
ORACLE POWER PLC

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

ORACLE POWER PLC

COMPANY INFORMATION FOR THE YEAR ENDED 31 DECEMBER 2022

Oracle Power PLC is registered as a public company under English Law. Its shares are quoted on the AIM market of the London Stock Exchange. Oracle Power PLC is incorporated and domiciled in England and Wales and its registered number is 05867160.

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SECRETARY	Mr N Lee	
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**CHAIRMAN'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022**

I am pleased to present the financial statements for Oracle Power PLC ("Oracle" or the "Company") for the year ended 31 December 2022.

In December 2022, Andreas Migge, one of our non-executive directors left the Company. It was then with sadness that we learnt that he had died in February 2023. We would like to offer our condolences to his friends and family.

The political tensions between the United States and China slowed down some progress in the development of the mine and power project at Block VI in the Thar desert. However, during the course of the year the Company continued to advance its initiatives for the development of Block VI. The Government of Pakistan established demand for 1,320 MW of Thar coal-based power in 2027, allowing for potential development of the project. Subsequently, post period we signed an agreement for potential offtake for 1,320 MW of coal generated power as well as another agreement with PowerChina to develop, in parallel, a 1 GW solar farm at Thar.

During the year, we focused most of our attention on our Green Hydrogen project, which comprises the planned construction of a 400MW plant producing 55,000 tonnes of green hydrogen per annum backed by 1,200MW of hybrid solar/wind, green hydrogen/power plants.

This project is being developed through Oracle Energy Limited. This company is owned 70% by His Highness Sheikh Ahmed Dalmook Al Maktoum through his wholly owned company Kaheel Energy FZE, and 30% by Oracle Power Plc. Oracle will be primarily responsible for putting the project together and Kaheel Energy will use its position and influence to facilitate market access and financing.

To that end, we have acquired a 7,000 acres site in the Thatta district in Southeast Pakistan. This lease for this land has been granted to us by the Government of Sindh and is for an initial period of 30 years. This lease is now fully paid for and registered to Oracle Energy Limited.

We have been issued with a Letter of Intent ("LOI") from the Directorate of Alternative Energy of the Government of Sindh (the "Directorate of Alternative Energy"), relating to the establishment of a 1,200MW hybrid solar/wind, green hydrogen/power project. In order to obtain formal approval of the LOI, we needed to provide a \$600,000 performance guarantee bond which has now been put in place.

In addition to the above, we have an LOI from TUV SUD for the certification of the hydrogen output. Thyssenkrupp Uhde is undertaking the various feasibility studies, and post period land and renewable power studies have also been commenced.

In terms of our funding position, we raised £1,200,000 before expenses through two equity placings to finance the development of the green hydrogen project.

The development of the green hydrogen project has advanced rapidly and it should not be long before the project achieves bankability and Oracle can benefit from potential transactions with one or more energy or fuel companies.

With regard to Western Australia, we decided not to carry out any more work on the Jundee East project as we did not manage to find viable gold deposits. Post year end, we signed a "farm-in" agreement for the Northern Zone with Riversgold Ltd, the details of which can be found in our RNS dated 9 May 2023. We will retain a minority interest and be carried for the next phase of its development.

Operational highlights of 2022 are described in the Chief Executive's Report.

The Pakistan Government remains supportive of both the development of the Thar coal project and the Green Hydrogen project in Thatta. The broad parameters of security remain as last year: there have been no major incidents and, overall, order has been maintained.

We are most grateful to the Pakistani Authorities, to the Chinese Authorities and the Joint Cooperation Committee (JCC) of CPEC for their support.

CHAIRMAN'S REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

Above all, I wish to thank our shareholders for their continued confidence, patience and support, enabling us to make progress on our projects.

Name Mark Steed
 Chairman
 28 June 2023

**CHIEF EXECUTIVE'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022**

I am pleased to present a report on the Company's progress for the year ended 31 December 2022.

This year has been one of very notable progress for the Company. During the year, we focused on the development of the Company's significant Green Hydrogen ("GH") project in Pakistan and also continued to explore our Western Australia assets and develop our Thar asset. I am happy to say that we have made significant progress, and I provide an overview below.

In Pakistan, we continued to actively pursue the development of our Thar Block VI, for power as well as for CTG/L (coal to gas/liquid). We maintained an active dialogue with the Power Division, Ministry of Energy, throughout the year, to secure permission for development of the Company's 1,320MW, coal to power project under the China-Pakistan Economic Corridor ("CPEC"). In September 2022, the Government of Pakistan published its annual Indicative Generation Capacity Expansion Plan (the "IGCEP"), a demand-supply policy guidance chart for Pakistan and the demand for 1,320 MW of local coal fired power was stated as required in 2027. This inclusion which confirms demand for 1,320 MW coal-based power, allows for potential development of the project, subject to financing and off-take. In 2022 Q4, and subsequent to the publication of the IGCEP, we initiated dialogue with off takers other than the Government of Pakistan. We signed an MOU post period, for an off-take with the largest private power utility, along with the Government of Sindh as a facilitator and potential investor, preparing a pathway for the development of this important project.

Furthermore, following significant progress made in 2021 with respect to CTG/L, the Company signed an MOU in January 2022, with Sui Southern Gas Company Limited ("SSGC"), the public gas distribution company, based on the understanding that a buy back arrangement with SSGC would trigger required government policy formulation, as well as provide necessary guarantees to lenders. I can also confirm that generally, Oracle continued to receive encouragement and support from the Government of Pakistan for mobilisation of CTG/L development, given Pakistan's critical gas crisis.

In Western Australia, Oracle continued to conduct active exploration on both the tenements. We began an extensive drilling programme at Jundee East ("JE") in February 2022 which concluded in March 2022, covering 3830m in 54 holes. Subsequently complete geochemical analysis for downhole data was done to confirm gold mineralisation which was then followed by geochemical analysis of surface data for lithium and rare earth elements. The results obtained were not favourable and it was decided post period end not to undertake further drilling at JE.

At the Company's Northern Zone ("NZ") project, 25 km from Kalgoorlie, the results from the maiden drill programme targeting felsic intrusives porphyry bodies which had concluded in September 2021, were received in January 2022. The results established a low grade but potentially large mineralisation across the tenement. The Company carried out further metallurgical tests to confirm gold recovery rates. The results from these tests which were received in June 2022, confirmed excellent gold recovery rate of up to 94.7%. The Company proceeded to prepare a budget and plan for further drilling, opting for a diamond drilling programme to establish a JORC resource at NZ. In parallel the Company also started dialogue with potential JV partners. A "farm-in" agreement for NZ with an ASX listed company was entered into post period and work on NZ at minimum cost for the Company is expected to commence post period.

In 2022, the Company accelerated the development of its GH project in the wind corridor in Thatta in Pakistan. The project was launched in Q4 2021, and the Company has achieved major developmental milestones in 2022, for the first GH project in Pakistan and one of the largest in the region. The Company set up a new company, Oracle Energy Limited, for the development of the GH project in Pakistan in November 2021. In March 2022, the Company signed a JV agreement between Oracle and Kaheel Energy, a company owned by HH Sheikh Ahmed Dalmook Al Maktoum. The Company owns 30 percent of Oracle Energy with the balance owned by Kaheel Energy. The Company has retained management and the project has made good progress. In May 2022, a pre-feasibility study was completed by Power China International for 400 MW of GH production and 1.2 GW of hybrid power generation. Oracle Energy was issued an LOI from the Government of Sindh for the production of 1.2 GW of hybrid renewable power.

**CHIEF EXECUTIVE'S REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

Subsequently, a lease for 7,000 acres (28.3 sq km) of land in the Gharo-Keti Wind Corridor was awarded to Oracle Energy for the project. In November 2022, Oracle Energy commissioned Thyssenkrupp to undertake the feasibility study for green hydrogen and green ammonia, endorsing faith in the project by introducing highly reputable stakeholders. Results from this study are expected during the course of 2023. In parallel, Oracle Energy forged a relationship with a highly credible certification company by signing an LOI with TUV SUD for green hydrogen and green ammonia certification, across the entire production value chain. Post period end the project has continued to move quickly. Land studies were commenced, and non-binding arrangements have been initiated with potential off takers and investors.

In summary, the Company has strengthened its portfolio and undertaken significant development on all its projects. We have achieved exceptional milestones especially for the GH project and concluded a joint development agreement for one of our gold assets. We have also paved a way forward for potential development of our Thar asset.

I remain grateful to all the relevant authorities in Pakistan and Western Australia for supporting our initiatives. I am also thankful to the authorities in China for continuing to support projects in CPEC. I wish to also profoundly thank the Company's team in the UK, Pakistan and Australia, for their work and dedication. Above all I thank our shareholders for their continued confidence, patience and support, enabling us to grow our company. The Company remains committed to increasing shareholder value and to becoming a company of recognizable size and repute.

Ms Naheed Memon,
Chief Executive Officer
28 June 2023

**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022**

INTRODUCTION

The Directors present their Strategic Report of the Company and the Group for the year ended 31 December 2022.

PRINCIPAL ACTIVITY AND BUSINESS MODEL

The principal activity of the Group during the year under review was that of a project development company. The Company is currently involved with three projects: an energy project, based on the development of coal, and building a mine-mouth power plant in Pakistan; exploration for gold in Western Australia (WA); and the development of a green hydrogen project in Pakistan.

The development work in Pakistan was primarily focused on acquiring land, arranging infrastructure and obtaining necessary permissions from the government for the projects in Pakistan. The work done in WA involved exploration of the tenements and developing plans for further resource estimation. Although the projects generally operate through SPVs, the Group is controlled, financed and administered within the United Kingdom, which remains the principal place of business. The Group's business model is to create value through a balanced portfolio of high return projects and closing them out through commercially attractive joint venture or sale transactions

BUSINESS REVIEW

During the year, the Group has used its funds to develop the Thar mine project in Pakistan and to drill and develop its gold assets in Western Australia. The expenditures are either capitalised in accordance with IFRS, or expensed. The capitalised expenditures are shown as intangible fixed assets in the Statement of Financial Position and the expensed expenditures are shown as administrative expenses in the Statement of Profit or Loss. The loss for Oracle Power PLC after taxation for the year to 31 December 2022 amounted to £1,289,658 (2021: £881,879).

The Chairman, in his Statement, and the Chief Executive Officer in her Report, have summarised the activities of the Group during the financial year.

**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

SECTION 172(1) STATEMENT

The directors are well aware of their duty under Section 172(1) of the Companies Act 2006 to act in the way which they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

- The likely consequences of any decision in the long term;
- The interests of the Company's employees;
- The need to foster the Company's business relationships with suppliers, customers and others;
- The impact of the Company's operations on the community and the environment;
- The desirability of the Company maintaining a reputation for high standards of business conduct, and
- The need to act fairly as between members of the Company (the "Section 172(1) Matters").

Induction materials provided on appointment include an explanation of directors' duties, and the board is regularly reminded of the Section.172(1) Matters, including as a rolling agenda item at every main board meeting.

Further information on how the directors have had regard to the Section.172(1) Matters can be found on pages 8 to 16.

Section 172(1) Companies Act 2006

The board takes decisions with the long term in mind, and collectively and individually aims to uphold the highest standards of conduct. Similarly, the board understands that the Company can only prosper over the long term if it understands and respects the views and needs of its customers, distributors, employees, suppliers and the wider community in which it operates.

A firm understanding of investor needs is also vital to the Company's success along with a sustainable and environmentally responsible culture. This is detailed on page 15. The directors are fully aware of their responsibilities to promote the success of the Company in accordance with Section 172(1) of the Companies Act 2006. The text of Section 172(1) of the Companies Act 2006 has been sent out to each main board director.

The board ensures that the requirements are met, and the interests of stakeholders are considered as referred to elsewhere in this report and through a combination of the following:

- A rolling agenda of matters to be considered by the board through the year, which includes an annual strategy review meeting, where the strategic plan for the following year is developed;
- Standing agenda points and papers presented at each future board meeting, which will report on customers, employees and other colleagues, health and safety matters and investors;
- A review of certain of these topics through the Audit Committee and the Remuneration Committee agenda items referred to in this report;
- Detailed consideration is given to of any of these factors where they are relevant to any major decisions taken by the board during the year;
- At this stage, the directors consider that there are no financial KPIs that are specifically relevant to assessing the business.

Key board decisions taken during the year, all of which have long term implications for the ultimate success of the Company, and the Section 172(1) and stakeholder considerations are set out below.

Key Board Decision Section 172(1) and Stakeholder Considerations:

- Development of the Company's gold projects in Western Australia;
- Further development of the Company's coal and power project in Pakistan; and
- Commencement of the Company's green hydrogen project in Pakistan.

**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

Relations with Shareholders

The Company's principal means of communication with shareholders is through the Annual Report and Financial Statements, the full-year and half-year announcements and the AGM. The board recognises that the AGM is an important opportunity to meet private shareholders. Each substantially separate issue is the subject of a separate resolution at the AGM and all shareholders have the opportunity to put questions to the board. All board directors endeavour to attend AGMs and answer questions put to them which may be relevant to their responsibilities. In addition, the directors are available to listen informally to the views of shareholders immediately following the AGM. For each vote, the number of proxy votes received for, against and withheld is announced at the meeting. The results of the AGM are published on the Company's corporate website.

The board receives regular updates on the views of shareholders through briefings and reports from the executive directors, the Company's brokers and PR advisers. The Chief Executive Officer makes presentations to institutional shareholders and participate in investor road shows both following the announcement of the full-year and half-year results and, at other times throughout the year. Not every officer participates in every investor presentation. The Chairman will participate in these presentations where appropriate and is always available to speak with shareholders.

Dialogue with individual institutional shareholders also takes place in order to understand and work with these investors to seek to comply with their investor principles where practicable.

Investor queries may be addressed to the Company Secretary at info@oraclepower.co.uk. A range of corporate information (including all Company announcements) is also available to shareholders, investors and the public on the Company's corporate website www.oraclepower.co.uk.

**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

PRINCIPAL RISKS AND UNCERTAINTIES

The Group is engaged in the development of three key projects which include:

- a lignite coal resource in Block VI in the Thar Desert in the Sindh province in Pakistan through a mine supplying a power plant and a coal to gas facility;
- two gold assets in Western Australia: and
- a green hydrogen production facility in Pakistan.

The principal strategic and operational risks and uncertainties facing the Group are described below, together with the steps taken for their mitigation. Information on financial risk management is set out in the Financial Instruments section in this report.

