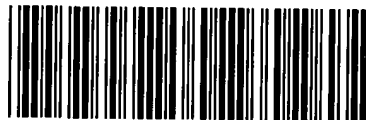


REGISTERED NUMBER: 05867160 (England and Wales)

GROUP STRATEGIC REPORT, REPORT OF THE DIRECTORS AND
CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020
FOR
ORACLE POWER PLC GROUP OF COMPANIES

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ORACLE POWER PLC GROUP OF COMPANIES (REGISTERED NUMBER: 05867160)

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FOR THE YEAR ENDED 31 DECEMBER 2020**

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ORACLE POWER PLC GROUP OF COMPANIES

COMPANY INFORMATION FOR THE YEAR ENDED 31 DECEMBER 2020

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.

DIRECTORS:	Mr M W Steed - Chairman Ms N Memon – CEO Mr A Migge Mr D Hutchins (appointed 3 March 2021)	
SECRETARY:	Mr N Lee (appointed 21 December 2020)	
REGISTERED OFFICE:	Tennyson House, Cambridge Business Park, Cambridge, CB4 0WZ.	
REGISTERED NUMBER:	05867160 (England and Wales)	
AUDITORS:	Price Bailey LLP Chartered Accountants & Statutory Auditors Tennyson House, Cambridge Business Park, Cambridge, CB4 0WZ	A. F. Ferguson & Co Chartered Accountants State Life Building 1-C I. I. Chundrigar Road Karachi Pakistan
NOMINATED ADVISER:	Strand Hanson Limited 26 Mount Row London, W1K 3SQ	
REGISTRAR:	Neville Registrars Limited 18 Laurel Lane, Halesowen West Midlands, B63 3DA	
BROKERS:	Brandon Hill Capital Limited 1 Tudor Street London, EC4Y 0AH	Shard Capital Partners LLP 20 Fenchurch Street London EC3M 3BY
SOLICITORS:	Charles Russell Speechlys LLP 5 Fleet Place London, EC4M 7RD	Haider Mota BNR D-79, Block No. 5, Karachi 75600, Pakistan
BANKERS:	Royal Bank of Scotland plc 1st Floor, Conqueror House Vision Park, Histon Cambridge, CB24 9NL Habib Metropolitan Bank Habib Bank Plaza I.I.Chundrigar Road Karachi-75650, Pakistan	Habib Bank AG Zurich Moorgate Branch, Habib House 42 Moorgate London, EC2R 6JJ
PUBLIC RELATIONS:	St Brides Partners Ltd 51 Eastcheap London, EC3M 1JP	

**CHAIRMAN'S STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2020**

I am pleased to present the results for Oracle Power Plc (the "Company" or "Oracle") for the year ended 31 December 2020.

2020 has proven to be a difficult year. The COVID 19 pandemic has made travelling almost impossible for ourselves and our partners. Whilst "Zoom" and "Teams" have both been useful tools for sharing ideas and for formal meetings, nothing beats being able to sit and discuss business face to face.

Notwithstanding the above, in September 2020 a meeting was arranged between our consortium and the senior members of the Private Power & Infrastructure Board (PPIB). This was Chaired by Imran Khan's Special Advisor on Power and included a representative of CPEC and a representative of the Ministry of Energy. As a result of that meeting Oracle has been asked to assist the Pakistan government in designing the framework for a feasibility study into making gas and fertiliser from coal.

As I mentioned in my report last year, we have been approached by a number of people who are involved in mining and power related projects who feel that Oracle would be a symbiotic partner. Whilst the Thar projects are, and should remain, our primary focus, we are conscious of the need to have projects that have a faster turnaround. To this end, in November 2020, we acquired two gold licenses in Western Australia, the Jundee East Project and the Northern Zone Project. Both licenses are in world class gold mining districts and add an important new dimension and commodity exposure to our shareholders

We were sad to lose Glen Lewis from the board who was a good fit with Oracle. After six months, Glen decided to retire from the board as a non-executive director as he felt that living and working in Australia made attending Board meetings and being available for management meetings at short notice difficult with the time zone differences. In addition to this, Glen anticipated that, as we start to expand our project portfolio, conflicts of interest between his existing directorships and Oracle may occur.

In December, we appointed Nicholas Lee as Company Secretary and head of finance. Nick is a Chartered Accountant with extensive experience both as a merchant banker but also as an advisor and director with a number of listed companies.

I am also delighted that in March 2021 we appointed David Hutchins as a Non-Executive director. David is a highly experienced corporate mining and commodities professional. During his career he has held several executive roles for both listed and private companies and is currently the Chair of the FTSE Gold Mines Index Committee. David currently sits on the Board of Wishbone Gold Plc (AIM: WSBN), an Australian focussed gold specialist company operating in exploration, mining, and bullion trading. David is ideally suited to assisting us in the development of our gold projects.

Financially we are in good health. We have substantially reduced our fixed costs; we have a healthy bank account and we have not needed to go to the market to raise funds for the day to day running of the company.

Operational highlights of 2020 are described in the Chief Executive's Report.

The Government of Imran Khan remains supportive of the development of Thar coal and of relations with China. The broad parameters of security remain as last year: there have been no major incidents and, overall, the army has maintained order.

We are most grateful to the Pakistani Authorities at both Federal and Provincial levels, to the Chinese Authorities through China Coal and the Joint Cooperation Committee (JCC) of CPEC for the constructive way in which they have all supported and continue to support our project.

Above all, I wish to thank our shareholders for their continued confidence, patience, and support, enabling us to move the project towards realisation.

Mark W Steed
Chairman



**CHIEF EXECUTIVE'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020**

I am pleased to present a report on the Company's progress for the year ended 31 December 2020.

Oracle entered 2020 on the back of success, following the finalisation of an important partnership with His Highness Sheikh Ahmed Bin Dalmook Al Maktoum and China National Coal Development Company. A consortium agreement detailing planned proportional investments for the project at Thar, Pakistan, was signed in February 2020. We proceeded to apply for an LOI (letter of intent) for a 1320MW mine mouth power plant, to PPIB. The consortium partners jointly paid the application fees, endorsing their role as applicants and developers of Block VI. On issuance of the LOI, the consortium will proceed to apply to NEPRA (National Electric Power Regulatory Authority) for a cost plus tariff and generation license.

After the breakthrough development in November 2019, with respect to obtaining support for Coal to Gas (CTG) in CPEC, significant progress was made towards the development of CTG and CTL (coal to liquid) projects at Block VI, in 2020. China Coal, Oracle's principal technical consortium partner, prepared a pre-feasibility to mobilise work on these projects at Block VI. It was also decided after discussions with the Ministry of Planning and Development and the Ministry of Energy, that in order to expedite CTG/L project development, a policy proposal based on input received from China Coal, should be submitted to the Government of Pakistan, in order for an appropriate commercial incentive package for CTG/L projects to be approved. Consequentially, consultants were engaged in December 2020 for this task. Post period, this policy proposal was jointly submitted to the Ministry of Energy (Petroleum Division) and it is expected that a firm policy built on the commercial viability of CTG/L projects would be made available to investors in 2021, so that they can proceed with the feasibility studies. In the next phase, once approval is given for the CTG/L policy by the Pakistan Cabinet, China Coal will conduct a technical feasibility for CTG/L and the consortium will engage with the Government to firm a pricing structure that could potentially secure financing.

I can confirm that Oracle continued to make very good progress in 2020 in Pakistan, overcoming delays and numerous Covid related issues. We essentially upgraded the size and value of our project in Pakistan, in preparation of an imminent critical gas shortage in the country. Oracle has received tremendous support from the Government of Pakistan for an enhanced development plan at Block VI and during the course of 2020, the government of Pakistan endorsed its support for a diversified usage of Thar Coal. In a meeting called by the Special Assistant to the PM on Power, at the PPIB, and attended by His Highness Sheikh Ahmed Bin Dalmook Al Maktoum, the President of China Coal, and the Chairman of Oracle Power, the Company presented this enhanced investment proposal to develop the mine, power plant, CTG facility, urea manufacturing, and CTL processing as part of an Industrial Park at Block VI, with a gross value in excess of 6 billion USD. Oracle has moved from being a mine and power plant developer to a mine and coal developer for multiple uses and is now recognised as a committed and qualified front runner for the development of Pakistan's principal indigenous energy resource.

I am also very pleased to report that despite all challenges presented by the ongoing pandemic, Oracle successfully diversified its portfolio of projects, enhancing value for its shareholders by extending its commodity focus and also mitigating single jurisdiction risk. The economical acquisition of two gold projects in Western Australia in November, amidst a global downturn, has we believe increased the inherent value of the Company significantly. We have made very quick progress in early-stage exploration within months of acquiring the tenements. Post period results from these two tenements have proved very positive and it is expected that resource scale will be suitably estimated in 2021. Project management and geological consulting have been set up in Perth and, despite travel restrictions, the mining industry in WA has proved to be very efficient and economically priced. Work on the ground continues at a fast pace as drilling programs post surveys and chemical testing are set up for 2021. The Company also shared a development plan for the WA projects post period and we expect to keep pace with our exploration goals in 2021.

**CHIEF EXECUTIVE'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020**

Many proposals were shown to us for joint ventures and acquisitions in Africa, South America, Europe and Asia during the course of 2020 as we continue to establish ourselves as a reputable and effective project development platform committed to high returns in various growth sectors. I can confirm that the Company deployed appropriate resources to assess various projects and continues to do so.

The Company also took a decision to access financing through a pre-paid subscription facility of £1.5 million and an arrangement to have access to a further £45 million.

