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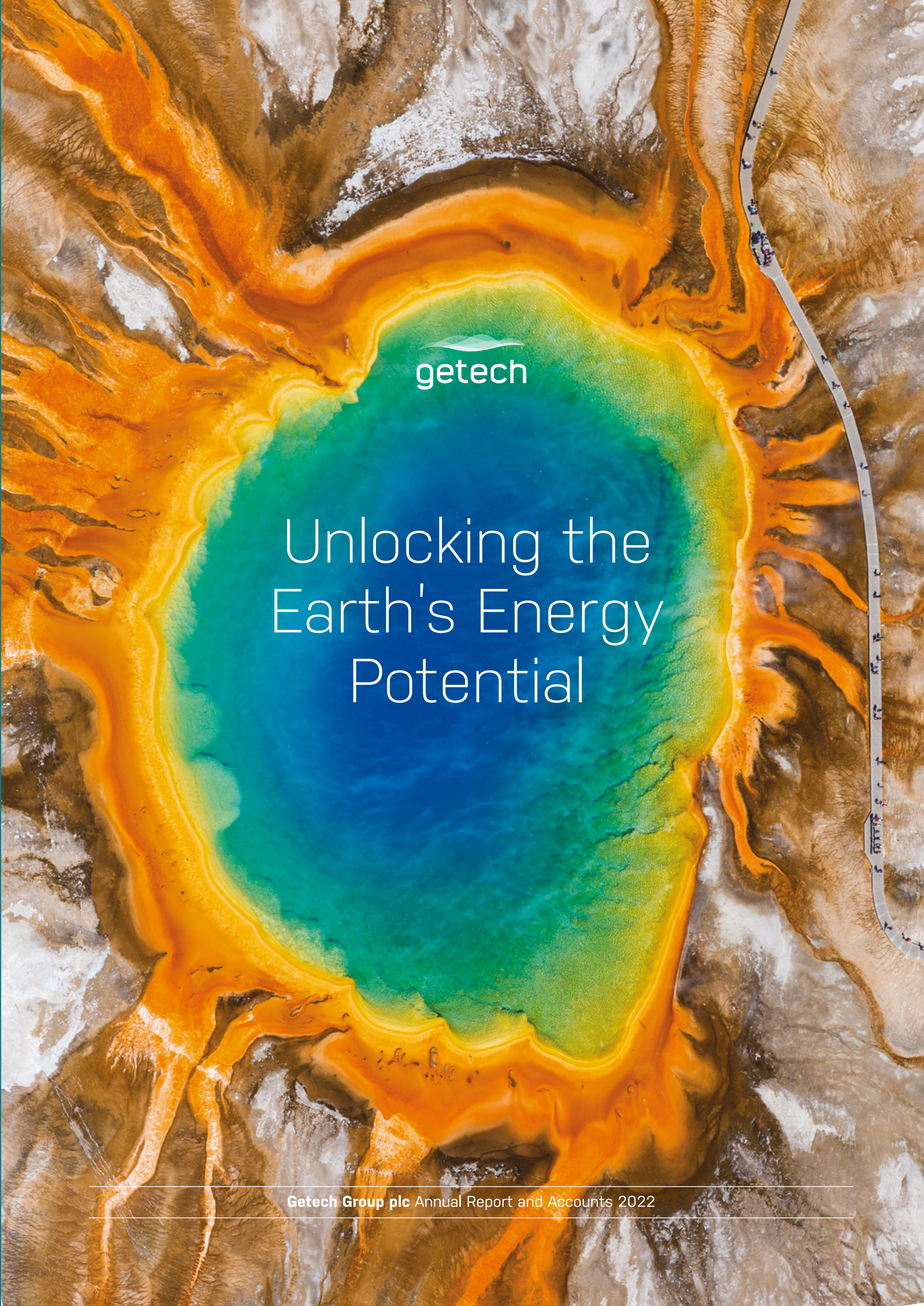
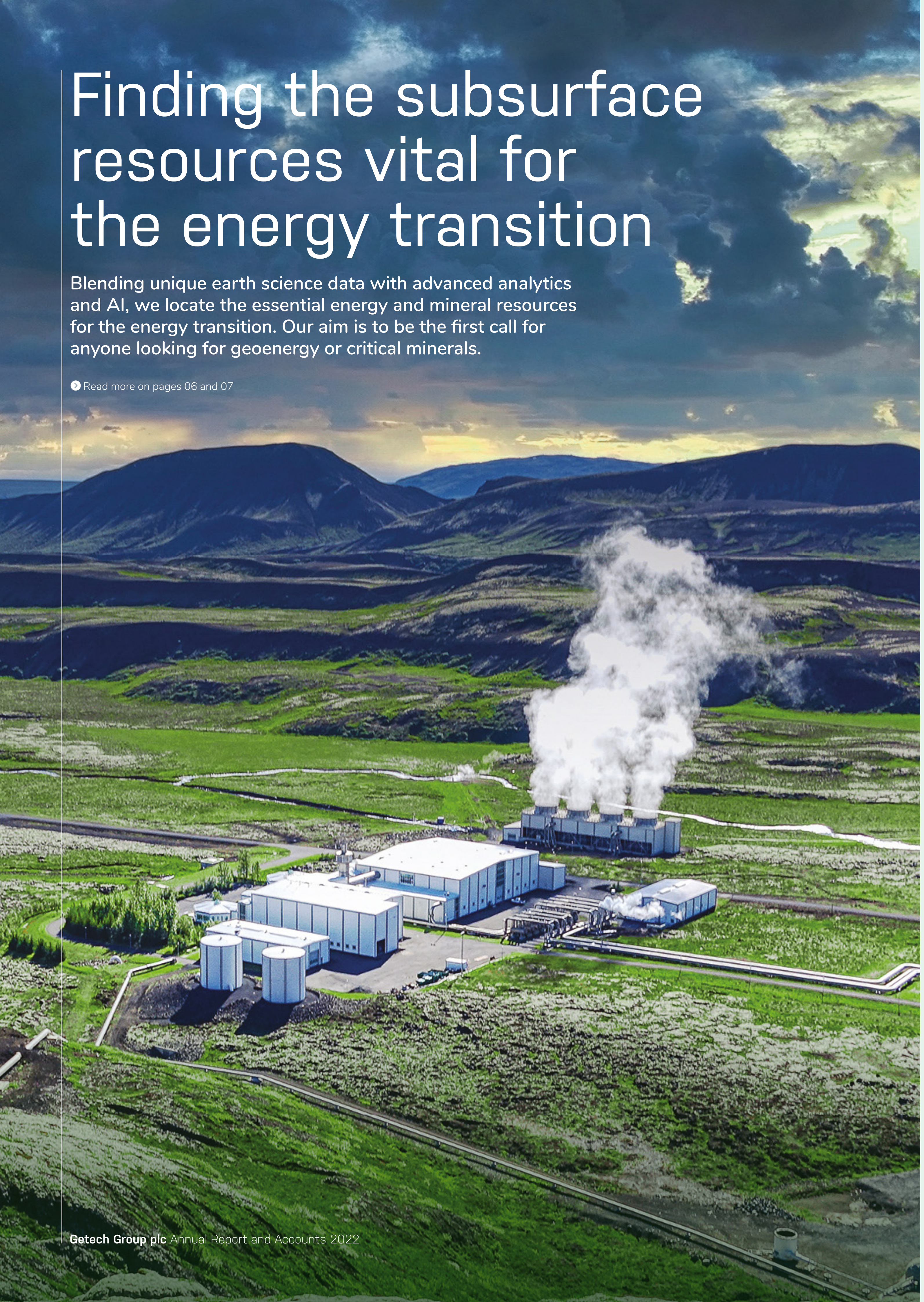
Getech Group plc Annual Report and Accounts 2022



Unlocking the Earth's Energy Potential

Getech Group plc Annual Report and Accounts 2022



Finding the subsurface resources vital for the energy transition

Blending unique earth science data with advanced analytics and AI, we locate the essential energy and mineral resources for the energy transition. Our aim is to be the first call for anyone looking for geoenergy or critical minerals.

Read more on pages 06 and 07

Financial Highlights

Double-digit revenue growth	Significant ARR
£5.1m	**£2.4m**
FY2021: £4.3m	FY2021: £2.1m

Record order book	Strong cash position
£4.6m	**£4.3m**
31 December 2021: £3.3m	31 December 2021: £5.9m

Operational Highlights

- 42% YoY increase in the number of software subscriptions sold
- New solutions developed to locate copper, gold, cobalt and helium
- $900k largest-to-date critical minerals contract, with a multi-mineral global mining company
- Strategic partnership with global geothermal technology company Eavor to jointly locate and appraise a portfolio of geothermal projects in Latin America (2023)
- First contract for integrated decarbonisation solution for a global FMCG company (2023)
- Wholly owned subsidiary, hydrogen developer H2 Green progress:
  - Dr Graham Cooley appointed as H2 Green's Chair. As the former CEO of ITM Power, Graham played a key role in transforming ITM Power into a hydrogen market leader (2023)
  - Inverness Green Hydrogen Project has been selected for a UK Government grant from its Net Zero Hydrogen Fund (2023)
  - At Shoreham Port, H2 Green increased phase 1 capacity from 0.8 tonne/day to 2.5 tonne/day due to bigger local demand and extended its commercial exclusivity to 2027

Outlook

- Strong balance sheet, sales pipeline growth, plus good customer and partner momentum
- Work to sell Kitson House is progressing
- The macro environment outlook remains strong for Getech with its clear focus on the energy transition

"As we transition to clean energy, the importance of geoscience in solving the energy 'trilemma', the quest for affordable, clean and secure energy source, is undisputed. Getech has spent the last 30 years collecting and analysing data primarily for use within the petroleum sector, but we are now making a strategic shift to evolve our solutions and our client base to encompass a much wider range of corporates looking to reduce their carbon footprint.

Strong revenue performance and a record order book in 2022 reflect a robust environment for petroleum market activities alongside new corporate demand to use our data to identify critical minerals, geothermal and hydrogen locations, as well as CCS projects. We have a very promising pipeline of opportunities and are excited about the potential for developing our portfolio in 2023."

Richard Bennett
Executive Chairman

Inside this report

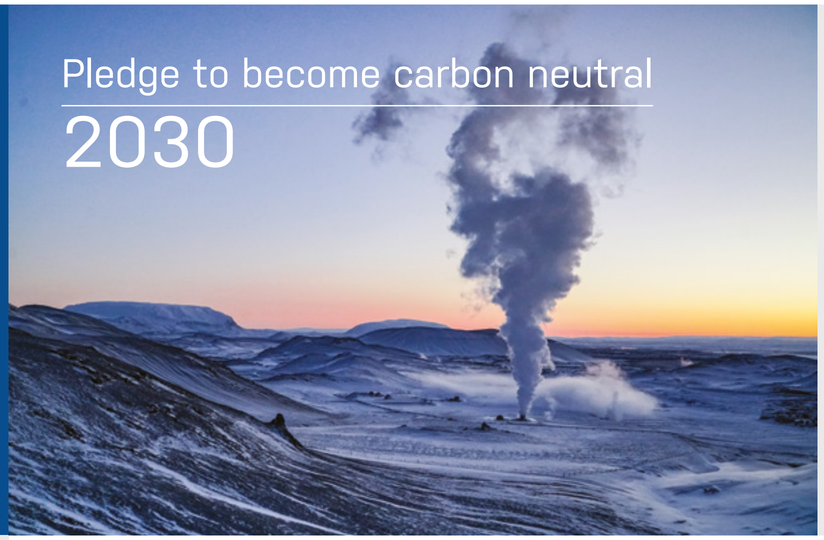
Visit us online - www.getech.com

For the latest news and information on our Group and its activities check out our corporate website to stay up to date.

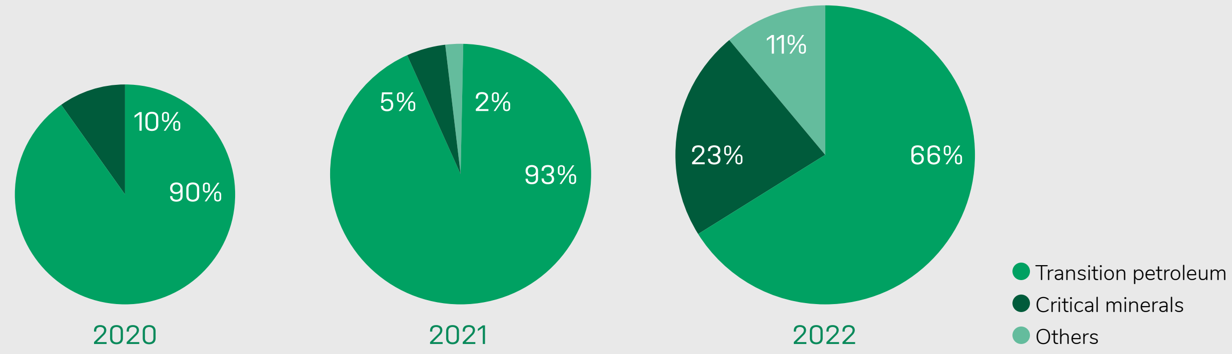
Unlocking the Earth's subsurface geoenergy potential

Locating the essential energy and mineral resources needed for the world to decarbonise

Unique in owning complete and dynamic data for the most recent 400 million years of Earth's evolution. Unique actionable insights and understanding provided to clients.



Continued diversification of revenue streams



Globe: Earth's evolution unlocked for better exploration

We generate revenue by locating new energy and mineral resources using our proprietary Earth evolution digital twin, called 'Globe'. Globe combines extensive cloud-based data with a user-friendly software interface. Its integrated geological, climatic, and oceanographic data offer valuable insights for locating natural resources in the subsurface. These solutions are provided in an accessible digital map format using energy industry standard geographic information system "GIS" technology.

Read more on page 12

We are the world-leading locator of subsurface resources

Combining:

- The world's most complete subsurface data
- Geoscience expertise, understanding and interpretation
- AI-driven analytics and data science
- Extensive GIS capabilities

Partnering with:

- The world's leading energy and mineral resource companies
- Corporate and industrial supply chains
- Leading technology and data suppliers and project developers

2022 Revenue

£5.1m

2022	£5.1m
2021	£4.3m
2020	£3.6m

2022 Order book

£4.6m

2022	£4.6m
2021	£3.3m
2020	£2.7m

Regular monitoring of corporate and team performance using objective Key Performance Indicators and detailed financial reports. For corporate performance, key metrics include revenue, order book, annualised recurring revenue, operating cash flow, and cost base.

"Getech's strategy focuses on monetising its proprietary data and expertise through subscription sales, solutions and selective geoenergy asset development."

Chris Jepps,
Chief Operating Officer

Data collection

30 years

High customer loyalty

17 years

(longest-standing client)

Clients include government authorities, blue-chip energy companies, metals & mining companies, consumer goods and any other company looking to decarbonise.

H2 Green, designer and developer of green hydrogen hubs

H2 Green, a wholly owned subsidiary, that is a designer and developer of green hydrogen hubs in the UK. Each hub will utilise renewable power to produce large volumes of hydrogen that is used to decarbonise transport and industrial applications. H2 Green is currently developing two hubs: one in Inverness and one at Shoreham Port.

Read more on pages 13 and 14

Our People

People are at the core of our long-term business success: 92% retention rate (2021: 95%)

Read more on pages 18 and 19

High standards of corporate governance and well-functioning, balanced Board of Directors

Read more on pages 26 to 30

Driving change and creating value

This is my first statement as Executive Chairman of the Company since my appointment in February following the resignation of Dr Jonathan Copus. The Board and I would like to thank Jonathan for his seven years of service. Two years ago, Getech made the strategic shift to also sell its subsurface global knowledge to industries outside of the oil and gas sector. The success of this shift in focus is reflected in our excellent financial performance with revenues up 19% to £5.1 million, together with a record order book up by 39% to £4.6 million alongside maintaining a strong cash position of £4.3 million.

Historically, Getech generated 90+% of income from the oil & gas sector, whereas this proportion now stands at 66% as new demand for our services across a much broader corporate landscape increases. This demand for our services is being driven by the energy transition to clean energy, as companies need to locate new materials and find new sources of energy. They also need our data to know where to look for them underground.

It is clear that there is a valuable commercial opportunity in front of Getech involving different markets and companies with very different capabilities compared to our historic client base. Getech therefore needs to adapt its commercial model to support those companies and to participate fully in the upside of the global energy transition.

Strategic Shift

Back in 2021, we devised a strategy to align our core competencies with the energy transition. It was a logical step, with subsurface knowledge being instrumental in most decarbonisation paths – from finding critical minerals to locating sources of geothermal energy. Today, we can confidently state that it was the right decision and well executed by Getech's team.

In 2022, 23% of sales came from critical minerals solutions. The phrase 'metals are the new oil' is now commonly used, as low carbon technologies require significantly more metals than fossil fuel-based ones. The production of metals must increase four-fold in the next 20 years, potentially rivalling crude oil production. To achieve this, substantial investment is required but also a radically new approach to mineral exploration. There is therefore a clear opportunity and need for Getech's extensive data on 400 million years of Earth's evolution, in helping to locate critical minerals in previously unexplored territories.

In 2023, we are selling our data and expertise to an even wider range of customers, from consumer goods to computing services companies, all looking to become energy self-sufficient. With the war in Ukraine and the energy and climate crisis, large corporates are investing in taking control of their energy needs, exploring ways to power their operations with geothermal, hydrogen, wind or solar energy sources in proximity to their sites.

Positioned to Support New Market Entrants

According to a non-profit net zero tracker, 91% of the global economy is now covered by net zero pledges by corporates. Government commitments globally have further boosted the market, led by the US Inflation Reduction Act and EU Green Deal Industrial Plan, reinforcing the ever-growing demand for subsurface expertise.

There is no line of business that will remain unaffected by climate or energy challenges and Getech is well-positioned to assist, providing expertise through four operational hubs:

Critical Minerals

Metals and mining companies need to locate significant volumes of critical minerals and battery metals, such as lithium, cobalt, copper and gold.

Geothermal (includes Corporate decarbonisation)

Assessing and locating sites that are highly prospective for low-carbon geothermal energy for geothermal companies and any company looking to generate power from land they own to meet net zero targets

H2 Green

Wholly owned hydrogen project developer and operator of two projects in Inverness and Shoreham Port

Transitional Petroleum

Locating oil & gas and carbon capture and storage opportunities for global energy companies who are decarbonising their products

Having concluded the year with a record order book, we have an even more promising pipeline of opportunities. Specifically, the Company is seeking to support the expanding customer base on a long-term basis working on each project with a flexible revenue model that could range from selling data on a subscription basis to working on a longer-term basis on selective projects on an asset participation basis. A portfolio appraisal, based on future asset participation and/or royalty revenue streams, is expected in time to become a central part of Getech's value.

The Getech Advantage

Given the size and substantial value of the energy transition market, there is increasing competition. However, Getech has natural advantages having spent the last 30 years meticulously collecting data, refining analytics, testing hypotheses and building relationships. We use AI and machine learning in our work, but our core strengths lie in our unique data and exceptional team with the knowledge and vision to use that data to address specific energy challenges. Entering our market without a similar depth of experience is challenging.

Relationships are key and the team is proud to count most blue-chip energy companies among its long-standing clients. In these partnerships, we contribute our extensive exploration expertise and deep understanding of subsurface challenges, while our partners bring their cutting-edge operational capabilities and innovative technologies. As a result, we are not only seen as a trusted partner, but we have also cultivated a vast network of complementary skills and expertise.

Among the new partners we've signed after the reporting period is the global geothermal technology company Eavor.

H2 Green

H2 Green has an exciting portfolio of hydrogen and renewable energy projects and to maximise its potential as a 'pure play' UK project developer, one of my first actions as Executive Chairman was to appoint Dr Graham Cooley as H2 Green's Chair. As the former CEO of ITM Power, Graham played a crucial role in transforming the company into a hydrogen market leader. That Graham accepted the role reflects well on H2 Green and its future potential. With experience in the sector and working with the UK Government, Graham brings invaluable expertise to support H2 Green's expansion and development.

"In the upcoming year, we will continue to focus on growing and diversifying our revenue streams. While remaining financially prudent, we will also continue to invest in research and development to ensure that our products and services remain at the forefront of the industry, allowing us to provide the best solutions for our clients as they navigate the energy transition."

Company Operations
Read more on pages 12 to 14

Our People and Culture
Read more on pages 18 and 19

Introduction to Governance
Read more on pages 28 to 30

Corporate Governance

I would like to emphasise that at Getech, we place great importance on corporate governance, aiming to maintain a high level of transparency and accountability. We believe that effective governance is crucial for the long-term success and sustainability of our business. We value open communication and robust engagement with our shareholders, understanding that their support is fundamental to our success. To that end, we are committed to fostering a constructive dialogue with our investors, ensuring they receive timely and accurate information about our business, performance, and prospects.

Outlook

I am very optimistic with regard to Getech's future as I believe the business is naturally well placed to seize opportunities within the rapidly evolving energy and climate tech landscape.

In the upcoming year, we will continue to focus on growing and diversifying our revenue streams. While remaining financially prudent, we will also continue to invest in research and development to ensure that our products and services remain at the forefront of the industry, allowing us to provide the best solutions for our clients as they navigate the energy transition.

In conclusion, I would like to express gratitude to our shareholders, partners and employees for their unwavering support and dedication and that with your continued support we will continue to achieve great success in our pursuit of a sustainable and prosperous future.