The principal risks and uncertainties for the Company's projects are:

ISSUE	Likelihood of Issue Arising	Impact If Issue Arises
Financing	Medium/Low	High
Project Completion	Medium	Medium
Operating	Low	Low/Medium
Economic	Low/Medium	Low
Political, Legal and Regulatory	Low	Medium
Environment & Corporate Social Responsibility	Low	Low

Following the acquisition of the gold projects in Western Australia, the Company established adequate resource estimates via exploratory work on both the tenements acquired. Similarly in Pakistan, the Company continues its efforts to develop its coal to power plant given it has secured off take and potential equity partners including the Government of Sindh, The Company also awaits appropriate policy support to be announced, in order to proceed with the development of a coal to gas ("CTG") facility in conjunction with the power plant at Block VI. There are some risks related to obtaining viable tariffs for power and gas in order to maximise return. Economic risk, however, including cost increases, is protected, through the Government of Pakistan's cost-plus pricing mechanism.

The Company has increased the potential of its Thar asset by seeking to develop a solar facility on the land at Block VI Thar where it holds a lease. It has already conducted a preliminary study, obtained provisional consent and secured a collaborative relationship with a large power company.

The Company has made significant progress on the green hydrogen project and continues to work on studies and market access. The project faces risks in getting to production, price risk in relation to off take and cost of production risk on account of supply and transport uncertainty. The Company has engaged experts for technology and commercial support in order to further mitigate risks.

There remains political risk, on account of political uncertainty in Pakistan which may discourage investment. However, Western Australia presents very limited political risk compared to Pakistan and so the development of the projects there face commercial risk primarily.

The risks are detailed below, along with the key measures taken for mitigation.

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GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

Financial Close Risk	
Risk	Mitigation
<p>In relation to the coal to power project, given that the demand for coal to power has been established by the government and off take was confirmed post period, the principal risk is related to securing debt from banks and Chinese Sinasure (China's export financing plan). This process can be delayed and banks and Chinese lenders may only lend against export components.</p> <p>In relation to the GH project, there may be delays in financial close on account of the fact that commercial terms and a market place for this commodity is under development. Financiers will take exposure when contracts take a clearer shape and long term prices are established in the near term.</p>	<p>The Company is assessing the most viable development model and is working closely with the CPEC planning bodies in Pakistan and in China. If the Company receives positive support for financing through CPEC, it can proceed to enter into a binding shareholders or JV agreement with the parties with who have signed the MOU for off take and development.</p> <p>Arbitrary withdrawal is considered by Oracle unlikely, given the high profile commitments made by China to CPEC. With respect to the GH project we have initiated engagement with off takers for long term contracts and are also in conversation with multilaterals for financing in order to achieve financial close in a timely fashion.</p>
Project Completion Risk	
Risk	Mitigation
<p>The Block VI development plan in the first phase comprises a power plant to be followed by CTG/L facilities in the future. Delay in development could arise due to timely provision of infrastructure by the government. Secondly the power plant may fail tests and result in encashment of performance guarantees.</p> <p>In relation to WA gold exploration, there are risks associated with drilling, topography conditions, and weather conditions.</p> <p>In relation to the GH project there could be delays in permitting, supply of electrolyzers and delays in setting up required storage and transport infrastructure.</p>	<p>The Company intends to engage well qualified engineers and contractors for all its projects. In the case of the coal power plant, neighboring blocks have constructed and commissioned power. The Company is in close contact with the relevant Government authorities in relation to all infrastructure requirements and continues to secure timely permissions for provision.</p>

GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

Operating Risk	
Risk	Mitigation
<p>Technical issues, similar to those described under Project Completion risk.</p> <p>The availability of water, transmission infrastructure, storage and transport are some issues which will be faced by the project at Thar as well as the GH project. Although the production of hydrogen is relatively risk free, the storage and transportation of green hydrogen can present risks associated with new technology.</p>	<p>As with Project Completion Risk, the intention is for projects to be constructed by leading contractors. The Company will take out the normal suite of insurance policies and to the extent that operational issues give rise to cost increases, these should also be recoverable through pricing mechanisms.</p> <p>The Company is in the process of securing all infrastructure provision commitments from the Pakistan Government before commencement of the project.</p> <p>The Company has engaged the best engineering company in the world for GH and will also engage the best technology suppliers for storage and transportation of green hydrogen.</p>
Economic Risk	
Risk	Mitigation
<p>The economic performance of the Company could be affected by movements in international markets. Exchange rate volatility and interest rates increase will impact cost during development and construction. Volatility in international energy prices, will introduce uncertainty in long term prices and off take contracts. Change in the price of gold and US\$ inflation may also raise capital and operating costs.</p> <p>The price of renewable energy power components such as turbines and photovoltaic panels can remain high on account of shortages. Further, high transportation costs will impact the selling price of hydrogen for the end user.</p>	<p>Cost variances resulting from exchange rate movements and US\$ inflation should generally be recoverable through pricing mechanisms. The risks posed by further importation of coal or oil for power generation is not considered to be high given the large price differentials and the present lack of power plants and scarcity of energy in Pakistan. The savings in foreign exchange to the country of import substitution through local energy production are clear, and the development of power plants based on indigenous coal or use of renewable power for the production of hydrogen as fuel in Pakistan increases the country's security of energy supply and its balance of payments through increase in export and reduction in import.</p> <p>Furthermore, the Company will engage contractors which have scale and cost advantage to mitigate global shortages and transport costs.</p>

ORACLE POWER PLC

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

Financing Risk	
Risk	Mitigation
<p>The JV company set up for GH with HH Sheikh Ahmed Dalmook Al Maktoum Private Office has brought in a very well financed partner, and subsequently the MOU with the world's third largest company, State Grid, means that the probability of achieving financial close is good, but there is chance of delay based on the time it will take to secure off take contracts and de risk project. Similarly, the farm-in agreement to develop the Northern Zone gold project in WA, with another listed entity, has introduced funding for further exploration but the Company will need to invest further if it is to maintain its share in the JV at a later stage.</p> <p>The ability to secure financing for the coal to power project depends on the support given by the Chinese government as coal to power financing is not as readily available. The Company will need to coordinate efforts with the planning ministries in China and in Pakistan to mobilise debt.</p>	<p>For the GH project, partners and joint developers sit in a place of immense influence and the agreements signed divide responsibility of raising equity and debt. In the case of the coal to power plant, the MOU signed also includes the Government of Sindh, which increases the possibility of Chinese support for debt. The Company also plans to bring in first tier lenders to attract finance from the market.</p>
Political, Legal, Regulatory and Fiscal Risks	
Risk	Mitigation
<p>The Government has demonstrated strong support for the coal to power plant development. Risks could arise from a reduction in domestic support and inability to provide the required infrastructure. In the longer term, adverse changes in the fiscal regime, lease terms, tax rates, availability of foreign exchange to meet debt servicing and dividends, would affect both the coal to power plant as well as the GH project. Overall security conditions present a risk particularly as operations by Chinese companies can be targeted if the political conditions worsen.</p>	<p>The Government have expressed its continued support for the development of indigenous coal and Thar. The Company believes that the shortage of base load power is likely to be clear to any incoming government and support will be forthcoming.</p> <p>In relation to GH, there is already a strong ongoing conversation and the government is working on a national hydrogen strategy to support the development of GH production facilities. Pakistan has bilateral Investment Treaties with China and the UK in place, and there is protection in every eventuality. The Company will also consider whether political risk insurance could be a cost effective mitigant. Finally, Oracle has a strong working relationship with all relevant levels of Government and will use these relationships to address domestic impediments. The Government has set up a special force with overall responsibility for security in Thar and the location of the wind corridor where GH is already very safe. Oracle will be putting in place a comprehensive security plan which complements those of the Government agencies at all project sites.</p>

GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

Environment & CSR	
Risk	Mitigation
<p>Energy projects of this nature have a major impact on the environment and impose significant corporate social responsibility on a company. If environmental risks are not properly addressed and corporate social responsibility mismanaged either of these can give rise to severe reputational damage and significant cost.</p>	<p>Oracle operates to international standards of environmental and social impact management and complies with the Pakistan Environmental Protection legislation, which mirrors international standards.</p> <p>However, by launching its green hydrogen project, the Company plans to offset the possible negative impact its coal to power project would have on its environment.</p> <p>At the same time, all exploration activities in WA are done after due clearance from the Department of Mines, Industry Regulation and Safety, is obtained and strictest measures are put in place to safeguard the environment and workers.</p> <p>The Environmental and Social Impact Assessment for the mine has been approved by the Sindh Environmental Protection Agency and the No Objection Certificate ("NOC") was issued in May 2013. For the power plant, the public hearing was held in August 2017 and the NOC is awaited.</p> <p>Further, in relation to the green hydrogen project, the Company is already in conversation with certifiers to obtain a green certificate upon commencement of project construction.</p> <p>From the outset, Oracle has understood the need to act as an exemplary corporate citizen. Oracle has long established a Community Liaison Officer and will continue to foster good relationships with local communities. Oracle will work to ensure that it works with other developers of Thar Coal, for example Sindh Engro in Block II in joining the Thar Foundation, set up to coordinate welfare initiatives.</p> <p>The Company has also made commitments to the Government of Sindh to ensure that local communities settled in the wind corridor area, where the green hydrogen project will be housed, are provided livelihood and housing.</p>

**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Oracle Power PLC is a responsible corporate entity and is continuing to apply international best practice to all its projects. The Company is aware of the key role it has to play in developing its pioneering projects in Pakistan, in minimising the impact that its operations may have on the natural and social environment and in creating opportunities for the local community. In Western Australia, it remains fully compliant with regard to all environmental and social protocols.

Environmental and Social Impact Assessment ("ESIA")

In relation to the Thar project, Oracle commissioned Wardell Armstrong International Ltd. ("WAI") to produce an ESIA for the Block VI project. WAI worked with Hagler Bailly Pakistan, a local group of environmental consultants, based in Islamabad, to complete the ESIA to meet both national and international standards. The ESIA was completed and submitted in April 2013 to the Sindh Environmental Protection Agency, Government of Sindh ("SEPA"). A public hearing was held on site in June 2013, attended by the local people along with government representatives, SEPA, various non-governmental organisations ("NGO") and the Company's consultants as part of the public consultation process. There was overall support for the project and the Company will continue its consultation with the local people as the project moves into the implementation phase.

Early in July 2013 SEPA held a Technical Committee Hearing in Karachi to examine the technical aspects of the ESIA and to take on board concerns raised at the public hearing which was attended by the Company and its consultants along with Government representatives.

Following these meetings SEPA has issued the "No Objection" Certificate giving formal approval for the ESIA in January 2014 which was another significant step towards mine development.

In 2016, Mott MacDonald were commissioned to prepare an ESIA for a 660MW mine mouth power plant which was completed in March 2017 and submitted to SEPA for approval. A public hearing was held on the site in July 2017 and was attended by the local communities and other stakeholders and was well received. Also, in March 2017, the mine ESIA was updated and brought up to international standards by WAI and aligned with the power plant ESIA.

In relation to the green hydrogen project in the wind corridor in Sindh, Pakistan, we are in conversation with TUV Rheinland, which will issue a green certificate for plans, before the construction commences.

In Australia, before the commencement of any exploration activity, clearances are secured from the Department of Mines, Industrial Safety and Regulation, Government of Western Australia.

Community and Consultation

At Thar, in addition to the environmental characterisation of the site, a comprehensive social data gathering campaign has been completed. Background information on local demography, village structure, local culture, resources and socio-economics has been collected. In addition, an ongoing public consultation has been undertaken to gather the views and opinions of local stakeholders (both at a local and national level), and to disseminate information about the project. A similar exercise is intended at the green hydrogen project site, post allotment of land. In Western Australia, we pay fees towards the protection of the communities, in accordance with government programmes and policy.

Resettlement

Community response in relation to Thar, has generally been positive, with an interest in the project, and the associated community benefits that it will deliver. As a result of the location of the lignite seams, and the requirement for associated infrastructure, some relocation of local communities currently residing within Block VI will be required. The Resettlement Policy Framework of May 2015 sets out the formal mechanism for resettlement in Thar and is generally in line with international performance standards. Such a Resettlement Framework and Resettlement Action Plan ("RAP") was prepared and has been submitted to SEPA in April 2014 as required under the ESIA approval and has been recorded for action.

**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

At the green hydrogen project site, a similar resettlement plan will be undertaken in accordance with Pakistan's Renewable Power Policy post acquisition. In Western Australia, the laws governing aboriginal settlement and protection are enforced, and the Company is fully compliant.

The next stage of the process at both the project sites in Pakistan will be to carry out detailed surveys to identify landowners in the case of Thar, and settled communities on both sites, taking into account families, livestock, and agricultural assets prior to commencement of projects. It is intended to construct replacement villages, with full electricity, sanitation, and potable water supply together with culturally appropriate places of worship, with opportunities for a local market area. The exact design of resettlement villages will be decided in consultation with the affected communities. Oracle has carried out a census at Thar and already done surveys in conjunction with local authorities at the green hydrogen site, and is well prepared to begin this work.

Oracle Social Development Initiatives

As part of Oracle's CSR initiatives, a strategy is being developed to identify, and support community development projects. A similar resource will be hired for the green hydrogen project and full support will be offered to the local communities in the area.

Benefits and Opportunities

Oracle is working with local groups to ensure that the Block VI project delivers sustainable benefits to the communities, and an overall improvement in local living conditions, whilst also positively responding to the energy crisis in Pakistan. This project will result in direct and indirect benefits to the local communities. Direct benefits will include employment at the mine and power plant, whilst indirect benefits may include revenues generated by local supply of goods and services to the operations.

In WA, we have already generated both direct and indirect jobs, and as we continue to develop our two projects there, we anticipate greater contribution to the national output, will be made.

Benefits and Opportunities include:

- Improvements and extension of the existing government primary schools on all sites;
- Training of literate male and female community members for teaching;
- Extension of the existing school buildings to support more students;
- Supply of stationery and other provisions;
- Bi-annual hygiene and healthcare awareness campaign in all communities;
- Setting up water filter systems in all communities;
- Awareness campaign on methods to improve livestock health and productivity in all communities;
and
- Construction of a road to connect local villages and communities to highways and other amenities.

This report was approved by the board on 28 June 2023 and signed on its behalf.

Mark Steed
Chairman

ORACLE POWER PLC

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present their report and the financial statements for the year ended 31 December 2022.