Unfortunately, 2021 has not yet signaled global economic recovery in many parts of the world and travel still remains restricted. However, our management model is conducive for working remotely and outsourcing. Our business operations are strictly goal oriented and the management structure remains lean.

Further, whilst global conditions remain uncertain, Oracle's projects in Pakistan and Australia are centered on the development of assets which provide a hedge against economic insecurity. In Pakistan, Oracle's work has become more important as it can set up ways for Pakistan to become self-sufficient in energy and even food. Similarly, upon successful development of gold mines in WA, the Company would deliver returns through production of a commodity which sits on an upward trajectory of prices in a fragile financial world. I am optimistic about the future and we see many opportunities amidst the current global crisis.

I remain grateful to the Government of Pakistan for its continuing support for the Block VI project, which we strongly believe will produce cheaper abundant power and become an important feedstock for Pakistan's agriculture sector in the future. I am also indebted to many mining professionals in WA for their dedication and efficient work on the ground. We would be unable to develop these projects without their commitment to our success. I would also like to express my gratitude to all those who support Oracle in the UK, and help us to manage regulatory affairs, public relations, accounting compliance, brokerage and market trading.

I also extend my greatest thanks to the shareholders for their support and belief in the Company, and for placing their trust in its management.



Ms Naheed Memon,
Chief Executive Officer

**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020**

The Directors present their Strategic Report of the Company and the Group for the year ended 31 December 2020.

PRINCIPAL ACTIVITY AND BUSINESS MODEL

The principal activity of the Group in the year under review was that of an energy project, based on the exploration and development of coal, and building a mine-mouth power plant in Pakistan. The exploration and development is primarily carried out in Pakistan, but 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 energy assets at various stages in the value cycle, through the procurement of exploration leases, exploitation work, development of commercially viable discoveries, and implementation and operation. The Group will seek judiciously to enhance value further through asset deals. Towards the end of the period the Company acquired interests in two gold projects in Western Australia.

REVIEW OF THE BUSINESS

During the year the Group continued to utilise its funds to develop its Pakistan Thar mine project. 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 and hence determine the loss for Oracle Power PLC Group of Companies after taxation of £1,011,151 (2019: £1,090,146). The Company also used certain of its resources to invest in two gold projects in Western Australia.

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

SECTION 172(1) STATEMENT

The directors are well aware of their duty under section 172 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 5 to 12. This information forms part of the Strategic report and has been approved for issue by the Board on 22 June 2021.

Section 172 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 10. The directors are fully aware of their responsibilities to promote the success of the Company in accordance with Section 172 of the Companies Act 2006. The text of Section 172 of the Companies Act 2006 has been sent out to each main board director.

**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020**

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.

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 and stakeholder considerations are set out below.

Key Board Decision Section 172 and Stakeholder Consideration

- Appointment of St Brides PR - Better communication with all stakeholders;
- Consortium Agreement - Long term feasibility of project fulfilment and execution.
- Acquisition of interests in two gold projects in Western Australia

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. In the light of the continuing public health restrictions associated with Coronavirus this is unlikely to be possible at the 2020 AGM.

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, the Chairman and the other directors make 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.

PRINCIPAL RISKS AND UNCERTAINTIES

The Group is principally engaged in the development of lignite coal resources in Block VI in the Thar Desert in the Sindh province in Pakistan through an open pit mine supplying a mine-mouth power plant. It is also involved in the development of two gold assets in Western Australia. 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.

**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020**

The principal risks and uncertainties for the Company are:

ISSUE	Likelihood of Issue Arising	Impact If Issue Arises
Financial Close	Medium	High
Project Completion	Medium	High
Operating	Low	Low/Medium
Economic	Low/Medium	Low
Financing	Low	High
Political, Legal and Regulatory	Medium	Medium/High
Environment & Corporate Social Responsibility	Low	High
COVID 19 Lockdown	High	Low

Following the signing of a new consortium agreement with China National Coal Development Company Ltd and Sheikh Ahmed Dalmook Al Maktoum Private Office One Person Company LLC, the immediate challenge for the Company is securing an LOI and entering a Shareholder/JV Agreement to move to financial close and project completion. There are risks related to obtaining adequately viable tariffs in order to maximise return. Although economic risk is protected, including cost increase, through the Government of Pakistan's cost-plus pricing mechanism.

There remains political risk, such as a decline in relations between Pakistan and China leading to the pricing mechanism, or overseas remittance of dividends and debt servicing not being honoured.

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

Financial Close Risk

Risk

Assuming the LOI is secured and a viable tariff obtained, following the signing of the consortium agreement with China National Coal Development Company Ltd and Sheikh Ahmed Dalmook Al Maktoum Private Office One Person Company LLC, and after consummating a binding Shareholders or JV Agreement, 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 lenders may insert more stringent condition precedents.

Mitigation

The Company has used world leading consultants in feasibility work, to ensure a fully technically sound project. Recognising that major coal development is new for Pakistan, the Company has worked closely with the regulatory bodies and with professional advisers within Pakistan to ensure compliance to the regulatory regime. The immediately neighbouring Block II achieved delivery of their project. The developments at Block II so far support the soundness of technical feasibility studies that have been carried out on Block VI. Also the regulatory regime, as laid out, has been fully applied by the Pakistani Authorities. All this should be supportive for the Consortium Parties in making their decision to enter into a binding Shareholders or JV Agreement.

Arbitrary withdrawal is considered by Oracle unlikely, given the high profile commitments made by China to CPEC.

**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020**

Project Completion Risk

Risk

The Block VI development comprises a mine, a power plant and CTG/ L facilities in the future as well. Various factors could give rise to delay in completion. These include:

- Delay in mine development either due to timely provision of infrastructure by the government
- Power plant failing tests and hence resulting in encashment of performance guarantees.
- Dewatering of mine does not work as planned or excess water cannot be effectively disposed of.

Mitigation

- The Parties to the Consortium Agreement intend to bring leading EPC contractors into the running of the project;
- Neighbouring Block II has proved that the lignite should be of the required quality, supporting previous studies on Block VI;
- The Company is in close contact with the relevant Government authorities regarding water management issues;
- Government takes responsibility for ensuring capacity payments via the Power Purchase Agreement and the Implementation Agreement. There is a CPEC HVDC priority project to provide an additional 4,000MW of transmission capacity for national power projects, more than sufficient to meet all presently known Thar projects;
- The Company will take out the normal suite of insurance policies;
- As noted above, to the extent that delays lead to increased cost, these would be recoverable through the coal and electricity pricing mechanisms; and
- The project is on the Priority List of CPEC.

Operating Risk

Risk

Technical issues, similar to those described under Project Completion risk.

Water availability and dewatering of mine, during production operations are the key concerns Further hydrology work is planned before project completion, from which the hydrology dynamics will become clearer. The mine will require dewatering, and water is required for the power plant process. Whilst the mine water production is expected to meet the power plant needs, the amount of dewatering needed and any imbalance in the water production and utilisation may cause additional cost pressures.

Mitigation

As with Project Completion Risk:

- the intention is for both the mine and the power plant to be operated by leading contractors;
- the Company will take out the normal suite of insurance policies;
- to the extent that operational issues give rise to cost increases, these should also be recoverable through the coal and electricity pricing mechanisms; and
- The government will provide a guarantee for water supply before the commencement of the project.

**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020**

Economic Risk

Risk

The economic performance of the Company could be affected by movements in international markets. These include:

- Exchange rate movements, amongst the five currencies, US Dollar, Renminbi, Pakistani Rupee, Pound Sterling and Australian dollar, that affect the Company;
- Increased interest rates which, if arising during construction, would add to capital costs;
- Fall in international energy prices encouraging importation of either coal, gas or oil;
- Change in the price of gold; and
- US\$ inflation, which could raise capital and operating costs.

Mitigation

- Cost variances resulting from exchange rate movements and US\$ inflation should generally be recoverable through the coal and electricity pricing mechanisms;
- The risk 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. The savings in foreign exchange to the country of import substitution through local energy production are clear; and
- The development of indigenous coal in Pakistan increases the country's security of energy supply.

Financing Risk

Risk

The Consortium Agreement signed with China National Coal Development Company Ltd and Sheikh Ahmed Dalmook Al Maktoum Private Office One Person Company LLC, two well financed partners, envisages financial (and political) support of the project from banks in the People's Republic of China and the framework of CPEC.

The ability to raise the appropriate funds to develop the gold projects in Western Australia.

Mitigation

The Consortium Agreement envisages that the Chinese partner will be responsible for arranging all debt and for providing 73% of equity with Sheikh Ahmed Dalmook Al Maktoum Private Office One Person Company LLC 15% and Oracle 12%. Oracle will negotiate to apply its historical costs against the share to be provided by Oracle.

Political, Legal, Regulatory and Fiscal Risks

Risk

The Federal and Sindh Governments have demonstrated strong support for the integrated Thar coal mining and power plant development, and for maintaining the supportive regulatory and fiscal regime at present in place.

Risks arise from:

- Change in regime;
- Shorter term, the funding and completion of local infrastructure;
- Longer term, when investment has been made, adversely varying the fiscal regime, the lease terms or the royalty and tax rates, making foreign exchange available to meet debt servicing requirements and dividend payments;
- Bureaucratic interpretation of regulations, including pricing mechanisms, also potentially leading to delay;
- Security and terrorism, particularly as operations in Thar take on a higher profile;
- Transfer of operatorship to Chinese partners and Oracle becoming a minority partner; and
- NGO activism.