Richard Bennett
Executive Chairman

How we create value

Our inputs

Intellectual capital

- 400 million years of Earth's evolution: geological, climatic, and oceanographic data
- c.30 years of data collection
- AI, machine learning and advanced analytics

Financial capital

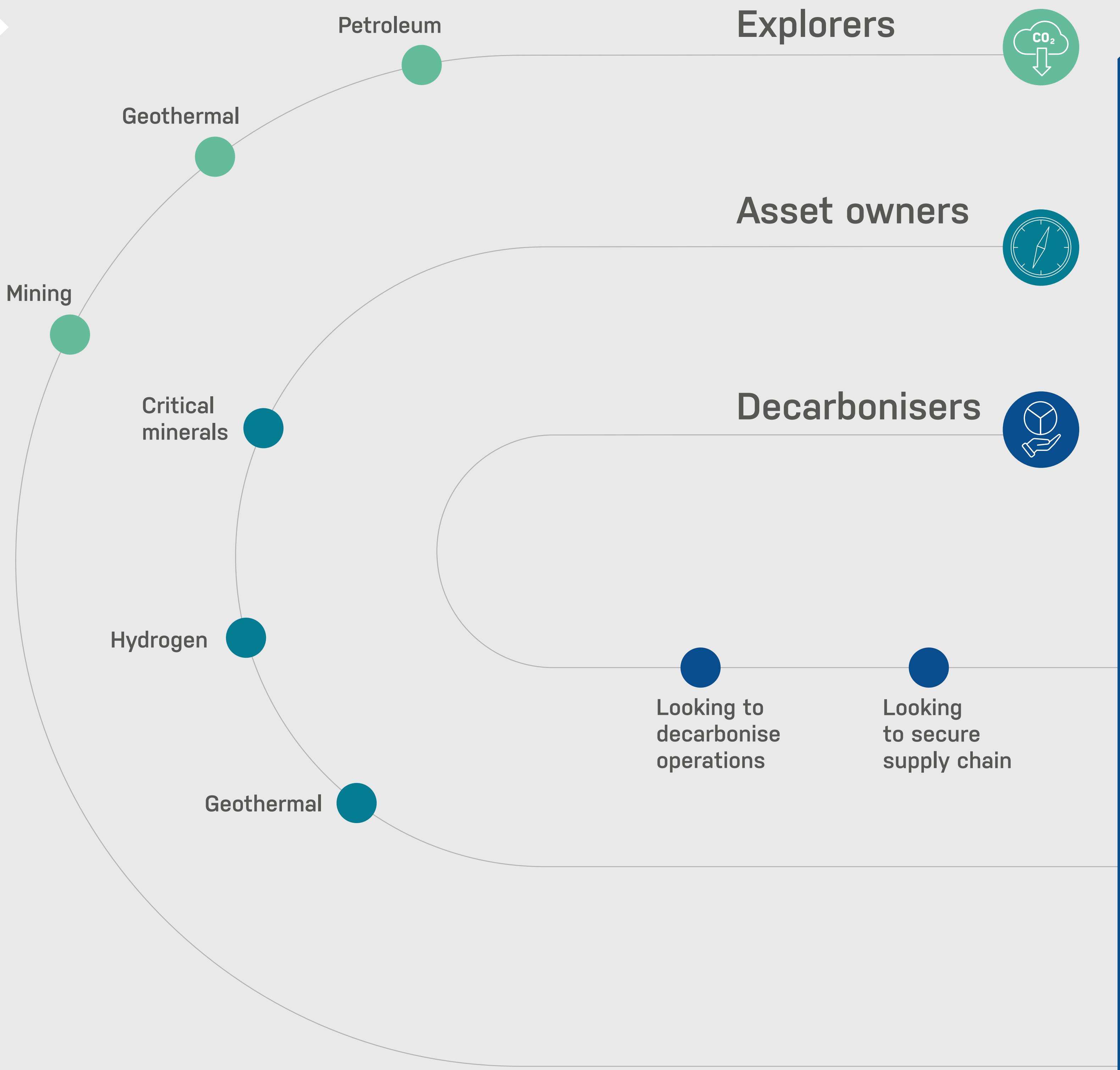
- £4.3 million cash position

Human capital

- Subsurface understanding and prediction
- Extensive GIS capabilities
- Energy sector expertise

Relationships

- Government authorities
- Leading technology and data suppliers and project developers
- Loyal customers among world's leading energy and mineral resource companies: 17 years longest-standing client



Our outcomes

Generating shareholder value

- £5.1 million revenue
- £4.6 million order book

Advancing energy transition

- Increasing avoided emissions
- Finding minerals vital for electrification
- Locating renewable energy
- Lowering environmental footprint of exploration

Increasing customers' resilience

- Supply chain security
- Decarbonisation

Fostering innovation

- Expanding the use of data and technologies built for the petroleum industry to critical minerals, geothermal, hydrogen, and carbon storage
- Partnering with leading green technologies and developers to provide new turnkey solutions

Empowering people and communities

- 92% retention rate
- Committing to gender equality: Freedom4Girls
- Supporting local communities: foodbanks
- Pro bono work: MapAction

Why invest in Getech?

1.

Well positioned in a rapidly growing market

$2.4 trillion global energy investment in 2022 +$1 trillion per annum required[1]

$180-220 billion anticipated investment in mining of critical minerals in 2022-2030[2]

$1.2 trillion global investment into CCS to reach 4 billion tonnes per year capacity by 2035[3]

2.

Head start on investment in data and relationships

c.30 years of data collection, fine tuning analytics and building relationships

Blue chip clients: world's leading energy and mineral resource companies

Loyal customers: 17 years longest-standing client

3.

Unparalleled intellectual and human capital

400 million years of Earth's evolution: geological, climatic, and oceanographic data

AI, machine learning and advanced analytics

Subsurface understanding and prediction

Extensive GIS capabilities

4.

Diversification through various monetisation avenues

Subscription sales

Solutions

Selective asset participation

5.

Experienced team with strong track record of project execution

Decades of experience at large-cap companies like ExxonMobil and Shell

Proven success in developing SMEs

1. Source: Goldman Sachs
2. Source: IEA
3. Source: BCG

Scaling carbon capture and storage for a low-carbon future

Q&A about carbon capture and storage "CCS" with our Chief Business Development Officer, Max Brouwers:

Q In 2023 the UK Government has officially committed £20 billion over the next two decades for local CCS projects that pump emissions underground. Is this a game-changer for CCS?

A This is indeed a significant step forward. CCS is at an inflection point and its progress will depend on policies, incentives and stimulus. In addition to budget allocation, the UK has a firm CO_2 price that aids in financial modelling for investors, financial and insurance institutions. Set at £83.03 for 2023, it makes CCS cost-competitive. Although that might seem a high price, it's important to note that the cost of CCS can be negligible when considering the end-user. For example, even though CCS increases cement and steel costs, the overall construction cost of a bridge only rises marginally (~1%). This 1% cost increase, however, enables a deep reduction in CO_2 emissions (~51%) associated with the bridge construction. I genuinely believe we'll witness the scale-up of carbon capture and storage in the UK in the coming years.

Q How much do we need to scale?

A Globally, we need to capture about 4 billion tonnes of carbon dioxide annually by 2035 to meet the 1.5 degree climate goals. For context, in 2021, global crude oil production amounted to 4.2 billion tonnes. Essentially, we need to scale up CCS to the oil and gas industry level. The UK Government aims to capture and store 20–30 million tonnes of CO_2 per year by 2030, accounting for 0.5% of the global target. Comparing this with the fact that the UK is about 2% of the global GDP, it seems like a good initial step. Of course, the more ways we find to collaborate and coordinate between countries, the better, as we're all living on the same planet.

Q It seems that we will have to invest more than £20 billion?

A Experts estimate that the capex costs involved in reaching 4 billion tonnes per year by 2035 are $1.2 trillion, even after taking into account experience curve benefits. However, this doesn't have to be fully financed by governments. With a decent nudge from the government, I believe it's in the best interest of many industries to lead this development.

Many companies have net zero targets and will need to use a variety of tools – from CCS to geothermal, hydrogen, wind and solar – to reach them. At Getech, we recognise the critical role industries play in transitioning to a low-carbon future. This year, we started offering tailored, integrated decarbonisation solutions that help customers replace high-emission energy sources with sustainable, low-carbon alternatives. This approach involves global screening of manufacturing sites and logistics operations, combined with location-specific feasibility studies.

I think the future of CCS also requires local solutions for industry players in addition to large, complex hubs financed by the government. We're currently working on providing local turnkey solutions for carbon capture and storage with partners.

Q Is CCS a safe technology?

A Yes, CO_2 storage is safe. It has been happening around the world already for decades. In 2023 the UK Department for Business, Energy and Industrial Strategy released a study, conducted by independent experts, to investigate the risks associated with CO_2 leakage. They simulated 25 years of injection and 100 years of monitoring and the study concluded that there is a high level of confidence in the long-term security of CO_2 containment, as more than 99.9% of CO_2 will be retained within the storage complex. The findings are similar to prior studies.

However, selecting the right site is crucial. There are three primary factors to consider: storage capacity, injectivity and containment. Finding the ideal geological formation is not as straightforward as it might seem.

At Getech, we're dedicated to identifying the best sites for carbon storage by seeking out rocks that have large storage potential, i.e. high porosity and permeability, a good caprock and are in a stable setting to keep the CO_2 securely in place for decades to come.

> "$1.2 trillion global investment into CCS required to reach 4 billion tonnes per year capacity by 2035."
>
> *Source: BCG*

Links to blogs

Geoscience is pivotal in solving the energy trilemma

The energy transition is well underway and the speed of change is accelerating. With the shift from fossil-based energy systems to renewable sources, the associated trilemma of challenges – access to affordable, secure and clean energy – becomes clearer too.

Exploration for critical minerals must increase

The exploration and production of critical minerals will need to accelerate if countries are to meet their future net zero targets, according to Energy Technology Perspectives 2023 from the IEA.

12 themes from 'the Davos of energy'

How can the energy industry provide secure, sustainable and affordable energy to the world? Max Brouwers, Getech's Chief Business Development Officer, rounds up his key learnings and observations from five-day global industry summit, CERAWeek 2023.

Using gravity and magnetics in identifying sustainable groundwater sources

Gravity and magnetic data are excellent tools to quickly and cost-effectively map subsurface structure and composition over large areas. In the case of groundwater exploration, interpretation of these data helps quantify the depth to target aquifers and/or identify structures acting as conduits for fluid flow.

Subsurface solutions for a greener tomorrow

Getech has had a successful year, showcasing significant progress in all operational areas. The Company maintained high petroleum customer retention rates while repurposing its data, software and analytics to identify critical minerals and ideal locations for geothermal, hydrogen and carbon capture and storage "CCS" projects.

In 2022, customers purchased Getech's latest energy transition solutions to locate copper, gold, cobalt and helium; manage carbon storage licensing rounds; and explore for geothermal energy.

Business Overview

Getech's strategy focuses on monetising its proprietary data and expertise through subscription sales, solutions and selective asset participation. We generate revenue by locating new energy and mineral resources using our proprietary Earth digital twin, called 'Globe'. Developed over nearly 13 years, Globe uniquely models Earth's evolution over the past 400 million years, combining extensive data with a user-friendly software interface. Its integrated geological, climatic and oceanographic data offer valuable insights for locating natural resources in the subsurface. These solutions are provided in an accessible digital map format using energy industry standard geographic information system technology.

Getech's subsurface expertise is crucial for numerous net zero strategies, positioning the Company to advance decarbonisation across multiple industries.

Transitional Petroleum and CCS

In response to a renewed focus on energy security, Getech saw a strong recovery in its petroleum market activities in 2022, accompanied by an expansion into the emerging CCS sector. CCS is crucial for achieving net zero targets by capturing carbon dioxide emissions from industrial processes and storing them safely underground. Integrating CCS into our portfolio allows us to expand our engagement with our key oil and gas customers while working to reduce the carbon footprint of industrial sectors as part of the energy transition.

Getech's solutions were employed by the North Sea Transition Authority to support the UK's first carbon storage licensing round and we also gained new software customers in the carbon storage sector.

Getech's work in exploration, development optimisation and operational spatial management has resulted in Getech adding two new Globe customers – including a global supermajor energy company – and a 42% YoY increase in software subscriptions. In addition to new software sales in the petroleum exploration market, Getech expanded its customer base in the US onshore shale gas operations and investment banking sectors. A key strategic contract with a major energy company joint venture was renewed for multiple years, ensuring strong future revenue visibility.

Critical Minerals

Crucial to electrification required for the energy transition, the copper market has an expected supply gap of 7.8 million tonnes by 2030. Getech's unique data and analytics are ideal for discovering new sedimentary-hosted copper deposits in unexplored areas, which account for only about 20% of total copper production today. However, this source is more widely distributed than others and can be processed with a lower carbon footprint. Additionally, 80% of cobalt, a key component of batteries that also plays a critical role in the energy transition, comes from sediment-hosted copper mines.

In 2022, Getech sold its sediment-hosted copper solution to three critical minerals companies, producing high-confidence targeting maps for unexplored areas in Australia, North America and Canada. Based on this work, some of these companies have licensed significant land positions for mineral exploration, demonstrating the value-add of Getech's unique offering. These companies have also become repeat customers.

Furthermore, Getech secured its largest-ever critical minerals contract, a $900,000 data and software deal with a multi-mineral global mining company. Getech has also expanded its copper solutions into iron oxide-copper-gold and epithermal gold deposits. Getech delivered data and analytics to Helium One – a native helium explorer – and advanced R&D work on solutions to predict the location of lithium and natural ("white") hydrogen resources. Getech anticipates bringing these new solutions to market in 2023.

H2 Green

H2 Green Ltd, a Getech subsidiary, designs and develops green hydrogen hubs in the UK. Utilising renewable power, these hubs produce hydrogen for decarbonising transport and industry. Post year end, Dr Graham Cooley has been appointed as H2 Green's Chair. As the former CEO of ITM Power, Graham played a key role in transforming the company into a hydrogen market leader. With experience in the cleantech sector and ties to the UK Government, Graham brings valuable expertise to H2 Green's expansion and development.

Inverness Project

H2 Green is currently developing a major green hydrogen hub in central Inverness. The project encompasses green hydrogen production, storage, dispensing and on-site renewable energy generation. Initially, the hub will supply green hydrogen to key Scottish rail, bus and HGV transport customers, supporting their decarbonisation efforts. This marks the first phase of H2 Green's green energy Highlands network, which will also distribute surplus hydrogen from the Inverness hub to a broader region.

The hydrogen facility will scale from a 6 MW alkaline electrolyser capacity (equivalent to generating up to 2.5 tonnes of green hydrogen per day) to more than 10 tonnes per day (equivalent to 24 MW) over time. The facility will utilise wind and/or solar PV renewable energy generation assets and be backed by a grid-connected renewable energy supply.

In 2022, H2 Green's partner, SGN, completed the deconstruction of Inverness's former gas holder, paving the way for converting the site into a green hydrogen storage and distribution facility. After the reporting period, the project was chosen to receive a UK Government grant from the Net Zero Hydrogen Fund – Strand 1 Development Expenditure.

> "Getech's unique data and analytics are ideal for discovering new sedimentary-hosted copper deposits in unexplored areas, which account for only about 20% of total copper production today."

Shoreham Port Project

Expanding into the port and maritime energy sector, H2 Green secured exclusive development rights for hydrogen, renewable energy and importing ammonia at Shoreham Port in West Sussex to establish a green energy hub.

In 2022, after completing engineering and commercial feasibility work, Shoreham Port extended H2 Green's exclusivity on all hydrogen, ammonia and renewable energy activities until August 2027. Due to faster-than-anticipated growth in hydrogen demand – supported by offtake pledges, letters of intent and MoUs – H2 Green increased the Phase 1 design capacity from 0.8 tonnes/day to 2.5 tonnes/day and started planning Pre-FEED (Front End Engineering Design) studies.

The macro environment continues to be supportive for hydrogen development, with the UK hydrogen strategy targeting 10GW of low carbon hydrogen production capacity by 2030.

Geothermal and Corporate Decarbonisation

Getech's subsurface expertise combined with advanced analytics enables the rapid and cost-effective identification of locations that are potentially prospective for geothermal energy. In 2022, Getech successfully completed projects for clients on multiple continents and expects continued expansion of its geothermal offering, given the projected double-digit annual growth rate towards 2030 in geothermal energy investments.

In January 2023 Getech and Eavor – a global geothermal technology company – signed a strategic partnership to jointly locate and appraise a portfolio of geothermal projects in Latin America. Eavor was already a customer of Getech's data and services, and through this work Getech has generated revenue and demonstrated its geothermal expertise. This has now translated to an asset-based partnership that is broader, more strategic and more valuable for both parties.

Eavor has attracted venture capital funding from BP, Chevron and BHP (all customers of Getech petroleum and/or mineral exploration solutions) and recently secured development financing, totalling up to €1billion, for the development of at least five geothermal projects in North America and Europe.

Getech also offers tailored decarbonisation solutions that help customers replace high-emission energy sources with low-carbon alternatives, such as geothermal, green hydrogen, CCS, wind and solar energy. These solutions include global screening of manufacturing sites and logistics operations, as well as location-specific feasibility studies. With expertise in geospatial energy optimisation, Getech can determine the most efficient approach to lower the emissions of assets. Our new integrated decarbonisation solution is valuable for many industries and will help us to grow and diversify our revenue streams.

Post-period end, Getech completed a geothermal screening project for the manufacturing sites of a multinational FMCG company. We rapidly ranked c.130 sites worldwide based on their potential to replace current energy consumption with geothermal energy for decarbonisation purposes. The ranking was determined through the evaluation of numerous subsurface and above-ground factors. In addition to assessing the geothermal potential of each site, Getech provided a comparison against the relative potential for solar and wind energy.

We believe there are many industries that could benefit from our integrated decarbonisation solution – from consumer goods and manufacturing to logistics companies. Our proprietary data and unparalleled expertise in applying geoscience and geospatial analytics to solve specific energy challenges make Getech a perfect partner in the net zero transition.

Outlook

Goldman Sachs has forecast that resolving the dual challenge of energy affordability and security, across both clean energy and hydrocarbons, will require a $1 trillion per year increase in energy investment. At the same time, the incremental cost of achieving net zero carbon continues to improve, making it more financially attractive. The US Inflation Reduction Act is potentially the most transformational policy in clean tech, making green hydrogen, carbon capture and geothermal energy some of the more cost-effective paths for energy transition in the US. Meanwhile, the European Union has launched its Green Deal Industrial Plan, aiming to become the world's first climate-neutral continent by 2050 and reduce emissions by at least 55% by 2030.

The UK Government has updated its net zero strategy, allocating a £20 billion budget for capturing and storing CO_2 beneath the North Sea, as well as investing in hydrogen, offshore wind and expanding the electric vehicle charging network.

Getech's corporate strategy reflects this underlying trend and focuses on monetising the Company's core capabilities in the most efficient and valuable ways. We are investing to evolve our offerings and unique propositions, growing our order book, expanding our pipeline and are confident in the outlook for the business.

Chris Jepps
Chief Operating Officer

"We believe there are many industries that could benefit from our integrated decarbonisation solution – from consumer goods and manufacturing to logistics companies."

Focused on building an ESG-centric business

Getech remains committed to sustainability and ESG principles, which form the backbone of our corporate strategy. Our focus on planet and people ensures that we continuously strive for a sustainable future and create value for our stakeholders.

Planet: Innovating for Sustainability

Building on our pledge to become carbon neutral by 2030, Getech has made progress in reducing Scope 1 and 2 emissions. This year, we have implemented further initiatives to minimise our environmental footprint:

- Enhanced energy efficiency through optimised workspace design
- Increased employee participation in our green commuting schemes
- Switched to renewable electricity and green gas suppliers

In 2023, we have outlined the following objectives to further our sustainability efforts:

- Assess and quantify our Scope 1 and 2 emissions
- Establish ESG metrics grounded in a materiality assessment
- Begin developing an auditable roadmap to fulfil Getech's commitment to achieving net zero emissions by 2030

In 2022, in line with our mission to unlock the world's subsurface geoenergy potential and locate essential energy and mineral resources needed for decarbonisation, we expanded our product portfolio by introducing innovative solutions that contribute to a greener and more sustainable future. Our research and development efforts have yielded the following advancements:

- A novel solution for identifying future facing minerals, including sedimentary-hosted copper deposits
- An enhanced geothermal screening solution that locates and high-grades geothermal opportunities
- A comprehensive approach to industrial decarbonisation
- An improved methodology for locating and monitoring subsurface sites for carbon storage

Sedimentary hosted Copper

With the looming copper deficit, sedimentary-hosted copper deposits offer a promising and sustainable alternative for meeting the increasing global demand for this energy transition critical mineral. These deposits account only for 20% of the world's total copper production today and offer several advantages compared to non-sedimentary deposits such as porphyry deposits found in igneous settings, including:

- Sedimentary-hosted copper deposits, being more widely distributed, often present fewer ESG issues, minimising environmental problems, promoting equitable economic distribution and reducing transport emissions
- These deposits typically require less energy-intensive processing methods

Another critical aspect of sedimentary-hosted copper deposits is their significant cobalt content. Approximately 80% of the world's cobalt, a key component in batteries, comes from these deposits. This positions Getech at the forefront of supporting the growing demand for essential minerals in the clean energy and electric vehicle industries.

For the planet

Getech's pledge demonstrates a strong commitment to climate action.

2030
Achieving carbon neutrality

Geothermal Screening

Geothermal energy is a reliable and renewable energy source that utilises the Earth's natural heat to generate electricity and provide heating solutions with minimal environmental impact. By tapping into this vast resource, we can significantly reduce our reliance on fossil fuels and contribute to global efforts in mitigating climate change.

Our advanced geothermal screening technology enables the efficient evaluation of subsurface conditions, allowing us to pinpoint areas with high potential for geothermal development. Furthermore, our expertise allows us to tailor our screening approach to the specific requirements of different geothermal technologies, such as closed-loop and open-loop systems. Closed-loop systems involve circulating a heat transfer fluid through a sealed underground network of pipes, while open-loop systems extract geothermal fluid directly from the ground, utilising its heat before returning it to the subsurface.

By identifying optimal locations for these various technologies, we can minimise exploration risks and reduce the overall costs associated with geothermal projects, making them more accessible and attractive to investors and energy producers. Our tailored approach also ensures that the most suitable and efficient geothermal technology is employed for each specific site, maximising the potential benefits and minimising the environmental impact.

Our expertise in geothermal screening not only benefits our customers by providing them with valuable insights into promising geothermal resources and tailored solutions, but also makes this energy source more affordable and competitive when compared to fossil fuels.

Integrated Decarbonisation for Industry

At Getech, we recognise the critical role that industries play in the global effort to reduce greenhouse gas emissions and transition to a low-carbon future. To support this transition, we offer tailored, integrated decarbonisation solutions that help our customers replace high-emission energy sources with sustainable, low-carbon alternatives, such as geothermal, green hydrogen, carbon capture and storage "CCS", wind and solar energy.

Our comprehensive approach to decarbonisation involves global screening of manufacturing sites and logistics operations, combined with location-specific feasibility studies. With our expertise in geospatial optimisation and advanced analytics, we can determine the most efficient and cost-effective strategies to lower emissions across various assets and operations.

By providing industries with customised, data-driven insights, we enable them to make informed decisions about their energy mix and emission reduction initiatives. This empowers companies to not only meet their sustainability goals but also improve their overall environmental performance and long-term competitiveness in a rapidly changing global landscape.

Carbon Capture and Storage

As the urgency to address greenhouse gas emissions and combat climate change grows CCS technologies have become an indispensable component in the pursuit of a sustainable and comprehensive solution to mitigate the detrimental effects of carbon dioxide emissions. CCS involves the capture of CO_2 generated by industrial activities, power generation, and other sources, followed by the transportation and secure storage of the CO_2 in underground geological formations, thus preventing its release into the atmosphere.

Getech is at the forefront of this critical initiative – identifying potential storage sites, modelling subsurface structures and monitoring operations. The selection of an appropriate site is of utmost importance, with three primary factors to consider: storage capacity, injectivity and containment. Identifying the ideal geological formation entails finding rocks with ample storage potential, characterised by high porosity and permeability, an effective caprock and a stable environment to ensure long-term secure storage of CO_2. Through this rigorous screening process, we can confidently ensure that captured CO_2 remains contained within designated geological formations, minimising the risk of leakage and maximising the overall effectiveness of CCS solutions.

Moreover, our dedication to collaboration enables us to forge partnerships with a diverse range of stakeholders – such as government authorities, industry leaders and research institutions – in order to advance CCS technology and promote its global adoption. By joining forces, we can expedite the transition towards a sustainable, low-carbon economy.

People: Empowering Our Workforce and Communities

Health, Safety and Wellbeing

At Getech, we are passionate about our people and truly value each individual contribution to the wider success of the business. Employee satisfaction and commitment are crucial for driving Getech's growth and fostering a thriving work environment, resulting in the retention and happiness of our valued employees. As such, our attractive benefits package, alongside our continued efforts to make Getech a great place to work, aims to incentivise our current talent to stay onboard, while attracting new, high calibre individuals to join us. Our retention rate for 2022 was 92% (2021: 95%).