RESULTS AND DIVIDENDS

The loss for the year, after taxation, amounted to £1,289,658 (2021 - loss £881,879).

No dividends will be distributed for the year ended 31 December 2022.

DIRECTORS

The directors who served during the year were:

Mark Wickham Steed, Non-executive Chairman

Naheed Memon, Chief Executive Officer

David James Hutchins, Independent Non-Executive Director

Andreas Migge Senior Independent Non-Executive Director (left on 13 December 2022)

The beneficial interests of the Directors, who held office during the year, in the Ordinary Shares of the Company on 31 December 2022 were as follows:

	31 December 2022	1 January 2021
Mr M Steed	24,724,939	24,236,502
Ms N Memon	112,448,589	108,748,186
Mr A Migge	-	9,045,423
Mr D Hutchins	790,282	152,238

The Directors held no share options during the year.

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

INFORMATION ON DIRECTORS AND SENIOR MANAGEMENT

Mark Steed

Chairman

Mr Steed has had a career in the field of international stock and commodity markets, the management of offshore hedge funds, corporate finance and trading in securities in emerging economies. He has worked with and set up various portfolio and fund management companies, in the roles of Chief Executive Officer, Chief Financial Officer and Compliance Officer. Notably he has been involved in the setup of Amstel Securities LLP, City Capital Securities Limited, Shard Capital Partners LLP and the Sion Hall Family Office. Within the Company, Mr Steed, in addition to his role as Chairman, oversees corporate, financial and audit matters.

Naheed Memon

Chief Executive Officer

Ms Memon has had a career spanning public service and the private sector. Following a first degree in Computing Science at the University of Karachi, she completed a MSc in Economics, including a Distinction in Econometrics, at Birkbeck College, London and an MBA at Imperial College London. She has held various roles in her family conglomerate, the Kings Group of Industries, Pakistan, including Director of Marketing and Director of Information Systems. She was CEO of Advici Consulting Limited, a consulting practice based in London advising in marketing and investor facilitation. She has been a Financial Advisor with Merrill Lynch, Private Banking. She was CEO of Manzil Pakistan, a public policy think tank based in Karachi. She has served the Sindh Board of Investment (Government of Sindh), as Vice Chair from 2013 - 2016, then as Chair until August 2018.

David Hutchins

Independent Non -Executive Director

Mr Hutchins is a highly experienced corporate mining and commodities professional with more than 30 years in the industry. During his career he has held several executive roles for both listed and private companies. Mr Hutchins is a member of the FTSE Gold Mines Index Committee and a past Chairman.

Most notably, Mr Hutchins has held a range of senior roles within fund management, including various senior positions at M&G Group. In addition, he was a Fund Manager of Resources Investment Trust plc which was listed on the London Stock Exchange. He was also a Director and Founder of www.minesite.com, a mining industry specific news website which is now part of Master Investor. He currently sits on the Board of Wishbone Gold Plc (AIM: WSBN), a gold specialist company operating in exploration, mining and bullion trading, which, like Oracle, has gold exploration projects in Australia.

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

FINANCIAL INSTRUMENTS

The Group's financial instruments comprise cash and cash equivalents, loan investments and financial assets and various items such as trade receivables, trade payables, accruals and prepayments that arise directly from its operations.

The main purpose of these financial instruments is to finance the Group's operations. The Board regularly reviews and agrees policies for managing the level of risk arising from the Group's financial instruments which are summarised as follows:

Liquidity Risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's policy throughout the year has been to ensure that it has adequate liquidity to meet its liabilities when due by careful management of its working capital.

Credit Risk

The Group's principal financial assets are the cash and cash equivalents and taxation receivable as recognised in the statement of financial position, and which represent the Group's maximum exposure to credit risk in relation to financial assets.

Capital Management

The Company's capital consists wholly of ordinary shares. The Board's policy is to preserve a strong capital base in order to maintain investor, creditor and market confidence and to safeguard the future development of the business, whilst balancing these objectives with the efficient use of capital.

Market Risk

Market risk is the risk that changes in market prices, such as commodity prices, foreign exchange rates, interest rates and equity prices will affect the Group's and Company's income or value of its holdings in financial instruments.

GOING CONCERN

During the year under review, the Group experienced net cash outflows from operating activities which it financed from existing cash resources held at the start of the year and cash received from the issue of new equity share capital. The Directors have considered the cash flow requirements of the Group over the next 12 months and believe that additional funding will be required to meet the Group's cash requirements over that period. This additional cash requirement creates a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. However, the Directors expect to be able to meet the funding requirements for the Group to continue as a going concern for at least 12 months from the date of the approval of these financial statements, and consequently, the Directors consider it appropriate to adopt the going concern basis in the preparation of the financial statements.

SIGNIFICANT SHAREHOLDINGS

The Directors have been notified of the following interests, directly or indirectly, in 3% or more of the Company's ordinary shares as at 27 June 2023:

	Shareholding	% of ISC
His Highness Sheikh Ahmed Bin Dalmook Al Maktoum	540,000,000	14.40
Brandon Hill Capital	173,300,000	4.64
Barclays Bank plc	138,461,539	3.71
Naheed Memon	114,295,788	3.06

DIRECTORS REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

HEALTH AND SAFETY

There were no reported personal injuries or fatalities among the Company's staff or contractors during the year.

SIGNIFICANT AGREEMENTS

The Companies Act 2006 requires the Company to disclose any significant agreements which take effect, alter or terminate upon a change in control of the Company. The Company is not aware of, or party to, any such agreement.

ENERGY AND CARBON REPORTING

Streamlined Energy and Carbon Reporting is required by large companies where energy consumption exceeds 40,000kWh. The Company can confirm that its consumption is less than 40,000kWh and therefore there is no requirement to provide a details of the Company's greenhouse gas emissions, energy consumption and energy efficiencies.

ON BEHALF OF THE BOARD:

Mark W Steed - Chairman

Date: 28 June 2023

**REPORT ON REMUNERATION
FOR THE YEAR ENDED 31 DECEMBER 2022**

This report has been prepared in accordance with the requirements of Schedule 2 Part 1 of the Companies Act 2006 (Schedule) and describes how the Board has applied the Principles of Good Governance relating to Directors Remuneration. In accordance with Section 439 of the Companies Act 2006 a resolution to approve the report will be proposed at the Annual General Meeting of the Company at which the Financial Statements are submitted for shareholder approval.

Remuneration Policy

The Remuneration Committee is focused on ensuring that the Group's policies and procedures are effective for the Group's business and that executive remuneration packages are designed to attract, drive, motivate and retain executive directors and senior management of the requisite calibre and expertise, and to reward them appropriately for creating and enhancing long-term value for shareholders. The performance measurement of the Chief Executive Officer and key members of the senior management team, and the determination of their annual remuneration package is undertaken by the Remuneration Committee.

The remuneration of the Non-Executive Directors is determined by the Board within limits set by the Articles of Association and in accordance with the general guidance principles adopted by the Quoted Companies Alliance for small and mid-size quoted Companies.

Non-Executive Directors' Terms of Engagement

The Non-executive directors have specific terms of engagement. Their remuneration is determined by the Board. In the event that a Non-executive Director undertakes additional assignments for the Company, a fee will be agreed by the Board in respect of each assignment.

Aggregate Directors' Remuneration

The remuneration paid to the Directors, inclusive of Employer National Insurance contributions, in accordance with the service contracts, during the year ended 31 December 2022 was as follows:

	2022 Salary and fees £	2022 Pensions £	2022 Total £	2021 Total £
Executive				
Ms N Memon	150,000	-	150,000	150,000
Non- Executive				
Mr M W Steed	30,000	1,200	31,200	31,200
Mr A Migge	27,500	-	27,500	30,433
Mr D Hutchins	29,583	888	30,471	21,396
Mr G Lewis	-	-	-	2,083
	237,083	2,088	239,171	235,112

Mr G Lewis resigned on 21 December 2020, Mr A Migge left the Company on 13 December 2022.

**REPORT ON REMUNERATION (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

Directors' Service Contracts

The Directors have contracts with a two year term, renewable by mutual agreement and on an annual basis thereafter. Termination notice period is stated.

	Date of appointment	Notice period
Executive		
Ms N Memon	7 January 2019	12 months
Non-Executive		
Mr M Steed	12 July 2017	3 months
Mr D Hutchins	3 March 2021	3 months

Performance Evaluation

The Board undertakes annually a formal evaluation of its performance and of its committees involving individual Directors and Senior Managers.

Executive Incentives

The Remuneration Committee intends to prepare, recommendations to the Board in respect of performance bonus schemes and long-term incentive packages for directors and managers. These proposals will be formulated after consultation with professional remuneration advisers and major shareholders.

This report was approved by the board on 28 June 2023 and signed on its behalf.

Mark Steed
Chairman

**CORPORATE GOVERNANCE REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022**

During 2022 the Board continued its commitment to maintaining high standards of corporate governance, complying with the requirements of the corporate governance guidelines (Guidelines) for smaller quoted companies issued by the Quoted Companies Alliance. The 10 principles set out in the Guidelines aim to assist small and growing companies in ensuring good governance practices and communicating such practices with shareholders and stakeholders. With the exception of Directors' Remuneration (which is dealt with separately in the Remuneration Report), this statement sets out how the Board has applied such principles and the Company's compliance with the specific provisions of the Guidelines.

Board and Board Committees**The Board of Directors**

The Board of the Company is responsible for the Group's system of corporate governance. At 31 December 2022, the Board consisted of three Directors being the Chief Executive Officer, Ms N Memon, the Non-executive Chairman, Mr M Steed, and Non-executive Director Mr D Hutchins. Details of their careers are given in the Report of the Directors.

The Board has considered the independence of Mr Hutchins and considers him to be fully independent.

Details of Directors' service contracts are given in the Remuneration Report. None of the Board have any conflicts of interest arising from cross-directorships or day-to-day involvement in running the business. All Directors are subject to election by shareholders at the first Annual General Meeting after their appointment. All Directors are submitted for re-election after three years, subject to continued satisfactory performance. All Directors had access throughout the year to the advice and services of the Company Secretary Mr N Lee, who is responsible for ensuring that Board procedures and applicable regulations under the Company's Articles of Association or otherwise are complied with. Each Director is entitled, if necessary, to seek independent professional advice at the Company's expense.

Board Meetings

The Board of Directors seek to meet approximately every three months, however, more regular discussions took place between directors during the period. Also, where necessary relevant matters were approved by the Board electronically. There is a defined schedule of matters reserved for its decision. The matters so reserved include responsibility for the overall Group strategy, approval of contracts, commitments to capital expenditure budgets over £10,000, appointment of Directors and staff, approval of remuneration of Directors on the recommendation of the Remuneration Committee, issue of shares and warrants, appointment of a financial adviser, approval of regulatory announcements to the market, and a final investment decision to proceed with project implementation.

Board Committees

The Board Committees are comprised of Non-Executive Directors. They operate within defined terms of reference, details of which are posted on the Company's website, and they report regularly to the Board. At this stage of the development of the Company the Board Committees are also charged with advising the Boards and management of the subsidiary companies.

ORACLE POWER PLC

CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

The meetings held in 2022 were as follows:

	Number of Meetings in 2022	Members (and attendance during period of appointment)
The Board	4	All
Nomination Committee	0	n/a
Remuneration Committee	1	All
Audit Committee	2	All
Tender Committee	1	All

Nomination Committee

The Nomination Committee was established post admission to AIM to review the structure, size and composition of the Board, including the skills, knowledge and experience required and to make recommendations to the Board with regard to any changes. The Committee also identifies and screens candidates for recommendation to the Board for the Remuneration and Audit Committees. The Nomination Committee also formulates proposals for succession planning of the Board and management. The Committee comprised of Mr Migge as chairman up to when he left the Company and Mr Steed. The Committee did not meet in 2022. The Committee also monitors the application of the Company policy on discrimination and encouraging diversity amongst the Company's workforce. No such issues were noted in 2022.

Remuneration Committee

The Remuneration Committee met once in 2022. The Committee consists of Mr Steed as chairman and Mr Hutchins. It is responsible for reviewing the remuneration, performance bonuses, incentive schemes and pension provision for Board members and executives of the Company and new joiners. It is policy that no individual participates in discussions or decisions concerning their own remuneration.

Audit Committee

The Audit Committee of the Board met twice in 2022. The Committee is chaired by Mr Steed. Other Directors and officers are invited to attend where appropriate.

The role of the Audit Committee is to monitor the integrity of the financial statements, and to review any significant financial reporting issues, especially the consistency of, and changes to, accounting policy. The Committee also assesses the effectiveness of the Company's internal controls and risk management systems. The Committee considers and makes recommendations to the Board, to be put to shareholders for approval at the AGM, in relation to the appointment, re-appointment and replacement of the Company's external auditor. This extends to monitoring the effectiveness, remuneration and independence of the external auditors.

The auditors of Oracle Power PLC are Price Bailey LLP who have served the Company since it was founded. Price Bailey have regularly rotated the audit engagement partner. The Committee view is that Price Bailey have served the Company well. The Committee has therefore concluded that, with the limited size of this audit, the costs of re-tendering could not be justified at this stage.

A. F. Ferguson & Co. the local affiliate of Price Waterhouse Coopers, is based in Karachi and is the auditors of Sindh Carbon Energy Limited and of Thar Electricity (Private) Ltd. Pitcher Partners are the local affiliate of Baker Tilly, are based in Perth and are the auditors of Oracle Gold Pty Limited. Price Waterhouse Coopers (London) advise the Group on global tax matters and A. F. Ferguson & Co. and Pitcher Partners advise the Group on local tax matters.

The going concern assumption was reviewed by the Committee. The carrying values of the assets rely upon the

**CORPORATE GOVERNANCE REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

successful raising of sufficient finance to reach an investment decision and the Report and Annual Accounts reflect that judgement.

In the area of internal controls, the Audit Committee monitors the internal control environment of the Group. The Committee also oversees the Group's adherence to Market Abuse Regulations. The Committee considers that internal controls are sound, both in Oracle Power PLC and in the subsidiary companies. The Committee monitors the Company's Internal Control Manual and makes amendments as they are needed.

The risk assessment exercise for the Company is undertaken annually under the supervision of the Audit Committee. The results of the most recent exercise are included in this Report in the section Principal Risks and Uncertainties.

Management Meetings

The Senior Management of the Company meet regularly to discuss in detail project progress and all other aspects of the business and where appropriate put tables recommendations to the Board for their consideration and approval.