**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020**

Mitigation

- The Government have expressed their continued support for the development of indigenous coal and Thar. The Board believes that the shortage of power and the imperative to develop Thar is likely to be clear to any incoming government;
- Much of the planned major infrastructure is already in place;
- Longer term, there are strong international forces to ensure that foreign investment is properly protected, i.e. CPEC and Investment Treaties with China and the UK. The Company will consider whether political risk insurance could be a cost effective mitigant;
- Oracle has a strong working relationship with all relevant levels of Government and will use these relationships to address potential bureaucracy and delay;
- The Government has set up a special force with overall responsibility for security in Thar. Oracle is putting in place a comprehensive security plan which complements those of the Government agencies.

Environment & CSR

Risk

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.

Mitigation

Oracle operates to international standards of environmental and social impact management and complies with the Pakistan Environmental Protection legislation, which mirrors international standards. 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.

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.

COVID 19

Risk

Since the end of 2019, Coronavirus has had a dramatic effect on all aspects of life. With social distancing and restriction on travel and person to person meetings, business has had to be carried out in a very different way which can delay or stop critical decisions being made.

Mitigation

Oracle has been able to continue with aspects of the project despite the restrictions put in place to deal with the pandemic and has been able to carry out internal functions as normal. The Directors will continue to monitor the situation as it develops.

**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020**

CORPORATE SOCIAL RESPONSIBILITY ("CSR")

Objective: Oracle Power PLC is a responsible corporate entity and is continuing to apply international best practice to the Thar project. The Company is aware of the key role it has to play in developing this pioneering project, in minimising the impact that its operations can have on the natural and social environment and in creating opportunities for the local community.

Environmental and Social Impact Assessment ("ESIA")

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. The project along with its impacts and mitigation plans were presented to the public and all were given the opportunity to comment on the proposals and question the Company and the Government on all aspects of the proposed development. 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. All the technical queries raised by the panel were addressed satisfactorily and the Company outlined how the Environmental Management Plan would be implemented and monitored through the life of the project.

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. An update to the ESIA's will be required to reflect the larger mine and power plant.

Community and Consultation

In addition to the environmental characterisation of the site and its environs, 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.

Resettlement

Community response 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 Government of Sindh, Thar Coal and Energy Board, published the Resettlement Policy Framework in May 2015 which sets out the formal mechanism for resettlement in Thar and is generally in line with international performance standards.

A Resettlement Framework and Resettlement Action Plan ("RAP") was prepared and submitted to SEPA in April 2014 as required under the ESIA approval. The RAP has been prepared in line with the Government's Resettlement Framework Policy. The RAP has been prepared to ensure that the process is managed in line with best practice standards. A full programme of consultation, specifically dealing with this issue is being instigated. Communities will be resettled locally (i.e. within the Block area). In 2017 a census of the six local villages within Block VI was undertaken by Mott MacDonald of the number of people and their livestock holding along with a preliminary land ownership survey as required under the RAP.

**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020**

The next stage of the process is to carry out a detailed land ownership survey of the mine and power plant areas to identify the land owners and their families, livestock, and agricultural assets prior to formal land acquisition procedures which will be instigated at the time of project implementation. This process is expected to begin after the LOI for the power plant or CTG is obtained. As part of the resettlement process, which will occur in full consultation with the affected communities and Project Affected Peoples, resettled communities will be given equivalent, alternative lands for their villages. 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 and is well prepared to begin this work.

Oracle Social Development Initiatives

Oracle appointed a Community Liaison Officer ("CLO") in 2012 to act as the local point of contact for stakeholders, and to receive information from, and disseminate information to, local community members. The CLO also acts as an intermediary to represent the interests of the local communities to Oracle. As part of Oracle's CSR initiatives, a strategy is being developed to identify, and support community development projects. This is an ongoing process and will continue as the project moves into implementation.

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.

Benefits and Opportunities include:

- Improvements and extension of the existing government primary schools in Block VI;
- Training of literate male and female community members for teaching;
- Extension of the building 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 the mine site access road proposed under the project.

ON BEHALF OF THE BOARD:

Mark W Steed - Chairman



Date: 22 June 2021

ORACLE POWER PLC GROUP OF COMPANIES (REGISTERED NUMBER: 05867160)

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2020**

The Directors present their report with the financial statements of the Company and the Group for the year ended 31 December 2020.

DIVIDENDS

No dividends will be distributed for the year ended 31 December 2020.

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the note 23 to the financial statements.

DIRECTORS

The Directors during the year under review and to the date of this report were:

Mr M Steed: Non-Executive Director and Chairman;
Ms N Memon; Chief Executive Officer;
Mr A Migge: Senior Independent Non-Executive Director;;
Mr G Lewis: Non-Executive Director; resigned on 21 December 2020;
Mr D Hutchins: Independent Non-Executive Director; appointed on 3 March 2021.

The beneficial interests of the Directors, who held office during the year, in the issued share capital of the company on 31 December 2020 were as follows:

Ordinary 0.1p shares

	31 December 2020	1 January 2020
Mr M Steed	18,100,000	18,100,000
Ms N Memon	16,000,000	16,000,000
Mr A Migge	*8,800,000	*8,800,000

Mark Steed also holds 12,000,000 warrants acquired on 12 August 2019.

*This includes 4,400,000 warrants exercised on 31 December 2019 but issued on 8 January 2020.

Ordinary shares of 0.1p each under option

The Directors held no share options during the year.

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.

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2020**

Andreas Migge

Senior Independent Non -Executive Director

Mr Migge has had a career in Investment Banking and Private Equity with a focus on energy and natural resources. He has an international background, having worked in the US, Europe, Asia and the Middle East. Mr Migge has considerable international transaction experience, notably leading the acquisition of the power plants Lalpir and Pakgen in Pakistan, which was voted "Deal of the Year Asia". In 2014, he was a founding investor and member of the sponsor team for the Reata Prospect, an on-going shale oil exploration project in the Permian Basin in the US. Mr Migge has also led investments in power projects in Iraq and coal mining restructuring projects in the US. He served in the Special Forces of the German Air Force and holds an MBA from Yale University. Within the Company, Mr Migge oversees technical and business development matters.

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 currently the Chair of the FTSE Gold Mines Index Committee.

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.

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2020**

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

The Directors have considered the cashflow requirements of the Group over the next 12 months. It will be necessary to raise additional funds to bring the project to financial close. The Directors expect to meet the funding requirements and therefore believe that the going concern basis is appropriate for the preparation of the financial statements.

The long-term viability of the Group at the moment depends on the successful delivery of the Thar project. This includes finding partners who are able to provide the finance that the project requires, raising cash on the London Stock Exchange, bringing the project to financial close, successfully constructing the mine and the power plant, successful operations and addressing all of the risks outlined in this report (pages 5 to 12).

SIGNIFICANT SHAREHOLDINGS

The Directors have been notified of the following interests, directly or indirectly, in 3% or more of the Group's ordinary shares as at 22 June 2021:

	Shareholding	% holding
His Highness Sheikh Ahmed Bin Dalmook Al Maktoum	300,000,000	13.66
Brandon Hill Capital	173,300,000	7.89
Dr K Laghari	95,652,174	4.35
Naheed Memon	65,002,561	2.96

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2020**

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.

REMUNERATION REPORT

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.

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2020**

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 2020 was as follows:

	Salary & fees	Bonuses	Pensions	Termination benefits	Share based payments	2020 Total	2019 Total
	£	£	£	£	£	£	£
Executive							
Mr S Khan	-	-	-	-	-	-	194,075
Ms N Memon	137,500	75,000	-	-	-	212,500	118,381
Non-executive							
Mr M W Steed	27,000	20,000	2,475	-	-	49,475	25,644
Mr A Migge	27,500	20,000	-	-	-	47,500	25,833
Mr G Lewis	19,755	-	-	-	-	19,755	-

Mr S Khan resigned on 16 July 2019 and Mr G Lewis resigned on 21 December 2020.

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 A Migge	2 August 2017	3 months

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2020**

Performance Evaluation

The Board undertakes annually a formal evaluation of its performance and of its committees through a questionnaire and interview process involving individual Directors and Senior Managers that is overseen by the Senior Independent Non-Executive Director, Mr Migge.

Executive Incentives

The Remuneration Committee will be preparing, before the project's financial close, recommendations to the Board for submission for shareholders' approval 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.

CORPORATE GOVERNANCE REPORT

During 2020 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 2020 the Board consisted of three Directors being the Chief Executive Officer, Ms N Memon, the Non-executive Chairman, Mr M Steed, and Senior Independent Non-executive Director Mr A Migge. Details of their careers are given in the Report of the Directors. During 2020, there were some changes to the membership of the Board with Mr G Lewis resigning as a Non-executive Director on 21 December 2020. Post the period end on 3 March 2021, Mr D Hutchins joined the Board as a Non-executive Director.

The Board has considered the independence of Mr Migge 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 A Warden, who resigned on 14 December 2020 and was replaced by 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 meets approximately every three months and five meetings were held in 2020. 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.

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2020**

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.

It is anticipated that, as the subsidiary companies grow in size with development of the project, the subsidiaries will eventually form Board Committees of their own to advise the respective Boards. Such committees will include a Health, Safety and Environment Committee for each company based in Pakistan.

The meetings held in 2020 were as follows:

	Number of Meeting in 2020	Members (and attendance during period of appointment)
The Board	5	Mr Steed (all), Ms Memon (all), Mr Migge (all)
Nomination Committee	1	Messrs Steed (all), Migge (all)
Remuneration Committee	2	Mr Migge (all)
Audit Committee	3	Mr Steed (all)
Tender Committee	0	Mr Migge

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 consists of Mr Steed as chairman and Mr Migge. The Committee met once in 2020. 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 2020.