Getech remains committed to providing a physically and psychologically safe and supportive work environment, investing in the following initiatives:

- Regular health and safety training
- Mental health and well being assistance programme
- Enhanced flexible working arrangements to promote work-life balance
- Financial advice from experienced wealth management
- Life, private medical and business travel insurance
- Bereavement support
- Discounts on gym memberships a nd physiotherapy

Several initiatives benefit our employees while advancing energy transition goals:

- Cycle to Work Scheme
- Electric Vehicle Salary Sacrifice Scheme

We also support a range of extracurricular activities including a workplace cricket league and a sports and social club, which provide team building opportunities for all staff.

Equality, Inclusion and Diversity

Equality, inclusion and diversity are vital to Getech to create a safe and inclusive workplace. The Group's Equality, Inclusion and Diversity Policy sets out the expectations of all employees and the Board to create this environment. We actively support diversity and inclusion and ensure that all employees are valued with dignity and respect.

For the people

In response to the tragic earthquake and its aftermath in Turkey and Syria, Getech supported the DEC's Earthquake Appeal

£585

donated by Getech and its employees

Providing Christmas dinner and additional food supplies

£300

Raised for a local community foodbank

92%

Retention rate for 2022 (2021: 95%)

The employment practices and procedures as part of our Quality Management System "QMS" exemplify fairness and transparency throughout the employment lifecycle, including recruitment and promotion.

To strengthen our commitment to equality, we have initiated pay gap analysis reports this year to ensure equal pay across gender, race, and ethnicity. Although we have not yet completed pay gap checks, we have consistently provided equal pay raises based on experience and performance. In 2023, a 4% pay rise was granted equally to all employees, excluding those with less than six months of service.

Transparency in remuneration is also essential to our commitment. We include salaries in job postings, basing them on the most recent salary for existing roles or conducting benchmarking for new positions.

The robust appraisal system at Getech directly supports inclusion and diversity by providing equal opportunities for growth and advancement to all employees, regardless of their background. By engaging regularly with their managers, employees from diverse backgrounds can openly discuss their career aspirations and receive tailored guidance to achieve their goals.

This appraisal system emphasises the recognition of individual skills and achievements, ensuring that employees are evaluated based on merit, rather than on factors unrelated to their performance. This merit-based approach fosters an inclusive work environment where diverse perspectives and talents are valued. These appraisals help employees understand their career development path, which is vital in promoting diversity and inclusion. When employees can see how their unique skills and experiences align with Getech's vision, they feel more engaged and motivated to contribute to the Company's success. This alignment also encourages a sense of belonging, enabling employees from diverse backgrounds to thrive in their roles.

Lastly, by identifying skills gaps or areas requiring further training, Getech ensures that all employees have equal access to resources that enable them to reach their full potential. This commitment to continuous learning and development further supports an inclusive workplace culture where every employee can succeed, irrespective of their background or identity.

Investing in People

At Getech, we are committed to fostering the professional development of our employees. We achieve this by offering targeted training programmes that not only enhance team day-to-day performance but also prepare them for new roles and responsibilities.

Following the reporting period, we implemented an improved appraisal process that emphasises values and behaviours, ensuring improved development and training opportunities while maintaining adaptability in a dynamic environment. To facilitate continuous growth and open communication, appraisals will be conducted multiple times per year, providing ample opportunities for two-way feedback.

Community Engagement

Getech continues to give back to our communities through charity partnerships and volunteering efforts. During 2022, financial support was provided to Freedom4Girls, a charity fighting against period poverty. The fundraiser helped to provide safe period products and menstrual health education to thousands of women and girls across Leeds, Kenya, and Uganda – enabling them to attend school and work without the stigma and gender inequalities associated with period poverty.

In December 2022, Getech staff raised £300 for a local community foodbank to provide Christmas dinner and additional food supplies to their service users in Harehills, one of the most financially deprived areas of Leeds.

After the reporting period, in response to the tragic earthquake and its aftermath in Turkey and Syria, Getech supported the DEC's Earthquake Appeal. Our Leeds office held a cake sale to raise funds. Getech staff donated a total of £335, with Getech contributing an additional £250. Employees across all offices were encouraged to donate directly to the DEC, with the added benefit of being able to gift aid their contributions.

Since 2016, our staff have also volunteered for MapAction – providing assistance with mapping, data, and training. The charity is currently involved with supporting humanitarian efforts in relation to the Ukraine conflict, providing life-saving geospatial data, visualisation, and mapping. We are seeking ways to increase our role in supporting MapAction including donations and training.

"At Getech, we are committed to fostering the professional development of our employees. We achieve this by offering targeted training programmes that not only enhance team day-to-day performance but also prepare them for new roles and responsibilities."

Double-digit growth and further diversification

In 2022, Getech remained committed to growth and diversification by strategically investing in sales, business development, and marketing initiatives. This focus has yielded a significant revenue growth of 19%, building on the 20% growth achieved in 2021.

Our efforts have culminated in a record order book of £4.6 million, reflecting a substantial 39% growth. Additionally, our Annual Recurring Revenue "ARR" has increased by 14% to £2.4 million, thanks to the addition of new Globe and other software customers, further strengthening our financial position and setting the stage for continued success.

Revenue

In 2022, Getech signed over 100 new contracts with a total value of £6.5 million, driving a 19% increase in revenue to £5.1 million (2021: £4.3 million). This marks the second consecutive year of double-digit revenue growth since Getech completed its £6.25 million equity raise in 2021. Transitional petroleum accounted for 66% of revenue, while critical minerals contributed 23%. The Company aims to further diversify its revenue streams.

A significant portion of this growth has been licence-based and recurring in nature. In 2022, the number of software licences sold rose by 42% and Getech secured two new customers for Globe.

Consequently, Getech's order book expanded by 39% to a record year-end position of £4.6 million (31 December 2021: £3.3 million). Annualised recurring revenue also increased by 14% to £2.4 million (31 December 2021: £2.1 million).

Gross Margin

Cost of sales included costs associated with the asset development business of £1.2 million (2021: £0.4 million), which impacts Group profit margin. However, underlying profit margins for both products and services were healthy, summarised in table 2.

The new reporting segment 'asset development' includes the activities of Getech's subsidiary H2 Green, a green hydrogen developer.

Cost Base

Getech's cost base has increased to £7.9 million from £6.5 million. Table 3 – Cost base reconciliation shows how our cost base aligns with the financial statements.

In addition to expanding its asset development capabilities through H2 Green, Getech has invested in its Business Development, Marketing and Sales capabilities to drive revenue growth in 2023.

Getech reported an adjusted loss after tax of £2.8 million (2021: £1.6 million loss).

Operating Cash Flows

Getech's cash outflow from operations was £0.5 million (2021: £0.8 million outflow), which includes costs of sales totalling £1.2 million related to Getech's asset development business (2021: £0.4 million).

Liquidity and Going Concern

At the end of 2022, Getech held £4.3 million in cash and cash equivalents (2021: £5.9 million). Net of debt, Getech's cash balance was £3.6 million (2020: £5.1 million)

Getech's business activities and the factors likely to affect our future development, performance and position are set out in the Operational Review. The financial position of the Group, our cash flows and liquidity position are described in the financial statements.

In making the going concern assessment, the Board of Directors has considered Group budgets and detailed cash flow forecasts to 30 June 2024. The detailed forecasting models are built from Board approved budgets. From these budgets, revenue forecasting is regularly updated to take into consideration new contractually committed revenues, market sentiment, our current sales pipeline, and any other influencing factors. The Directors then further apply sensitivity testing to the revenue profiles based on the achievement of various levels of revenue from noncontractually committed sources.

Getech's bank loan includes a balloon payment of £0.5 million that falls due in October 2024. The Group intends to either repay this amount early on successful sale of Kitson House, or re-finance the balance to achieve a similar repayment profile to that currently being paid.

These cash flow projections and sensitivities, when considered in conjunction with Getech's existing cash balances and its ability to adjust costs in accordance with forecast levels of revenue, demonstrate that the Group has sufficient working capital for the forecast period. Consequently, the Directors are fully satisfied that it is appropriate to prepare the accounts on a going concern basis.

Andrew Darbyshire
Chief Financial Officer

Table 1 – Financial summary

	2022	2021	
	Reported (audited) £'000	Reported (audited) £'000	Adjusted [1] (unaudited) £'000
Revenue	**5,070**	**4,280**	**4,280**
Cost base (see table 3)	7,915	6,455	6,455
Loss after tax	(2,828)	(1,949)	(1,649)
Earnings per share	(4.21)p	(3,27)p	(2,77)p
Net cash outflow from operating activities	**(468)**	**(799)**	**(799)**
Development costs	(785)	(847)	(847)
Net (decrease)/increase in cash	(1,645)	3,665	3,665
Cash and cash equivalents	4,322	5,864	
Net cash	3,642	5,095	
Order book	**4,591**	**3,333**	
Annualised recurring revenue	2,409	2,094	

(1) Exceptional items
In 2021 Getech incurred a one-off amortisation charge of £300,000 related to the acquisition of H2 Green Limited.

Table 2 – Segmental analysis

	2022			2021		
	Revenue £'000	**Profit/(loss) £'000**	**Gross margin %**	Revenue £'000	Profit £'000	Gross margin %
Products	**3,684**	**2,012**	**55%**	3,509	2,267	65%
Services	**1,286**	**480**	**37%**	771	145	19%
Asset development	**100**	**(1,103)**	**—**	—	(447)	—
Group total	**5,070**	**1,389**	**27%**	4,280	1,965	46%

Table 3 – Cost base reconciliation

	% variance	**2022 £'000**	**2021 £'000**
Cost of sales		**3,681**	2,315
Development costs capitalised		**785**	847
Administrative costs (excluding exceptional items)		**4,779**	4,733
Depreciation and amortisation charges (excluding exceptional items)		**(1,137)**	(1,255)
Movement in provisions		**(104)**	(88)
RDEC adjustments		**(22)**	(127)
Share-based payments		**(67)**	—
Cost base, excluding exceptional items	23%	**7,915**	6,455

Cost base is measured as: cost of sales, administrative costs and development costs capitalised, less depreciation and amortisation, movement in provisions.

Rigorous process to ensure risks are monitored and mitigated

How We Manage Risk

The Group constantly monitors its risk exposures and reports to the Audit Committee and the Board on a regular basis.

The Audit Committee receives and reviews these reports and focuses on ensuring that the effective systems of internal financial and non-financial controls including the management of risk are maintained. The results of this work are reported to the Board which in turn performs its own review and assessment on an annual basis.

Key Risk Areas

Strategic risk

Making sure we apply the appropriate strategies in applicable situations and ensuring we deliver on strategic objectives.

Operational risk

Successfully developing product offerings and providing services that meet our customers' needs.

Financial risk

Prudent financial management seeks to mitigate the impact of market fluctuations.

Risk Management Framework

The Board

The Board is responsible for setting the Group's risk appetite and acceptable risk tolerance and putting in place a framework for risk management.

The Audit Committee

The Audit Committee oversees the framework for risk management and ensures it is operating effectively.

Senior management and risk owners

The risks are separated into strategic, operational, and financial categories. Senior management are assigned responsibility for the identified risks within the three categories.

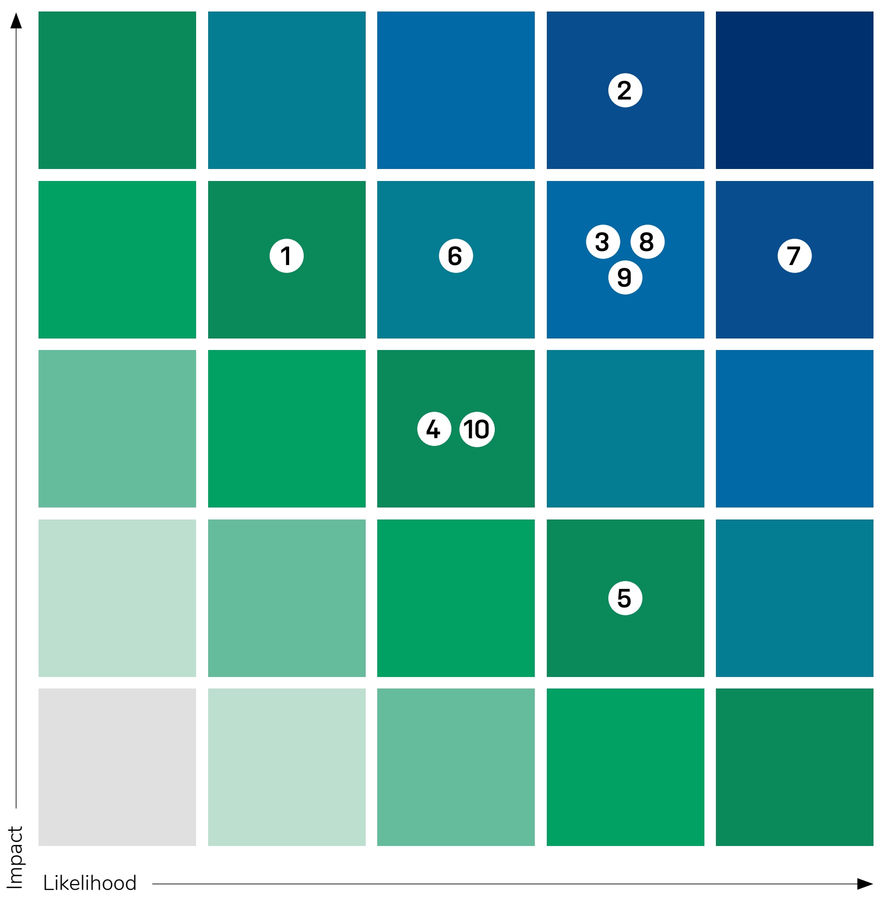
Risk Management Process

The risk management process utilises a risk register held by senior management. Key risks in these registers have assigned owners and are reviewed during senior management meetings. The risk owners ensure that the risks are monitored, mitigated and appropriate controls are implemented. The Audit Committee has delegated authority to senior management to manage the risks.

Risk Matrix

Each risk on the risk register is rated for its likelihood of occurring and on the risk's potential impact on the Group. Ratings are from 1 to 5, where 1 is least likely / lowest impact and 5 is most likely / highest impact. Where applicable, we also track whether a risk demonstrates a stable, increasing, or decreasing trend in comparison to the prior year.

The key risks are summarised on the risk matrix below:



Strategic

1. Energy transition and climate change
2. Commodity prices
3. Hydrogen market development
4. Stakeholder engagement

Operational

5. Talent acquisition and retention
6. Data security

Financial

7. Revenue visibility
8. Liquidity and cash flow risk
9. Cost inflation
10. H2 Green funding

Risk	Owner	Mitigation	Change	Impact	Likelihood
Strategic					
1. Energy transition and climate change As global society shifts away from fossil fuels and towards a more sustainable energy economy, petroleum exploration is, on average, experiencing a decline. Concurrently, the financial returns of low-carbon energy sources remain uncertain. If the commercial returns from our low-carbon activities are insufficient, and we are unable to scale our operations to compensate, Getech's value may be negatively impacted.	Executive Chair	Getech is proactively diversifying its portfolio by offering solutions to address pressing climate issues and promote a sustainable energy future. Additionally, Getech is committed to maximising value from petroleum products in a sustainable manner, ensuring both environmental responsibility and long-term business resilience.	⌄	4	2
2. Commodity prices Declining commodity prices may lead our customers to reduce their capital budgets for some of our solutions.	Executive Chair	Getech aims to pursue contract structures resilient to oil price fluctuations, maintain flexibility in its cost base, and diversify into other markets.	⌃	5	4
3. Hydrogen market development The hydrogen market might develop more slowly than H2 Green investments in facilities, potentially affecting the economics of the projects.	Executive Chair	H2 Green employs a rigorous project review process specifically for capital investments, with well-defined commercial hurdles regarding offtake tangibility and facility design capacity. With access to grant funding and the appointment of Graham Cooley, former CEO of ITM Power, as Chair, H2 Green is poised to leverage his expertise in scaling investments to align with market development. Risks will be spread through a portfolio approach, capitalising on the experience and guidance of industry leaders.	‹ ›	4	4
4. Stakeholder engagement Insufficient engagement with stakeholders may result in a lack of understanding of Getech's commercial, strategic, and corporate value.	Executive Chair	Getech is committed to expanding investment in communication, providing clear, transparent, and consistent information to all stakeholders. We ensure delivery against the Group's strategic plan through regular meetings with shareholders and investors.	‹ ›	3	3

Risk change key

⌃ Increase

‹ › No change

⌄ Decrease

Risk	Owner	Mitigation	Change	Impact	Likelihood
Operational					
5. Talent acquisition and retention Attracting and retaining specialised staff is crucial to the success of our business as we diversify.	COO	Emphasise Getech's energy transition vision, offer competitive compensation packages and benefits, and foster a Company culture that is appealing to potential talent.		2	4
6. Data security Loss or theft of data could devalue our assets and compromise our ability to sell the data.	CFO	Conduct periodic audits of disaster recovery processes and controls, ensure appropriate data licence agreements with customers, and invest in IT security along with regular IT security audits.		4	3
Financial					
7. Revenue visibility Inability to accurately forecast revenue could lead to suboptimal planning and decision-making.	CFO	Strategically grow recurring revenues by positioning core products and services, reducing the Group's reliance on one-off transactions. Pursue diversified revenue growth, and maintain careful budgeting, regular forecasting, and performance reviews against targets.		4	5
8. Liquidity and cash flow risk The Group may struggle to meet short-term financial demands due to a volatile working capital cycle.	CFO	Monitor cash flow forecasts and future income levels regularly to pre-empt liquidity issues. Implement careful budgeting and maintain tight control over expenditures to mitigate risk.		4	4
9. Cost inflation An increase in cash costs can lead to reduced profitability, limiting our investment capacity and potentially affecting our share price.	CFO	Implement a thorough budgeting process to manage expenses effectively. Closely monitor and evaluate costs while ensuring fair compensation, justified by the value created. Utilise a decision review process and phased decision-making approach for capital expenditure decisions.		4	4
10. H2 Green funding Securing sufficient and timely funding for H2 Green's green hydrogen hubs' development is critical. Economic or market fluctuations, shifts in government policy or other external factors may affect available funding sources, potentially delaying or halting project development.	Executive Chair	H2 Green actively pursues a diversified funding strategy, combining government grants, development expenditure investors, partnerships and other sources. This approach not only spreads risk but also fosters relationships across the sector, creating additional strategic opportunities. Furthermore, H2 Green remains engaged with policy developments to ensure eligibility for any upcoming funding opportunities. Its robust business case, showcasing the commercial viability and environmental benefits of its projects, also strengthens its position in competitive funding scenarios.		3	3

Committed to success, sustainability and stakeholder engagement

At Getech, our Directors act in a manner consistent with their duties under Section 172 of the UK Companies Act 2006. In doing so, they promote the success of the Company for the benefit of its shareholders, taking into consideration the interests of all stakeholders, including employees, customers, suppliers, the environment, and the wider community.

In this statement, we outline the key aspects of our approach to Section 172 and how our Directors have fulfilled their duties throughout the year.

In summary, our Directors have consistently acted in accordance with their duties under Section 172, working diligently to promote the success of Getech and safeguard the interests of our shareholders and stakeholders alike. We will continue to uphold these principles as we navigate the challenges and opportunities ahead, striving to create lasting value for all those connected to our business.

1.

The likely consequences of any decision in the long term:

Our Directors are committed to making strategic decisions that drive long-term growth and value creation for our shareholders. This includes investments in research and development, forming strategic partnerships, and expanding our product and service offerings to advance the energy transition.

2.

The interests of the company's employees:

Our Directors recognise the importance of attracting, retaining, and developing a talented workforce. We are committed to providing a safe and inclusive working environment, offering competitive remuneration packages, and investing in training and development programmes to help our employees reach their full potential.

3.

The need to foster the company's business relationships with suppliers, customers and others:

We believe that maintaining strong relationships with our stakeholders is essential for our long-term success. Our Directors engage in regular dialogue with shareholders, employees, customers, and suppliers to understand their concerns, gather feedback, and incorporate this input into our decision-making process.

4.

The impact of the company's operations on the community and the environment:

As a company providing solutions for the energy transition, we are acutely aware of the importance of environmental sustainability. Our Directors are committed to reducing our environmental impact, adhering to relevant regulations and industry standards, and pursuing sustainable business practices throughout our operations.

5.

The desirability of the company maintaining a reputation for high standards of business conduct:

Our Directors are committed to upholding the highest standards of ethical conduct and ensuring compliance with all relevant laws and regulations. We have established robust policies and procedures to promote a culture of integrity, accountability, and transparency across the organisation.

6.

The need to act fairly as between members of the company:

The Board aims to understand the views of its shareholders and always to act in their best interests. The Board stays informed of shareholders' views via regular meetings and other communications they may have with shareholders. The Annual General Meeting ("AGM") provides an opportunity for shareholders to meet and discuss the Group's business with the Directors. The Executive team also makes use of a range of investor platforms as part of regular engagement with shareholders.

Approval of the Strategic Report

The Strategic Report on pages 4 to 25 was approved by the Board on 2 June 2023.

Richard Bennett
Executive Chairman

Leadership team with diverse experience and track record

Committee Membership

Membership during 2022

- A Audit Committee
- N Nomination Committee
- R Remuneration Committee
- E ESG Committee
- IC Investment Committee
- I Independent

Richard Bennett

Executive Chairman[1]

Richard Bennett has extensive business and listed company experience over a career spanning 30 years. During that time, he has worked for General Electric in Asia and the US and co-founded and listed on NASDAQ J2Global, an internet telecoms business currently valued at US$4.5 billion. He has worked in executive, chairman and non-executive roles with a series of highly successful growth-focused technology and clean energy companies, including the AIM-quoted wireless technology company, MTI Wireless Edge.

Committees

A N R E IC I

Joined – 2021

Dr Stuart Paton

Non-Executive Director

Stuart holds several advisory roles, including with GLG and Reform Scotland. He has previously been an advisor for Lime Rock Partners and Berwick's Consulting. Stuart was the Technical and Commercial Director and CEO of Dana Petroleum, delivering several acquisitions for them. Before joining Dana, he held a number of roles at Shell. Stuart has a BA in Earth Sciences and a PhD in Geology from Cambridge University.

Committees

A R

Joined – 2011

Michael Covington

Non-Executive Director

Michael has over 25 years' experience in corporate advisory and broking with international investment banks and financial and strategic consulting. In the last 16 years, his activities have included cofounding Solar Securities, one of the UK's first solar project developers, advising energy transition sector participants, and holding non-executive board positions including with Enertechnos Holdings Ltd., a power transmission technology player. He has also been an active investor at all stages of the value chain in European CleanTech & Renewables with Sustainable Investments Capital, Alpha Real Capital and is currently Director, Origination and Strategy at Blackfinch Group. He qualified as a Chartered Accountant in 1994 with PwC.

Committees

A N R IC I

Joined – 2021

1 Richard Bennett has stepped down temporarily from Audit and Remuneration Committees on 28 February 2023, due to his appointment in an executive role.

2 Jonathan Copus has stepped down as Group CEO and Director on 28 February 2023.

Emma Parker

Non-Executive Director

Emma has more than 18 years' experience as an Environmental, Social and Governance "ESG" and mining operations specialist. Emma is currently Principal in charge of Sustainable Business Opportunities at Anglo American PLC, a multi-national, multi-commodity mining company. At Anglo American, Emma is responsible for identifying and delivering commercial value, leveraging Anglo American's sustainability practices across areas of business development, marketing, and finance. In particular, her role focuses on leading innovative approaches to sustainability-led value creation, responsible sourcing and ethical value chains.