Tender Committee

The Tender comprises Mr Hutchins as chairman. One meeting was held in 2022. The purpose of the Tender Committee is to ensure the fair and objective consideration of bids received for services and goods of both capital and revenue expenditure. The Tender Board must be consulted on all contracts or purchases which could exceed £10,000. The Tender Board will recommend contract awards to the individuals authorised to commit the Company. In the case of contracts of £100,000 or more the final decision will be ratified by the Company Board of Directors.

Matters to be referred to the Tender Board include:

- lists of proposed tenderers
- lists of proposed vendors
- proposals to negotiate rather than tender contracts
- opening and recording of sealed bids (which may be delegated to appropriate officers)
- proposals to award contracts
- variations, claims and over expenditure on contracts when these exceed 7% of the original price
- renewal of existing contracts

**Accountability and Audit
Financial Reporting**

The Board is responsible for presenting a balanced and understandable assessment of the Company's position and prospects, extending to interim financial reports and other announcements. All announcements are approved by the Board and the Nominated Adviser.

Internal Controls

The Directors have overall responsibility for ensuring that the Group maintains a system of internal controls to provide them with reasonable assurance that the assets of the Group are safeguarded and that the shareholders' investments are safeguarded. The system includes internal controls covering financial, operational and compliance areas, and risk management. There are limitations in any system of internal controls, which can provide reasonable but not absolute assurance with respect to the preparation of financial information, the safeguarding of assets and the possibility of material misstatement or loss.

The Board has delegated responsibility for the monitoring of internal control to the Audit Committee, and this is covered in the Audit Committee Report. The Board considers that an internal audit function would not be appropriate at this stage of the Group's development but keeps the matter under review.

Relations with Shareholders

The Directors place great importance on maintaining good communications with both institutional and private investors. The Group reports formally to shareholders twice a year and more regular communication is provided

**CORPORATE GOVERNANCE REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

through regulatory announcements and through the website. The Chief Executive, supported by the Group's brokers, makes interim presentations to shareholders as needed.

ON BEHALF OF THE BOARD:

Mark Steed Chairman

Date: 28 June 2023

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2022**

The directors are responsible for preparing the Group Strategic Report, Directors' Report and the consolidated financial statements, in accordance with applicable law.

Company law requires the directors to prepare consolidated financial statements for each financial year. Under that law they have elected to prepare the consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the UK.

Under company law the directors must not approve the consolidated financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Company and of the profit or loss of the Group for that period. In preparing the consolidated financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRS as adopted by the UK, subject to any material departures disclosed and explained in the financial statements;
- assess the Group and Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the parent Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

The auditors, Price Bailey LLP, have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the Group's forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

Mark Steed Chairman
Date: 28 June 2023

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ORACLE POWER PLC

OPINION

We have audited the financial statements of Oracle Power plc Group of Companies (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2022 which comprise the Consolidated Statement of Profit or Loss, the Consolidated Statement of Other Comprehensive Income, the Consolidated Statement of Financial Position, the Company Statement of Financial Position, the Consolidated Statement of Changes in Equity, the Company Statement of Changes in Equity, the Consolidated Statement of Cash Flows, the Company Statement of Cash Flows, Notes to the Consolidated Statement of Cash Flows, , and Notes to the Financial Statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2022 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with UK adopted international accounting standards;
- the parent company financial statements have been properly prepared in accordance with UK adopted international accounting standards and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group and the parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ORACLE POWER PLC (CONTINUED)

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

We draw attention to Notes 2 and 11 in the financial statements, which explain that during the year under review, the Group experienced net cash outflows from operating activities, which it financed from existing cash resources held at the start of the year and cash received from the issue of new equity share capital. The directors have considered the cash flow requirements of the Group over the next 12 months and believe that additional funding will be required to meet the Group's cash requirements over that period. As stated in Notes 2 and 11, this condition, along with other matters as set forth in Notes 2 and 11, indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Given the uncertainties noted above we considered going concern to be a Key Audit Matter. We have assessed management's forecasts and underlying assumptions. In doing so we considered factors such as historical operating expenditure and the group's ability to raise funding in the near future.

We found our results from the above and the disclosures in the financial statements in respect of the above to be appropriate.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our evaluation of the directors' assessment of the entity's ability to continue to adopt the going concern basis of accounting included review of forecasts covering at least 12 months after signing of the accounts, review of management accounts after the year end, and consideration of available funding.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

OUR APPROACH TO THE AUDIT

Our Group audit was scoped by obtaining an understanding of the Group and its environment. We determined materiality and assessed the risk of material misstatement in the financial statements. In particular we looked at where the directors had made subjective judgements within accounting estimates. We addressed the risk of management override of internal controls including whether there was evidence of bias by the directors that represented a risk of material misstatements due to fraud.

The group has operating entities based in Pakistan and Australia. We assessed there to be four significant components being the Oracle Power Plc with operations in the UK, Sindh Carbon Energy Ltd and Thar Electricity (Private) Ltd with operations in Pakistan, and Oracle Gold Pty Limited with operations in Australia.

The parent entity was subject to a full scope audit by the group auditor.

A full scope audit was performed on the significant components Sindh Carbon Energy Ltd and Thar Electricity (Private) Ltd by A.F. Ferguson & Co., the local affiliates in Karachi of Price Waterhouse Coopers, and Oracle Gold Pty Limited by Pitcher Partners, a Baker Tilly network member. Detailed group reporting instructions for the testing of the significant areas were sent to the component auditors and we discussed their findings with the component audit partner. The group audit team also performed the audit procedures over the significant risk areas and consolidation.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant addressed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on the overall audit strategy, the allocation of resources in the audit, and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ORACLE POWER PLC (CONTINUED)

our opinion thereon, we do not provide a separate opinion on these matters.

In addition to the matter described in the Material uncertainty related to going concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter

Project feasibility and its impact on carrying value of intangibles, the valuation of the investments and recoverability of intercompany loans

The group has substantial exploration assets on which the success of the group is underpinned.

As explained in Notes 2 and 11 to the financial statements the assessment of whether there are indicators of impairment in relation to exploration assets requires the exercise of significant judgement by management.

Given the significant value of the exploration assets the assessment of whether there are indicators of impairment and the results of the impairment reviews represent a key audit matter for our audit.

For the primary project in Pakistan, the Directors have performed an impairment review based on the financial feasibility of the project, comparing the carrying value to the recoverable amount, and have determined that no impairment is required.

For the Australia project, as it is in an earlier stage, the Directors have assessed whether there is an indicator of impairment of the project. Indicators were identified for the Jundee East project, which has been impaired in full. No impairment indicators have been identified for the Northern Zone and the directors have determined that no impairment is required.

Additionally, the company has intercompany loans due from Sindh Carbon Energy Limited, Thar Electricity (Private) Limited, Oracle Gold Pty Limited, and Oracle Energy Limited. These are repayable on demand however are unlikely to be repaid until the respective projects become successful and the subsidiaries start to generate revenues, as explained in Note 14.

Further, the carrying value of the investments are reliant on the projects becoming successful and generating revenues for the group.

The recoverability of the intercompany loans and carrying value of investments are therefore also reliant on the feasibility of the projects.

How our scope addressed this matter

Review of management's impairment review for Pakistan under IAS36, including the feasibility report prepared by an expert, and the company's plans for financing and progressing the project.

Review of management's assessment of indicators of impairment under IFRS6 in respect of the Australia project, and the basis for the impairment of Jundee East in line with the geologist reports indicating insufficient potential gold levels in this tenement.

Review of the status and validity of the exploration licences.

Challenge of the management's assessment and consideration of evidence provided including a review of key partner contracts and plans to take the project to financial close.

We evaluated the adequacy and appropriateness of the disclosures provided within the financial statements in Notes 2, 11 and 14.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ORACLE POWER PLC (CONTINUED)

OUR APPLICATION OF MATERIALITY

We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonably knowledgeable users that are taken on the basis of Financial Statements. Materiality provides a basis for determining the nature and extent of our audit procedures.

We based materiality on net assets of the group and concluded materiality to be £313,000, with performance materially of £156,000. We consider that net assets provides us with the most relevant performance measure to stakeholders of the entity given the stage of the Group's activity and growth.

We apply the concept of materiality both in the planning and performance of the audit, and in evaluating the effects of misstatements.

During the course of the audit we reassessed materiality from planning to reflect the final reported performance of the group. There was no change made to our planning materiality.

OTHER INFORMATION

The other information comprises the information included in the Annual Report, other than the financial statements and our auditors' report thereon. The directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Group Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ORACLE POWER PLC (CONTINUED)

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of the knowledge and understanding of the Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

RESPONSIBILITIES OF DIRECTORS

As explained more fully in the directors' responsibilities statement on page 17 - 27, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and the parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory framework applicable to the group and the parent company and the industry in which it operates and considered the risk of non-compliance with the applicable laws and regulations including fraud, in particular those that could have a material impact on the financial statements.

This included those regulations directly related to the financial statements, including financial reporting, tax legislation and distributable profits. In relation to the industry this included employment laws and health and safety.

The risks were discussed with the audit team and we remained alert to any indications of non-compliance throughout the audit. We carried out specific procedures to address the risks identified. These included the following:

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ORACLE POWER PLC (CONTINUED)

Reviewing minutes of Board meetings and Audit Committee meetings, correspondence with their regulators, agreeing the financial statement disclosures to underlying supporting documentation, enquiries of management including those responsible for the key regulations for any instances of actual, suspected or alleged fraud or non-compliance. We sent legal requests to the company's lawyers to confirm if there were any legal matters which we should be aware of, none were identified.

To address the risk of management override of controls, we carried out testing of journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business. We also assessed management bias in relation to the accounting policies adopted and in determining significant accounting estimates.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Adam Norman FCCA (Senior Statutory Auditor)

for and on behalf of

Price Bailey LLP

Tennyson House
Cambridge Business Park
Cambridge
CB4 0WZ

28 June 2023

ORACLE POWER PLC

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022 £	2021 £
CONTINUING OPERATIONS			
Administrative expenses		(1,311,012)	(881,973)
LOSS FROM OPERATIONS		<u>(1,311,012)</u>	<u>(881,973)</u>
Finance income		14,592	94
Amounts written off and p/l on disposals		6,762	-
LOSS BEFORE TAX		<u>(1,289,658)</u>	<u>(881,879)</u>
LOSS FOR THE YEAR		<u><u>(1,289,658)</u></u>	<u><u>(881,879)</u></u>
		2022 Pence	2021 Pence
EARNINGS PER SHARE ATTRIBUTABLE TO THE ORDINARY EQUITY HOLDERS OF THE PARENT			
PROFIT OR LOSS			
Basic	9	(0.04)	(0.04)
Diluted	9	<u>(0.04)</u>	<u>(0.04)</u>

The notes on pages 44 to 81 form part of these financial statements.

ORACLE POWER PLC

**CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022**

	2022 £	2021 £
LOSS FOR THE YEAR	(1,289,658)	(881,879)
ITEMS THAT WILL OR MAY BE RECLASSIFIED TO PROFIT OR LOSS:		
Exchange gains arising on translation on foreign operations	(178,459)	(130,361)
	(178,459)	(130,361)
OTHER COMPREHENSIVE LOSS FOR THE YEAR, NET OF TAX	(178,459)	(130,361)
TOTAL COMPREHENSIVE LOSS	(1,468,117)	(1,012,240)

The notes on pages 44 to 81 form part of these financial statements.

ORACLE POWER PLC
REGISTERED NUMBER: 05867160

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	Note	2022 £	2021 £
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	10	3,885	5,856
Intangible assets	11	5,023,296	5,403,066
Investments in equity-accounted associates	13	668,782	-
Loans and other financial assets	14	580,079	369,390
		6,276,042	5,778,312
CURRENT ASSETS			
Trade and other receivables	15	45,069	50,108
Cash and cash equivalents	25	150,905	872,000
		195,974	922,108
TOTAL ASSETS		6,472,016	6,700,420
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	18	203,034	170,321
		203,034	170,321
TOTAL LIABILITIES		203,034	170,321
NET ASSETS		6,268,982	6,530,099
ISSUED CAPITAL AND RESERVES ATTRIBUTABLE TO OWNERS OF THE PARENT			
Share capital	16	3,078,297	2,650,325
Share premium reserve		18,632,040	17,853,012
Foreign exchange reserve		(995,125)	(816,666)
Share scheme reserve		58,179	66,733
Retained earnings		(14,504,409)	(13,223,305)
		6,268,982	6,530,099
TOTAL EQUITY		6,268,982	6,530,099

The financial statements were approved and authorised for issue by the board of directors on 28 June 2023 and were signed on its behalf by:

Mark Steed
Chairman

The notes on pages 44 to 81 form part of these financial statements.

ORACLE POWER PLC
REGISTERED NUMBER: 05867160

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	Note	2022 £	2021 £
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	10	274	479
Intangible assets	11	3,665,622	3,978,851
Investments in equity-accounted associates	13	668,782	-
Investments	13	2,898,531	3,703,047
Loans and other financial assets	14	2,605,218	1,985,987
		9,838,427	9,668,364
CURRENT ASSETS			
Trade and other receivables	15	40,731	230,070
Cash and cash equivalents	25	137,291	850,442
		178,022	1,080,512
TOTAL ASSETS		10,016,449	10,748,876
LIABILITIES			
NON-CURRENT LIABILITIES			
CURRENT LIABILITIES			
Trade and other liabilities	18	175,961	909,763
		175,961	909,763
TOTAL LIABILITIES		175,961	909,763
NET ASSETS		9,840,488	9,839,113
ISSUED CAPITAL AND RESERVES ATTRIBUTABLE TO OWNERS OF THE PARENT			
Share capital	16	3,078,297	2,650,325
Share premium reserve		18,632,040	17,853,012
Share scheme reserve		58,179	66,733
Retained earnings		(11,928,028)	(10,730,957)
TOTAL EQUITY		9,840,488	9,839,113

The Company's loss for the year was £1,205,625 (2021 - £794,779).

The financial statements were approved and authorised for issue by the board of directors on 28 June 2023 and were signed on its behalf by:

Mark Steed
Chairman

The notes on pages 44 to 81 form part of these financial statements.