Remuneration Committee

The Remuneration Committee met twice in 2020. The Committee consists of Mr Migge as chairman. It is responsible for reviewing the remuneration, performance bonuses, incentive schemes and pension provision for Board members and executives of the Company. The Committee responsibility extends to the review of the remuneration of the Company's appointees to the Boards of Sindh Carbon Energy Limited and Thar Electricity (Private) Ltd. The Committee engages the services of remuneration consultants for advice on policies concerning Board and executive remuneration, performance bonuses, incentive schemes and pensions. It is policy that no individual participates in discussions or decisions concerning their own remuneration.

Audit Committee Report

The Audit Committee of the Board met three times in 2020. 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.

Whilst the Audit Committee is composed of Directors of Oracle Power PLC it also has a role to advise the Boards of the subsidiary companies, Sindh Carbon Energy Ltd. and Thar Electricity (Private) Ltd.

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2020**

The auditors of Oracle Power PLC are Price Bailey 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 and that their audit fee remains reasonable. 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 affiliates in Karachi of Price Waterhouse Coopers are auditors of Sindh Carbon Energy Limited and of Thar Electricity (Private) Ltd. Price Waterhouse Coopers (London) advise the Group on global tax matters and A. F. Ferguson & Co. advise the Group on Pakistani tax matters.

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

The Audit Committee noted that following any future signing of the Definitive Agreements, as foreseen in the Consortium Agreement with China National Coal Development Company Ltd and Sheikh Ahmed Dalmook Al Maktoum Private Office One Person Company LLC the Audit Committee may in the future have more restricted access to the activities of Sindh Carbon Energy Limited and Thar Electricity (Private) Limited. At such time, the Audit Committee suggests that an internal audit process should be put in place, overseen by the external auditors or an internal auditor and also that one director appointed by Oracle who should participate in the audit process.

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 Board

The Tender Board was chaired by Mr Migge. No meetings were called in 2020. The purpose of the Tender Board 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 are:

- 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

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2020**

For all major contracts (over £100,000) it is required that the list of contractors to be invited and the invitation to tender documents be submitted to the Tender Board. Arrangements for opening sealed bids and negotiating with contractors should be agreed with the Tender Board. Normally tenders should be received in sealed envelopes directly by the Secretary of the Tender Board and filed securely.

**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 Chairman, 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 through regulatory announcements and through the website. The Chief Executive, supported by the Group's brokers, makes interim presentations to shareholders as needed. St Brides Partners Ltd was appointed last year to act as the Company's public relations consultants and are the primary point of contact.

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Group Strategic Report, the Report of the Directors and the financial statements in accordance with applicable law and regulations. Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state that the financial statements comply with IFRS;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's and the Group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

ORACLE POWER PLC GROUP OF COMPANIES (REGISTERED NUMBER: 05867160)

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2020**

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 W Steed Chairman



Date: 22 June 2021

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF ORACLE POWER PLC GROUP OF COMPANIES

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 2020 which comprise the Consolidated Statement of Profit or Loss, the Consolidated Statement of Profit or Loss and 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, Notes to the Company Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union 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 2020 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union 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 in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC'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.

Material uncertainty relating to going concern

We draw attention to notes 2 and 9 in the financial statements, which indicates that the Group will need to raise additional funds to bring their project, the development of lignite coal resources in Block VI in the Thar Desert in the Sindh province in Pakistan through an open pit mine supplying a mine-mouth power plant, to a financial close. Whilst the directors expect to meet funding requirements, based upon the current economic environment there exists a material uncertainty which may cast significant doubt as to whether the Group will be able to raise sufficient funds, both debt and equity, to reach financial close. If financial close cannot be reached the carrying value of the Exploration Assets and the Project Feasibility is uncertain and there would be as a result a material uncertainty relating to 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 future.

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

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF ORACLE POWER PLC GROUP OF COMPANIES

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: overall audit strategy, the allocation of resources in the audit, the directing of 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 our opinion thereon, we do not provide a separate opinion on these matters.

Carrying value of Exploration Assets and Project Feasibility

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

As explained in Note 2 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 represented a key audit matter for our audit.

Directors have assessed whether there is an indicator of impairment of the project and have concluded this is not the case.

Our procedures included:

Review of management's assessment of indicators of impairment under IFRS6 in respect of the exploration project.

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 and 9.

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 £446,000. 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.

An overview of the scope of our 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.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF ORACLE POWER PLC GROUP OF COMPANIES

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

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. Detailed group reporting instructions for the testing of the significant areas were sent to the component auditor 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.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's 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 Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

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 Report of the Directors.

We have nothing to report in respect of the following matters where 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.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF ORACLE POWER PLC GROUP OF COMPANIES

Responsibilities of Directors

As explained more fully in the Directors' Responsibilities Statement, 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 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.

Our 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 auditor's 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:

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.

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.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
ORACLE POWER PLC GROUP OF COMPANIES**

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.

Martin Clapson FCA (Senior Statutory Auditor)
for and on behalf of Price Bailey LLP
Chartered Accountants & Statutory Auditors
Tennyson House
Cambridge Business Park
Cambridge
CB4 0WZ

Date: 22 June 2021

ORACLE POWER PLC GROUP OF COMPANIES (REGISTERED NUMBER: 05867160)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 £	2019 £
CONTINUING OPERATIONS			
Revenue	-	-	
Administrative expenses		<u>(1,011,531)</u>	<u>(1,087,623)</u>
OPERATING LOSS		(1,011,531)	(1,087,623)
Finance costs	5	-	(4,220)
Finance income	5	<u>380</u>	<u>1,697</u>
LOSS BEFORE INCOME TAX	6	(1,011,151)	(1,090,146)
Income tax	7	<u>-</u>	<u>-</u>
LOSS FOR THE YEAR		<u>(1,011,151)</u>	<u>(1,090,146)</u>
Loss attributable to:			
Owners of the parent		(1,011,151)	(1,090,146)
Non-controlling interests		<u>-</u>	<u>-</u>
		<u>(1,011,151)</u>	<u>(1,090,146)</u>
Loss per share expressed in pence per share:	8		
Basic		(0.05)	(0.08)
Diluted		<u>(0.05)</u>	<u>(0.08)</u>

The notes form part of these financial statements

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2020**

	2020 £	2019 £
LOSS FOR THE YEAR	(1,011,151)	(1,090,146)
OTHER COMPREHENSIVE INCOME		
Items that will not be reclassified to profit or loss:		
Exchange difference on consolidation	(154,070)	(184,991)
Income tax relating to items of other comprehensive income	-	-
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR, NET OF INCOME TAX	(154,070)	(184,991)
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR	<u>(1,165,221)</u>	<u>(1,275,137)</u>
Total comprehensive income/(loss) attributable to:		
Owners of the parent	(1,165,221)	(1,275,137)
Non-controlling interests	-	-
	<u>(1,165,221)</u>	<u>(1,275,137)</u>

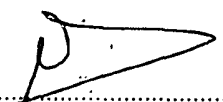
The notes form part of these financial statements

ORACLE POWER PLC GROUP OF COMPANIES (REGISTERED NUMBER: 05867160)

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
31 DECEMBER 2020**

	Notes	2020 £	2019 £
ASSETS			
NON-CURRENT ASSETS			
Intangible assets	9	5,256,313	4,633,022
Property, plant and equipment	10	8,288	9,845
Loans and other financial assets	12	<u>365,949</u>	<u>393,723</u>
		<u>5,630,550</u>	<u>5,036,590</u>
CURRENT ASSETS			
Trade and other receivables	13	32,520	141,208
Cash and cash equivalents	14	<u>1,554,424</u>	<u>413,858</u>
		<u>1,586,944</u>	<u>555,066</u>
TOTAL ASSETS		<u><u>7,217,494</u></u>	<u><u>5,591,656</u></u>
EQUITY			
SHAREHOLDERS' EQUITY			
Called up share capital	15	2,146,862	1,759,751
Share premium	16	16,908,975	15,512,025
Translation reserve	16	(686,305)	(532,235)
Share scheme reserve	16	180,229	190,653
Retained earnings	16	<u>(12,454,922)</u>	<u>(11,512,373)</u>
TOTAL EQUITY		<u><u>6,094,839</u></u>	<u><u>5,417,821</u></u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	17	322,655	173,835
Borrowings	18	<u>800,000</u>	<u>-</u>
TOTAL LIABILITIES		<u><u>1,122,655</u></u>	<u><u>173,835</u></u>
TOTAL EQUITY AND LIABILITIES		<u><u>7,217,494</u></u>	<u><u>5,591,656</u></u>

The financial statements were approved and authorised for issue by the Board of Directors on 22 June 2021 and were signed on its behalf by:


.....
Mark W Steed - Chairman

The notes form part of these financial statements

ORACLE POWER PLC GROUP OF COMPANIES (REGISTERED NUMBER: 05867160)

**COMPANY STATEMENT OF FINANCIAL POSITION
31 DECEMBER 2020**

	Notes	2020 £	2019 £
ASSETS			
NON-CURRENT ASSETS			
Intangible assets	9	3,978,851	3,332,126
Property, plant and equipment	10	684	2,782
Investments	11	3,703,047	3,702,847
Loans and other financial assets	12	<u>1,640,353</u>	<u>1,604,275</u>
		<u>9,322,935</u>	<u>8,642,030</u>
CURRENT ASSETS			
Trade and other receivables	13	199,691	285,901
Cash and cash equivalents	14	<u>1,535,665</u>	<u>384,058</u>
		<u>1,735,356</u>	<u>669,959</u>
TOTAL ASSETS		<u>11,058,291</u>	<u>9,311,989</u>
EQUITY			
SHAREHOLDERS' EQUITY			
Called up share capital	15	2,146,862	1,759,751
Share premium	16	16,908,975	15,512,025
Share scheme reserve	16	180,229	190,653
Retained earnings	16	<u>(10,049,674)</u>	<u>(9,067,436)</u>
TOTAL EQUITY		<u>9,186,392</u>	<u>8,394,993</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	17	1,071,899	916,996
Borrowings	18	<u>800,000</u>	<u>-</u>
TOTAL LIABILITIES		<u>1,871,899</u>	<u>916,996</u>
TOTAL EQUITY AND LIABILITIES		<u>11,058,291</u>	<u>9,311,989</u>

As permitted by Section 408 of the Companies Act 2006, the income statement of the parent company is not presented as part of these financial statements. The parent company's loss for the financial year was £1,050,840 (2019 – loss of £1,066,265).