Committees

N R E I

Joined – 2021

Andrew Darbyshire

Chief Financial Officer

Andrew started his accounting and finance career at Garbutt & Elliott and went on to work in audit for Grant Thornton. Andrew joined Getech in 2014, to establish its new finance team and was appointed to the Board in February 2018. Andrew has a master's degree in Mathematics from the University of York and is a member of the Institute of Chartered Accountants in England and Wales. He is also the treasurer for the charity Live Music Now – Northeast.

Committees

E IC

Joined – 2018

Chris Jepps

Chief Operating Officer

Chris has extensive petroleum industry, GIS and entrepreneurial experience, having worked within integrated exploration teams at Shell, as a professional services consultant at Landmark Graphics and as Technical Director at Exprodat where Chris established the company's technical strategy and led its software design and development. Following Exprodat's acquisition by Getech Group plc in 2016, Chris joined as Products Director, becoming Getech Group plc COO in February 2018. Chris has a BSc in Geology from Imperial College, London, and is an alumnus of Esri's Partner Advisory Council.

Committees – None

Joined – 2018

Dr Jonathan Copus

Resigned[2]

Jonathan brings to his role extensive industry, corporate finance and capital markets experience. Having worked as a deep-water exploration geologist at Shell he moved into the City, where as an energy sector equity analyst he was consistently rated number 1 by the investing institutions. In 2011 he was appointed CFO at Salamander Energy plc, a Southeast Asian-focused oil and gas production company which the management team sold to Ophir plc in 2015. Jonathan has a PhD from the University of Cambridge and a First-Class BSc in Geology from the University of Durham.

Committees – None

Joined – 2016

Fostering accountability and transparency

Getech is committed to high standards of corporate governance. As such, the Board has chosen to adopt the principles of the Quoted Companies Alliance ("QCA") Corporate Governance Code for Small and Mid-Size Quoted Companies 2018 (the "Code"). Details of how Getech complies with the Code, and the reasons for any non-compliance, are set out in this Corporate Governance statement.

The Board considers that the structure of the Board provides a cost-effective and practical method of directing and managing the Group. As the Group's activities develop in size, nature and scope, the size of the Board and the implementation of additional corporate governance policies and structures will be reviewed.

The Board considers Getech to be in compliance with the ten principles of the QCA Code.

The Board

In 2022, the Board comprised a Chairman, three Non-Executive Directors and three Executive Directors. All Directors are subject to retirement by rotation, and re-election is a matter for the shareholders. The Non-Executive Directors ensure a balance to the Board by constructively challenging the Executive Directors. Non-Executive Directors are committed to providing their services to the Group for a minimum of 12 days per year.

A Directors' Responsibilities statement in respect of the financial statements is set out in this Annual Report on pages 36 and 37.

The Board is responsible for approving overall strategic, financial and operational matters and for the identification of risks faced by the Group. Board approval is required for certain matters, the most significant of which are:

- Final approval of the Annual Report and Accounts
- The budget and major capital expenditure
- The dividend policy
- Acquisitions and alliances policies

Director	Board	Audit Committee	Remuneration Committee	Nomination Committee
Richard Bennett	6/6	3/3[1]	2/2[2]	0/0
Michael Covington	6/6	3/3	2/2	0/0
Dr Stuart Paton	6/6	3/3	2/2	—
Emma Parker	6/6	—	2/2	0/0
Andrew Darbyshire	6/6	—	—	—
Chris Jepps	6/6	—	—	—
Dr Jonathan Copus	6/6	—	—	—

1 Richard Bennett stepped down temporarily from the Audit Committee on 28 February 2023, due to his appointment in an executive role.
2 Richard Bennett stepped down temporarily from the Remuneration Committee on 28 February 2023, due to his appointment in an executive role.

The Board delegates certain matters regarding audit, remuneration and nomination to its principal committees.

Attendance by each Director at full meetings of the Board and Board committees of which they were a formal member during the year is summarised above.

The effectiveness of the Board is reviewed on an annual basis, and progress against the review recommendations is monitored on a regular basis. Directors who have been appointed to the Company have been chosen because of the skills and experience they offer.

The Company undertakes regular monitoring of personal and corporate performance using agreed Key Performance Indicators "KPIs" and detailed financial reports. For corporate performance, key metrics include revenue, order book, annualised recurring revenue, operating cash flow, and cost base. Responsibility for assessing and monitoring the performance of the Executive Directors lies with the Chairman and the Non-Executive Directors, ensuring a comprehensive evaluation of both individual and Company-wide progress.

Company Secretary

The Company Secretary is responsible for ensuring that the Board procedures are followed, that the Company complies with Company Law and the AIM rules, and that the Board receives the information it needs to fulfil its duties.

All Directors have access to the Company Secretary and their appointment (or termination of appointment) is a matter for decision by the full Board.

In 2022, Andrew Darbyshire served as the Company Secretary before being succeeded by Patrick Cantrill in March 2023.

Audit Committee

In 2022, the Audit Committee consisted of three Non-Executive Directors. The principal duties and responsibilities of the Audit Committee include:

- Monitor the Group's internal financial controls and assess their adequacy
- Review key estimates, judgements and assumptions applied by management in preparing published financial statements
- Review and update the Group's risk register
- Assess annually the auditor's independence and objectivity
- Make recommendations in relation to the appointment, re-appointment and removal of the Company's external auditor
- Review and consider for approval significant new contracts

Remuneration Committee

In 2022, the Remuneration Committee consisted of four Non-Executive Directors. The principal duties and responsibilities of the Remuneration Committee include:

- Setting the Remuneration policy for all Executive Directors and the Chairman
- Recommending and monitoring the level and structure of remuneration for senior management
- Approving the design of, and determining targets for, performance-related pay schemes operated by the Company and approving the total annual payments made under such schemes
- Reviewing the design of all share incentive plans for approval by the Board and shareholders

None of the Committee members have any personal financial interest (other than as shareholders), conflicts of interest arising from cross-Directorships or day-to-day involvement in the running of the business. No Director plays a part in any final decision about his or her own remuneration.

Nomination Committee

In 2022, the Nomination Committee consisted of three Non-Executive Directors. The principal duties and responsibilities of the Nomination Committee include:

- Regularly reviewing the structure, size and composition of the Board
- Giving consideration to succession planning for Directors and other senior Executives
- Identifying and nominating for the approval of the Board, candidates to fill Board vacancies as and when they arise
- Deciding membership of the Audit and Remuneration Committees

The ten principles of the QCA Code

Number	Principles	Disclosed in the 2022 Annual Report
1	Establish a strategy and business model that promotes long-term value for shareholders	Pages 2 to 7
2	Seek to understand and meet shareholders' needs and expectations	Page 30
3	Take into account wider stakeholder and social responsibilities and their implications for long-term success	Pages 16 to 19
4	Embed effective risk management, considering both opportunities and threats throughout the organisation	Pages 22 to 24
5	Maintain the Board as a well-functioning, balanced team led by the Chair	Pages 28 to 30
6	Ensure that between them the Directors have the necessary and up-to-date experience, skills and capabilities	Pages 26 to 30
7	Evaluate Board performance based on clear and relevant objectives, seeking continuous improvement	Pages 28 to 30
8	Promote a corporate culture that is based on ethical values and behaviours	Pages 18 to 19
9	Maintain governance structures and processes that are fit for purpose and support good decision-making by the Board	Pages 28 to 37
10	Communicate how the Company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders	Page 30

ESG Committee

In 2022, the ESG Committee comprised two Non-Executive Directors and one Executive Director. The primary duties and responsibilities of the ESG Committee include:

- Annually reviewing and assessing the Company's Environmental, Social, and Governance "ESG" policies, practices, and performance
- Identifying and addressing ESG-related risks and opportunities to ensure long-term sustainability and value creation
- Monitoring the Company's compliance with relevant ESG regulations and standards
- Engaging with stakeholders, including shareholders, employees, customers, and communities, to understand their ESG-related concerns and expectations
- Ensuring the integration of ESG considerations into the Company's overall business strategy and decision-making processes

Investment Committee

In 2022, the Investment Committee consisted of two Non-Executive Directors and one Executive Director. The primary duties and responsibilities of the Investment Committee include:

- Regularly reviewing and evaluating the Company's investment strategy to ensure alignment with the overall business objectives
- Assessing and managing the risks associated with the Company's investments, including market, credit, liquidity, and operational risks
- Overseeing the due diligence process for potential investment opportunities, including the analysis of financial, operational, and ESG factors
- Recommending new investments, divestitures, or portfolio adjustments to the Board for approval, based on thorough research and evaluation

Shareholder Communications

The Directors attach great importance to maintaining good relationships with shareholders. Throughout the year, the Board maintains a regular dialogue with shareholders, providing them with such information on the Company's progress as is permitted within the guidelines of the AIM rules, Market Abuse Regulation "MAR" and requirements of the relevant legislation.

The Annual General Meeting ("AGM") provides an opportunity for shareholders to meet and discuss the Group's business with the Directors. Shareholders are encouraged to attend AGMs in person and/or virtually and vote on any proposed resolutions. There is an open question and answer session during which shareholders may ask questions both about the resolutions being proposed and the business in general. The Directors are also available after the meeting for an informal discussion with shareholders.

The Board believes that the Annual Report and Accounts, and the Interim Report published at the half-year, play an important part in presenting all shareholders with an assessment of the Group's position and prospects. All reports and press releases are published in the Investor section of the Group's website.

The Board produces a series of updates throughout the year relating to Company performance; these are distributed via RNS and RNS Reach. Copies of all RNS announcements and the resolutions passed following the most recent AGM can be found on the Getech website www.getech.com.

The Executive team also makes use of a range of investor platforms, which in 2022 included Proactive/Cenkos Growth and Innovation Forums, AJ Bell and Shares Investor Evening, Investor Meet Company, Vox Markets and others.

The Board stays informed of shareholders' views via regular meetings and other communications they may have with shareholders.

Transparent Remuneration policy for sustainable business growth

The Remuneration Committee presents its report for the year ended 31 December 2022. This report provides a comprehensive overview of the Company's Remuneration policies and practices, as well as the decisions made by the Remuneration Committee during the reporting year.

The Remuneration Committee is responsible for determining and recommending the Remuneration policy for the Executive Directors, Non-Executive Directors, and senior management. The Committee ensures that Group's Remuneration policy aligns with its business strategy, long-term success, and shareholder interests.

Composition of the Remuneration Committee

In 2022 the Remuneration Committee comprised the following members:

- Michael Covington (Chair)
- Emma Parker
- Dr Stuart Paton
- Richard Bennett[1]

All members were Non-Executive Directors. The Committee met two times during the year.

Remuneration Policy

The key principles underpinning Getech's Remuneration policy are as follows:

- Alignment with business strategy: The policy is designed to support the long-term growth and success of the Company by incentivising and retaining key talent
- Pay for performance: Remuneration structure is linked to the achievement of specific performance targets, ensuring that rewards are directly correlated with the Company's financial and strategic objectives
- Shareholder alignment: The policy incorporates a significant portion of long-term incentives tied to shareholder value creation, ensuring that management's interests align with those of shareholders

1 Richard Bennett stepped down temporarily from Remuneration Committee on 28 February 2023, due to his appointment in an executive role.

2022 Remuneration Outcomes

The key components of the remuneration packages for Executive Directors and senior management include base salary, pension, benefits and share options. In 2022, the following remuneration outcomes were achieved:

- Base salaries: The Committee reviewed the base salaries of Executive Directors and senior management, considering market data and Company performance. No significant adjustments were made to base salaries during 2022
- Pension: No significant adjustments were made during 2022
- Benefits: No significant adjustments were made during 2022
- Share options: A total of 2,250,000 share options were granted, with 1,650,000 allocated to the Group's Directors. The vesting condition is that the share price should reach 35p or higher for 20 consecutive working days
- Post period end: the Committee approved a grant of share options in lieu of pay increases, providing a cost-effective solution for the Company whilst ensuring that its key employees are aligned with its long-term goals

Post Balance Sheet Events

On 28 February 2023, Jonathan Copus stepped down as Group CEO and Director and surrendered all his share options, equivalent to 2.4 million shares.

On 13 March 2023, the Group granted 397,996 share options, of which 107,960 were granted to Directors of the Group in lieu of pay rises. The options were granted with an exercise price of 0.25p per ordinary share (par value). Each award is exercisable for a period of three years from 30 June 2023 and is subject to continued employment. Following exercise, the ordinary shares cannot be sold for the first 12 months for employees and 24 months for Executive Directors.

Summary Table for the Chairman and Non-Executive Directors

Role	Operation	Implementation in 2022
Chairman	The remuneration of the Chairman is set by the Board (excluding the Chairman). The Chairman receives an annual fee. The Chairman does not receive benefits, pension contributions or participate in incentive arrangements.	Richard Bennett's inclusive Chairman fee is £44,990 per annum.
Non-Executive Directors	The remuneration for Non-Executive Directors is set by the Executive Directors. Non-Executive Directors receive a base fee, plus additional fee for H2 Green Board membership where applicable. Non-Executive Directors do not receive benefits, pension contributions or participate in incentive arrangements.	See fee table below

	2022 fee	2021 fee
Base fee	**£22,495**	£22,495
H2 Green Board membership	**£22,495**	£22,495

Total Remuneration in 2022

Directors' remuneration for the year ended 31 December 2022 was as follows:

	Salary/fees £'000	Pension £'000	Benefits in kind £'000	Total before share options £'000	Share-based payments £'000
Executive Directors					
Dr Jonathan Copus	278	13	1	292	18
Chris Jepps	169	7	1	177	14
Andrew Darbyshire	128	11	1	140	14
Non-Executive Directors					
Richard Bennett	45	—	—	45	—
Dr Stuart Paton	47	—	—	47	—
Michael Covington	23	—	—	23	—
Emma Parker	23	2	—	25	—
	713	**33**	**3**	**749**	**46**

Directors' remuneration for the year ended 31 December 2021 was as follows:

	Salary/fees £'000	Pension £'000	Benefits in kind £'000	Total before share options £'000	Share-based payments £'000
Executive Directors					
Dr Jonathan Copus	243	12	1	256	—
Chris Jepps	146	7	1	154	—
Andrew Darbyshire	111	7	—	118	—
Non-Executive Directors					
Dr Stuart Paton	39	—	—	39	—
Dr Alison Fielding (resigned 30 June 2021)	9	—	—	9	—
Chris Flavell (resigned 21 July 2021)	10	—	—	10	—
Peter Stephens (resigned 28 January 2021)	1	—	—	1	—
Richard Bennett (appointed 28 January 2021)	36	—	—	36	—
Michael Covington (appointed 13 May 2021)	14	—	—	14	—
Emma Parker (appointed 22 July 2021)	10	1	—	11	—
	619	**27**	**2**	**648**	**—**

Shareholder Engagement

The Remuneration Committee highly values shareholder input and appreciates feedback on our Remuneration policies and practices. If you would like to discuss any aspect of our Remuneration policy, please do not hesitate to contact the Company Secretary.

Conclusion

The Remuneration Committee believes that the remuneration outcomes for 2022 reflect the strong performance of Getech and are aligned with our strategic objectives and shareholder interests. We remain committed to ensuring that our Remuneration policy continues to drive sustainable long-term growth and value creation for our shareholders.

On behalf of the Remuneration Committee,

Michael Covington
Chairman of the Remuneration Committee

2 June 2023

Strong oversight for financial integrity and better results

The Audit Committee presents its report for the year ended 31 December 2022. The Committee's primary objective is to assist the Board in fulfilling its responsibilities by reviewing the financial statements and related information, the system of internal control, and the audit process.

Composition of the Audit Committee

In 2022, the Audit Committee comprised the following members:

- Michael Covington (Chairman)
- Dr Stuart Paton
- Richard Bennett[1]

All members of the Committee were Non-Executive Directors, and the Committee as a whole has competence relevant to the Group's operations. The Chairman of the Committee, Michael Covington, has recent and relevant financial experience.

Principal Responsibilities

The Committee's main responsibilities are to:

- Monitor the Group's internal financial controls and assess their adequacy
- Review key estimates, judgements and assumptions applied by management in preparing published financial statements
- Review and update the Group's risk register
- Assess annually the auditor's independence and objectivity
- Make recommendations in relation to the appointment, re-appointment and removal of the Company's external auditor
- Review and consider for approval significant new contracts

The Audit Committee is authorised to seek any information it requires from management and external parties and to investigate issues or concerns as it deems appropriate. The Committee may also obtain independent professional advice at the Company's expense. No such independent advice was required in the reporting period.

1 Richard Bennett stepped down temporarily from the Audit Committee on 28 February 2023, due to his appointment in an executive role.

Meetings

The Committee is expected to meet at least twice a year. The Committee met three times during the year, and all members were in attendance.

The Committee meets with the external auditor at least once a year. During the reporting period the Committee met the external auditor twice, and all members were in attendance.

The key matters considered by the Committee during the course of the year ended 31 December 2022 are set out below:

- Financial reporting
- Internal controls
- Risk management
- External auditor
- Compliance, governance and disclosure matters

Financial Statements

The Committee has reviewed the financial statements for the year ended 31 December 2022, together with the accounting policies and significant financial reporting judgements applied. The Committee has considered the going concern basis of accounting and the appropriateness of the assumptions made in the preparation of the financial statements.

The Committee has discussed the financial statements with both the management and the external auditor, and it is satisfied that they present a true and fair view of the Group's financial position and performance.

Internal Control and Risk Management

The Committee has reviewed the Group's system of internal control and risk management, including the processes for identifying, assessing, and managing risks. It has also considered the effectiveness of these systems and their compliance with applicable laws and regulations.

The Committee has received regular reports from management on the principal risks facing the Group, as detailed on pages 22 to 24, and the steps taken to mitigate these risks. The Committee is satisfied that the Group has implemented appropriate risk management processes and internal controls.

External Auditor

The Committee discussed the audit fee for the 2022 Annual Report with the external auditor and approved the proposed fee on behalf of the Board. The fee amounted to £95,000. Additionally, the Committee approved £7,000 for audit-related assurance services.

Grant Thornton UK LLP provides the Committee with an annual report on its independence, objectivity and compliance with statutory, regulatory and ethical standards. For the year ended 31 December 2022, as for the prior year, the external auditor confirmed that it continued to maintain appropriate internal safeguards to ensure its independence and objectivity. The Committee concluded that the quality of the external auditor's work, and the level of challenge, knowledge and competence of the audit team, had been maintained at an appropriate standard during the year.

The Committee therefore recommended to the Board that a resolution to reappoint Grant Thornton UK LLP as external auditor of the Company be put to shareholders at the forthcoming Annual General Meeting.

Conclusion

The Audit Committee believes that it has fulfilled its responsibilities for the year ended 31 December 2022, and it is satisfied with the integrity of the financial statements, the effectiveness of the Group's internal controls and risk management processes, and the performance of the external auditor.

On behalf of the Audit Committee,

Michael Covington
Chairman of the Audit Committee

2 June 2023

Building trust through transparency

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

Principal Activities

The principal activity of the Group is locating energy and minerals essential for the energy transition and advancing hydrogen developer H2 Green. Getech generates revenue by locating new energy and mineral resources using its proprietary Earth digital twin. The Group works for governments and companies who seek to decarbonise their operations. Getech has expanded the use of data and technologies built for the petroleum industry to critical minerals, geothermal, hydrogen, and carbon storage.

Future Developments

The future developments of the Group are included in the Outlook section of the Chairman's Statement.

Directors

The Directors of the Parent Company who served during the year were:

- Richard Bennett
- Michael Covington
- Dr Stuart Paton
- Emma Parker
- Andrew Darbyshire
- Chris Jepps
- Dr Jonathan Copus (resigned 28 February 2023)

Results and Dividends

The results for the year are set out on page 46. The Directors do not recommend a dividend (2021: no dividend).

Directors' Indemnity

The Group maintains Directors' and Officers' liability insurance, which gives cover against legal action that may be taken against them. Qualifying third-party indemnity provisions (as defined in Section 234 of the Companies Act 2006) are in force for the benefit of Directors.

Risks

The principal risks of the Group including around financial risk management are included in the Strategic Report (pages 22 to 24).

Substantial Shareholders

The Parent Company was notified on 30 December 2022 of the following interests in excess of 3% of its issued ordinary share capital. Please see the table below.

Substantial Shareholders

	Number of ordinary shares	% of issued share capital
Mr Stuart Hawthorne	8,122,654	12.1%
Amati Global Investors	7,727,000	11.5%
Premier Miton Investors	4,823,728	7.2%
Hargreaves Lansdown Asset Mgt.	4,796,673	7.1%
BGF Investments	4,030,350	6.0%
Interactive Investor	3,812,901	5.7%
Rathbone Investment Mgt.	3,748,222	5.6%
Alto Invest	3,328,956	4.9%
Walker Crips Stockbrokers	3,057,619	4.5%

Statement of Directors' responsibilities in respect of the financial information

The Directors are responsible for preparing the Annual Report 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 prepared the consolidated financial statements in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006. 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 Group and of the profit or loss of the Company and Group for that year. In preparing these financial statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently
- Make judgements and estimates that are reasonable and prudent
- State whether applicable International Accounting Standards in conformity with the requirements of the Companies Act 2006 have been followed in the consolidated financial statements and the Parent Company's financial statements, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on a going concern basis, unless it is inappropriate to presume that the Company or Group will continue in business

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company'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.

The Directors confirm that:

- So far as each Director is aware, there is no relevant audit information of which the Company's external auditor is unaware
- The Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the external auditor is aware of that information

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Going Concern

In making the going concern assessment, the Board of Directors has considered Group budgets and detailed cash flow forecasts to 30 June 2024.

The detailed forecasting models are built from Board approved budgets. From these budgets, revenue forecasting is regularly updated to take into consideration new contractually committed revenues, market sentiment, our current sales pipeline, and any other influencing factors. The Directors then further apply sensitivity testing to the revenue profiles based on the achievement of various levels of revenue from non-contractually committed sources.

Getech's bank loan includes a balloon payment of £0.5million that falls due in October 2024. The Group intends to either repay this amount early on successful sale of Kitson House, or re-finance the balance to achieve a similar repayment profile to that currently being paid.

These cash flow projections and sensitivities, when considered in conjunction with Getech's existing cash balances and its ability to adjust costs in accordance with forecast levels of revenue, demonstrate that the Group has sufficient working capital for the forecast period. Consequently, the Directors are fully satisfied that it is appropriate to prepare the accounts on a going concern basis.

On behalf of the Board,

Richard Bennett
Executive Chairman

2 June 2023

Opinion

Our opinion on the financial statements is unmodified

We have audited the financial statements of Getech Group plc (the 'parent company') and its subsidiaries (the 'Group') for the year ended 31 December 2022, which comprise the Group Statement of Comprehensive Income, the Group Statement of Financial Position, the Group Statement of Changes in Equity, the Group Statement of Cash Flows, the Note to the Group Statement of Cash Flows, notes to the Group Financial Statements, including a summary of significant accounting policies, the Company Statement of Financial Position, the Company Statement of Changes in Equity, and notes to the Company Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and UK-adopted international accounting standards. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 'Reduced Disclosure Framework' (United Kingdom Generally Accepted Accounting Practice).