ORACLE POWER PLC

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022

	Share capital £	Share premium £	Share scheme reserve £	Foreign exchange reserve £	Retained earnings £	Total attributable to equity holders of parent £	Total equity £
AT 1 JANUARY 2022	2,650,325	17,853,012	66,733	(816,666)	(13,223,305)	6,530,099	6,530,099
COMPREHENSIVE INCOME FOR THE YEAR							
Loss for the year	-	-	-	-	(1,289,658)	(1,289,658)	(1,289,658)
Other comprehensive income	-	-	-	(178,459)	-	(178,459)	(178,459)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	-	-	-	(178,459)	(1,289,658)	(1,468,117)	(1,468,117)
CONTRIBUTIONS BY AND DISTRIBUTIONS TO OWNERS							
Issue of share capital	427,972	779,028	-	-	-	1,207,000	1,207,000
Transfer to/from retained earnings	-	-	(8,554)	-	8,554	-	-
TOTAL CONTRIBUTIONS BY AND DISTRIBUTIONS TO OWNERS	427,972	779,028	(8,554)	-	8,554	1,207,000	1,207,000
AT 31 DECEMBER 2022	3,078,297	18,632,040	58,179	(995,125)	(14,504,409)	6,268,982	6,268,982

The notes on pages 44 to 81 form part of these financial statements.

ORACLE POWER PLC

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021

	Share capital £	Share premium £	Share scheme reserve £	Foreign exchange reserve £	Retained earnings £	Total attributable to equity holders of parent £	Total equity £
AT 1 JANUARY 2021	2,146,862	16,908,975	180,229	(686,305)	(12,454,922)	6,094,839	6,094,839
COMPREHENSIVE INCOME FOR THE YEAR							
Loss for the year	-	-	-	-	(881,879)	(881,879)	(881,879)
Other comprehensive income	-	-	-	(130,361)	-	(130,361)	(130,361)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	-	-	-	(130,361)	(881,879)	(1,012,240)	(1,012,240)
CONTRIBUTIONS BY AND DISTRIBUTIONS TO OWNERS							
Issue of share capital	503,463	944,037	-	-	-	1,447,500	1,447,500
Transfer to/from retained earnings	-	-	(113,496)	-	113,496	-	-
TOTAL CONTRIBUTIONS BY AND DISTRIBUTIONS TO OWNERS	503,463	944,037	(113,496)	-	113,496	1,447,500	1,447,500
AT 31 DECEMBER 2021	2,650,325	17,853,012	66,733	(816,666)	(13,223,305)	6,530,099	6,530,099

The notes on pages 44 to 81 form part of these financial statements.

ORACLE POWER PLC

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022

	Share capital £	Share premium £	Share scheme reserve £	Retained earnings £	Total equity £
AT 1 JANUARY 2022	2,650,325	17,853,012	66,733	(10,730,957)	9,839,113
COMPREHENSIVE INCOME FOR THE YEAR					
Loss for the year	-	-	-	(1,205,625)	(1,205,625)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	-	-	-	(1,205,625)	(1,205,625)
CONTRIBUTIONS BY AND DISTRIBUTIONS TO OWNERS					
Issue of share capital	427,972	779,028	-	-	1,207,000
Share warrants exercised	-	-	(8,554)	8,554	-
TOTAL CONTRIBUTIONS BY AND DISTRIBUTIONS TO OWNERS	427,972	779,028	(8,554)	8,554	1,207,000
AT 31 DECEMBER 2022	3,078,297	18,632,040	58,179	(11,928,028)	9,840,488

The notes on pages 44 to 81 form part of these financial statements.

ORACLE POWER PLC

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021

	Share capital £	Share premium £	Share scheme reserve £	Retained earnings £	Total equity £
AT 1 JANUARY 2021	2,146,862	16,908,975	180,229	(10,049,674)	9,186,392
COMPREHENSIVE INCOME FOR THE YEAR					
Loss for the year	-	-	-	(794,779)	(794,779)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	-	-	-	(794,779)	(794,779)
CONTRIBUTIONS BY AND DISTRIBUTIONS TO OWNERS					
Issue of share capital	503,463	944,037	-	-	1,447,500
Share warrants exercised	-	-	(113,496)	113,496	-
TOTAL CONTRIBUTIONS BY AND DISTRIBUTIONS TO OWNERS	503,463	944,037	(113,496)	113,496	1,447,500
AT 31 DECEMBER 2021	2,650,325	17,853,012	66,733	(10,730,957)	9,839,113

The notes on pages 44 to 81 form part of these financial statements.

ORACLE POWER PLC

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022 £	2021 £
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss for the year		(1,289,658)	(881,879)
ADJUSTMENTS FOR			
Depreciation of property, plant and equipment	10	205	1,942
Impairment losses on intangible assets	11	579,728	-
Impairment loss recognised on loans to associates		25,785	-
Finance income		(14,592)	(94)
Gain on disposal of subsidiary undertaking		(6,762)	-
Net foreign exchange loss/(gain)		10,300	(7,206)
Income tax expense		-	46
		(694,994)	(887,191)
MOVEMENTS IN WORKING CAPITAL:			
Increase in trade and other receivables		(38,025)	(45,174)
Increase/(decrease) in trade and other payables		25,305	(110,943)
CASH GENERATED FROM OPERATIONS		(707,714)	(1,043,308)
NET CASH USED IN OPERATING ACTIVITIES		(707,714)	(1,043,308)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of Australia exploration fixed assets	11	(238,245)	(190,599)
Purchase of Pakistan project fixed assets	11	(140,718)	(94,317)
Payments for investments in associates	13	(668,782)	-
Issue of loans		(184,929)	-
Interest received		14,592	94
NET CASH USED IN INVESTING ACTIVITIES		(1,218,082)	(284,822)
CASH FLOWS FROM FINANCING ACTIVITIES			
Issue of ordinary shares	16	1,207,000	647,500
NET CASH FROM FINANCING ACTIVITIES		1,207,000	647,500
NET CASH DECREASE IN CASH AND CASH EQUIVALENTS		(718,796)	(680,630)
Cash and cash equivalents at the beginning of year		872,000	1,554,424
Exchange loss on cash and cash equivalents		(2,299)	(1,794)
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	25	150,905	872,000

The notes on pages 44 to 81 form part of these financial statements.

ORACLE POWER PLC

COMPANY STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022 £	2021 £
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss for the year		(1,205,625)	(794,779)
ADJUSTMENTS FOR			
Depreciation of property, plant and equipment	10	205	205
Amortisation of intangible fixed assets	11	313,229	-
Impairment loss recognised on other receivables		301,462	20,070
Forgiveness of other loan		(804,516)	-
Finance income		(66,938)	(17,058)
Loss on sale of discontinued operations, net of tax		804,516	-
Net foreign exchange loss/(gain)		47,944	(7,242)
		(609,723)	(798,804)
MOVEMENTS IN WORKING CAPITAL:			
Increase in trade and other receivables		(665)	(6,173)
Decrease in trade and other payables		(733,801)	(162,136)
Decrease in loans to subsidiaries		78,228	(365,704)
CASH GENERATED FROM OPERATIONS		(1,265,961)	(1,332,817)
NET CASH USED IN OPERATING ACTIVITIES		(1,265,961)	(1,332,817)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for investments in associates		(668,782)	-
Interest received		14,592	94
NET CASH (USED IN)/FROM INVESTING ACTIVITIES		(654,190)	94
CASH FLOWS FROM FINANCING ACTIVITIES			
Issue of ordinary shares		1,207,000	647,500
NET CASH FROM FINANCING ACTIVITIES		1,207,000	647,500
NET CASH DECREASE IN CASH AND CASH EQUIVALENTS		(713,151)	(685,223)
Cash and cash equivalents at the beginning of year		850,442	1,535,665
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	25	137,291	850,442

The notes on pages 44 to 81 form part of these financial statements.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

1. STATUTORY INFORMATION

Oracle Power PLC is a public company, limited by shares and registered and domiciled in England and Wales. It is the ultimate holding company of the Oracle Power Plc Group. The Group is primarily involved in an energy project, based on the exploration and development of coal and building a mine-mouth power plant in Pakistan. The Group also has two gold prospects in Western Australia and a green hydrogen project in Pakistan. The presentation currency of the financial statements is the Pound Sterling (£). The Company's registered number and registered office address can be found on the General Information page

2. ACCOUNTING POLICIES**2.1 Going concern**

During the year under review, the Group experienced net cash outflows from operating activities which it financed from existing cash resources held at the start of the year and cash received from the issue of new equity share capital. The Directors have considered the cash flow requirements of the Group over the next 12 months and believe that additional funding will be required to meet the Group's cash requirements over that period. Post year end in February 2023 and June 2023 the Company raised £500,000 and £363,000 supporting that cash requirement. This additional cash requirement creates a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. However, the Directors expect to be able to meet the funding requirements for the Group to continue as a going concern for at least 12 months from the date of the approval of these financial statements, and consequently, the Directors consider it appropriate to adopt the going concern basis in the preparation of the financial statements.

2.2 Compliance with accounting standards

These financial statements have been prepared in accordance with UK adopted International Financial Reporting Standards and IFRIC interpretations and with those parts of the Companies Act 2006 applicable to reporting groups under IFRS.

The financial statements have been prepared under the historical cost convention.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

2. ACCOUNTING POLICIES (CONTINUED)

2.3 Significant accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for revenues and expenses during the year and the amounts reported for assets and liabilities at the statement of financial position date. However, the nature of estimation means that the actual outcomes could differ from those estimates.

The key sources of estimation uncertainty that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are the measurement of any impairment on intangible assets and the estimation of share-based payment costs.

The principal risk and uncertainty of the intangible assets (exploration assets) is that the Group may not reach financial close – as disclosed in Note 11. The board have tested the intangible assets for impairment. For this test, the board considered market values of the assets (where applicable); results from technical and feasibility studies and reports; and the possibility of future project options available. Based on this, the board have concluded that no impairment provision is required other than for the Jundee East Tenement in Western Australia that has been determined to be uneconomic to develop further..

The Group determines whether there is any impairment of intangible assets on an annual basis.

At the balance sheet date, the intangible assets are carried forward at their cost of £5,603,024 (2021: £5,403,066) less impairment of £579,728

2.4 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) made up to 31 December each year. Control is achieved where the Company has the power to govern the financial and operating policies of an investee entity so as to obtain benefits from its activities.

Business acquisitions have been accounted for in accordance with IFRS 3, 'Business Combinations'. Fair values are attributed to the Group's share of net assets. Where the cost of acquisition exceeds the fair values attributed to such assets, the difference is treated as purchased goodwill and is capitalised.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

2. ACCOUNTING POLICIES (CONTINUED)

2.5 Intangible assets

(i) Intangible fixed assets - Australia exploration costs

Expenditure on the acquisition costs, exploration and evaluation of interests in licences, including related finance and administration costs, are capitalised. Such costs are carried forward in the statement of financial position under intangible assets and amortised over the minimum period of the expected commercial production of gold in respect of each area of interest where:

- a) such costs are expected to be recouped through successful development and exploration of the area of interest or alternatively by its sale;
- b) exploration activities have not yet reached a stage that permits a reasonable assessment of the existence or otherwise of economically recoverable reserves and active operations in relation to the areas are continuing.

An annual impairment review is carried out by the Directors when specific facts and circumstances indicate that an impairment test is required, such as:

- (1) the period for which the entity has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed.
 - (2) substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned.
 - (3) exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area.
 - (4) sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.
- In any such case, or similar cases, the entity shall perform an impairment test in accordance with IAS 36. Any impairment loss is recognised as an expense in accordance with IAS 36

Australia exploration costs are carried at cost less any provision for impairment.

(ii) Intangible fixed assets - Pakistan project costs

Expenditure on the Pakistan project to achieve final project approval prior to the start of mine operations including related finance and administration costs are capitalised. Such costs are carried forward in the statement of financial position under intangible assets and amortised over the minimum period of the expected commercial production of coal in respect of each area of interest

The Pakistan project costs are tested annually for impairment by comparing the carrying amount to the recoverable amount. Pakistan project costs are carried at cost less any provision for impairment.

2.6 Property, plant and equipment

Property, plant and equipment is stated at historical cost less accumulated depreciation. Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures and fittings	-	15% on reducing balance
Motor vehicles	-	20% on reducing balance
Computer equipment	-	30% on reducing balance

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. ACCOUNTING POLICIES (CONTINUED)**2.7 Investments**

Investments in subsidiaries are stated at cost. The investments are reviewed annually and any impairment is taken directly to the statement of profit or loss. Investments in subsidiaries are fully consolidated within the Group financial statements.

2.8 Investments in associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with IFRS 5. Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. When the Group's share of losses of an associate exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate, the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The requirements of IAS 36 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate or joint venture. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate or joint venture, or when the investment is classified as held for sale. When the Group retains an interest in the former associate or joint venture and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with IFRS 9. The difference between the carrying amount of the associate or joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate or joint venture is included in the determination of the gain or loss on disposal of the associate or joint venture. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate or joint venture on the same basis as would be required if that associate or joint venture had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate or joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassified the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. ACCOUNTING POLICIES (CONTINUED)**2.8 Investments in associates (continued)**

The Group continues to use the equity method when an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an associate. There is no remeasurement to fair value upon such changes in ownership interests.

When the Group reduces its ownership interest in an associate or a joint venture but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in the other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When a group entity transacts with an associate or a joint venture of the Group, profits and losses resulting from the transactions with the associate or joint ventures are recognised in the Group's consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

2.9 Leasing

All leases held are either short-term leases or are for low value assets. The rentals paid are charged to the statement of profit or loss on a straight line basis over the period of the lease.

2.10 Foreign currency

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;

For the purposes of presenting these consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into pounds using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (and attributed to non-controlling interests as appropriate).

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. ACCOUNTING POLICIES (CONTINUED)**2.10 Foreign currency (continued)**

In addition, in relation to a partial disposal of a subsidiary that includes a foreign operation that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. partial disposals of associates or joint arrangements that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

Goodwill and fair value adjustments to identifiable assets acquired and liabilities assumed through acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in other comprehensive income.

2.11 Employee benefits**Retirement benefit costs and termination benefits**

The group operates a defined contribution pension scheme. Contributions payable to the group's pension scheme are charged to the income statement in the period to which they relate.

2.12 Share-based payments**Share-based payment transactions of the Company**

Where equity settled share warrants are awarded to employees, the fair value of the warrants at the date of grant is charged to the statement of profit or loss over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each statement of financial position date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of warrants that eventually vest. Market vesting conditions are factored into the fair value of all warrants granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether market vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

Where terms and conditions of warrants are modified before they vest, the increase in the fair value of the warrants, measured immediately before and after the modification, is also charged to the statement of profit or loss over the remaining vesting period.