The financial statements were approved and authorised for issue by the Board of Directors on 22 June 2021 and were signed on its behalf by:

.....
Mark W Steed - Chairman

The notes form part of these financial statements

ORACLE POWER PLC GROUP OF COMPANIES (REGISTERED NUMBER: 05867160)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020

	Called up share capital £	Retained earnings £	Share premium £	Translation reserve £	Share scheme reserve £	Total £	Non-controlling interests £	Total equity £
Balance at 1 January 2019	1,141,822	(10,422,227)	14,538,219	(347,244)	22,839	4,933,409	-	4,933,409
Loss for the year	-	(1,090,146)	-	-	-	(1,090,146)	-	(1,090,146)
Other comprehensive income								
Exchange difference on consolidation	-	-	-	(184,991)	-	(184,991)	-	(184,991)
Total comprehensive loss	-	(1,090,146)	-	(184,991)	-	(1,275,137)	-	(1,275,137)
Transactions with owners								
Issue of share capital	617,929	-	973,806	-	-	1,591,735	-	1,591,735
Share warrants granted	-	-	-	-	167,814	167,814	-	167,814
Total transactions with owners	617,929	-	973,806	-	167,814	1,759,549	-	1,759,549
Balance at 31 December 2019	<u>1,759,751</u>	<u>(11,512,373)</u>	<u>15,512,025</u>	<u>(532,235)</u>	<u>190,653</u>	<u>5,417,821</u>	<u>-</u>	<u>5,417,821</u>
Loss for the year	-	(1,011,151)	-	-	-	(1,011,151)	-	(1,011,151)
Other comprehensive income								
Exchange difference on consolidation	-	-	-	(154,070)	-	(154,070)	-	(154,070)
Total comprehensive loss	-	(1,011,151)	-	(154,070)	-	(1,165,221)	-	(1,165,221)
Transactions with owners								
Issue of share capital	387,111	-	1,396,950	-	-	1,784,061	-	1,784,061
Share warrants exercised	-	68,602	-	-	(68,602)	-	-	-
Share warrants granted	-	-	-	-	58,178	58,178	-	58,178
Total transactions with owners	387,111	68,602	1,396,950	-	(10,424)	1,842,239	-	1,842,239
Balance at 31 December 2020	<u>2,146,862</u>	<u>(12,454,922)</u>	<u>16,908,975</u>	<u>(686,305)</u>	<u>180,229</u>	<u>6,094,839</u>	<u>-</u>	<u>6,094,839</u>

The notes form part of these financial statements

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Called up share capital £	Retained earnings £	Share premium £	Share scheme reserve £	Total equity £
Balance at 1 January 2019	1,141,822	(8,001,171)	14,538,219	22,839	7,701,709
Loss for the year	-	(1,066,265)	-	-	(1,066,265)
Total comprehensive loss	-	(1,066,265)	-	-	(1,066,265)
Transactions with owners					
Issue of share capital	617,929	-	973,806	-	1,591,735
Share warrants granted	-	-	-	167,814	167,814
Total transactions with owners	617,929	-	973,806	167,814	1,759,549
Balance at 31 December 2019	<u>1,759,751</u>	<u>(9,067,436)</u>	<u>15,512,025</u>	<u>190,653</u>	<u>8,394,993</u>
Loss for the year	-	(1,050,840)	-	-	(1,050,840)
Total comprehensive loss	-	(1,050,840)	-	-	(1,050,840)
Transactions with owners					
Issue of share capital	387,111	-	1,396,950	-	1,784,061
Share warrants exercised	-	68,602	-	(68,602)	-
Share warrants granted	-	-	-	58,178	58,178
Total transactions with owners	387,111	68,602	1,396,950	(10,424)	1,842,239
Balance at 31 December 2020	<u>2,146,862</u>	<u>(10,049,674)</u>	<u>16,908,975</u>	<u>180,229</u>	<u>9,186,392</u>

The notes form part of these financial statements

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Notes to the Statement of Cash Flows	2020 £	2019 £
Cash flows from operating activities			
Cash generated from operations	1	(807,883)	(1,320,826)
Interest paid		<u>-</u>	<u>(4,220)</u>
Net cash from operating activities		<u>(807,883)</u>	<u>(1,325,046)</u>
Cash flows from investing activities			
Purchase of intangible fixed assets		(219,770)	(70,949)
Purchase of tangible fixed assets		(2,513)	(1,524)
Proceeds from disposal of fixed assets		-	941
Interest received		<u>380</u>	<u>1,696</u>
Net cash from investing activities		<u>(221,903)</u>	<u>(69,836)</u>
Cash flows from financing activities			
Proceeds of share issue		1,370,811	1,759,851
Proceeds from borrowings		<u>800,000</u>	<u>-</u>
Net cash from financing activities		<u>2,170,811</u>	<u>1,759,851</u>
Increase/(Decrease) in cash and cash equivalents		<u>1,141,025</u>	<u>(364,959)</u>
Cash and cash equivalents at beginning of year	2	413,858	48,899
Effect of foreign exchange rate changes		<u>(459)</u>	<u>-</u>
Cash and cash equivalents at end of year	2	<u><u>1,554,424</u></u>	<u><u>413,858</u></u>

The notes form part of these financial statements

ORACLE POWER PLC GROUP OF COMPANIES (REGISTERED NUMBER: 05867160)

COMPANY STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes to the Statement of Cash Flows	2020 £	2019 £
Cash flows from operating activities			
Cash generated from operations	1	(909,288)	(1,397,684)
Interest paid		-	(4,220)
Net cash from operating activities		<u>(909,288)</u>	<u>(1,401,904)</u>
Cash flows from investing activities			
Purchase of intangible fixed assets		(110,296)	(19,310)
Purchase of tangible fixed assets		-	(1,524)
Interest received		380	1,697
Net cash from investing activities		<u>(109,916)</u>	<u>(19,137)</u>
Cash flows from financing activities			
Proceeds of share issue		1,370,811	1,759,851
Proceeds from borrowings		800,000	-
Net cash from financing activities		<u>2,170,811</u>	<u>1,759,851</u>
Increase/(Decrease) in cash and cash equivalents		<u>1,151,607</u>	<u>338,810</u>
Cash and cash equivalents at beginning of year	2	384,058	45,248
Effect of foreign exchange rate changes		-	-
Cash and cash equivalents at end of year	2	<u><u>1,535,665</u></u>	<u><u>384,058</u></u>

The notes form part of these financial statements

**NOTES TO THE STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020**
1. RECONCILIATION OF LOSS BEFORE INCOME TAX TO CASH GENERATED FROM OPERATIONS
Group

	2020 £	2019 £
Loss before income tax	(1,011,151)	(1,090,146)
Depreciation charges	336	498
Loss/(Gain) on foreign exchange movement	27,871	(2,184)
Finance costs	-	4,220
Finance income	(380)	(1,697)
Loss/(Profit) on disposal of tangible assets	1,761	(673)
	(981,563)	(1,089,982)
Decrease/(Increase) in trade and other receivables	57,387	(120,631)
Increase/(Decrease) in trade and other payables	116,293	(110,213)
Cash generated from operations	(807,883)	(1,320,826)

Company

	2020 £	2019 £
Loss before income tax	(1,050,840)	(1,066,265)
Depreciation charges	336	498
Impairment of loans	71,652	-
Loss/(Gain) on foreign exchange movement	30,258	(2,184)
Finance costs	-	4,220
Finance income	(19,542)	(19,102)
Loss/(Profit) on disposal of tangible assets	1,761	-
	(966,375)	(1,082,833)
(Increase)/Decrease in trade and other receivables	86,210	(120,080)
Increase/(Decrease) in trade and other payables	89,703	(119,510)
Increase in loans to subsidiaries	(118,826)	(75,261)
Cash generated from operations	(909,288)	(1,397,684)

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Statements of Cash Flows in respect of cash and cash equivalents are in respect of these Statements of Financial Position amounts:

	Group		Company	
Year ended 31 December 2020	31/12/20 £	1/1/20 £	31/12/20 £	1/1/20 £
Cash and cash equivalents	<u>1,554,424</u>	<u>413,858</u>	<u>1,535,665</u>	<u>384,058</u>
Year ended 31 December 2019	31/12/19 £	1/1/19 £	31/12/19 £	1/1/19 £
Cash and cash equivalents	<u>413,858</u>	<u>48,899</u>	<u>384,058</u>	<u>45,248</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

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 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

Going concern

The Directors have considered the cashflow requirements of the Group over the next 12 months and believe there are sufficient existing funds to meet overhead requirements. It will be necessary to raise additional funds to bring the project to financial close. The Directors expect to meet the funding requirements and therefore believe that the going concern basis is appropriate for the preparation of the financial statements.