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the parent company's affairs as at 31 December 2022 and of the Group's loss for the year ended;
- the Group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the Group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, 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.

Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the parent company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Group or the parent company to cease to continue as a going concern.

A description of our evaluation of management's assessment of the ability to continue to adopt the going concern basis of accounting, and the key observations arising with respect to that evaluation is included in the Key Audit Matters section of our report.

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

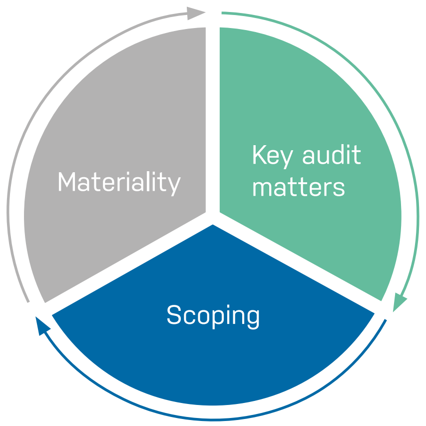
Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and the parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Our approach to the audit

Overview of our audit approach

GrantThornton



Overall materiality:

Group: £195,000, which represents approximately 6.5% of the Group's loss before taxation at the planning stage of the audit.

Parent company: £127,000, which represents approximately 6.5% of the parent company's loss before taxation, restricted to its component materiality.

Key audit matters were identified as:

- Revenue recognition (same as last year);
- Carrying value of other intangible assets (same as last year);
- Going concern (same as last year)

Our auditor's report for the year ended 31 December 2021 included the acquisition of H2 Green Ltd, which has not been reported as a key audit matter in our current year's report. This is due to the acquisition having no significant impact on the financial statements for the year ended 31 December 2022.

Scoping has been determined to ensure appropriate coverage of the significant risks and the key amounts in the financial statements.

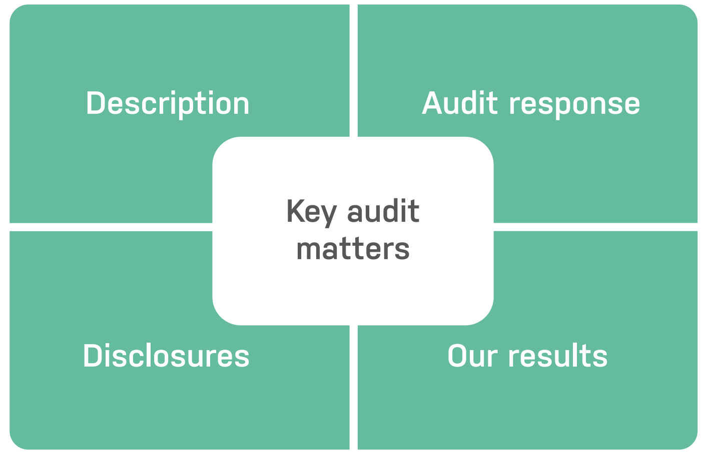
We performed an audit of the financial information of three components using component materiality (full-scope audit procedures). We performed analytical procedures at group level on the financial information of the remaining two components.

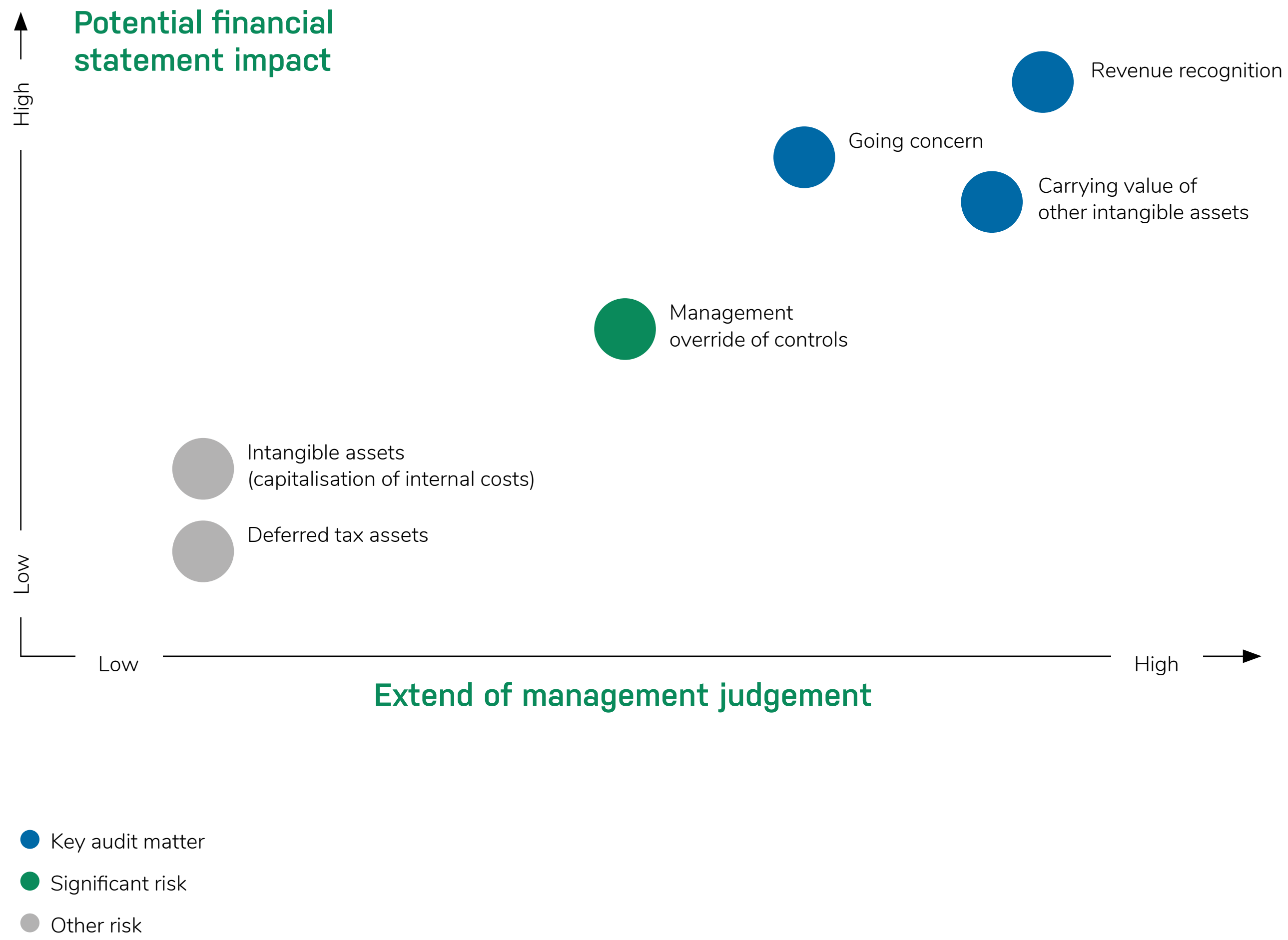
There is no change to the scope of the audit from the prior period.

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 assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those that had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In the graph below, we have presented the key audit matters, significant risks and other risks relevant to the audit.





Key Audit Matter – Group and Parent Company

How our scope addressed the matter – Group and Parent Company

Revenue recognition

We identified revenue recognition as one of the most significant assessed risks of material misstatement due to fraud.

Revenue is recognised in accordance with the International Financial Reporting Standard ('IFRS') 15 'Revenue from Contracts with Customers' and this recognition requires management to use judgement relating to allocation of consideration by assessing the stage of completion for a contract. These judgements increase the associated risk of fraud in relation to revenue recognition.

Revenue for the year totalled £5.1m. We identified that the risk is heightened for:

- The occurrence of revenue which is uncollected at the year end; and
- Occurrence of revenue which is recognised over the contract term where the contract is ongoing at the year end.

These collectively account for a significant majority of the recorded revenue. For both of these categories there is a risk that revenue is recognised before the risks and rewards of ownership have transferred to the customer, and before the performance obligations have been met.

As there are contractual arrangements with customers, there is a risk that revenue is misstated as each contract's outcome and stage of completion requires management judgement. There is therefore the opportunity for management to fraudulently inflate revenue within the Group.

In responding to the key audit matter, we performed the following audit procedures:

- Evaluating the Group's revenue recognition policies for appropriateness with IFRS 15;
- Testing a sample of revenue transactions that were uncollected at the year end and inspecting supporting documentation relating to the underlying contract and proof of occurrence as appropriate, to determine whether income has been appropriately recognised in accordance with IFRS 15 and the Group's accounting policy;
- Testing a sample of contracts which are still ongoing at year end. Our testing included reference to inspecting contractual agreements to understand if the terms were appropriately applied and revenue recognised in line with the contract. We also recalculated any accrued and deferred income associated with these contracts;
- Testing a sample of revenue transactions around the year end to determine whether transactions were recorded in the correct accounting period and whether revenue was appropriately deferred; and
- Comparison of current year revenue with that from the prior period and obtaining and corroborating the explanations for significant and unusual variances.

Relevant disclosures in the Annual Report and Financial Statements 2022

- Financial statements: Note 4, Revenue and segmental reporting

Our results

Based on our audit work performed, we have not identified material misstatements relating to revenue recognition.

Carrying value of other intangible assets

We identified potential impairments in the carrying value of other intangible assets as a significant risk of material misstatement due to fraud and error.

Within the Group and parent company Statements of Financial Position there are significant balances for other intangible assets arising from ongoing development work. The carrying value of these balances amounted to £3.1m and £2.9m at 31 December 2022, respectively.

These balances represent a significant proportion of the total assets figure within the financial statements (25% of Group total assets and 22.6% of parent company total assets) and, if the underlying entities are not performing in accordance with forecast, or the capitalised development work is not delivering against its objectives, they are at risk of being materially misstated due to unrecorded impairment. Furthermore, the forecasts used include a degree of estimation as to when future projects will be delivered and the results to be derived therefrom.

Given the level of management judgement involved and the complexity of the impairment review calculation, there is a significant risk of material misstatement due to fraud and error.

- Financial statements: Note 18, Intangible assets.

In responding to the key audit matter, we performed the following audit procedures:

- Computation of an expectation of the amortisation charge for the year and comparison to the amount recorded in the financial statements;
- Challenging management's identification of cash-generating units and their assessment of whether any impairment indicators are present in any of the cash-generating units;
- Assessing and challenging management's reviews of the carrying value of intangible assets. Our challenge focussed on the assumptions regarding the revenues and cash flows from the underlying cash-generating units relative to historic performance, prospects of future commercial projects, and assessment of the growth rates and discount rates applied;
- Engaging our internal valuations experts to assess the appropriateness of the discount rate included in management's impairment model;
- Testing the accuracy of management's forecasting by a comparison of budget to actual data;
- Obtaining and assessing management's allocation of assets and cash flows to each cash-generating unit in their forecasts;
- Performing a sensitivity analysis independent of management's assessment to understand the impact of any reasonably possible changes in assumptions and evaluating the headroom available from different outcomes to assess whether other intangible assets could be impaired; and
- Assessing whether the Group's disclosures with respect to the carrying value of other intangible assets are adequate and whether the key assumptions are disclosed.

From our audit work performed we are satisfied with management's judgement that the other intangible assets are not materially impaired.

Going concern

We have identified a key audit matter relating to going concern as one of the most significant assessed risks of material misstatement due to error as a result of the level of judgement required to conclude whether a material uncertainty related to going concern present.

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the Group's and the parent company's business model including those arising from macro-economic uncertainties such as rising inflation rates, especially when considered in the context of the continued operating losses and negative operating cash flows.

In the current economic environment there is significantly more judgement applied by management when developing their cash flow forecasts in relation to forecast revenue growth.

The directors have concluded, based on these forecasts and various scenarios developed, that the Group has sufficient resources available to meet its liabilities as they fall due and have concluded that there are no material uncertainties arising from management's going concern assumptions.

- Financial statements: Note 1.4, Going concern accounting policy.

In responding to the key audit matter, we performed the following audit procedures:

- Obtaining management's assessment of going concern, which included forecasts and budgets for at least 12 months from the expected date of approval of the financial statements (the period to 30 June 2024). We challenged and corroborated the significant assumptions adopted by management. The significant assumptions were revenue growth, cost increases and savings, and the conversion of receivables into cash;
- Obtaining and evaluating management's sensitivity analysis, which included two sensitivities deemed severe but plausible and a reverse stress test deemed implausible. Within each of these sensitivities we assessed the key assumptions within the model and where appropriate applied our own sensitivities;
- Assessing the finance facilities available to the Group and whether these are consistent with the facilities included in the forecasts;
- Assessing post-year end management accounts for indication of any post balance sheet events which could impact going concern;
- Comparing actual results to amounts previously forecast to assess the reliability of management's forecasts; and
- Challenging the disclosures made in the financial statements in respect of going concern to determine whether they are adequate and appropriately describe the basis of preparation.

We have nothing to report in addition to that stated in the 'Conclusions related to going concern' section of our report.

Our application of materiality

We apply the concept of materiality both in planning and performing the audit, and in evaluating the effect of identified misstatements on the audit and of uncorrected misstatements, if any, on the financial statements and in forming the opinion in the auditor's report.

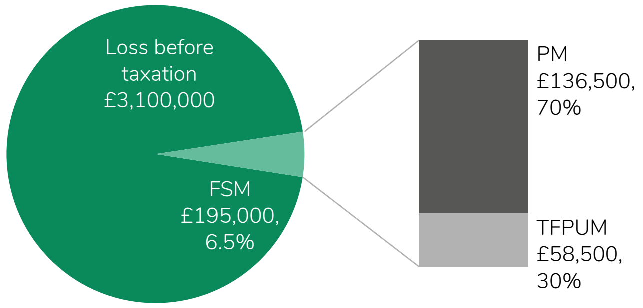
Materiality was determined as follows:

Materiality measure	Group	Parent company
Materiality for financial statements as a whole	We define materiality as the magnitude of misstatement in the financial statements that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of these financial statements. We use materiality in determining the nature, timing and extent of our audit work.	
Materiality threshold	£195,000, which is approximately 6.5% of the Group's loss before taxation at the planning stage of the audit.	£127,000, which is approximately 5% of the parent company's loss before taxation, once restricted to the parent company's component materiality.
Significant judgements made by auditor in determining the materiality	In determining materiality, we made the following significant judgements: • Loss before taxation is a key performance metric for users of the financial statements due to the continued losses made by the Group. Materiality for the current year is higher than the level that we determined for the year ended 31 December 2021 to reflect the increase in the Group's loss before taxation for the year.	In determining materiality, we made the following significant judgements: • Loss before taxation is a key performance metric for users of the financial statements due to the continued losses made by the parent company. • The parent company is the largest trading company in the Group and contributes the greatest to the Group's loss before taxation. Therefore, we have determined the parent company's materiality as a percentage of the parent company loss before taxation but restricted this to the parent company's component materiality for Group purposes. Materiality for the current year is higher than the level that we determined for the year ended 31 December 2021 to reflect the increase in materiality for the Group, on which the parent company's materiality is based due to the restriction noted above.
Performance materiality used to drive the extent of our testing	We set performance materiality at an amount less than materiality for the financial statements as a whole to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole.	
Performance materiality threshold	£136,500, which is 70% of financial statement materiality.	£88,900, which is 70% of financial statement materiality.

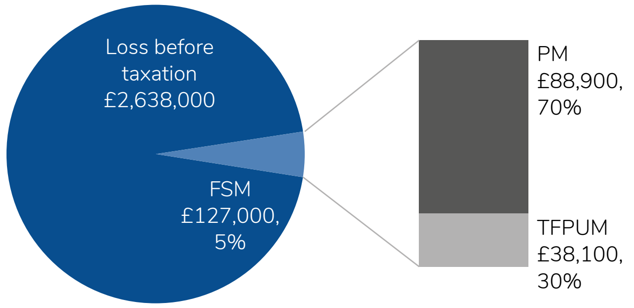
Materiality measure	Group	Parent company
Significant judgements made by auditor in determining the performance materiality	In determining performance materiality, we made the following significant judgements: • consideration of the quantity and value of identified misstatements and control deficiencies identified in prior years; • whether there were any significant adjustments made to the Group financial statements in prior years; and • assessment of any significant changes in business objectives and strategy of the Group.	In determining performance materiality, we made the following significant judgements: • consideration of the quantity and value of identified misstatements and control deficiencies identified in prior years; • whether there were any significant adjustments made to the parent company's financial statements in prior years; and • assessment of any significant changes in business objectives and strategy of the parent company.
Specific materiality	We determine specific materiality for one or more particular classes of transactions, account balances or disclosures for which misstatements of lesser amounts than materiality for the financial statements as a whole could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.	
	We determined a lower level of specific materiality for the following areas: • related party transactions; and • directors' remuneration.	We determined a lower level of specific materiality for the following areas: • related party transactions; and • directors' remuneration.
Communication of misstatements to the audit committee	We determine a threshold for reporting unadjusted differences to the audit committee.	
Threshold for communication	£9,800 and misstatements below that threshold that, in our view, warrant reporting on qualitative grounds.	£6,400 and misstatements below that threshold that, in our view, warrant reporting on qualitative grounds.

The graph below illustrates how performance materiality interacts with our overall materiality and the tolerance for potential uncorrected misstatements.

Overall materiality – Group



Overall materiality – Parent company



FSM: Financial statements materiality, PM: Performance materiality, TFPUM: Tolerance for potential uncorrected misstatements

An overview of the scope of our audit

We performed a risk-based audit that requires an understanding of the Group's and the parent company's business and in particular matters related to:

Understanding the Group, its components, and their environments, including Group-wide controls

- The engagement team obtained an understanding of the Group, its environment and risk profile, including Group-wide controls, and assessed the risks of material misstatement at the Group level. We considered the structure of the Group, its processes and controls and the industries in which the components operate; and
- We also obtained an understanding of the relevant processes and controls in place for each of the key audit matters identified above.

Identifying significant components

- In order to address the risks identified, the engagement team performed an evaluation of identified components to identify the significant components and to determine the planned audit response based on a measure of materiality. This was calculated by considering the component's significance as a percentage of the Group's total assets, revenue and profit or loss before taxation.

Type of work to be performed on financial information of parent and other components (including how it addressed the key audit matters)

- We performed full scope audits on all significant components. As a result of this, we performed an audit of the financial information of Getech Group plc (parent company), Exprodat Consulting Limited and Geophysical Exploration Technology Inc;
- We performed analytical procedures at Group level in relation to the remaining components (H2 Green Ltd and ERCL Limited); and
- We identified improper recognition of revenue, the carrying value of other intangible assets, and going concern as key audit matters. The audit procedures performed in respect of each of these matters have been included in the key audit matters section of our report.

Performance of our audit

- Audit work across all components was undertaken by the Group engagement team; and
- The components subject to full-scope audit procedures were responsible for 98% of the Group's revenue and 99% of the Group's total assets.

Changes in approach from previous period

There was no change to the current year Group audit approach from the prior year.

Other information

The other information comprises the information included in the Annual Report and Financial Statements, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the Annual Report and Financial Statements. 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is 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.

Our opinion on other matters prescribed by the Companies Act 2006 is unmodified

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matter on which we are required to report under the Companies Act 2006

In the light of the knowledge and understanding of the Group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

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

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

Responsibilities of directors

As explained more fully in the statement of directors' responsibilities in respect of the financial information set out on page 36 the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's 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. 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 frameworks applicable to the parent company, the Group and the industry in which they operate. This was achieved through enquiries with management and a review of board minutes and papers provided to the Audit Committee. We determined that the following laws and regulations were most significant: UK-adopted international accounting standards (for the Group), Financial Reporting Standard 101 'Reduced Disclosure Framework' (for the parent company), the Companies Act 2006, the Quoted Companies Alliance (QCA) Corporate Governance Code, the Alternative Investment Market rules and the relevant tax compliance regulations in the jurisdictions in which the parent company and the Group operate, being the UK and the US;
- We obtained an understanding of how the parent company and the Group is complying with those legal and regulatory frameworks by making enquiries to management and those responsible for legal and compliance procedures. We corroborated our enquiries through our review of board minutes and papers provided to the Audit Committee;
- We enquired of management whether there were any instances of non-compliance with laws and regulations or whether they had any knowledge of actual, suspected fraud. We corroborated the results of our enquiries to supporting documentation such as board minute reviews and papers provided to the Audit Committee.
- We assessed the susceptibility of the parent company's and the Group's financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the engagement team included:
  - Identifying and assessing the design and implementation of controls management has in place to prevent and detect fraud;
  - Challenging assumptions and judgements made by management in its significant accounting estimates, in particular those concerning accounting for revenue and the carrying value of non-current assets;
  - Identifying and testing journal entries, in particular any entries posted with unusual account combinations; and
  - Identifying and testing related party transactions.
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.
- The engagement partner has assessed the appropriateness of the collective competence and capabilities of the engagement team, including consideration of the engagement team's knowledge and understanding of the industry in which the client operates and its practical experience through training and participation with audit engagements of a similar nature.
- Team communications in respect of potential non-compliance with laws and regulations and fraud included the potential for fraud in revenue recognition and application of the going concern assumption. These are also identified as key audit matters in the key audit matter section of our report where they are explained in more detail and the specific procedures performed in response are also described.

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 auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report 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.

Richard Woodward
Senior Statutory Auditor for and on behalf of Grant Thornton UK LLP Statutory Auditor, Chartered Accountants

Leeds

2 June 2023

Group Statement of Comprehensive Income
For the year ended 31 December 2022

	Notes	2022 £'000	2021 £'000
Revenue	4	**5,070**	4,280
Cost of sales		**(3,681)**	(2,315)
Gross profit		**1,389**	1,965
Other operating income		**205**	176
Administrative expenses		**(4,779)**	(4,733)
Operating loss before exceptional items		**(3,185)**	(2,592)
Exceptional items	5	**—**	(300)
Operating loss	7	**(3,185)**	(2,892)
Finance income	11	**8**	—
Finance costs	12	**(45)**	(55)
Other gains and losses	13	**125**	60
Loss before taxation		**(3,097)**	(2,887)
Income tax expense/(income)	14	**269**	938
Loss for the year		**(2,828)**	(1,949)
Other comprehensive income:			
Items that may be reclassified to profit or loss			
Currency translation differences		**110**	24
Total items that may be reclassified to profit or loss		**110**	24
Total other comprehensive income for the year		**110**	24
Total comprehensive loss for the year		**(2,718)**	(1,925)

Loss for the financial year is attributable to the owners of the Parent Company.

Total comprehensive loss for the year is all attributable to the owners of the Parent Company.

	Notes	2022	2021
Earnings per ordinary share	16		
Basic (pence/share)		**(4.21)**	(3.27)
Diluted (pence/share)		**(4.21)**	(3.27)

All activities relate to continuing operations.

