for the reporting period</i>
<b>1</b>	<b>2</b>	<b>3</b>
<i>An increase in the "+" (decrease in the "-") value of the property as a result of transactions with property - total</i>	01	5,900,490.03
<i>Including as a result of transactions :</i>		
<i>Sale of land plots</i>	01.01	493,951.45
<i>Sale of enterprises and production facilities</i>	01.02	8,432,359.84
<i>Sale of industrial facilities</i>	01.03	-1,492,783.42
<i>Sale of motor vehicles</i>	01.04	67,310.71
<i>Sale of scientific developments and patents</i>	01.05	7,382,385.42
<i>Design Documentation Development &amp; Sale</i>	01.06	0.00
<i>Profit from renting out the facilities owned by the company</i>	01.07	0.00
<i>Receiving dividends from facility investments</i>	01.08	0.00
<i>Sale of art treasures</i>	01.09	0.00
<i>Interest income on bank accounts</i>	01.10	0.00
<i>Receiving dividends from thirdparty investment companies</i>	01.11	0.00
<i>Other income</i>	01.12	-7,359,024.29
<i>Other expenses</i>	01.13	0.00
<i>Depreciation of facilities in the course of production activities</i>	01.14	8,348,291.32
<i>Total: increase "+" or decrease "-" in the value of the property (lines 01+01.01+01.02+01.03+01.04 +01.05+01.06+01.07+01.08+01.09)</i>	01.15	5,900,490.03



## REPORT ON THE INCREASE (DECREASE) IN THE VALUE OF PROPERTY OWNED BY AN INTERNATIONAL INDUSTRIAL HOLDING

### Section 1: Parameters of the report on the increase (decrease) in the value of the property

<i>The reporting period</i>	<i>The code of the currency in which the value of the net assets is determined</i>
<b>1</b>	<b>2</b>
December 2019	USD

### Section 2: Parameters of the report on the increase (decrease) in the value of the property

<i>Indicator name</i>	<i>Line code</i>	<i>The value of the indicator for the reporting period</i>
<b>1</b>	<b>2</b>	<b>3</b>
<i>An increase in the "+" (decrease in the "-") value of the property as a result of transactions with property - total</i>	01	78,314,038.44
<i>Including as a result of transactions :</i>		
<i>Sale of land plots</i>	01.01	54,033,402.93
<i>Sale of enterprises and production facilities</i>	01.02	12,405,392.24
<i>Sale of industrial facilities</i>	01.03	2,493,021.34
<i>Sale of motor vehicles</i>	01.04	1,358,920.29
<i>Sale of scientific developments and patents</i>	01.05	7,439,230.21
<i>Design Documentation Development &amp; Sale</i>	01.06	0.00
<i>Profit from renting out the facilities owned by the company</i>	01.07	0.00
<i>Receiving dividends from facility investments</i>	01.08	0.00
<i>Sale of art treasures</i>	01.09	0.00
<i>Interest income on bank accounts</i>	01.10	0.00
<i>Receiving dividends from thirdparty investment companies</i>	01.11	0.00
<i>Other income</i>	01.12	842,396.31
<i>Other expenses</i>	01.13	-58,392.04
<i>Depreciation of facilities in the course of production activities</i>	01.14	-198,932.84
<i>Total: increase "+" or decrease "-" in the value of the property (lines 01+01.01+01.02+01.03+01.04 +01.05+01.06+01.07+01.08+01.09)</i>	01.15	78,314,038.44

# Deloitte.

Explanatory note to the annual financial statements of DEL MAR ENERGY INC, an industrial holding company, for 2019.

Reporting on the property belonging to DEL MAR ENERGY, an international industrial holding company, and transactions with such property has been prepared in accordance with the requirements of the Investment Companies Act of 1940, FORM 10-K, "2a-7 of the Investment Companies Act", including the procedure for calculating the average annual net asset value of an international industrial holding company the company's estimated cost, investment assets of an industrial holding, the value of property transferred to pay for investment obligations (hereinafter referred to as the American laws).

CEO Michael Latham