The Directors have also considered the COVID-19 global pandemic and whether any adjustments are required to reported amounts in the financial statements. Subsequent to the reporting date with social distancing and restrictions on travel and in person meetings business has had to be carried out in a very different way which can delay or stop critical decisions being made.

The Directors have been able to continue with aspects of the project despite the restrictions put in place to deal with the pandemic. They have been able to carry out all internal functions as normal and progress the project.

Compliance with accounting standards

These financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union 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.

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 9. 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.

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 £5,256,313.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020

2. ACCOUNTING POLICIES - continued

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. In the case of subsequent acquisitions of minority interests, the difference between the consideration payable for the additional interest in the subsidiary and the minority interest's share of the assets and liabilities reflected in the consolidated statement of financial position at the date of acquisition of the minority interest has been treated as goodwill.

Intangible fixed assets - 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 coal 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 to consider whether any exploration or development costs have suffered impairment in value where a site has been abandoned or confirmed as no longer technically feasible. Accumulated costs in respect of areas of interest that have been abandoned are written off to the profit and loss account in the year in which the area is abandoned.

Exploration costs are carried at cost less any provision for impairment.

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

Investments

Fixed asset investments 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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. ACCOUNTING POLICIES - continued

Financial instruments

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

- Cash and cash equivalents comprise cash held at bank and short term deposits
- Trade payables are not interest bearing and are stated at their nominal value
- Receivables denominated in foreign currency are retranslated at the balance sheet date
- Equity instruments issued by the Company are recorded at the proceeds received except where those proceeds appear to be less than the fair value of the equity instruments issued, in which case the equity instruments are recorded at fair value. The difference between the proceeds received and the fair value is reflected in the share based payments reserve.

Taxation

Current taxes are based on the results shown in the financial statements and are calculated according to local tax rules, using tax rates enacted or substantially enacted by the statement of financial position date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the statement of financial position date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Profit and losses of overseas subsidiary undertakings are translated into sterling at average rates for the year. The statements of financial position of overseas subsidiary undertakings are translated at the rate ruling at the statement of financial position date. Differences arising from the translation of Group investments in overseas subsidiary undertakings are recognised as a separate component of equity.

Net exchange differences classified as equity are separately tracked and the cumulative amount disclosed as a translation reserve.

The principal place of business of the Group is the United Kingdom with sterling being the functional currency. Funds are advanced to Pakistan as required to finance the exploration costs which are payable locally.

Leasing commitments

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.

Employee benefit costs

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.

Share-based payment transactions

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020

2. ACCOUNTING POLICIES - continued

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.

Cash and cash equivalents

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

New standards and interpretations applied

In preparing these financial statements the Company has reviewed all new standards and interpretations.

New Standards, Interpretations and Amendments effective from 1 January 2020

The following new and revised Standards and Interpretations have been adopted in these financial statements but their adoption has not had any significant impact on the amounts reported in these financial statements:

- IFRS 3 Business Combinations (amended 2018)
- IFRS 7 Financial Instruments: Disclosures (amended 2019)
- IFRS 9 Financial Instruments (amended 2017)
- IAS 1 Presentation of Financial Statements (amended 2018)
- IAS 8 Accounting Policies (amended 2018)

The other new and revised Standards and Interpretations are not considered to be relevant to the Company's financial reporting and operations and are not detailed in these financial statements.

New Standards, Interpretations and Amendments that are not yet effective and have not been adopted early

The following new and revised Standards and Interpretations are relevant to the Company but not yet effective for the year commencing 1 January 2020 and have not been applied in preparing these financial statements:

- IAS 37 Provisions, Contingent Liabilities and Contingent Assets (amended 2020)
- IFRS 9 Financial Instruments (amended August 2020)
- IFRS 7 Financial Instruments: Disclosures (amended 2020)
- IFRS 16 Leases (amended August 2020)

The Directors do not consider that the implementation of any of these new standards will have a material impact upon reported income or reported net assets.

3. SEGMENTAL REPORTING

The principal activity of the Group is an energy project, based on the exploration and development of coal mining and building a mine-mouth power plant in Pakistan. Group intangible non-current assets of £4,694,855 (2019: £4,633,022) are attributable to the project in Pakistan. The remaining Group intangible non-current assets of £561,459 relate to an investment in Western Australia for the exploration and future extraction of gold.

To-date the Group has raised a total £20.6m and spent £17.8m on Thar Block VI and £0.6m on the Western Australia gold project.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020**4. EMPLOYEES AND DIRECTORS**

	2020	2019
	£	£
Wages and salaries	326,270	373,375
Social security costs	-	31,724
Pension contributions to money purchase schemes	2,475	17,289
Compensation for loss of office	-	147,000
	<u>328,745</u>	<u>569,388</u>

The average monthly number of employees of the Company during the year was as follows:

	2020	2019
Directors	4	4
Administration and production	<u>4</u>	<u>1</u>
	<u>8</u>	<u>5</u>

	2020	2019
	£	£
Directors' remuneration	327,255	253,872
Company contributions to Directors' pension money purchase schemes	2,475	10,061
Compensation to director for loss of office	<u>-</u>	<u>100,000</u>

The number of Directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	<u>1</u>	<u>1</u>
------------------------	----------	----------

Information regarding the highest paid director is as follows:

	2020	2019
	£	£
Remuneration	212,500	86,420
Company Pension contributions to money purchase schemes	-	7,655
Compensation to director for loss of office	<u>-</u>	<u>100,000</u>

Details of remuneration for each Director are included in the Report of the Directors.

5. NET FINANCE COSTS

	2020	2019
	£	£
Finance income:		
Deposit account interest	<u>380</u>	<u>1,697</u>
Finance costs:		
Loan interest	<u>-</u>	<u>(4,220)</u>
Net finance income/(costs)	<u>380</u>	<u>(2,523)</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020**6. LOSS BEFORE INCOME TAX**

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

	2020 £	2019 £
Depreciation - owned assets	2,116	2,437
Auditors' remuneration	22,550	18,831
Foreign exchange differences	<u>27,871</u>	<u>(2,184)</u>

The depreciation charges shown above include £1,779 (2019: £1,939) which have been capitalised as exploration costs by the subsidiary company in accordance with the accounting policy.

7. INCOME TAX**Analysis of tax expense**

No liability to UK corporation tax arose for the year ended 31 December 2020 nor for the year ended 31 December 2019.

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:

	2020 £	2019 £
Loss before income tax	<u>(1,011,151)</u>	<u>(1,090,146)</u>
Loss multiplied by the standard rate of corporation tax in the UK of 19% (2019 - 19%)	(192,119)	(207,128)
Effects of:		
Foreign losses of subsidiaries	2,909	1,231
Inter company items eliminated	3,641	3,307
Disallowed expenses	13,826	197
Potential deferred taxation on losses for year	171,743	202,393
	<u>-</u>	<u>-</u>
Tax expense	<u>-</u>	<u>-</u>

The Group and Company has estimated UK excess management charges of £9,592,519 (2019: £8,688,609) to carry forward against future income. The overseas subsidiaries have losses of £122,539 (2019: £107,226) which will be carried forward to offset future profits. There is no charge for foreign taxation for the year (2019: nil).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020**8. LOSS PER SHARE**

Basic earnings per share is calculated by dividing the earnings attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period.

Diluted earnings per share is calculated using the weighted average number of shares adjusted to assume the conversion of all dilutive potential ordinary shares. In addition to the weighted average number of shares, the weighted average potentially dilutive instruments amounted to 729,890,563 (2019: 235,938,530). No adjustment is made where the effect would be to dilute the loss attributable to the ordinary shareholders.

Reconciliations are set out below.

	Earnings £	2020 Weighted average number of shares	Per-share amount pence
Basic EPS			
Earnings attributable to ordinary shareholders	(1,011,151)	1,954,623,146	(0.05)
Effect of dilutive securities	-	-	-
Diluted EPS			
Adjusted earnings	<u>(1,011,151)</u>	<u>1,954,623,146</u>	<u>(0.05)</u>
	Earnings £	2019 Weighted average number of shares	Per-share amount pence
Basic EPS			
Earnings attributable to ordinary shareholders	(1,090,146)	1,334,995,596	(0.08)
Effect of dilutive securities	-	-	-
Diluted EPS			
Adjusted earnings	<u>(1,090,146)</u>	<u>1,334,995,596</u>	<u>(0.08)</u>

There is no difference between the basic and diluted loss per share.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020**9. INTANGIBLE ASSETS****Group**

	Exploration costs £
COST	
At 1 January 2020	4,633,022
Additions	773,769
Exchange differences	<u>(150,478)</u>
At 31 December 2020	<u>5,256,313</u>
NET BOOK VALUE	
At 31 December 2020	<u>5,256,313</u>

	Exploration costs £
COST	
At 1 January 2019	4,742,818
Additions	70,949
Exchange differences	<u>(180,745)</u>
At 31 December 2019	<u>4,633,022</u>
NET BOOK VALUE	
At 31 December 2019	<u>4,633,022</u>

The Group exploration costs of £5,256,313 are currently being carried forward at cost in the financial statements. The Group will need to raise funds to reach financial close. Also, financial close involves the raising of finance, both debt and equity for the opening up of the mine and the construction of the power plant. If the Group is unable to raise this finance, some of the assets may require impairment.