Group Statement of Financial Position
as at 31 December 2022

	Notes	2022 £'000	2021 £'000
Non-current assets			
Goodwill	18	**631**	631
Intangible assets	18	**3,413**	3,431
Property, plant and equipment	19	**2,282**	2,355
Investment property	20	**69**	174
Deferred tax asset	30	**200**	214
		6,595	6,805
Current assets			
Trade and other receivables	24	**1,202**	1,591
Current tax recoverable		**318**	793
Cash and cash equivalents	22	**4,322**	5,864
		5,842	8,248
Total assets		**12,437**	15,053
Current liabilities			
Trade and other payables	28	**2,304**	2,127
Current tax liabilities		**9**	—
Borrowings	26	**110**	110
		2,423	2,237
Net current assets		**3,419**	6,011
Non-current liabilities			
Borrowings	26	**570**	659
Trade and other payables	28	**39**	102
Long-term provisions	31	**25**	25
		634	786
Net assets		**9,380**	12,030
Equity			
Called up share capital	35	**168**	167
Share premium account	36	**8,685**	8,685
Merger reserve		**2,601**	2,601
Share-based payment reserve		**196**	258
Currency translation reserve		**108**	(2)
Retained earnings		**(2,378)**	321
Total equity		**9,380**	12,030

The financial statements were approved by the Board of Directors and authorised for issue on 2 June 2023 and are signed on its behalf by:

Mr A L Darbyshire
Director

Group Statement of Changes in Equity
For the year ended 31 December 2022

	Notes	Share capital £'000	Share premium account £'000	Merger reserve £'000	Share-based payment reserve £'000	Currency translation reserve £'000	Retained earnings £'000	Total £'000
Balance at 1 January 2021		94	3,053	2,407	251	(26)	2,270	8,049
Year ended 31 December 2021:								
Loss for the year		—	—	—	—	—	(1,949)	(1,949)
Other comprehensive income:								
Currency translation differences		—	—	—	—	24	—	24
Total comprehensive income for the year		—	—	—	—	24	(1,949)	(1,925)
Transactions with owners of the Company:								
Issue of share capital	35	73	6,179	194	—	—	—	6,446
Share-based payment charge	34	—	—	—	7	—	—	7
Costs of share issue deducted from share premium	36	—	(547)	—	—	—	—	(547)
Balance at 31 December 2021		167	8,685	2,601	258	(2)	321	12,030
Loss for the year		—	—	—	—	—	(2,828)	(2,828)
Currency translation differences		—	—	—	—	110	—	110
Total comprehensive income for the year		—	—	—	—	110	(2,828)	(2,718)
Transactions with owners of the Company:								
Issue of share capital	35	1	—	—	—	—	—	1
Share-based payment charge	34	—	—	—	67	—	—	67
Transfer of exercised and lapsed share-based payment charges		—	—	—	(129)	—	129	—
Balance at 31 December 2022		**168**	**8,685**	**2,601**	**196**	**110**	**(2,378)**	**9,380**

Group Statement of Cash Flows
For the year ended 31 December 2022

	Notes	2022 £'000	2022 £'000	2021 £'000	2021 £'000
Operating activities					
Loss before tax			**(3,097)**		(2,887)
Adjusted for non-cash items:					
Other gains and losses	13		**(125)**		(60)
Depreciation charge	7		**329**		299
Amortisation of intangible assets	7		**808**		1,226
Share-based payment expense	34		**67**		7
Finance income	11		**(8)**		—
Finance charges	12		**45**		55
RDEC adjustments			**(22)**		(127)
			(2,003)		(1,487
Increase/(decrease) in trade and other receivables	24		**390**		(245)
Increase in trade and other payables	28		**357**		710
Cash generated from operations			**(1,256)**		(1,022)
Income tax refunded			**788**		223
Net cash outflow from operating activities			**(468)**		(799)
Investing activities					
Business combinations (net of cash received)		**—**		(54)	
Development costs capitalised	18	**(785)**		(847)	
Purchase of property, plant and equipment	19	**(73)**		(29)	
Interest received		**8**		—	
Net cash used in investing activities			**(850)**		(930)
Financing activities					
Proceeds from issue of shares		**1**		6,250	
Share issue costs		**—**		(547)	
Repayment of bank loans	26	**(89)**		(66)	
Payment of lease liabilities	29	**(199)**		(199)	
Interest paid		**(40)**		(44)	
Net cash (used in)/generated from financing activities			**(327)**		5,394
Net (decrease)/increase in cash and cash equivalents			**(1,645)**		3,665
Cash and cash equivalents at beginning of year			**5,864**		2,192
Effect of foreign exchange rates			**103**		7
Cash and cash equivalents at end of year			**4,322**		5,864

Changes in liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's Consolidated Statement of Cash Flows as cash flows from financing activities.

	At 1 January 2022 £'000	Financing cash flows £'000	Other cash flows £'000	On inception £'000	Other movements* £'000	Foreign exchange £'000	**At 31 December 2022 £'000**
Cash	5,864	(288)	(1,364)	—	—	110	**4,322**
Bank loans	(769)	89	—	—	—	—	**(680)**
Leases	(289)	199	—	(76)	—	(1)	**(167)**
Contingent consideration	(245)	—	—	—	120	—	**(125)**
	4,561	—	(1,364)	(76)	120	109	**3,350**

	At 1 January 2021 £'000	Financing cash flows £'000	Other cash flows £'000	On inception £'000	Other movements* £'000	Foreign exchange £'000	At 31 December 2021 £'000
Cash	2,192	(265)	3,911	—	—	26	5,864
Bank loans	(835)	66	—	—	—	—	(769)
Leases	(405)	199	—	(83)	—	—	(289)
Contingent consideration	—	—	—	(234)	(11)	—	(245)
	952	—	3,911	(317)	(11)	26	4,561

* Other movements represents the unwinding of the discounted element for the deferred consideration arising on the acquisition of H2 Green Limited. The inception value in the prior year of £234,000 represents the amounts recognised at the point of acquisition of H2 Green Limited.

1. Accounting policies

Company information

Getech Group plc is a public company limited by shares incorporated in England and Wales and listed on the Alternative Investment Market ("AIM"). The registered office is Kitson House, Elmete Hall, Elmete Lane, Leeds, West Yorkshire, LS8 2LJ. The Company's principal activities and nature of its operations are disclosed in the Directors' report.

The Group consists of Getech Group plc and all of its subsidiaries (as set out in note 21).

1.1 Accounting convention

The consolidated financial statements of Getech Group plc have been prepared in accordance with UK-adopted International Accounting Standards and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards.

The financial statements are prepared in sterling, which is the functional currency of the Group. Monetary amounts in these financial statements are rounded to the nearest £'000.

The financial statements have been prepared under the historical cost convention, except for the revaluation of investment property and financial instruments. The principal accounting policies adopted are set out below.

1.2 Business combinations

The cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill.

The cost of the combination includes the estimated amount of contingent consideration, which is measured as fair value.

Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date.

1.3 Basis of consolidation

The consolidated Group financial statements consist of the financial statements of the Parent Company Getech Group plc together with all entities controlled by the Parent Company (its subsidiaries).

All financial statements are made up to 31 December 2022. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the Group.

All intra-Group transactions, balances and unrealised gains on transactions between Group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Subsidiaries are consolidated in the Group's financial statements from the date that control commences until the date that control ceases.

1.4 Going concern

In making the going concern assessment, the Board of Directors has considered Group budgets and detailed cash flow forecasts to 30 June 2024. The detailed forecasting models are built from Board approved budgets. From these budgets, revenue forecasting is regularly updated to take into consideration new contractually committed revenues, market sentiment, our current sales pipeline, and any other influencing factors. The Directors then further apply sensitivity testing to the revenue profiles based on the achievement of various levels of revenue from noncontractually committed sources.

Getech's bank loan includes a balloon payment of £0.5million that falls due in October 2024. The Group intends to either repay this amount early on successful sale of Kitson House, or re-finance the balance to achieve a similar repayment profile to that currently being paid.

These cash flow projections and sensitivities, when considered in conjunction with Getech's existing cash balances and its ability to adjust costs in accordance with forecast levels of revenue, demonstrate that the Group has sufficient working capital for the forecast period. Consequently, the Directors are fully satisfied that it is appropriate to prepare the accounts on a going concern basis.

1.5 Revenue

Revenue is measured by reference to the fair value of consideration received or receivable by the Group for products and services provided, excluding VAT and comparable overseas taxes. Typical invoice payment terms are 30 days for all categories of revenue.

Revenue from products and services falls into the four categories below:

Consultancy services

The Group provides various consulting services to its customers. Revenue from these services is recognised on a time-and-materials basis plus a margin as the services are provided at a rate agreed in the customer contract. Customers are invoiced monthly as work progresses.

The Group also provides outsourcing services for a fixed fee for an agreed period, as agreed in the customer contract. As the amount of work required to perform these services does not vary significantly from month-to-month, revenue is recognised on a straight-line basis over the term of the contract.

This revenue accounting policy is applicable for revenues from Government Advisory Services, Geoscience Services and Geospatial Solutions.

1. Accounting policies cont.

1.5 Revenue cont.

Multiclient products

For sales of data and completed products, revenue is recognised when performance obligations have been satisfied, which is on dispatch unless otherwise agreed. The transaction price is fixed and agreed in the customer contract.

This revenue accounting policy is applicable for revenues from Geophysical Data and Regional Reports.

Licence revenue

Customers subscribe to Getech's software and data product licences, usually over a 12-month term. The customer has the rights to all of the benefits provided by the product over the term of the licence, as such, revenue is recognised over the term of the licence at the fixed fee agreed in the customer contract. The balance of the revenue invoiced is deferred.

This revenue accounting policy is applicable for revenues from Geospatial Solutions Software and Globe licences.

Multiple element contracts

Where contracts for multiple element products with staged deliverables involve delivery of several different elements which are not fully delivered or performed by the year end, revenue is recognised based on the proportion of the fair value of the elements delivered to the fair value of the respective overall contracts, with each performance obligation determined on a point in time or an over time basis. Where the outcome of contracts that are long term in nature and contracts for ongoing deliverables cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

Revenue from multiple element contracts is recognised, after separating the contract income on a standalone selling price basis by reference to performance obligations, as follows:

- Completed project elements and specific reports that are immediately deliverable – revenue is recognised when the performance obligations have been satisfied, which is on dispatch unless otherwise agreed
- Service elements of the contract – revenue is recognised in line with the accounting treatment for consultancy services
- Project elements that are to be delivered from development work that is yet to be completed – revenue is recognised when the performance obligations have been satisfied, which is on dispatch unless otherwise agreed

Multiple element contracts for Getech typically include a package of multiple products or a product delivery with an additional service element and are therefore easily identifiable. Transaction prices are typically allocated to each element by apportioning by list price (or standard hourly rate in the case of services) and discount being evenly apportioned.

1.6 Goodwill

Goodwill represents the excess of the cost of acquisition over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less impairment losses.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not subsequently reversed.

1.7 Intangible assets other than goodwill

Expenditure on development activities is capitalised if the product or process meets the recognition criteria for development expenditure as set out in IAS 38 'Intangible Assets'. The expenditure capitalised includes all directly attributable costs, from the date that the intangible asset meets the recognition criteria.

Development expenditure is identified as being capital in nature if the costs can be measured reliably, the product is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset. Other development expenditure not meeting these criteria is recognised in profit or loss as incurred. Once the asset is ready for use, the capitalised development expenditure is stated at cost less accumulated amortisation (see below) and impairment losses. Intangible assets not yet ready for use are tested for impairment annually.

Research expenditure, or expenditure which does not meet the criteria set out above, is charged to profit or loss in the period in which it is incurred.

Other intangible assets include acquired data holdings that qualify for recognition as intangible assets in a business combination. As these assets have finite useful economic lives, they are accounted for using the cost model whereby capitalised costs are amortised on a straight-line basis over their estimated useful lives.

Residual values and useful lives are reviewed at each reporting date. In addition, intangible assets are subject to annual impairment reviews.

1. Accounting policies cont.

1.7 Intangible assets other than goodwill cont.

The following useful lives are applied:

Customer relationships	Fifteen years
Software development	Five years
Development costs	Three to ten years
Reports	Ten years
Data holdings	Ten years

Amortisation is included within 'Administrative costs', except for amortisation of Reports, which is included in 'Cost of sales'.

1.8 Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold property	2% per annum on cost
Right-of-use assets	Over the life of the lease
Plant and equipment	25% and 33.3% per annum on cost

Material residual value and useful life estimates are updated as required, but at least annually. Freehold land is carried at acquisition cost. As no finite useful life for land can be determined, related carrying amounts are not depreciated.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the income statement.

1.9 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially measured at cost, which represents the net investment in the sublease. Subsequently it is measured at historic cost less accumulated depreciation, which is calculated over the remaining life of the sublease.

The property represents a sublease to a third party, where the Group holds the head lease. The lease is held at historic cost on the basis that the lease represents a short-term lease and as such it is not possible to reliably determine a fair value where this lease is to expire in a short period of time.

1.10 Non-current investments

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the Parent Company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.11 Impairment of tangible and intangible assets

At each reporting end date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1. Accounting policies cont.

1.12 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.13 Financial assets

Financial assets are recognised in the Group's statement of financial position when the Group becomes party to the contractual provisions of the instrument. Financial assets are classified into specified categories, depending on the nature and purpose of the financial assets.

At initial recognition, financial assets classified as fair value through profit and loss are measured at fair value and any transaction costs are recognised in profit or loss. Financial assets not classified as fair value through profit and loss are initially measured at fair value plus transaction costs except for trade receivables which are measured at transaction price if they do not contain a significant financing component.

Financial assets at fair value through profit or loss

When any of the above-mentioned conditions for classification of financial assets is not met, a financial asset is classified as measured at fair value through profit or loss. Financial assets measured at fair value through profit or loss are recognised initially at fair value and any transaction costs are recognised in profit or loss when incurred. A gain or loss on a financial asset measured at fair value through profit or loss is recognised in profit or loss, and is included within finance income or finance costs in the statement of income for the reporting period in which it arises.

Financial assets held at amortised cost

Financial instruments are classified as financial assets measured at amortised cost where the objective is to hold these assets in order to collect contractual cash flows, and the contractual cash flows are solely payments of principal and interest. They arise principally from the provision of goods and services to customers (eg trade receivables). They are initially recognised at fair value plus transaction costs directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment where necessary.

Impairment of financial assets

Financial assets, other than those measured at fair value through profit or loss, are adjusted at each reporting period date under IFRS 9's 'expected credit loss "ECL" model'.

The Group considers a broad range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, and reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1'); and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2').

'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date.

'12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category. Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Loss allowances for trade receivables and contract assets are measured using IFRS 9 simplified model being an amount equal to lifetime ECL.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when the Group transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

1. Accounting policies cont.

1.14 Financial liabilities

The Group recognises financial debt when the Group becomes a party to the contractual provisions of the instruments. Financial liabilities are classified as either 'financial liabilities at fair value through profit or loss' or 'other financial liabilities'.

Financial liabilities at fair value through profit or loss

Financial liabilities are classified as measured at fair value through profit or loss when the financial liability is held for trading. A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of selling or repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that are managed together and has a recent actual pattern of short-term profit taking; or
- it is a derivative that is not a financial guarantee contract or a designated and effective hedging instrument.

Financial liabilities at fair value through profit or loss are stated at fair value with any gains or losses arising on remeasurement recognised in profit or loss.

Other financial liabilities

Other financial liabilities, including borrowings, trade payables and other short-term monetary liabilities, are initially measured at fair value net of transaction costs directly attributable to the issuance of the financial liability. They are subsequently measured at amortised cost using the effective interest method. For the purposes of each financial liability, interest expense includes initial transaction costs and any premium payable on redemption, as well as any interest or coupon payable while the liability is outstanding.

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the Group's obligations are discharged, cancelled, or they expire.

1.15 Equity instruments

Equity instruments issued by the Parent Company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer payable at the discretion of the Company.

Equity comprises the following reserves:

- 'Share capital' represents the nominal value of equity shares
- 'Share premium account' represents the excess over nominal value of the fair value of consideration received for equity shares, net of expenses of the share issue
- 'Merger reserve' represents the premium on shares issued to acquire ERCL Limited, Exprodat Consulting Limited, and H2 Green Limited
- 'Share option reserve' represents the fair value of share options in accordance with IFRS 2 'Share-based Payment'
- 'Currency translation reserve' represents the value of exchange differences in translating the assets and liabilities of the foreign subsidiary
- 'Retained earnings' represents cumulative profits and losses, net of dividends and distributions to shareholders.

1.16 Derivatives

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to fair value at each reporting end date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability. A derivative is presented as a non-current asset or liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months. Other derivatives are classified as current.

1. Accounting policies cont.

1.17 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Where expenditure qualifies for additional R&D tax credits, the Group recognises a tax asset reflecting management's best estimate of the recoverable amount, taking into consideration the qualifying criteria for tax credits and the expected use of those credits. Any adjustments to the recognition value are shown in subsequent years. Where claims result in a reduction in taxable profits, these are accounted for as a credit to the tax expense; where claims are under the UK Research and Development Expenditure Credit scheme ("RDEC") the gross value of the grant income is credited to administrative expenses, and the tax charge on this grant income is debited to the tax expense.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the Group has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.18 Provisions

Provisions are recognised when the Group has a legal or constructive present obligation as a result of a past event and it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

1.19 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of inventories or non-current assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the Group is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.20 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1. Accounting policies cont.

1.21 Share-based payments

Where equity-settled share options are granted, a charge is made to profit or loss and a reserve is created to record the fair value of the awards in accordance with IFRS 2 'Share-based Payment'. A charge is recognised in profit or loss in relation to share options granted based on the fair value (the economic value) of the grant, measured at the grant date. The charge is spread over the vesting period. The valuation methodology takes into account assumptions and estimates of share price volatility, the future risk-free interest rate and exercise behaviour, and is based on the Black Scholes method. When share options are exercised, there is a transfer from the share option reserve to retained earnings.

At the end of each reporting period, the Group revises its estimate of the number of share options that are expected to vest, taking into account those that have lapsed or been cancelled. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to the share option reserve.

When the terms and conditions of equity-settled share-based payments at the time they were granted are subsequently modified, the fair value of the share-based payment under the original terms and conditions and under the modified terms and conditions are both determined at the date of the modification. Any excess of the modified fair value over the original fair value is recognised over the remaining vesting period in addition to the grant date fair value of the original share-based payment. The share-based payment expense is not adjusted if the modified fair value is less than the original fair value.

Cancellations or settlements (including those resulting from employee redundancies) are treated as an acceleration of vesting and the amount that would have been recognised over the remaining vesting period is recognised immediately.

1.22 Leases

At inception, the Group assesses whether a contract is, or contains, a lease within the scope of IFRS 16. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Where a tangible asset is acquired through a lease, the Group recognises a right-of-use asset and a lease liability at the lease commencement date. Right-of-use assets are included within property, plant and equipment, apart from those that meet the definition of investment property.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date plus any initial direct costs and an estimate of the cost of obligations to dismantle, remove, refurbish or restore the underlying asset and the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of other property, plant and equipment. The right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are unpaid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Lease payments included in the measurement of the lease liability comprise fixed payments, variable lease payments that depend on an index or a rate, amounts expected to be payable under a residual value guarantee, and the cost of any options that the Group is reasonably certain to exercise, such as the exercise price under a purchase option, lease payments in an optional renewal period, or penalties for early termination of a lease.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in: future lease payments arising from a change in an index or rate; the Group's estimate of the amount expected to be payable under a residual value guarantee; or the Group's assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases of machinery that have a lease term of 12 months or less, or for leases of low-value assets including IT equipment. The payments associated with these leases are recognised in profit or loss on a straight-line basis over the lease term.

When the Group acts as a lessor, leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees, over the major part of the economic life of the asset. All other leases are classified as operating leases. If an arrangement contains lease and non-lease components, the Group applies IFRS 15 to allocate the consideration in the contract. When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately, classifying the sub-lease with reference to the right-of-use asset arising from the head lease instead of the underlying asset.

1.23 Grants

Government grants are recognised when there is reasonable assurance that the grant conditions will be met and the grants will be received.

1. Accounting policies cont.

1.24 Foreign exchange

The Group's financial statements are presented in pound sterling, which is also the functional currency of the Parent Company.

Where supplies are obtained, or sales are made on terms denominated in foreign currency, such transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Exchange gains or losses arising on the settlement or translation of monetary items are included in profit or loss from operations.

The assets and liabilities of the Group's overseas subsidiary undertaking are translated into the presentation currency using exchange rates prevailing at the end of the reporting period. Translation differences in respect of the assets and liabilities of the foreign subsidiary are accounted for in the Group's currency translation reserve within equity. Income and expenses of this undertaking are translated at the average exchange rates for the period that approximate to the actual rates on transaction dates. Exchange differences arising, if any, are recognised in other comprehensive income and the Group's currency translation reserve.

1.25 Exceptional items

Items which are material either because of their size or their nature, and which are non-recurring, are presented within their relevant consolidated income statement category, but highlighted through separate disclosure. The separate reporting of exceptional items helps provide a better picture of the Company's underlying performance. Items which are included within the exceptional category include:

- spend on the integration of significant acquisitions and other major restructuring programmes;
- significant goodwill or other asset impairments relating to specific market events; and
- other particularly significant or unusual items.

2. Adoption of new and revised standards and changes in accounting policies

In the current year, the following new and revised standards and interpretations have been adopted by the Group:

- IAS 1 'Presentation of Financial Statements': Classification of Liabilities as Current or Non-Current
- Amendments to IAS 37 Onerous Contracts – Cost of Fulfilling a Contract
- Amendments to IAS 16 Property, Plant and Equipment: Proceeds before Intended Use
- Amendments to IFRS 3 Reference to the Conceptual Framework
- Amendment to IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a First-time Adopter
- Amendment to IFRS 9 Financial Instruments – Fees in the '10 per cent' Test for Derecognition of Financial Liabilities

The introduction of these standards has had no effect on the current year's reported results or financial position.

Standards which are in issue but not yet effective

At the date of authorisation of these financial statements, the Group has not applied the following new and revised standards that have been issued but are not effective yet:

	Effective date – period beginning on or after
IFRS 17 'Insurance Contracts' and subsequent withdrawal of IFRS 4 'Insurance Contracts', and amendments to IFRS 17	1 January 2023
Deferred tax relating to assets and liabilities arising from a single transaction (Amendments to IAS 12 'Income Taxes')	1 January 2023
Amendments to IFRS 10 and IAS 28 for the sale or contribution of assets between an investor and its associate or joint venture	1 January 2023*
Disclosure of accounting policies (amendments to IAS 1 and IFRS Practice Statement 2)	1 January 2023
Definition of an accounting estimate (amendments to IAS 8)	1 January 2023
Lease liability in a sale and leaseback (amendments to IFRS 16)	1 January 2024
Amendments to IAS 1 'Presentation of Financial Statements' for non-current liabilities with covenants	1 January 2024
Amendments to IAS 1 'Presentation of Financial Statements' – classification of liabilities as current or non-current'	

* These standards, amendments and interpretations have not yet been endorsed by the UK and the shown are the expected dates.

The adoption of all above standards is not expected to have any material impact on the Group's financial statements.

3. Critical accounting estimates and judgements

In the application of the Company's accounting policies, the Directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are outlined below.

Critical judgements

Deferred consideration for H2 Green

In March 2021 the Group acquired the entire ordinary share capital of H2 Green Limited ("H2 Green") for initial consideration of £250,000 and contingent deferred consideration of up to £750,000, payable in tranches based upon completion of certain defined milestones.

The Directors consider certain of these events to be probable based on current operational plans, however the expected timing of this remains uncertain. The Directors have therefore recognised the unwinding of the discount on deferred consideration for the first milestone within these financial statements, but have not recognised any additional fair value adjustments to the liability as it remains only this milestone payment of £125,000 which is expected to become payable. Further details of this are provided in note 28.