Where equity instruments are granted to persons other than employees, the statement of profit or loss is charged with the fair value of goods and services received.

2.13 Financial instruments

Financial assets and financial liabilities are recognised in the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value, except for trade receivables that do not have a significant financing component which are measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

2. ACCOUNTING POLICIES (CONTINUED)

2.13 Financial instruments (continued)

Financial Assets:

The Group classifies its financial assets other than investments in subsidiaries and associates as financial assets at amortised cost, at fair value through other comprehensive income (FVOCI) or at fair value through profit or loss (FVTPL). The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

A financial asset is measured at amortised cost if it is held within a business model whose objective is to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset is measured at FVOCI if it is held within a business model whose objective is achieved by collecting contractual cash flows and selling financial assets and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset is measured at FVTPL if it is not measured at amortised cost or at FVOCI.

All of the group financial assets are currently classified as at amortised cost.

Financial assets at amortised cost are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets.

Trade receivables, with standard payment terms of between 30 to 65 days, are recognised and carried at the lower of their original invoiced and recoverable amount.

A loss allowance is recognised on initial recognition of financial assets held at amortised cost, based on expected credit losses, and is re-measured annually with changes appearing in profit or loss. Where there has been a significant increase in credit risk of the financial instrument since initial recognition, the loss allowance is measured based on lifetime expected losses. In all other cases, the loss allowance is measured based on 12-month expected losses. For assets with a maturity of 12 months or less, including trade receivables, the 12-month expected loss allowance is equal to the lifetime expected loss allowance.

The Group's financial assets are disclosed in notes 14 and 15.

Financial Liabilities:

The Group classifies its financial liabilities as at amortised cost or at FVTPL. A financial liability is measured at FVTPL if it is classified as held for trading, it is a derivative or it is designated as such on initial recognition, otherwise it is classified as at amortised cost.

All of the group financial liabilities are currently classified as at amortised cost.

Financial liabilities at amortised cost are subsequently measured at amortised cost using the effective interest method. They are classified as non-current when the payment falls due greater than 12 months after the year end date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

2. ACCOUNTING POLICIES (CONTINUED)

2.14 Cash and cash equivalents

Cash and cash equivalents for the purpose of the cash flow statement comprise cash and bank balances.

2.15 New Standards and Interpretations applied

There are no IFRSs or IFRIC interpretations that are effective for the first time for the financial year beginning 1 January 2022 that would be expected to have a material impact on the Group.

New and revised standards not yet effective

Certain new accounting standards and interpretations have been issued but have not been applied by the Group in preparing these financial statements as they are not as yet effective. These standards are not expected to have a material impact on the Group in the current or future periods and on foreseeable future transactions.

3. SEGMENT INFORMATION

Based on risks and returns, the Directors consider that the primary business reporting format is by business segment which are currently:

- 1) the principal activity of the Group which is an energy project, based on the exploration and development of coal mining and building a mine-mouth power plant in Pakistan ("Pakistan Energy Project");
- 2) an investment in Western Australia for the exploration and future extraction of gold ("Australia Gold Project"); and
- 3) a green hydrogen project in Pakistan ("Pakistan Green Hydrogen Project").

The segments are not yet revenue generating and the primary financial reporting metrics are the value of intangible assets relating to the projects and total spend to date. The Pakistan Green Hydrogen Project is carried out through the Company's investment in associates which is not included in the analysis below.

To-date the Group has raised a total £23.2m and spent £18.0m on Thar Block VI and £0.5m on the Western Australia gold project net of impairment of £0.6m.

The following is an analysis of the Group's results by reportable segment in the year under review:

ORACLE POWER PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

3. SEGMENT INFORMATION (CONTINUED)

	2022 £	2021 £
Pakistan Energy Project	(9,318)	(5,277)
Australia Gold Project	(630,945)	(78,168)
Total	(640,263)	(83,445)
Central administration costs	(670,749)	(798,528)
Finance income	14,592	94
Other gains and losses	6,762	-
Profit before tax	(1,289,658)	(881,879)

The accounting policies of the reportable segments are the same as the Group's accounting policies described in note 2. Segment profit represents the profit earned by each segment without allocation of the share of profits of associates and joint ventures, central administration costs including directors' salaries, finance income, non-operating gains and losses in respect of financial instruments and finance costs, and income tax expense. This is the measure reported to the Group's Chief Executive for the purpose of resource allocation and assessment of segment performance.

Segment assets

	2022 £	2021 £
Pakistan Energy Project	4,529,390	4,593,369
Australia Gold Project	493,906	809,697
Total segment assets	5,023,296	5,403,066
Unallocated assets	3,885	5,856
Consolidated total assets	5,027,181	5,408,922

For the purposes of monitoring segment performance and allocating resources between segments the Group's Chief Executive monitors the tangible, intangible and financial assets attributable to each segment. All assets are allocated to reportable segments with the exception of investments in associates, and other financial assets.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

3. SEGMENT INFORMATION (CONTINUED)

. Other segment information

	Depreciation &	Amortisation	Additions to non-current*	assets*
	2022	2021	2022	2021
	£	£	£	£
Pakistan Energy Project	1,133	1,737	140,718	97,762
Australia Gold Project	-	-	238,225	186,919
	1,133	1,737	378,943	284,681

*The amounts exclude additions to financial instruments.

In addition to the depreciation and amortisation reported above, impairment losses of £579,727 (2021: £nil) were recognised in respect of non-current assets. These impairment losses were all attributable to the Australia Gold Project.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

4. EMPLOYEE BENEFITS EXPENSES

Group

	2022 £	2021 £
EMPLOYEE BENEFIT EXPENSES (INCLUDING DIRECTORS) COMPRISE:		
Wages and salaries	300,500	296,467
National insurance	6,858	714
Defined contribution pension cost	3,738	3,673
	<u>311,096</u>	<u>300,854</u>

All employee benefit expenses relate to key management personnel. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, including the directors of the Company listed on page 21, and the Financial Controller of the Company.

The monthly average number of persons, including the directors, employed by the Group during the year was as follows:

	2022 No.	2021 No.
Directors	4	4
Administration and production	3	3
	<u>7</u>	<u>7</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

4. EMPLOYEE BENEFITS EXPENSES (CONTINUED)

Company

	2022 £	2021 £
EMPLOYEE BENEFIT EXPENSES (INCLUDING DIRECTORS) COMPRISE:		
Wages and salaries	300,500	296,467
National insurance	6,858	714
Defined contribution pension cost	3,738	3,673
	<u>311,096</u>	<u>300,854</u>

The monthly average number of persons, including the directors, employed by the Company during the year was as follows:

	2022 No.	2021 No.
Directors	4	4
Administration and production	1	1
	<u>5</u>	<u>5</u>

ORACLE POWER PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

5. DIRECTORS' REMUNERATION

	2022 £	2021 £
Directors' emoluments	237,083	233,350
Group contributions to pension schemes	2,088	1,763
	<u>239,171</u>	<u>235,113</u>

During the year, 0 directors (2021 - 2 directors) exercised share options.

The highest paid director's emoluments were as follows:

	2022 £	2021 £
Total emoluments and amounts receivable under long-term incentive schemes (excluding shares)	150,000	150,000
	<u>150,000</u>	<u>150,000</u>

The highest paid director exercised nil share options during the year (2021: 24,000,000).

6. FINANCE INCOME AND EXPENSE

Recognised in profit or loss

	2022 £	2021 £
Finance income		
INTEREST ON:		
- Bank deposits	12,467	94
TOTAL INTEREST INCOME ARISING FROM FINANCIAL ASSETS MEASURED AT AMORTISED COST	<u>12,467</u>	<u>94</u>
Share of associates' interest receivable	2,125	-
TOTAL FINANCE INCOME	<u>14,592</u>	<u>94</u>
NET FINANCE INCOME RECOGNISED IN PROFIT OR LOSS	<u>14,592</u>	<u>94</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

7. LOSS BEFORE INCOME TAX

The loss before income tax is stated after charging / (crediting):

	2022 £	2021 £
Depreciation - owned assets	205	205
Auditors' remuneration	37,046	19,979
Foreign exchange differences	(55,551)	(3,737)

In addition to the depreciation charges shown above, the Group incurred charges of £1,133 (2021: £1,737) which have been capitalised as exploration costs by the subsidiary company in accordance with the accounting policy.

8. INCOME TAX

Analysis of tax expense

No liability to UK corporation tax arose for the year ended 31 December 2022 nor for the year ended 31 December 2021.

Factors affecting the tax expense

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2022 £	2021 £
Loss before income tax	<u>(1,289,658)</u>	<u>(881,879)</u>
Loss multiplied by the standard rate of corporation tax in the UK of 19% (2021 - 19%)	(245,035)	(167,557)
Effects of:	-	-
Foreign losses of subsidiaries	62,136	17,139
Inter-company items eliminated	7,493	3,223
Disallowed expenses	115,087	39
Potential deferred taxation on losses for year	60,319	147,156
	<u>-</u>	<u>-</u>

The Group and Company has estimated UK excess management charges of £11,082,658 (2021: £10,484,116) to carry forward against future income. The overseas subsidiaries have losses of £248,369 (2021: £186,233) which will be carried forward to offset future profits. There is no charge for foreign taxation for the year (2021: nil).

ORACLE POWER PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

9. EARNINGS PER SHARE

(i) Basic earnings per share

	2022 Pence	2021 Pence
From continuing operations attributable to the ordinary equity holders of the Company	(0.04)	(0.04)
TOTAL BASIC EARNINGS PER SHARE ATTRIBUTABLE TO THE ORDINARY EQUITY HOLDERS OF THE COMPANY	(0.04)	(0.04)

(ii) Diluted earnings per share

	2022 Pence	2021 Pence
From continuing operations attributable to the ordinary equity holders of the Company	(0.04)	(0.04)
TOTAL DILUTED EARNINGS PER SHARE ATTRIBUTABLE TO THE ORDINARY EQUITY HOLDERS OF THE COMPANY	(0.04)	(0.04)

(iii) Reconciliation of earnings used in calculating earnings per share

	2022 £	2021 £
LOSS ATTRIBUTABLE TO THE ORDINARY EQUITY HOLDERS OF THE COMPANY USED IN CALCULATING BASIC EARNINGS PER SHARE:		
From continuing operations	(1,289,658)	(881,879)
	(1,289,658)	(881,879)
LOSS FROM CONTINUING OPERATIONS ATTRIBUTABLE TO THE ORDINARY EQUITY HOLDERS OF THE COMPANY:		
Used in calculating basic earnings per share	(1,289,658)	(881,879)
USED IN CALCULATING DILUTED EARNINGS PER SHARE	(1,289,658)	(881,879)
LOSS ATTRIBUTABLE TO THE ORDINARY EQUITY HOLDERS OF THE COMPANY USED IN CALCULATING DILUTED EARNINGS PER SHARE	(1,289,658)	(881,879)

ORACLE POWER PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

9. EARNINGS PER SHARE (CONTINUED)

(iv) Weighted average number of shares used as the denominator

	2022 Number	2021 Number
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	2,902,488,933	2,257,793,111
WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES AND POTENTIAL ORDINARY SHARES USED AS THE DENOMINATOR IN CALCULATING DILUTED EARNINGS PER SHARE	2,902,488,933	2,257,793,111

10. PROPERTY, PLANT AND EQUIPMENT

Group

	Motor vehicles £	Computer equipment £	Total £
Cost or valuation			
At 1 January 2021	16,165	4,763	20,928
Foreign exchange movements	(1,288)	(258)	(1,546)
At 31 December 2021	14,877	4,505	19,382
Foreign exchange movements	(1,924)	(385)	(2,309)
At 31 December 2022	12,953	4,120	17,073

ORACLE POWER PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

10. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Motor vehicles £	Computer equipment £	Total £
ACCUMULATED DEPRECIATION AND IMPAIRMENT			
At 1 January 2021	10,957	1,682	12,639
Charge owned for the year	1,028	915	1,943
Exchange adjustments	(943)	(113)	(1,056)
At 31 December 2021	11,042	2,484	13,526
Charge owned for the year	729	609	1,338
Exchange adjustments	(1,489)	(187)	(1,676)
At 31 December 2022	10,282	2,906	13,188
Net book value			
At 31 December 2021	3,835	2,021	5,856
At 31 December 2022	2,671	1,214	3,885
Company			
		Computer equipment £	
Cost or valuation			
At 1 January 2021			1,524
At 31 December 2021			1,524
At 31 December 2022			1,524

ORACLE POWER PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

10. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Computer equipment £
ACCUMULATED DEPRECIATION AND IMPAIRMENT	
At 1 January 2021	840
Charge owned for the year	205
At 31 December 2021	1,045
Charge owned for the year	205
At 31 December 2022	1,250
Net book value	
At 31 December 2021	479
At 31 December 2022	274

11. INTANGIBLE ASSETS

Group

	Australia Exploration Costs £	Pakistan Project Costs £	Total £
COST			
At 1 January 2021	626,458	4,629,855	5,256,313
Additions - external	186,919	97,762	284,681
Foreign exchange movement	(3,680)	(134,248)	(137,928)
At 31 December 2021	809,697	4,593,369	5,403,066
Additions - external	238,225	140,718	378,943
Foreign exchange movement	26,318	(204,697)	(178,379)
At 31 December 2022	1,074,240	4,529,390	5,603,630

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

11. INTANGIBLE ASSETS (CONTINUED)

	Australia Exploration Costs £	Pakistan Project Costs £	Total £
ACCUMULATED AMORTISATION AND IMPAIRMENT			
Impairment charge	579,727	-	579,727
Foreign exchange movement	607	-	607
At 31 December 2022	580,334	-	580,334
Net book value			
At 1 January 2021	626,458	4,629,855	5,256,313
At 31 December 2021	809,697	4,593,369	5,403,066
At 31 December 2022	493,906	4,529,390	5,023,296

During the 2022 financial year, the Directors reviewed the Australia Exploration costs asset and concluded that the costs relating to the Jundee East tenement were no longer economically viable and should be impaired in full. Following the receipt of geology reports commissioned for the Company which indicated insufficient potential gold levels in the tenement, the Company determined the recoverable amount of the exploration costs on this project to be zero based on the expectation of no cash inflows. An impairment charge of £579,727 (2021: £nil) was recognised in the year.