Company

	Exploration costs £
COST	
At 1 January 2020	3,332,126
Additions	<u>646,725</u>
At 31 December 2020	<u>3,913,851</u>
NET BOOK VALUE	
At 31 December 2020	<u>3,978,851</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020

9. INTANGIBLE ASSETS - continued

Company

	Exploration costs £
COST	
At 1 January 2019	3,312,816
Additions	<u>19,310</u>
At 31 December 2019	<u>3,332,126</u>
NET BOOK VALUE	
At 31 December 2019	<u>3,332,126</u>

10. PROPERTY, PLANT AND EQUIPMENT

Group

	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST				
At 1 January 2020	1,385	17,378	5,719	24,482
Additions	-	-	2,882	2,882
Disposals	(1,385)	-	(3,615)	(5,000)
Exchange differences	<u>-</u>	<u>(1,213)</u>	<u>(223)</u>	<u>(1,436)</u>
At 31 December 2020	<u>-</u>	<u>16,165</u>	<u>4,763</u>	<u>20,928</u>
DEPRECIATION				
At 1 January 2020	721	10,379	3,537	14,637
Charge for year	-	1,391	725	2,116
Depreciation on disposal	(721)	-	(2,518)	(3,239)
Exchange differences	<u>-</u>	<u>(812)</u>	<u>(62)</u>	<u>(874)</u>
At 31 December 2020	<u>-</u>	<u>10,958</u>	<u>1,682</u>	<u>12,640</u>
NET BOOK VALUE				
At 31 December 2020	<u>-</u>	<u>5,207</u>	<u>3,081</u>	<u>8,288</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020

10. PROPERTY, PLANT AND EQUIPMENT - continued

Group

	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST				
At 1 January 2019	1,385	24,651	4,285	30,321
Additions	-	-	1,524	1,524
Disposals	-	(4,263)	-	(4,263)
Exchange differences	-	(3,010)	(90)	(3,100)
At 31 December 2019	<u>1,385</u>	<u>17,378</u>	<u>5,719</u>	<u>24,482</u>
DEPRECIATION				
At 1 January 2019	647	14,236	3,160	18,043
Charge for year	74	1,909	454	2,437
Depreciation on disposal	-	(4,004)	-	(4,004)
Exchange differences	-	(1,762)	(77)	(1,839)
At 31 December 2019	<u>721</u>	<u>10,379</u>	<u>3,537</u>	<u>14,637</u>
NET BOOK VALUE				
At 31 December 2019	<u>664</u>	<u>6,999</u>	<u>2,182</u>	<u>9,845</u>

Company

	Fixtures and fittings £	Computer equipment £	Totals £
COST			
At 1 January 2020	1,385	5,139	6,524
Additions	-	-	-
Disposals	(1,385)	(3,615)	(5,000)
At 31 December 2020	<u>-</u>	<u>1,524</u>	<u>1,524</u>
DEPRECIATION			
At 1 January 2020	721	3,021	3,742
Charge for year	-	337	337
Depreciation on disposal	(721)	(2,518)	(3,239)
At 31 December 2020	<u>-</u>	<u>840</u>	<u>840</u>
NET BOOK VALUE			
At 31 December 2020	<u>-</u>	<u>684</u>	<u>684</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020

10. PROPERTY, PLANT AND EQUIPMENT - continued

Company

	Fixtures and fittings £	Computer equipment £	Totals £
COST			
At 1 January 2019	1,385	3,615	5,000
Additions	<u>-</u>	<u>1,524</u>	<u>1,524</u>
At 31 December 2019	<u>1,385</u>	<u>5,139</u>	<u>6,524</u>
DEPRECIATION			
At 1 January 2019	647	2,597	3,244
Charge for year	<u>74</u>	<u>424</u>	<u>498</u>
At 31 December 2019	<u>721</u>	<u>3,021</u>	<u>3,742</u>
NET BOOK VALUE			
At 31 December 2019	<u>664</u>	<u>2,118</u>	<u>2,782</u>

11. INVESTMENTS

Company

	Shares in group undertakings £
COST	
At 1 January 2020	3,702,847
Additions	<u>200</u>
At 31 December 2020	<u>3,703,047</u>
NET BOOK VALUE	
At 31 December 2020	<u>3,703,047</u>
	Shares in group undertakings £
COST	
At 1 January 2019	3,702,947
Disposals	<u>(100)</u>
At 31 December 2019	<u>3,702,847</u>
NET BOOK VALUE	
At 31 December 2019	<u>3,702,847</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020

11. INVESTMENTS - continued

Company

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	2020 £	2019 £
Ordinary shares of Rs. 10 each	100.00 (2019: 100.00)		
Aggregate capital and reserves		617,279	617,279
Profit/(Loss) for the year		-	336

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 (2019: £2,867,256).

Revive Financial Limited

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

Nature of business: Administration and financial support

Class of shares:	% holding	2020 £	2019 £
Ordinary shares of 1p each	100.00		
Aggregate capital and reserves		804,516	804,516

The company was incorporated on 8 October 2013 but has not yet commenced trading and has no profit or loss for the year (2019: Nil).

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

Following the share for share exchange, Revive Financial Limited made a loan of £804,516 to Oracle Power PLC. The loan of £804,516 (2019: £804,516) which remains outstanding is interest free and is repayable within 30 days of giving written notice of demand for repayment.

The investment in share capital for the 100% holding amounted to £804,516.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020

11. INVESTMENTS - continued

Company

Thar Electricity (Private) Limited

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

Nature of business: Energy production

	% holding	2020	2019
Class of shares:		£	£
Ordinary shares of Rs. 10 each	100.00	(16,586)	(9,579)
Aggregate capital and reserves		<u>(6,999)</u>	<u>(6,804)</u>
Loss for the year			

The subsidiary company was incorporated in Pakistan on 17 June 2015 for the future generation of electricity in Pakistan. Oracle Power PLC 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.

Company

Oracle Gold Limited

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

Nature of business: Administration and financial support

	% holding	2020	2019
Class of shares:		£	£
Ordinary shares of £1 each	100.00	100	-
Aggregate capital and reserves		<u>-</u>	<u>-</u>
Loss for the year			

The company was incorporated on 29 October 2020 but has not yet commenced trading and has no profit or loss for the year (2019: Nil).

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020

11. INVESTMENTS - continued

Company

Oracle Gold Resources Limited

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

Nature of business: Administration and financial support

	% holding	2020 £	2019 £
Class of shares:			
Ordinary shares of £1 each	100.00		
Aggregate capital and reserves		100	-
Loss for the year		-	-

The company was incorporated on 29 October 2020 but has not yet commenced trading and has no profit or loss for the year (2019: Nil).

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

Company

Oracle Gold Pty Limited

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

Nature of business: Gold exploration and mining

	% holding	2020 £	2019 £
Class of shares:			
Ordinary shares of AUD \$1 each	100.00		
Aggregate capital and reserves		8,521	-
Loss for the year		8,522	-

The subsidiary company was incorporated in Australia on 16 November 2020 for the exploration and future extraction of gold. On the same date, Oracle Power PLC 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 Power PLC 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 Power PLC exercisable at a price of 1.1p.

The investment in share capital for the 100% holding amounted to £0.56.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020

12. LOANS AND OTHER FINANCIAL ASSETS

Group

	2020	2019
	£	£
Financial assets	<u>365,949</u>	<u>393,723</u>

The financial asset of £365,949 (2019: 393,723) 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 2022. This performance guarantee is secured by a deposit by Oracle Power PLC with the issuing bank.

Company

	Loans to group undertakings £
At 1 January 2020	1,210,552
New in year	137,891
Impairment	(71,651)
Exchange differences	<u>(2,388)</u>
At 31 December 2020	<u>1,274,404</u>
	Loans to group undertakings £
At 1 January 2019	1,135,291
New in year	<u>75,261</u>
At 31 December 2019	<u>1,210,552</u>

Other financial assets were as follows:

	2020	2019
	£	£
Financial assets	365,949	393,723

In addition to the items disclosed for the Group, during the period Oracle Power PLC made loans to its subsidiaries totalling £nil (2019: £33,800) to Sindh Carbon Energy Limited and £137,891 (2019: £40,024) to Thar Electricity (Private) Limited.

The amounts outstanding at the statement of financial position date were £1,078,523 (2019: £1,078,473) due from Sindh Carbon Energy Limited and £267,532 (2019: £132,079) due from Thar Electricity (Private) Limited, of which £31,457 is denoted in USD of \$42,980. 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 £71,651 was recognised in the year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020

13. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Current:				
Other receivables	1,346	118,138	170,904	262,831
VAT	12,246	18,806	11,394	18,806
Prepayments and accrued income	<u>18,928</u>	<u>4,264</u>	<u>17,393</u>	<u>4,264</u>
	<u>32,520</u>	<u>141,208</u>	<u>199,691</u>	<u>285,901</u>

14. CASH AND CASH EQUIVALENTS

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Bank deposit account	1,515,144	365,845	1,515,144	365,845
Bank accounts	<u>39,280</u>	<u>48,013</u>	<u>20,521</u>	<u>18,213</u>
	<u>1,554,424</u>	<u>413,858</u>	<u>1,535,665</u>	<u>384,058</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020

15. CALLED UP SHARE CAPITAL

	2020 £	2019 £
Allotted, issued and fully paid		
2,146,862,217 (2019: 1,755,350,959) Ordinary shares of 0.1p each	<u>2,146,862</u>	<u>1,759,751</u>

In January 2020, 6,000,000 ordinary shares of 0.1p each were allotted at 0.25p per share as fully paid for cash at a premium to nominal value of 0.15p per share during the year.