At the year end the Directors do not consider the remaining milestone payments are sufficiently probable to adjust the recognition of a liability for these, as the projects involved in meeting these milestones have not progressed and are not expected to progress to a level where the milestone payments will be triggered prior to expiry.

Recognition of revenue from multiple element contracts, and revenue recognition

Management uses judgement in determining the fair value of multiple element contracts in order to appropriately recognise the revenue attributable to each element, which may be based on contractual terms or (for bundled contracts) the standalone selling price that would be attributed to each service.

For revenues recognised over time, the value of revenue recognised in the period is dependent on an assessment of work to completion. This is often based on a straight-line approach as services are consumed by the customer.

Capitalisation of development costs

The capitalisation of development expenditure is dependent on the costs meeting the recognition criteria in accordance with IAS 38 'Intangible Assets'. In assessing the criteria, management makes judgements on the level of future economic benefits of the asset flowing to the Company. Management is assisted in making these judgements through the monitoring both of sales forecasts and of the level of future cost benefits arising.

Deferred taxation

Management judgement is required in determining provisions for deferred tax liabilities and assets. The process involves estimating the actual current tax exposure together with assessing temporary differences resulting from the different valuation of certain assets and liabilities in the financial statements and the tax returns. Management must assess the probability that the deferred tax assets will be recovered from future taxable income, except where the assets will unwind against other deferred tax liabilities where the asset is recognised and offset in accordance with IAS 12 'Income Taxes'.

The Group has continued to recognise deferred tax assets in respect of the US, based on the expected flow of profits in that jurisdiction, based on its expectations for future growth as risk adjusted for the expected timing of realising these profits. All UK companies have recognised deferred tax only to the extent that balances will unwind against associated deferred tax liabilities.

Recoverability of intercompany loans (Company only)

Management utilises judgement when assessing the recovability of intercompany loans using the expected credit loss method in accordance with the requirements of IFRS 9 'Financial Instruments'. As a result an expected credit loss provision of £93,000 (5%) has been recognised against the loan, which is management's best estimate of the company's credit loss across a variety of scenario modelling outcomes.

Key sources of estimation uncertainty

Valuation of future projects

The Directors prepare forecasts which inform the plans for the business as well as providing key inputs for impairment testing for the Group's non-monetary assets, including the Hydrogen cash-generating unit ("CGU").

The Hydrogen CGU is in an emerging sector and is required to respond to developments within the market. The Directors have tested for impairment at the year end using forecast assumptions, key to which are the hydrogen sales price, grid electricity prices, and anticipated capital expenditure to construct the hydrogen hubs.

For other CGUs, the key estimates are around the timing and extent of revenues, which can typically be large and irregular in nature. Costs are relatively predictable. These forecasts also inform the Directors' view around going concern, for which the key estimation uncertainties remain the same.

Carrying amount of non-current assets

Where there is an indication of impairment, a review of the carrying values of non-current assets is undertaken as follows:

Intangible non-current assets, including goodwil

These are estimated on the basis of value in use, which is calculated from the present value of future cash flows expected to be derived from the asset under review. The key elements of estimation are the calculation of future cash flows. For intangible assets, future cash flows are forecast revenues from the associated cash-generating unit. Further estimation is made in determining an appropriate discount rate that reflects the specific risks associated with the asset or cash-generating unit. See notes 17 and 18 for further details of assumptions made and sensitivity testing regarding goodwill and intangible assets.

4. Revenue and segmental reporting

IFRS 8 'Operating Segments' requires operating segments to be identified on the basis of internal reports of the Group that are regularly reviewed by the Group's chief operating decision maker. The chief operating decision maker of the Group is considered to be the Board of Directors of the Group.

The Directors of the Company have chosen to organise the Group around differences in products and services. Operating segments with similar characteristics, and where segments are similar in respect of the nature of the products and services, the nature of the production processes, the type of customer and where they have similar methods of distribution, have been aggregated into a single operating segment. In particular, the timing and nature of revenue recognition, expected margins, and conversion to cash represent economic indicators of similarity for the segments; as a result of this similarity, management review the results of the aggregated operating segments at this level so as to understand the cash position of the Group.

The Group has aggregated its operating segments into three reportable segments as follows:

- Products (including Geophysical Data, Globe, Regional Reports, Software revenues and Hydrogen manufacturing and distribution); and
- Services (including Government Advisory Services, Geoscience Services and Geospatial Solutions revenues); and
- Asset development, which covers the Hydrogen development work of H2 Green.

The asset development operating segment was new in the current year, and at present generates only low-level revenues. The prior year figures have been updated to present the results separately in the prior year.

Segmental revenues and results

The following is an analysis of the Group's revenues and results from continuing operations by reportable segment:

	2022		2021	
	Revenue £'000	**Profit £'000**	Revenue £'000	Profit £'000
Products	**3,685**	**2,013**	3,509	2,267
Services	**1,286**	**480**	771	145
Asset development	**100**	**(1,103)**	—	(447)
Total revenue/profit	**5,070**	**1,389**	4,280	1,965
Central administrative costs and exceptional items		**(4,574)**		(4,857)
Fair value gains and losses		**125**		60
Net finance costs		**(37)**		(55)
Loss before tax		**(3,097)**		(2,887)

The segment revenue reported above represents revenue generated from external customers. There were no inter-segment sales.

The accounting policies of the reportable segments are the same as in the Group's accounting policies described in note 1. Segment profit represents the profit before tax earned by each segment without allocation of central administration costs, restructure costs or finance costs. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance. Further, depreciation, amortisation and income tax are not disclosed as this information is not provided to the chief operating decision maker.

Assets and liabilities are not reported to the chief operating decision maker by segment.

4. Revenue and segmental reporting cont.

Revenue and assets by geographical markets

The following is an analysis of revenue and non-current assets when disaggregated by geographical market:

	2022		2021	
	Revenue £'000	**Non-current assets £'000**	Revenue £'000	Non-current assets £'000
United Kingdom	**716**	**6,614**	479	7,651
Italy	**239**	**—**	280	—
France	**—**	**—**	210	—
Ireland	**102**	**—**	317	—
Rest of Europe	**227**	**—**	177	—
United States of America	**1,713**	**214**	1,425	251
Rest of the Americas	**815**	**—**	135	—
Malaysia	**188**	**—**	188	—
Kazakhstan	**305**	**—**	300	—
Australia	**136**	**—**	158	—
Rest of Asia-Pacific	**451**	**—**	154	—
Sierra Leone	**—**	**—**	391	—
Rest of Africa	**178**	**—**	66	—
	5,070	**6,828**	4,280	7,902

There were three customers exceeding 10% of the Group's revenue, with the largest customer contributing to 18% of revenues (2021: no concentration). 23.5% of revenues from two customers sit within the Products segment, with the remainder being in the Services segment.

Revenue by timing of recognition

The following table shows a disaggregation of revenue by timing of revenue recognition. The table also includes a reconciliation of the disaggregated revenue within the Group's two reportable segments.

	2022 £'000	2021 £'000
Point in time		
Products	**985**	1,724
Services	**—**	13
	985	1,737

	2022 £'000	2021 £'000
Over time		
Products	**2,700**	1,724
Services	**1,285**	758
Asset development	**100**	—
	4,085	2,543

The Group has recognised the following assets and liabilities related to contracts with customers:

4. Revenue and segmental reporting cont.

Contract assets	2022 £'000	2021 £'000
At 1 January	**167**	237
Transfers in the year from contract assets to trade receivables	**(167)**	(237)
Excess of revenue recognised over cash (or rights to cash) being recognised during the year	**126**	167
At 31 December	**126**	167

Contract liabilities	2022 £'000	2021 £'000
At 1 January	**504**	387
Amounts recognised as revenue during the year	**(504)**	(387)
Amounts received in advance of performance and not recognised as revenue during the year	**1,009**	504
At 31 December	**1,009**	504

Contract assets and contract liabilities are shown within trade and other receivables and trade and other payables respectively. They arise from the Group's contracts because cumulative payments received from customers at each balance sheet date do not necessarily equal the amount of revenue recognised on the contracts.

5. Exceptional items

	Note	2022 £'000	2021 £'000
Expenditure			
Amortisation of supplier contracts	18	**—**	300
		—	300

6. Alternative Performance Measures

The Directors have used an Alternative Performance Measure ("APM") in the preparation of these financial statements. The consolidated income statement has presented operating loss before exceptional items, which removes non-recurring items which are not relevant to the underlying performance and cash generation of the business.

The Directors have presented this APM because they feel it most suitably represents the underlying performance and cash generation of the business, and allows comparability between the current and comparative period in light of the changes in the business, and will allow an ongoing trend analysis of this performance based on current plans for the business.

7. Operating loss

	2022 £'000	2021 £'000
Operating loss for the year is stated after charging/(crediting):		
Exchange losses/(gains)	**22**	(7)
Research and development costs (including staff costs)	**856**	1,578
Government grants	**(22)**	—
Depreciation of property, plant and equipment	**224**	137
Impairment of property, plant and equipment	**—**	37
Depreciation of investment property	**105**	125
Amortisation of intangible assets	**808**	1,226
Share-based payments	**67**	7

8. Auditor's remuneration

Fees payable to the Company's auditor and associates:	2022 £'000	2021 £'000
For audit services		
Audit of the financial statements of the Group and Company	**75**	80
Audit of the financial statements of the Company's subsidiaries	**20**	15
	95	95
For other services		
Audit-related assurance services	**7**	6

9. Employees

The average monthly number of persons (including Executive Directors) employed by the Group during the year was:

	2022 Number	2021 Number
Directors	**3**	3
Administration	**17**	13
Technical	**46**	44
Total	**66**	60

Their aggregate remuneration comprised:

	2022 £'000	2021 £'000
Wages and salaries	**4,185**	3,240
Government grants received	**—**	(22)
Social security costs	**515**	355
Pension costs	**446**	354
Share-based payment charges	**67**	7
	5,213	3,934

A proportion of the Group's staff costs shown above are capitalised as additions to intangible assets – development costs in accordance with the Group's accounting policies. Details of amounts capitalised can be found in note 18.

10. Directors' remuneration

Directors' remuneration for the year ended 31 December 2022 was as follows:

	Salary/fees £'000	Pension £'000	Benefits in kind £'000	Total before share options £'000	Share options £'000
Executive Directors					
Dr Jonathan Copus	278	13	1	292	18
Chris Jepps	169	7	1	177	14
Andrew Darbyshire	128	11	1	140	14
Non-Executive Directors					
Dr Stuart Paton	47	—	—	47	—
Richard Bennett	45	—	—	45	—
Michael Covington	23	—	—	23	—
Emma Parker	23	2	—	25	—
	713	33	3	749	46

Directors' remuneration for the year ended 31 December 2021 was as follows:

	Salary/fees £'000	Pension £'000	Benefits in kind £'000	Total before share options £'000	Share options £'000
Executive Directors					
Dr Jonathan Copus	243	12	1	256	—
Chris Jepps	146	7	1	154	—
Andrew Darbyshire	111	7	—	118	—
Non-Executive Directors					
Dr Stuart Paton	39	—	—	39	—
Dr Alison Fielding (resigned 30 June 2021)	9	—	—	9	—
Chris Flavell (resigned 21 July 2021)	10	—	—	10	—
Peter Stephens (resigned 28 January 2021)	1	—	—	1	—
Richard Bennett (appointed 28 January 2021)	36	—	—	36	—
Michael Covington (appointed 13 May 2021)	14	—	—	14	—
Emma Parker (appointed 22 July 2021)	10	1	—	11	—
	619	27	2	648	—

10. Directors' remuneration cont.

Directors' share options

				Number of shares		
Date granted	Exercise period	Option price	31 Dec 21	Granted	Exercised	31 Dec 22
Dr Jonathan Copus						
2 Aug 2016	2 Aug 17 – 2 Aug 26	24.50p	500,000	—	—	500,000
2 Aug 2016	2 Aug 18 – 2 Aug 26	24.50p	500,000	—	—	500,000
2 Aug 2016	2 Aug 19 – 2 Aug 26	24.50p	400,000	—	—	400,000
18 Nov 2018	2 Aug 19 – 19 Nov 28	35.00p	100,000	—	—	100,000
18 Nov 2018	18 Nov 19 – 19 Nov 28	35.00p	125,000	—	—	125,000
18 Nov 2018	18 Nov 20 – 19 Nov 28	35.00p	125,000	—	—	125,000
8 Feb 2022	8 Feb 23 – 8 Feb 29	27.50p	—	216,666	—	216,666
8 Feb 2022	8 Feb 24 – 8 Feb 29	27.50p	—	216,667	—	216,667
8 Feb 2022	8 Feb 25 – 8 Feb 29	27.50p	—	216,667	—	216,667
Chris Jepps						
18 Nov 2018	18 Nov 19 – 19 Nov 28	35.00p	125,000	—	—	125,000
18 Nov 2018	18 Nov 20 – 19 Nov 28	35.00p	125,000	—	—	125,000
8 Feb 2022	8 Feb 23 – 8 Feb 29	27.50p	—	166,666	—	166,666
8 Feb 2022	8 Feb 24 – 8 Feb 29	27.50p	—	166,667	—	166,667
8 Feb 2022	8 Feb 25 – 8 Feb 29	27.50p	—	166,667	—	166,667
Andrew Darbyshire						
18 Nov 2018	18 Nov 19 – 19 Nov 28	35.00p	125,000	—	—	125,000
18 Nov 2018	18 Nov 20 – 19 Nov 28	35.00p	125,000	—	—	125,000
8 Feb 2022	8 Feb 23 – 8 Feb 29	27.50p	—	166,666	—	166,666
8 Feb 2022	8 Feb 24 – 8 Feb 29	27.50p	—	166,667	—	166,667
8 Feb 2022	8 Feb 25 – 8 Feb 29	27.50p	—	166,667	—	166,667
Dr Stuart Paton						
27 Apr 2021	27 Apr 21 – 21 Apr 22	17.50p	300,000	—	300,000	—
27 Apr 2021	27 Apr 21 – 21 Apr 22	17.50p	200,000	—	200,000	—
27 Apr 2021	27 Apr 21 – 21 Apr 22	17.50p	200,000	—	200,000	—
27 Apr 2021	27 Apr 21 – 21 Apr 22	17.50p	200,000	—	200,000	—
Total Directors' share options			3,150,000	1,650,000	900,000	3,900,000

The market price of the shares at the end of the financial year was 15.38p and the range of market prices during the year was between 14.38p and 34.30p.

Dr Stuart Paton's share options were exercised on a net settled basis during the year. On 28 February 2023 Dr Jonathan Copus' share options were settled following his departure from the role of Chief Executive Officer.

Full share-based payment disclosures are provided in note 34. In addition, further share options were granted to Directors on 15 March 2023, as disclosed in note 39.

11. Investment income

	2022 £'000	2021 £'000
Interest income		
Financial instruments measured at amortised cost:		
Bank deposits	8	—

12. Finance costs

	2022 £'000	2021 £'000
Interest on bank overdrafts and loans	32	23
Interest on lease liabilities	7	21
Other interest payable	1	—
Core interest expense	40	44
Interest on contingent consideration for H2 Green Limited acquisition	5	11
	45	55

13. Other gains and losses

	2022 £'000	2021 £'000
Reversal of expected credit losses with H2 Green Limited	—	70
Change in value of financial assets at fair value through profit or loss	—	(10)
Change in value of contingent consideration	125	—
	125	60

Other gains and losses relate to adjustments prior to, and on, the acquisition of H2 Green Limited.

14. Income tax income

	2022 £'000	2021 £'000
Current tax		
UK corporation tax on profits for the current period	(283)	(454)
Adjustments in respect of prior periods	—	(446)
Total UK current tax	(283)	(900)
Foreign taxes and reliefs	—	27
	(283)	(873)
Deferred tax		
Origination and reversal of temporary differences	38	(45)
Changes in tax rates	—	(22)
Foreign exchange differences	(24)	2
	14	(65)
Total tax charge/(credit)	(269)	(938)

14. Income tax income cont.

The charge for the year can be reconciled to the profit/(loss) per the income statement as follows:

	2022 £'000	2021 £'000
Profit/(loss) before taxation	(3,097)	(2,887)
Expected tax credit based on a corporation tax rate of 19.00% (2021: 19.00%)	(588)	(549)
Effect of expenses not deductible in determining taxable profit	4	36
Utilisation of tax losses not previously recognised	(24)	—
Unutilised tax losses carried forward	492	—
Change in unrecognised deferred tax assets	—	225
Effect of change in UK corporation tax rate	—	(2)
Depreciation on assets not qualifying for tax allowances	27	—
Amortisation on assets not qualifying for tax allowances	46	—
Research and development tax credit	(221)	(206)
Other permanent differences	(7)	(20)
Share-based payment charge	(13)	—
Under/(over) provided in prior years	25	(6)
Adjustments for tax in foreign jurisdictions	—	31
R&D tax credits – claims in respect of the prior year	—	(447)
Taxation charge/(credit) for the year	(269)	(938)

The UK corporation tax rate was 19% throughout the year.

In the March 2021 Budget, a change to the future UK corporation tax rate was announced, indicating that the rate will increase to 25% from April 2023. Deferred tax balances at the reporting date are therefore measured at 25% (2021: 25%).

15. Dividends

No dividends have been paid during the current or prior year, nor are any proposed by the Directors in respect of the current year end.

16. Earnings per share

	2022 Number	2021 Number
Number of shares		
Weighted average number of ordinary shares for basic earnings per share	**67,251,505**	59,612,590
Earnings (all attributable to equity shareholders of the Company)		
Loss for the period from continuing operations	**(2,828)**	(1,949)
Basic and diluted earnings per share		
From continuing operations (pence/share)	**(4.21)**	(3.27)

Basic EPS is calculated by dividing the profit attributable to equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is calculated by dividing the profit attributable to equity holders of the parent by the weighted average number of ordinary shares outstanding plus the weighted average number of shares that would be issued on conversion of all the dilutive share options into ordinary shares. In the current and comparative year the Group has incurred losses and as such has not presented any dilution of earnings per share in accordance with IAS 33 'Earnings per Share'. However, these dilutive shares would dilute the earnings per share should the Group become profitable.

Adjusted Earnings per share

The Directors use 'Adjusted Earnings' as a Key Performance Measure, which is defined as earnings before exceptional items. In the prior year this included a material component of non-recurring amortisation which only arose as a result of the business combination with H2 Green Limited. Adjusted Earnings is considered to more faithfully represent and measure the ongoing profitability and performance.

The calculated Adjusted Earnings for the current period is as follows:

	Notes	2022 £'000	2021 £'000
Loss for the period from continuing operations		**(2,828)**	(1,949)
Adjusted for:			
Exceptional items	5	**—**	300
Adjusted Earnings		**(2,828)**	(1,649)
Basic Adjusted Earnings per share (pence per share)		**(4.21)**	(2.77)

17. Impairments

Impairment tests have been carried out where appropriate and the following impairment losses have been recognised in profit or loss:

	2022 £'000	2021 £'000
In respect of:		
Property, plant and equipment	**—**	37
Financial assets – loans and receivables	**—**	(70)
Recognised in:		
Administrative expenses	**—**	37
Other gains and losses	**—**	(70)

The impairment of property, plant and equipment in the prior year resulted from a loss on inception of a sublease, as disclosed in note 20. Other gains and losses related to adjustments prior to, and on, the acquisition of H2 Green Limited, for which further details are provided in notes 3 and 13.

18. Intangible assets

	Goodwill £'000	Supplier contracts £'000	Other intangibles £'000	Development costs £'000	Reports £'000	Data holdings £'000	Customer relationships £'000	Software development £'000	Total £'000
Cost									
At 1 January 2021	3,428	—	34	5,908	1,509	1,616	877	462	13,834
Additions – internally generated	—	—	—	847	—	—	—	—	847
Additions – on business combinations	335	300	—	—	—	—	—	—	635
Foreign currency adjustments	—	—	—	—	—	21	—	—	21
At 31 December 2021	3,763	300	34	6,755	1,509	1,637	877	462	15,337
Additions – internally generated	—	—	—	786	—	—	—	—	786
Disposals	—	—	—	—	(42)	—	—	—	(42)
Foreign currency adjustments	—	—	—	—	—	196	—	—	196
At 31 December 2022	**3,763**	**300**	**34**	**7,541**	**1,467**	**1,833**	**877**	**462**	**16,277**
Amortisation and impairment									
At 1 January 2021	3,132	—	32	2,856	1,509	1,558	523	419	10,029
Charge for the year	—	300	2	829	—	15	38	43	1,227
Foreign currency adjustments	—	—	—	—	—	19	—	—	19
At 31 December 2021	3,132	300	34	3,685	1,509	1,592	561	462	11,275
Charge for the year	—	—	—	753	—	16	38	—	807
Eliminated on disposals	—	—	—	—	(42)	—	—	—	(42)
Foreign currency adjustments	—	—	—	—	—	193	—	—	193
At 31 December 2022	**3,132**	**300**	**34**	**4,438**	**1,467**	**1,801**	**599**	**462**	**12,233**
Carrying amount									
At 31 December 2022	**631**	**—**	**—**	**3,103**	**—**	**32**	**278**	**—**	**4,044**
At 31 December 2021	631	—	—	3,070	—	45	316	—	4,062

18. Intangible assets cont.

Impairment tests for cash-generating units

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, being the operating segments.

The recoverable amount was determined based on value in use calculations, covering a detailed five-year forecast, followed by an extrapolation of expected cash flows for the remaining useful lives. The present value of the expected cash flows is determined by applying a suitable discount rate reflecting the current market assessments of the time value of money and risks specific to the cash-generating unit.

The allocation to cash-generating units is as follows:

	2022 £'000	2021 £'000
Geospatial Solutions	**296**	296
Hydrogen manufacturing and distribution	**335**	335
	631	631

The recoverable amount of cash-generating units ("CGU") has been tested for impairment using future cash flows attributable to each CGU. In extrapolating future cash flows, long-term industry growth has been modelled at an annual rate of 2%, together with a 2% rate of inflation on costs annually.

Geospatial Solutions

Sales volumes over the five-year period are based on past performance and management's expectations of a market recovery staggered over that period, reflected by 5% year-on-year growth; no additional growth has been factored in beyond this five-year period beyond inflationary growth.

The discount rate applied of 12.56% (2021: 9.01%) takes into consideration the industry-wide risks as well as those specific to the Group's CGU.

Hydrogen manufacturing and distribution

Sales values over an extended period have been based on early-stage budget developments through an extended period, with a longer-term assumption of 2% inflation. This is contingent on the achievement of certain milestones to enable revenues to be generated, with such milestone triggering payments of contingent consideration; failure to meet milestones might result in the impairment of the goodwill as well as a corresponding release of the liability associated with the contingent consideration. The discount rate applied is 25% (2021: 40%); in the prior year this was significantly heightened from the Geospatial Solutions discount rate so as to reflect the early stage of the business, but this is now maturing.

Sensitivity analysis is carried out on all budgets, strategic plans and discount rates used in the calculations. The cash flow model is sensitive to short-term market fluctuations. However, the impact of a longer-term decrease of 10% in projected cash flows does not impact the outcome of the impairment review.

The hydrogen manufacturing and distribution business is new and historical financial data is minimal, therefore this could result in an impairment to the extent that forecast revenues are not achieved.