The Group's remaining Australia Exploration costs of £493,906 and Pakistan Project Costs of £4,529,390 are currently being carried forward at net book value in the financial statements. The Group will need to raise funds to reach financial close on both projects. Also, financial close involves the raising of finance, both debt and equity for the opening up of the mines and the construction of the power plant. If the Group is unable to raise this finance, some of the assets may require impairment.

Company

	Australia Exploration Costs £	Pakistan Project Costs £	Total £
COST			
At 1 January 2021	626,458	3,352,393	3,978,851
At 31 December 2021	626,458	3,352,393	3,978,851
At 31 December 2022	626,458	3,352,393	3,978,851

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

11. INTANGIBLE ASSETS (CONTINUED)

	Australia Exploration Costs £	Pakistan Project Costs £	Total £
ACCUMULATED AMORTISATION AND IMPAIRMENT			
Impairment charge	313,229	-	313,229
At 31 December 2022	313,229	-	313,229
Net book value			
At 1 January 2021	626,458	3,352,393	3,978,851
At 31 December 2021	626,458	3,352,393	3,978,851
At 31 December 2022	313,229	3,352,393	3,665,622

During the 2022 financial year, the Directors reviewed the Australia Exploration costs asset and concluded that the costs relating to the Jundee East tenement were no longer economically viable and should be impaired in full. Following the receipt of geology reports commissioned for the Company which indicated insufficient potential gold levels in the tenement, the Company determined the recoverable amount of the exploration costs on this project to be zero based on the expectation of no cash inflows. An impairment charge of £313,229 (2021: £nil) was recognised in the year in the Company.

The Company's remaining Australia Exploration costs of £313,229 and Pakistan Project Costs of £3,352,393 are currently being carried forward at net book value in the financial statements. The Group will need to raise funds to reach financial close on both projects. Also, financial close involves the raising of finance, both debt and equity for the opening up of the mines and the construction of the power plant. If the Group is unable to raise this finance, some of the assets may require impairment.

ORACLE POWER PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

12. INVESTMENTS

Company

Shares in
group
undertakings

Cost and Net Book Value

At 1 January 2021 and 31 December 2021

3,703,047

Disposals

(804,516)

At 31 December 2022

2,898,531

The Company's investments at the Statement of Financial Position date in the share capital of companies include the following:

Subsidiaries

Sindh Carbon Energy Limited

Registered office: 44/2, Street B-6, Phase V, Off Khyaban e Shaheen, Defense Housing Authority, Karachi, Pakistan.

Nature of business: Coal exploration and mining.

Class of shares

% holding

100

Ordinary shares of Rs 10 each

(2021:100)

	2022 £	2021 £
Aggregate capital and reserves	617,279	617,279

The subsidiary company was incorporated in Pakistan on 23 January 2007 for the exploration and future extraction of coal in Pakistan. Oracle Power PLC agreed to acquire 80% of the ordinary share capital of the company at par, fully paid by cash.

On 14 March 2016 Oracle Power PLC took up a rights issue to acquire a further 9,000,000 ordinary shares of the company at par for consideration of £603,141. The acquisition was settled through a reduction of the inter-company loan and increased the holding in the subsidiary to 98%.

On 12 March 2018 Oracle Power PLC acquired the remaining 2% of Sindh Carbon Energy Limited. This was acquired via a share for share exchange where Oracle Power PLC issued 95,652,174 shares in exchange for the remaining 199,999 ordinary shares of Sindh Carbon Energy Limited.

The investment in share capital for the 100% holding amounts to £2,867,256 (2021: £2,867,256).

ORACLE POWER PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

Revive Financial Limited

Registered office: Tennyson House, Cambridge Business Park, Cambridge, CB4 0WZ

Nature of business: Administration and financial support

Class of shares	% holding	
	0 (2021: 100%)	
Ordinary shares of 1p each		
	2022	2021
	£	£
Aggregate capital and reserves	-	804,516

Revive Financial Limited ("Revive") was incorporated on 8 October 2013 but never traded and had no profit or loss for the year (2021: Nil).

Revive was acquired under the terms of a share exchange agreement whereby shares in Oracle were allotted to the shareholders of Revive in exchange for their shareholdings in Revive. Revive became a subsidiary of Oracle upon the completion of the share exchange on 18 October 2013.

Following the share for share exchange, Revive made a loan of £804,516 to Oracle. The loan of £nil (2021: £804,516) was interest free and is repayable within 30 days of giving written notice of demand for repayment. During the year, Revive forgave its loan to Oracle and was voluntarily dissolved on 26 April 2022.

The investment in share capital for the 100% holding amounted to £nil (2021: £804,516).

Thar Electricity (Private) Limited

Registered office: PIA Building, 3rd Floor, 49, Blue Area, Fazlul Haq Road, Islamabad, Pakistan

Nature of business: Energy production

Class of shares	% holding	
	100 (2021: 100)	
Ordinary shares of Rs 10 each		
	2022	2021
	£	£
Aggregate capital and reserves	(150,639)	(90,174)
Loss for the year	(9,318)	(5,276)

The subsidiary company was incorporated in Pakistan on 17 June 2015 for the future generation of electricity in Pakistan. Oracle agreed to acquire 100% of the ordinary share capital of the company at par, fully paid by cash.

The investment in share capital for the 100% holding amounted to £31,075 (2021: £31,075).

ORACLE POWER PLC

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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Oracle Gold Limited

Registered office: Tennyson House, Cambridge Business Park, Cambridge, England, CB4 0WZ

Nature of business: Administration and financial support

Class of shares	% holding
Ordinary shares of £1 each	100 (2021: 100)

	2022 £	2021 £
Aggregate capital and reserves	<u>100</u>	<u>100</u>

The subsidiary company was incorporated on 29 October 2020 but has not yet commenced trading and has no profit or loss for the year (2021: Nil).

The investment in share capital for the 100% holding amounted to £100 (2021 £100).

The Company has guaranteed all outstanding liabilities of the subsidiary company as at 31 December 2022, this provides the subsidiary company with an exemption from audit under Section 479C of the Companies Act 2006.

Oracle Gold Resources Limited

Registered office: Tennyson House, Cambridge Business Park, Cambridge, England, CB4 0WZ

Nature of business: Administration and financial support

Class of shares	% holding
Ordinary shares of £1 each	100 (2021: 100)

	2022 £	2021 £
Aggregate capital and reserves	<u>100</u>	<u>100</u>

The subsidiary company was incorporated on 29 October 2020 but has not yet commenced trading and has no profit or loss for the year (2021: Nil).

The investment in share capital for the 100% holding amounted to £100 (2021 £100).

The Company has guaranteed all outstanding liabilities of the subsidiary company as at 31 December 2022, this provides the subsidiary company with an exemption from audit under Section 479C of the Companies Act 2006.

ORACLE POWER PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

Oracle Gold Pty Limited

Registered office: Suite 23, 513 Hay Street, Subiaco, WA 6008

Nature of business: Gold exploration and mining

Class of shares	% holding
Ordinary shares of AUD \$1 each	100 (2021: 100)

	2022	2021
	£	£
Aggregate capital and reserves	(408,685)	(84,779)
Loss for the year	(317,715)	(78,167)

The subsidiary company was incorporated in Australia on 16 November 2020 for the exploration and future extraction of gold. On the same date, Oracle acquired licences to operate two gold projects in Western Australia. These projects will be managed and operated by the company. The acquisition of the projects was satisfied by a payment of £90,000 in cash by the parent company, Oracle and the issue of 42,857,143 new ordinary shares of 0.1 pence and warrants to subscribe for further 42,857,143 Ordinary Shares in Oracle exercisable at a price of 1.1p.

The investment in share capital for the 100% holding amounted to £0.56 (2021: £0.56).

Oracle Energy Limited

Registered office: House No 91, Shahrah-E-Iran, Block 5 Clifton, Karachi, Saddar Town, Karachi South, Sindh

Nature of business: Energy production

Class of shares	% holding
Ordinary shares of Rs 10 each	30 (2021: 100)

	2022	2021
	£	£
Aggregate capital and reserves	-	(6,309)
Loss for the year	-	(6,309)

The associate company was incorporated in Pakistan on 19 November 2021 for the future generation of power. During the year 70% of the share capital was issued to another party and the Company no longer had control of the subsidiary. A gain on loss of control of £6,309 (2021:nil) was recognised in the profit and loss.

ORACLE POWER PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

13. INVESTMENTS IN ASSOCIATES

Company

Shares in
associate
undertakings

Cost

£

At 1 January 2021 and 31 December 2021

-

Additions

668,782

668,782

The Company's investments at the Statement of Financial Position date in the share capital of associate companies include the following:

Associates

Oracle Energy Limited

Registered office: House No 91, Shahrah-E-Iran, Block 5 Clifton, Karachi, Saddar Town, Karachi South, Sindh

Nature of business: Energy production

Class of shares

% holding

Ordinary shares of Rs 10 each

30 (2021:100)

	2022 £	2021 £
Aggregate capital and reserves	2,130,313	(6,309)
Loss for year	<u>(3,945)</u>	<u>(6,309)</u>

The associate company was incorporated in Pakistan on 19 November 2021 for the future generation of power.

The associate company was a subsidiary in the prior period but the Company lost control during the year under review. The investment in share capital for the 30% holding amounted to £662,007 (2021: 100% £4,192).

ORACLE POWER PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

13. INVESTMENTS IN ASSOCIATES (CONTINUED)

Oracle Energy FZCO Limited

Registered office: FD-172.0, Floor No. 18, Sheikh Rashid Tower, Dubai World Trade Centre, Dubai, United Arab Emirates

Nature of business: Energy production

Class of shares	% holding
Ordinary shares of AED 1,000 each	30 (2021: 0%)

	2022 £	2021 £
Aggregate capital and reserves	22,626	-
Loss for year	(42)	-

The associate company was incorporated on 5 October 2022..

The investment in share capital for the 30% holding amounted to £6,788 (2021: £nil).

Summarised financial information in respect of each of the Group's material associates is set out below. The summarised financial information below represents amounts in associates' financial statements prepared in accordance with IFRS Accounting Standards.

	Oracle Energy Ltd 2022 £	Oracle Energy Ltd 2021 £	Oracle Energy FZCO Ltd 2022 £	Oracle Energy FZCO Ltd 2021 £
Current assets	1,996,832	-	3,316	-
Non-current assets	133,482	-	369,693	-
Current liabilities	(17,078)	-	(350,383)	-
	<u>2,113,236</u>	<u>-</u>	<u>22,626</u>	<u>-</u>
Equity attributable to owners of the associate	1,451,229	-	15,838	-
Non-controlling interest	662,007	-	6,788	-
	<u>2,113,236</u>	<u>-</u>	<u>22,626</u>	<u>-</u>
Profit / (loss) for the year	<u>(3,945)</u>	<u>-</u>	<u>40</u>	<u>-</u>

The non-controlling interest shown in the table above comprise's the Group's interest in the associated undertaking.

There is no significant restriction on the ability of associates to transfer funds to the Group in form of cash dividends, or to repay loans or advances made by the Group.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

14. LOANS AND OTHER FINANCIAL ASSETS

Group	2022 £	2021 £
Financial assets	425,070	369,390
Loans to associate undertakings	155,009	-
	<u>580,079</u>	<u>369,390</u>

The financial asset of £425,070 (2021: £369,390) represents a performance guarantee for US\$500,000 issued in favour of Director General, Coal Mines Development Department to cover company obligations under the mining lease. The guarantee was originally valid up to the earliest of the date commercial operations begin, three years from the date of issue, or 2 February 2018. This has been further extended to 31 January 2024. This performance guarantee is secured by a deposit by Oracle with the issuing bank.

Group	Loans to associate undertakings £
At 1 January 2021 and 2022	-
New in year	180,794
Impairment	(25,785)
At 31 December 2022	<u>155,009</u>

Company	2022 £	2021 £
Loans to group undertakings	2,035,196	1,616,597
Loans to associate undertakings	144,952	-
Financial assets	425,070	369,390
	<u>2,605,218</u>	<u>1,985,987</u>

ORACLE POWER PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

14. LOANS AND OTHER FINANCIAL ASSETS (CONTINUED)

Company	Loans to group undertakings £	Loans to associate undertakings £
At 1 January 2022	1,616,597	-
New in year	681,928	170,737
Impairment	(275,677)	(25,785)
Exchange differences	12,348	-
31 December 2022	2,035,196	144,952

Company	2022 £	2021 £
Financial assets	<u>425,070</u>	<u>369,390</u>

Included in the loans to group undertakings shown above, during the period Oracle Power PLC made loans to its subsidiaries totalling £157,094 (2021: £65) to Sindh Carbon Energy Limited, £203,677 (2021: £111,049) to Thar Electricity (Private) Limited and £321,156 (2021: £251,249) to Oracle Gold Pty Limited. Included in the loans made was a reclassification of interest from current assets of £240,225 (2021: £nil).

The amounts outstanding at the statement of financial position date were £1,282,266 (2021: £1,021,173) due from Sindh Carbon Energy Limited, £535,675 (2021: £358,185) due from Thar Electricity (Private) Limited, of which £31,753 is denoted in USD of \$42,980 and £584,654 (2021: £237,239) due from Oracle Gold Pty Limited. Interest accrues on a daily basis at a rate of 1% over the Bank of England base rate. The loans are unsecured and although they are repayable on demand, they are unlikely to be repaid until the project becomes successful and the subsidiaries start to generate revenues. The loans were reviewed for impairment and an impairment charge of £275,677 (2021: £20,070) was recognised in the year.

ORACLE POWER PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

15. TRADE AND OTHER RECEIVABLES

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Current:				
Other receivables	127	985	-	187,879
VAT	17,156	20,264	15,233	15,960
Prepayments and accrued income	27,786	28,859	25,498	26,231
	<u>45,069</u>	<u>50,108</u>	<u>40,731</u>	<u>230,070</u>

16. CALLED UP SHARE CAPITAL

	2022 £	2021 £
Allotted, issued and fully paid		
3,078,297,740 (2021: 2,650,325,712)	<u>3,078,297</u>	<u>2,650,325</u>

The shares issued during the year were as follows:

Date issued	Class of shares allotted	Number of shares allotted	Nominal value of each share	Amount paid (including share premium) on each share
7 April 2022	Ordinary	246,153,846	0.1p	0.325p
11 August 2022	Ordinary	181,818,182	0.1p	0.275p

The number of shares in issue are as follows:

	2022 No.	2021 No.
At 1 January	2,650,325,712	2,146,862,217
Issued during the year	427,972,028	503,463,495
At 31 December	<u>3,078,297,740</u>	<u>2,650,325,712</u>

At 31 December 2022, the total warrants in issue were 250,000,000 (2021: 298,739,495) comprising warrants issued to investors.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

17. RESERVES

The following is a description of each of the reserve accounts that comprise equity shareholders' funds:

Share premium

The share premium comprises the excess value recognised from the issue of ordinary shares at par.