In January 2020, 38,162,192 ordinary shares of 0.1p each were allotted at 0.5p per share as fully paid for cash at a premium to nominal value of 0.45p per share during the year.

In January 2020, 10,000,000 ordinary shares of 0.1p each were allotted at 0.5p per share as fully paid for cash at a premium to nominal value of 0.45p per share during the year.

In February 2020, 16,000,000 ordinary shares of 0.1p each were allotted at 0.25p per share as fully paid for cash at a premium to nominal value of 0.15p per share during the year.

In March 2020, 39,000,000 ordinary shares of 0.1p each were allotted at 0.25p per share as fully paid for cash at a premium to nominal value of 0.15p per share during the year.

In July 2020, 111,000,000 ordinary shares of 0.1p each were allotted at 0.25p per share as fully paid for cash at a premium to nominal value of 0.15p per share during the year.

In August 2020, 17,189,218 ordinary shares of 0.1p each were allotted at 0.58p per share as fully paid for cash at a premium to nominal value of 0.48p per share during the year.

In September 2020, 72,776,229 ordinary shares of 0.1p each were allotted at 0.55p per share as fully paid for cash at a premium to nominal value of 0.45p per share.

In September 2020, 15,684,798 ordinary shares of 0.1p each were allotted at 0.64p per share as fully paid for cash at a premium to nominal value of 0.54p per share.

In November 2020, 42,857,143 ordinary shares of 0.1p each were allotted at 0.11p per share as fully paid for cash at a premium to nominal value of 0.01p per share.

In November 2020, 18,441,678 ordinary shares of 0.1p each were allotted at 0.54p per share as fully paid for cash at a premium to nominal value of 0.44p per share.

The number of shares in issue are as follows:

	2020 No.	2019 No.
At 1 January	1,759,750,959	1,141,821,582
Issued during the year	<u>387,111,258</u>	<u>617,929,377</u>
At 31 December	<u>2,146,862,217</u>	<u>1,759,750,959</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020

15. CALLED UP SHARE CAPITAL - continued

In July 2020, 250,000,000 investor warrants with exercise price 2p per warrant and a vesting period of 3 years were issued.

In November 2020, 42,857,143 investor warrants with exercise price 1.1p per warrant and a vesting period of 2 years were issued.

At 31 December 2020 the total warrants in issue were 832,467,835.

16. RESERVES

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

Share capital	The share capital comprises the issued ordinary shares of the company at par.
Share premium	The share premium comprises the excess value recognised from the issue of ordinary shares at par.
Translation reserve	Cumulative gains and losses on translating the net assets of overseas operations to the presentation currency.
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.
Retained earnings	Retained earnings comprise the group's cumulative accounting profits and losses since inception.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020**17. TRADE AND OTHER PAYABLES**

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Current:				
Trade payables	126,621	105,633	101,463	87,480
Amounts owed to group undertakings	-	-	804,716	804,516
Other payables	420	474	-	-
Accruals and deferred income	195,614	67,728	165,720	25,000
	<u>322,655</u>	<u>173,835</u>	<u>1,071,899</u>	<u>916,996</u>

18. BORROWINGS

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Current:				
Other loans	800,000	-	800,000	-
	<u>800,000</u>	<u>-</u>	<u>800,000</u>	<u>-</u>

During the year, the Company entered into a financing facility comprising a share subscription deed for new ordinary shares of 0.1 pence each in the Company. Investment under the Subscription Deed was made by way of prepayment for new ordinary shares to be issued. The amounts outstanding at the year end comprise of amounts invested not yet settled by new ordinary share issue. In the event of default, the investors may declare the outstanding principal due and payable in cash or converted to shares in the Company. Under a default event the principal amount due would attract interest at 4% per month.

19. LEASING AGREEMENTS

Expense incurred under leasing agreements

Group

	2020	2019
	£	£
Short term leases	18,638	93,117
Low value assets	1,345	717
	<u>19,983</u>	<u>93,834</u>

Company

	2020	2019
	£	£
Short term leases	18,171	93,117
Low value assets	1,345	717
	<u>19,516</u>	<u>93,834</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020**19. LEASING AGREEMENTS - continued**

Minimum lease payments fall due as follows:

Group

	2020 £	2019 £
Within one year	-	34,192
Between one and five years	-	1,720
After five years	-	-
	<u>-</u>	<u>35,912</u>

Future minimum lease payments fall due as follows:

Company

	2020 £	2019 £
Within one year	-	34,192
Between one and five years	-	1,720
After five years	-	-
	<u>-</u>	<u>35,912</u>

20. FINANCIAL RISK MANAGEMENT

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

	2020 £	2019 £
Financial assets – at amortised cost		
Cash and bank balances	1,554,424	413,858
Loans and receivables	1,346	118,138
Receivables denominated in foreign currency	365,949	393,723
Financial liabilities – at amortised cost		
Trade and other payables	127,041	106,107
Borrowings	800,000	-

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020**20. FINANCIAL RISK MANAGEMENT - continued****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:

	2020 £	2019 £
Pakistan Rupees	(24,459)	39,800
US Dollars	365,949	393,723
Australian Dollars	(8,520)	-
	<u>332,970</u>	<u>433,523</u>

Sensitivity analysis

The sensitivity analysis has been undertaken using an assumption of a 10 percent movement on the exchange rates. A 10 percent strengthening of sterling against the Pakistan Rupee and US Dollar at 31 December 2020 would have increased/(decreased) equity and profit and loss by the amounts shown below:

	Equity		Profit and loss	
	2020 £	2019 £	2020 £	2019 £
Pakistan Rupees	2,223	(3,980)	-	-
US Dollars	(33,268)	(39,372)	(33,268)	(39,372)
Australian Dollars	<u>775</u>	<u>-</u>	<u>-</u>	<u>-</u>

A 10 percent weakening of sterling against the Pakistan Rupee, US Dollar or Australian Dollar at 31 December 2020 would have an equal but opposite effect on the amounts shown above.

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 £380 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020

20. FINANCIAL RISK MANAGEMENT - continued

b) 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.

The Company has made unsecured loans to its subsidiaries of £1,078,523 (2019: £1,078,473) to Sindh Carbon Energy Limited and £267,532 (2019: £98,235) to Thar Electricity (Private) Limited. 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 loans were assessed for impairment and an impairment charge of £71,651 (2019: £nil) was recognised in the year.

c) 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:

	2020 £	2019 £
Maturity up to one year:		
Trade and other payables	126,621	105,633
	<u>126,621</u>	<u>105,633</u>

d) Fair Values of Financial Assets and Liabilities

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

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020

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 2022. 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 £16,477 (2019: £18,611) in respect of loans totalling £1,078,523 (2019: £1,078,473) made to Sindh Carbon Energy Limited and £2,557 (2019: £3,529) in respect of loans totalling £267,532 (2019: £132,079) made to Thar Electricity (Private) Limited. At the Statement of Financial Position date the total interest outstanding amounted to £164,261 (2019: £147,784) for Sindh Carbon Energy Limited and £6,643 (2019: £4,087) for Thar Electricity (Private) Limited. The loans due from Sindh Carbon Energy Limited and Thar Electricity (Private) Limited were reviewed for impairment and an impairment charge of £71,651 (2019: £nil) was recognised in the year.

Oracle Power PLC owes £804,516 (2019: £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.

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)
Mr G Lewis (Non-Executive Director; resigned on 21 December 2020)
Mr N Lee (Company Secretary)

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

	2020 £	2019 £
Short-term employee benefits	326,270	379,776
Post-employment benefits	2,475	15,176
Termination benefits	-	147,000
	<u>328,745</u>	<u>541,952</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 - continued
FOR THE YEAR ENDED 31 DECEMBER 2020

23. EVENTS AFTER THE REPORTING PERIOD

Since the reporting date the group has issued the following shares:

Date	Number	Price per share	Gross Fund raise
12 January 2021	21,820,720	0.45828p	100,000
22 February 2021	6,000,000	0.25p	15,000
15 April 2021	20,838,542	0.47988p	100,000

Other than the above, there has not arisen in the interval between the year end and the date of this report any other item, transaction or event of a material nature, likely, in the opinion of the Directors of the Group to affect:

- i) The Group's operations in future financial periods; or
- ii) The results of those operations in future periods; or
- iii) The Group's state of affairs in future financial periods.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020**24. 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:

Grant date	Number of instruments	Contractual life of warrants
3 April 2018	1,712,143	3 years
2 August 2018	2,250,000	3 years
23 October 2018	8,563,662	5 years
21 February 2019	5,882,352	3 years
12 August 2019	10,000,000	2 years
23 December 2019	14,000,000	2 years

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

	Weighted average exercise price 2020	Number of warrants 2020	Weighted average exercise price 2019	Number of warrants 2019
Outstanding at 1 January	0.92p	42,408,157	2.42p	12,525,805
Granted during the period		-	0.28p	29,882,352
Expired during the period		-		-
Exercised during the period		-		-
Outstanding at 31 December	0.92p	<u>42,408,157</u>	0.92p	<u>42,408,157</u>

During the year no relevant share warrants were exercised (2019: nil) and no share warrants expired during the year (2019: nil).

There is no expense for the year (2019: nil) for services received in respect of equity settled share-based payment transactions as the figure is not material.