Share scheme reserve

Cumulative fair value of warrants charged to the statement of comprehensive income net of transfers to the profit and loss reserve on exercised and cancelled/lapsed warrants.

Foreign exchange reserve

Cumulative gains and losses on translating the net assets of overseas operations to the presentation currency.

Retained earnings

Retained earnings comprise the group's cumulative accounting profits and losses since inception.

18. TRADE AND OTHER PAYABLES

	GROUP 2022 £	GROUP 2021 £	COMPANY 2022 £	COMPANY 2021 £
Current				
Trade payables	118,808	92,182	113,560	62,050
Amounts owed to group undertakings	-	-	-	804,616
Other payables	12,329	7,138	12,091	6,751
Accruals and deferred income	71,897	71,001	50,310	36,346
	203,034	170,321	175,961	909,763

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

19. LEASING AGREEMENTS

Expense and net cash outflow incurred under leasing agreements

Group	2022 £	2021 £
Short term leases	35,584	14,281
Low value assets	<u>-</u>	<u>3,665</u>
	<u>35,584</u>	<u>17,946</u>
Company	-	-
Short term leases	35,584	13,688
Low value assets	<u>-</u>	<u>3,665</u>
	<u>35,584</u>	<u>17,353</u>

20. FINANCIAL RISK MANAGEMENT

The carrying value of the group's financial assets and liabilities at the balance sheet date of the years under review are categorised as follows:

	2022 £	2021 £
Financial assets - at amortised cost		
Cash and bank balances	150,905	872,000
Receivables denominated in foreign currency	425,070	369,390
Financial liabilities - at amortised cost		
Trade and other payables	125,913	99,320

The main purpose of these financial instruments is to finance the Group's operations. The Board regularly reviews and agrees policies for managing the level of risk arising from the Group's financial instruments as summarised below.

a) Market Risk

Market risk is the risk that changes in market prices, such as commodity prices, foreign exchange rates, interest rates and equity prices will affect the Group's income or value of its holdings in financial instruments.

i) Foreign Exchange Risk

The Group operates internationally and is exposed to foreign exchange risk arising from currency exposures. The Group is exposed to currency risk on cash and cash equivalents, loans, receivables and payables that are denominated in currencies other than sterling which is the functional currency of the Group.

The Group's net exposure to foreign currency risk at the reporting date is as follows:

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

20. FINANCIAL RISK MANAGEMENT (CONTINUED)

	2022 £	2021 £
Pakistan Rupees	(6,756)	(18,609)
US Dollars	413,169	369,390
Australian Dollars	(4,751)	(20,555)
	401,662	330,226

The Directors have reviewed historical exchange rates and consider that a 10 percent weakening of sterling against the US Dollar or Australian Dollar would be a reasonable basis for sensitivity analysis. By the same method the Directors consider that a 50% weakening of sterling against the Pakistan Rupee would be a reasonable basis for sensitivity analysis. A 10% weakening of sterling against the US Dollar or Australian Dollar at 31 December 2022 and a 50% weakening against the Pakistan Rupee would increase net profit before tax by circa £40,000 (2021: £33,000).

Differences that arise from the translation of these foreign currency cash equivalents and loans to sterling at the year-end rates are recognised in other comprehensive income in the year and the cumulative effect as a separate component in equity. The Group does not hedge this translation exposure in profits and equity.

ii) Interest Rate Risk

The Group has interest bearing accounts and have earned interest income of £12,467 (2021: £94) in the year. Given the level of interest income earned in the year, interest rate risk is not considered to be material to the Group.

b) Liquidity Risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's policy throughout the year has been to ensure that it has adequate liquidity to meet its liabilities when due by careful management of its working capital.

The following tables illustrate the contractual maturity profiles of its financial liabilities, all of which are repayable within one year, as at 31 December:

	2022 £	2021 £
Maturity up to one year:		
Trade and other payables	131,137	99,320

c) Fair Values of Financial Assets and Liabilities

The carrying value of all financial assets and liabilities in the financial statements approximate their fair values.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

Loss allowance**d) Credit Risk**

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. The Group does not hold any collateral. Credit risk in relation to cash held with financial institutions is considered low, given the credit rating of these institutions.

The Group's principal financial assets are the cash and cash equivalents and taxation receivable as recognised in the statement of financial position, and which represent the Group's maximum exposure to credit risk in relation to financial assets. At year end the Group held £150,905 (2021: £872,000) cash and cash equivalents; £425,070 (2021: £369,390) other financial assets held with financial institutions; and £17,284 (2021: £20,264) taxation receivable. The Group's financial assets are considered to be of a high credit rating.

At year end, the Company held £137,291 (2021: £850,442) cash and cash equivalents; £425,070 (2021: £369,390) other financial assets held with financial institutions; and £15,233 (2021: £15,959) taxation receivable. These financial assets are considered to be of a high credit rating.

The Company has made unsecured loans to its subsidiaries of £1,282,266 (2021: £1,021,173) to Sindh Carbon Energy Limited, £535,675 (2021: £383,185) to Thar Electricity (Private) Limited and £584,654 (2021: £237,239) to Oracle Gold Pty Limited. During the 2022 financial year, interest previously reported in current assets was reclassified against the loans and shown in the balances above, total £240,225 (2021: £nil). Although they are repayable on demand, they are unlikely to be repaid until the project becomes successful and the subsidiaries start to generate revenue. The Company considers the loans are of a lower credit rating. The loans were assessed for impairment and an impairment charge of £275,677 (2021: £20,070) was recognised in the year.

The Company has made unsecured loans to its associates of £168,613 (2021: £nil) to Oracle Energy FZCO Limited. Although the loan is repayable on demand, it is unlikely to be repaid until the project becomes successful and the associate starts to generate revenue. The Company considers the loan is of a lower credit rating. The loan was assessed for impairment and an impairment charge of £25,785 (2021: £nil) was recognised in the year.

The Company assessed impairment by considering a range of future interest rates between 1% and 5.25%, and potential periods until the loans are able to be repaid between 1 and 10 years. The Directors considered the most likely scenario was an interest rate of 3.13% and a 5-year repayment period (2021: 1.1% and 5 years). The movement in the loss allowance in the year was an increase of £301,462 from £91,722 in 2021 to £393,184 in 2022. The reason for the increase in the provision was due to the increase in size of the loans and an increase in the Bank of England Base Rate..

	2022	2021
	£	£
Gross carrying value	<u>2,573,333</u>	<u>1,708,319</u>
Opening loss allowance	<u>91,722</u>	<u>79,940</u>
Movement in allowance for period	<u>301,462</u>	<u>11,782</u>
Closing loss allowance	<u>393,184</u>	<u>91,722</u>
Assessed interest rate risk	<u>3.38%</u>	<u>1.1%</u>
Years until cash realised	<u>5</u>	<u>5</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

Capital Management

The Company's capital consists wholly of ordinary shares, together with their associated share premium. The Board's policy is to preserve a strong capital base in order to maintain investor, creditor and market confidence and to safeguard the future development of the business, whilst balancing these objectives with the efficient use of capital.

21. CONTINGENT LIABILITIES

On 3 February 2015, a performance guarantee for US\$500,000 was issued in favour of Director General, Coal Mines Development Department to cover company obligations under the mining lease. The guarantee was originally valid up to the earliest of the date commercial operations begin, three years from the date of issue, or 2 February 2018. This has been extended to 31 January 2024. This performance guarantee is secured by a deposit by Oracle Power PLC with the issuing bank.

22. RELATED PARTY DISCLOSURES

During the year, Oracle Power PLC accrued interest of £27,414 (2021: £11,998) in respect of loans totalling £1,078,588 (2021: £1,021,173) made to Sindh Carbon Energy Limited, £11,930 (2021: £3,667) in respect of loans totalling £513,427 (2021: £358,185) made to Thar Electricity (Private) Limited and £13,001 (2021: £1,298) in respect of loans totalling £570,355 (2021: £237,239) made to Oracle Gold Pty Limited, and £2,125 (2021: £nil) in respect of loans totalling £178,669 to its associated undertaking Oracle Energy FZCO Limited.

At the Statement of Financial Position date, the total interest outstanding amounted to £196,089 (2021: £176,263) for Sindh Carbon Energy Limited, £22,248 (2021: £10,317) for Thar Electricity (Private) Limited and £14,299 (2021: £1,298) for Oracle Gold Pty Limited, and £2,125 (2021: £nil) for Oracle Energy FZCO Limited. The loans due from Sindh Carbon Energy Limited, Thar Electricity (Private) Limited, Oracle Gold Pty Limited, and Oracle Energy FZCO Limited were reviewed for impairment and an impairment charge of £301,462 (2021: £20,070) was recognised in the year. Total impairment charge to date amounts to £393,184 (2021: £91,722).

Oracle Power PLC owes £nil (2021: £804,516) to its subsidiary Revive Financial Limited in respect of a loan. The loan is interest free and is repayable within 30 days of receiving a written notice demanding repayment. Revive Financial Limited forgave its loan to Oracle and was voluntarily dissolved on 26 April 2022.

Key management personnel compensation

The Directors and key management personnel of the Group during the year were follows:

Mr M W Steed (Non-Executive Director and Chairman)
Ms N Memon (Chief Executive Officer)
Mr A Migge (Non-Executive Director) (left on 13 December 2022)
Mr D Hutchins (Non-Executive Director)
Mr N Lee (Company Secretary)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

22. RELATED PARTY DISCLOSURES (CONTINUED)

The aggregate compensation made to key management personnel of the Group is set out below:

	2022	2021
	£	£
Short-term employee benefits	294,171	291,749
Post-employment benefits	-	4,387
	<u>294,171</u>	<u>296,136</u>

Details of key management personnel compensation are disclosed in the Remuneration Report included in the Directors Report.

Key management personnel equity holdings

Details of key management personnel beneficial interests in the fully paid ordinary shares of the Company are disclosed in the Directors Report.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

23. SHARE BASED PAYMENT TRANSACTIONS

The Company has a share warrant programme that entitles the holders to purchase shares in the Company with the warrants exercisable at the price determined at the date of granting the warrant. The terms and conditions of the grants active in the year are as follows; there are no vesting conditions to be met and all warrants are to be settled by the issue of shares:

The number and weighted average exercise prices of share warrants are as follows:

	Weighted average exercise price 2022	Number of warrants 2022	Weighted average exercise price 2021	Number of warrants 2021
Outstanding at 1 January	0.43p	5,882,352	0.92p	42,408,157
Expired during the period	0.43p	(5,882,352)	1.46p	(22,525,805)
Exercised during the period		-	0.25p	(14,000,000)
Outstanding at 31 December		-	0.43p	<u>5,882,352</u>
Exercisable at 31 December		-	0.43p	<u>5,882,352</u>

The weighted average contractual life remaining at year end was 0 years (2021:0.16 years). There were no outstanding warrants at year end, the warrants outstanding at 31 December 2021 were all exercisable at 0.43p.

During the year no relevant share warrants were exercised (2021:14,000,000) and 5,882,352 share warrants expired during the year (2021: 22,525,805).

There is no expense for the year (2021: nil) for services received in respect of equity settled share-based payment transactions.

24. EVENTS AFTER THE REPORTING PERIOD

Since the reporting date, the Company has entered into the following reportable transactions.

On 6 February 2023 the Company announced a £500,000 placing of 294,117,647 new ordinary shares of 0.1p each in the Company ("Ordinary Shares") (the "Placing Shares") at a price of 0.17p per Ordinary Share.

On 9 May 2023 the Company announced a farm out agreement in relation to the Australian Northern Zone Gold project. The key terms were an immediate cash consideration of A\$50,000 payable to the Company and a commitment by the counterparty to not less than A\$600,000 into the project over the next two years.

In addition, post year end the Company has signed several strategic Memoranda of Understandings in relation to its projects further details of which can be found in the Chairman's statement on page 3.

On 22 June 2023 the Company announced the appointment of a joint broker: Global Investment Strategy UK Limited, and a £363,000 in aggregate placing of 323,000,000 new ordinary shares of 0.1p and a subscription for 40,000,000 new Ordinary Shares (the "Subscription") both at a price of 0.1p per Ordinary Share.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

25. NOTES SUPPORTING STATEMENT OF CASH FLOWS**Group**

	2022 £	2021 £
Cash at bank available on demand	32,795	34,378
Short-term deposits	118,110	837,622
CASH AND CASH EQUIVALENTS IN THE STATEMENT OF FINANCIAL POSITION	150,905	872,000
CASH AND CASH EQUIVALENTS IN THE STATEMENT OF CASH FLOWS	150,905	872,000

Company

	2022 £	2021 £
Cash at bank available on demand	19,181	12,820
Short-term deposits	118,110	837,622
CASH AND CASH EQUIVALENTS IN THE STATEMENT OF FINANCIAL POSITION	137,291	850,442
CASH AND CASH EQUIVALENTS IN THE STATEMENT OF CASH FLOWS	137,291	850,442

26. RECONCILIATION OF CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES**Group**

	Trade and other payables £	Borrowings £	Total £
Balance at 1 January 2021	322,655	800,000	1,122,655
Cash flows	(152,334)	-	(152,334)
Non-cash changes			
Issue of share capital	-	(800,000)	(800,000)
Balance at 31 December 2021	170,321	-	170,321
Cash flows	32,713	-	32,713
Balance at 31 December 2022	203,034	-	203,034

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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26. RECONCILIATION OF CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES
(CONTINUED)

Company

	Trade and other payables	Borrowings	Amounts owed to group undertakings	Total
	£	£	£	£
Balance at 1 January 2021	267,183	800,000	804,716	1,871,899
Cash flows	(162,036)	-	(100)	(162,136)
Non-cash changes				
Issue of share capital	-	(800,000)	-	(800,000)
Balance at 31 December 2021	105,147	-	804,616	909,763
Cash flows	70,814	-	-	70,814
Forgiveness of debt			(804,616)	(804,616)
Balance at 31 December 2022	<u>175,961</u>	<u>-</u>	<u>-</u>	<u>175,961</u>