Amortisation charges are included within 'administrative expenses' in the consolidated statement of comprehensive income, except for the amortisation of Reports which is included within 'cost of sales' and the amortisation of supplier contracts which is included within exceptional costs on the grounds that this is non-recurring and arising from the acquisition of H2 Green Limited.

19. Property, plant and equipment

	Freehold property £'000	Right-of-use assets £'000	Plant and equipment £'000	Total £'000
Cost				
At 1 January 2021	2,798	641	973	4,412
Additions	—	83	29	112
Disposals	—	—	(40)	(40)
Transfer to investment property	—	(641)	—	(641)
At 31 December 2021	2,798	83	962	3,843
Additions	—	76	72	148
Disposals	—	—	(268)	(268)
Foreign currency adjustments	—	11	5	16
At 31 December 2022	**2,798**	**170**	**771**	**3,739**
Accumulated depreciation and impairment				
At 1 January 2021	482	290	924	1,696
Charge for the year	35	67	35	137
Impairment loss (profit or loss)	—	37	—	37
Eliminated on disposal	—	—	(40)	(40)
On assets reclassified as investment property	—	(342)	—	(342)
At 31 December 2021	517	52	919	1,488
Charge for the year	144	41	39	224
Eliminated on disposal	—	—	(268)	(268)
Foreign currency adjustments	—	8	5	13
At 31 December 2022	**661**	**101**	**695**	**1,457**
Carrying amount				
At 31 December 2022	**2,137**	**69**	**77**	**2,282**
At 31 December 2021	2,281	31	43	2,355
At 31 December 2020	2,316	351	49	2,716

19. Property, plant and equipment cont.

Property, plant and equipment includes right-of-use assets, as follows:

Right-of-use assets	2022 £'000	2021 £'000
Net values at the year end		
Property	6	31
Motor vehicles	63	—
	69	31
Total additions in the year	76	83
Depreciation charge for the year		
Property	13	67
Impairment charge for the year		
Property	—	37

Depreciation charges are included in 'administrative costs' in the consolidated statement of comprehensive income.

The carrying amount of freehold land not subject to depreciation amounted to £1,000,000 (2021: £1,000,000).

The Group continues to explore the future sale of Kitson House, having agreed provisional terms for a sale (which was subsequently abandoned) during 2022. The requirements of IFRS 5 have been reviewed and based on the expected timeframe for disposal it is considered appropriate to continue to classify the land and buildings as a non-current asset rather than an asset held for sale. This property is pledged as security against borrowings of the Group, which are shown in note 26.

Details of the transfer of the right-of-use asset are given in note 20.

More information on impairment movements in the year is given in note 17.

20. Investment property

	2022 £'000	2021 £'000
Cost		
At 1 January 2022	641	—
Transfers from owner-occupied property	—	641
At 31 December 2022	641	641
Accumulated depreciation		
At 1 January 2022	467	—
Transfers from owner-occupied property	—	342
Charge for the year	105	125
At 31 December 2022	572	467
Carrying value		
At 31 December 2022	69	174
At 31 December 2021	174	—

The property represents a sublease to a third party, where the Group holds the head lease. The lease is held at historic cost, being cost less accumulated depreciation. The lease represents a short-term lease and as such it is not possible to reliably determine a fair value where this lease is to expire in a short period of time.

The sublease was entered into in February 2021 in order to utilise the space already leased by the Group, but no longer required for use. On inception the net investment in the sublease was calculated at the present value of contractual cash inflows arising from the lease, discounted at a rate of 3.5%. As a result of this calculation the Group recognised an impairment on inception of the lease in the prior year, as shown in note 17.

21. Subsidiaries

Details of the Company's subsidiaries at 31 December 2022 are as follows:

Name of undertaking	Address	Class of shares held	% Held Direct	% Held Indirect
Exprodat Consulting Limited[1]	England & Wales	Ordinary	100.00	—
ERCL Limited[1]	England & Wales	Ordinary	100.00	—
Geophysical Exploration Technology Inc[2]	United States of America	Ordinary	100.00	—
H2 Green Limited[3]	Scotland	Ordinary	100.00	—
H2G Opco 1 Limited[3]	Scotland	Ordinary	—	100.00

Registered office addresses (all UK unless otherwise indicated):

1 Kitson House, Elmete Hall, Elmete Lane, Leeds, LS8 2LJ
2 3000 Wilcrest Drive, Suite 155, Houston, Texas 77042, United States of America
3 93 George Street, Edinburgh, EH2 3ES

Getech Group plc has provided, under s479C Companies Act 2006, a guarantee which permits its wholly-owned subsidiary ERCL Limited (Company number 08743541, registered in England & Wales) to not obtain an audit of its individual financial statements for the year ended 31 December 2022.

It has also provided, under s479C Companies Act 2006, a guarantee which permits its wholly-owned subsidiary Exprodat Consulting Limited (Company number 04371594, registered in England & Wales) to not obtain an audit of its individual financial statements for the year ended 31 December 2022.

On 11 May 2023 the Group incorporated a new subsidiary H2G Opco 2 Limited.

22. Cash and cash equivalents

	2022 £'000	2021 £'000
Cash at bank and in hand	4,322	5,864

23. Credit risk

The carrying amount of financial assets recorded in the financial statements, which is net of impairment losses, represents the Group's maximum exposure to credit risk. This exposure is summarised below:

Classification of financial assets – carrying amounts

	2022 £'000	2021 £'000
Trade and other receivables	765	1,213
Cash and cash equivalents	4,322	5,864
	5,087	7,077

The Group does not hold any collateral or other credit enhancements to cover this credit risk.

The Group is not exposed to any significant credit risk exposure to any single counterparty or group of counterparties having similar characteristics. The Group's customers are generally major natural resource companies with whom the Group has strong trading relationships with no recent history of default. The Group continually monitors its trade receivables and incorporates this information into its credit risk controls.

Trade receivables are stated on the basis of factors such as historical trends, age of debts and debt specific information. Details of amounts past due but not impaired are set out in note 25. The credit risk for liquid funds is considered negligible since counterparties are reputable banks with high-quality external credit ratings.

24. Trade and other receivables

	2022 £'000	2021 £'000
Trade receivables	**764**	1,127
Loss allowance	**(192)**	(88)
	572	1,039
Contract assets (note 3)	**126**	167
VAT recoverable	**95**	72
Other receivables	**67**	7
Prepayments	**342**	306
	1,202	1,591

25. Trade receivables – credit risk

Fair value of trade receivables

The Directors consider that the carrying amount of trade and other receivables is approximately equal to their fair value.

The Group's trade receivables have been reviewed for expected credit losses. Allowances have been made amounting to £192,000 (2021: £88,000). It is considered that the expected credit loss for receivables balances less than six months is £nil (2021: £nil). The carrying value for trade and other receivables is stated after the following allowance for credit losses:

Movement in the allowances for doubtful debts

	2022 £'000	2021 £'000
Balance at 1 January 2022	**88**	—
Additional allowance recognised	**104**	88
Balance at 31 December 2022	**192**	88

Calculation of expected credit loss

The expected credit loss for trade receivables as at 31 December 2022 was determined as follows:

	Current	Less than 3 months	3 to 6 months	More than 6 months	Total
Expected credit loss rate	**0.0%**	**0.0%**	**0.0%**	**99.5%**	**25.2%**
Gross carrying amount (£'000)	**257**	**293**	**21**	**193**	**764**
Expected credit loss (£'000)	**—**	**—**	**—**	**(192)**	**(192)**

The expected credit loss for trade receivables as at 31 December 2021 was determined as follows:

	Current	Less than 3 months	3 to 6 months	More than 6 months	Total
Expected credit loss rate	0.0%	0.0%	0.0%	50.0%	0.0%
Gross carrying amount (£'000)	672	175	97	180	1,124
Expected credit loss (£'000)	—	—	—	(88)	(88)

26. Borrowings

	Current		Non-current	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Borrowings held at amortised cost:				
Bank loans	**110**	110	**570**	659

The bank loan carries a variable interest rate of 2.75% above bank base rate and is repayable in monthly instalments over a 60-month term. The loan is secured by land and buildings owned by the Parent Company, which is shown in note 19 with a current carrying value of £2,245,000 (2021: £2,281,000). The loan is due for repayment with a balloon payment by the end of 2024.

27. Financial risk management

The Group is exposed to financial risks. The Group's risk management is coordinated by its Directors who focus actively on securing the Group's short to medium-term cash flows through regular reviews of the operating activity of the business.

The Group does not actively engage in the trading of financial assets for speculative purposes, nor does it write options. The most significant financial risks to which the Group is exposed are described below.

Foreign exchange risk

The carrying amounts of the Group's foreign currency denominated monetary assets and liabilities at the reporting date are as follows:

	Assets		Liabilities	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
US dollars	**848**	959	**656**	23
Euros	**88**	8	**10**	—
Canadian dollars	**2**	—	**—**	—
Australian dollars	**—**	—	**5**	—
	938	967	**671**	23

Exposure to currency exchange rates arises from the Group's overseas sales and purchases, most of which are denominated in US dollars and some of which are denominated in euros. Assets and liabilities denominated in US dollars and euros give rise to foreign exchange exposures at the end of the reporting period.

To mitigate the Group's exposure to foreign currency risk, exchange rates are monitored and the timing of settling invoices, where sales and purchases are made in currencies other than pound sterling, is matched as far as possible. Furthermore, there is no systematic exposure to exchange rates because selling prices are not fixed in currencies other than sterling.

The Group has a US-based subsidiary whose net assets are exposed to foreign currency translation risk. With no matching borrowings denominated in US dollars, it is the Group's policy not to hedge against this translation exposure.

The Group had short-term exposure to the US dollar and the euro at 31 December 2022. The following table illustrates the sensitivity of the net result for the year with regard to the Group's financial assets and financial liabilities. It assumes a +/-10% change in the US dollar and the euro exchange rates for the period ended 31 December 2022. Sensitivity analysis is based on the Group's foreign currency financial instruments held at the end of each reporting period.

27. Financial risk management cont.

If pound sterling had strengthened or weakened against the US dollar and the euro by 10%, this would have had the following impact:

	2022		2021	
	+10% £'000	-10% £'000	+10% £'000	-10% £'000
Reported loss before tax	(3,097)	(3,097)	(2,887)	(2,887)
Sensitivity to movement in currency exchange rates:				
US dollars	(17)	21	(100)	82
Euros	18	11	(1)	1
Sensitised loss before tax	(3,096)	(3,065)	(2,988)	(2,804)

Interest rate risk

The carrying amounts of financial assets/(liabilities) which expose the Group to cash flow interest rate risk are as follows:

	2022 £'000	2021 £'000
Cash	4,322	5,863
Bank loans	(680)	(769)
	3,642	5,094

Cash and bank loans are subject to variable rates of interest. Although the Group has lease liabilities, all leases are recognised on a present value basis only with no cash interest payable, and as such there is no other material interest rate risk. To mitigate the Group's exposure to interest rate risk, market rates are monitored.

The following table illustrates the sensitivity of the profit before tax for the year to a reasonably possible change in interest rates of +/ -1% with effect from the beginning of the year on bank borrowings. These changes are considered to be reasonably possible based on observation of current market conditions. The calculations are based on the Group's financial instruments held at the end of each reporting period. All other variables are held constant.

	2022		2021	
	+1% £'000	-1% £'000	+1% £'000	-1% £'000
Reported loss before tax	(3,097)	(3,097)	(2,887)	(2,887)
Change in interest rates	(7)	7	(8)	8
Sensitised loss before tax	(3,104)	(3,090)	(2,895)	(2,879)

27. Financial risk management cont.

Capital and liquidity risk

The Group manages its liquidity needs by carefully monitoring scheduled cash outflows and anticipated cash inflows. Having regard to modest visibility of sales, the cash forecasts are regularly reviewed and cover alternative income scenarios.

The undiscounted contractual maturity of the Group's financial liabilities at the end of the reporting period was as follows:

Year ended 31 December 2022	Within one year £'000	In one to two years £'000	In two to five years £'000	Total £'000
Trade and other payables	903	—	—	903
Contingent consideration	125	—	—	125
Bank loans	110	570	—	680
Leases	128	39	—	167
	1,266	609	—	1,875

Year ended 31 December 2021	Within one year £'000	In one to two years £'000	In two to five years £'000	Total £'000
Trade and other payables	1,072	—	—	1,072
Contingent consideration	250	—	—	250
Bank loans	110	110	549	769
Leases	187	101	2	290
	1,619	211	551	2,381

Below is a summary of the Group's financial assets and liabilities as defined in IFRS 9 'Financial Instruments: Recognition and Measurement':

	2022 £'000	2021 £'000
Financial assets at amortised cost		
Trade and other receivables	765	1,213
Cash and cash equivalents	4,322	5,863
	5,087	7,076
Current financial liabilities measured at amortised cost		
Trade and other payables	(903)	(1,072)
Bank loans	(110)	(110)
Leases	(128)	(188)
	(1,141)	(1,370)
Current financial liabilities measured at fair value through profit and loss		
Contingent consideration	(125)	(245)
Non-current financial liabilities measured at amortised cost		
Bank loans	(570)	(659)
Leases	(39)	(102)
	(609)	(761)
	3,212	4,700

The Directors consider that the fair value of financial assets and liabilities equates to the carrying value for both 2022 and 2021.

27. Financial risk management cont.

Capital management policies and procedures

The Group's capital management objectives are as follows:

- To ensure the Group's ability to continue as a going concern; and
- To provide an adequate return to shareholders.

These objectives are maintained by pricing products and services commensurately with the level of risk and by exercising a policy of progressive dividends as appropriate.

The Group monitors capital on the basis of the carrying amount of equity less cash and cash equivalents as presented on the face of the consolidated statement of financial position. Capital for the reporting period under review is set out below:

	2022 £'000	2021 £'000
Total equity	**9,380**	12,030
Less cash and cash equivalents	**(4,322)**	(5,863)
	5,058	6,167

In order to achieve the Group's objectives in capital management, the goal is to maintain adequate capital with the minimum amount of appropriate borrowing. The Group has met its stated objectives for the year.

28. Trade and other payables

		Current		Non-current	
	Notes	**2022 £'000**	2021 £'000	**2022 £'000**	2021 £'000
Trade payables		**372**	329	**—**	—
Accruals		**496**	740	**—**	—
Contingent consideration		**125**	245	**—**	—
Social security and other taxation		**139**	118	**—**	—
Other payables		**35**	3	**—**	—
Leases	29	**128**	188	**39**	102
Contract liabilities	32	**1,009**	504	**—**	—
		2,304	2,127	**39**	102

Contingent consideration relates to future payments which are anticipated as part of the acquisition of H2 Green Limited in the prior year. The amounts paid might be £125,000, £250,000 or £750,000, depending on how many milestones are met. The Directors consider these events to be potentially crystallised based on current operations, however the expected timing of this remains uncertain and subsequent milestones are less likely. The recognition of contingent consideration includes a determination of the likelihood of this timing, which has been taken as a spot estimate at £125,000. The amounts were discounted to present value in the prior year, but in the current year have unwound in full and the Directors have not reintroduced a present value adjustment as the impact of such discounting is not expected to be material.

29. Lease liabilities

Maturity analysis	**2022 £'000**	2021 £'000
Within one year	**134**	197
In two to five years	**39**	103
Total undiscounted liabilities	**173**	300
Future finance charges and other adjustments	**(6)**	(10)
Lease liabilities in the financial statements	**167**	290

Lease liabilities are classified based on the amounts that are expected to be settled within the next 12 months and after more than 12 months from the reporting date, as follows:

	2022 £'000	2021 £'000
Current liabilities	**128**	188
Non-current liabilities	**39**	102
	167	290

Amounts recognised in profit or loss include the following:	**2022 £'000**	2021 £'000
Interest on lease liabilities	**7**	21

30. Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the Group and movements thereon during the current and prior reporting period.

	ACAs £'000	Tax losses £'000	Provisions £'000	Retirement benefit obligations £'000	Share based payments £'000	Foreign tax £'000	Intangibles £'000	R&D £'000	Total £'000
Deferred tax liability at 1 January 2021	100	—	—	—	—	—	11	65	176
Deferred tax asset at 1 January 2021	—	(271)	(3)	(5)	(52)	(33)	—	—	(364)
Deferred tax movements in prior year									
Charge/(credit) to profit or loss	(8)	(101)	1	4	(1)	19	(59)	100	(45)
Business combination	—	(18)	—	—	—	—	57	—	39
Foreign exchange adjustments	—	2	—	—	—	—	—	—	2
Effect of change in tax rate – profit or loss	30	(91)	(1)	—	(12)	—	—	52	(22)
Deferred tax liability at 1 January 2022	122	—	—	—	—	—	9	217	348
Deferred tax asset at 1 January 2022	—	(479)	(3)	(1)	(65)	(14)	—	—	(562)
Deferred tax movements in current year									
Charge/(credit) to profit or loss	(25)	83	(8)	—	1	(19)	(3)	9	38
Foreign exchange adjustments	—	(23)	—	—	—	(3)	2	—	(24)
Deferred tax liability at 31 December 2022	**97**	**—**	**—**	**—**	**—**	**—**	**8**	**226**	**331**
Deferred tax asset at 31 December 2022	**—**	**(419)**	**(11)**	**(1)**	**(64)**	**(36)**	**—**	**—**	**(531)**

The deferred tax asset in respect of foreign tax jurisdictions arises as a result of future capital allowances available following the part-payment of the deferred consideration for the acquisition of assets from Lisle Gravity Inc. in an earlier period. These will be relieved against profits of the foreign subsidiary.

Losses incurred by the Group for which no deferred tax asset has been recognised amount to £4,960,000 (2021: £2,510,000). The Group further has unutilised R&D expenditure credits of £54,000 (2021: £53,000) which are available for utilisation against tax payable in future years. No deferred tax asset has been recognised in respect of these credits. If deferred tax assets were recognised in respect of these balances, it would increase the net assets of the Group by approximately £1,294,000 (2021: £680,000).

In the March 2021 Budget, a change to the future UK corporation tax rate was announced, indicating that the rate will increase to 25% from April 2023. Deferred tax balances at the reporting date are expected to reverse after that date and are therefore measured at 25% (2021: 25%).

31. Provisions for liabilities

	2022 £'000	2021 £'000
Dilapidation provision	**25**	25

All provisions are expected to be settled after more than 12 months from the reporting date.

Movements on provisions:	Dilapidation provision £'000
At 1 January 2022 and 31 December 2022	25

32. Contract liabilities

	2022 £'000	2021 £'000
Arising from contracts with customers	**1,009**	504

All deferred revenues are expected to be settled within 12 months from the reporting date.

33. Retirement benefit schemes

Defined contribution schemes	**2022 £'000**	2021 £'000
Charge to profit or loss in respect of defined contribution schemes	**446**	354

The Group operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the Group in an independently administered fund.

The liability to the scheme was £30,000 (2021: £2,000) at the end of the year.

34. Share-based payment transactions

At 31 December 2022, the Group operated an approved Enterprise Management Incentive "EMI" share scheme and an Unapproved Options scheme. Under the share options plans, the Directors can grant options over shares in the Company to employees, subject to approval from the Remuneration Committee. Options are granted with a fixed exercise price and the contractual life of an option of 10 years. Options will become exercisable on the second anniversary of the date of grant. Exercise of an option is subject to continued employment.

At 31 December 2022, rights to options over ordinary shares of the Parent Company were outstanding as follows:

	Number of share options		Weighted average exercise price	
	2022	2021	**2022 £'000**	2021 £'000
Outstanding at 1 January 2022	**4,130,000**	4,130,000	**0.28**	0.28
Granted in the period	**2,300,000**	—	**0.27**	—
Forfeited in the period	**(270,000)**	—	**0.35**	—
Exercised in the period	**(900,000)**	—	**0.18**	—
Expired in the period	**(200,000)**	—	**0.21**	—
Outstanding at 31 December 2022	**5,060,000**	4,130,000	**0.29**	0.28
Exercisable at 31 December 2022	**2,760,000**	4,130,000	**0.28**	0.28

34. Share-based payment transactions cont.

The weighted average share price at the date of exercise for share options exercised during the year was 27.5p.

The options outstanding at 31 December 2022 had an exercise price ranging from 15p to 35p, and a remaining contractual life of 10 years.

Options granted in the year are set out below. The fair value of the scheme was determined by direct reference to the instruments granted, and determined using the Black-Scholes model.

Inputs were as follows:

	2022	2021
Weighted average share price	**27.5p**	—
Weighted average exercise price	**35p**	—
Expected volatility	**61.01%**	—
Expected life	**1-3 years**	—
Risk free rate	**1.28%**	—
Expected dividends yields	**0%**	—

	2022 £'000	2021 £'000
Expenses		
Related to equity-settled share-based payments	**67**	7

On 15 March 2023 a further 397,996 share options were granted, as explained further in note 39.

900,000 share options were exercised in the year by way of a net settlement, giving rise to an issue of 429,545 shares with no premium attached, as shown in notes 35 and 36. The net settlement gave an effective crystallised gain without premium paid of equivalence to the gross number of options in the scheme at a relevant premium, and included equivalence in cash gain to the Group from the exercise.

35. Share capital

Ordinary share capital	2022 Number	2021 Number	2022 £'000	2021 £'000
Authorised				
Ordinary of 0.25p each	**90,000,000**	90,000,000	**225**	225
Issued and fully paid				
Ordinary of 0.25p each	**67,296,225**	66,866,680	**168**	167

The Company issued 429,545 of ordinary shares for 0.25p per share in settlement of share options held by a Director, as shown in note 34.

36. Share premium account

	2022 £'000	2021 £'000
At the beginning of the year	**8,685**	3,053
Issue of new shares	**—**	6,179
Costs of equity raise	**—**	(547)
At the end of the year	**8,685**	8,685

37. Contingent liabilities

Except for the contingent consideration described in note 28, there were no contingent liabilities, capital commitments or guarantees provided at either 31 December 2022 or 31 December 2021.

38. Capital risk management

The Group is not subject to any externally imposed capital requirements.

39. Events after the reporting date

On 15 March 2023 the Group granted 397,996 share options, of which 107,960 were granted to Directors of the Group. The options were granted with an exercise price of 0.25p per ordinary share, being the nominal value of the shares. Each award is exercisable for a period of three years from 30 June 2023 and is subject to continued employment; following exercise the shares cannot be sold for the first 12 months for employees and 24 months for Directors.

The Directors have determined that the options carry a provisional valuation of £61,701 across all three tranches of shares. Of this, £16,737 relates to the options held by Directors, which is anticipated to be recognised as remuneration over the next three years.

40. Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel, including Directors, is set out below in aggregate for each of the categories specified in IAS 24 'Related Party Disclosures'.

	2022 £'000	2021 £'000
Short-term employee benefits	**1,109**	725
Post-employment benefits	**45**	35
Share-based payments	**52**	—
	1,206	760

The remuneration of the Directors of the Parent Company is detailed in note 10. No Directors received dividends during the current or prior year.

Other information

During the year (and until the retirement of Chris Flavell from the Board in the prior year), the Group made payments to Zinc Consultants Limited, a company of which Chris Flavell is a director, amounting to £nil (2021: £26,000) for recruitment services. All transactions were conducted under standard commercial terms.

The Company has taken advantage of the exemption available in FRS 101 whereby it has not disclosed transactions with the ultimate Parent Company or any wholly owned subsidiary undertaking of the Group, which would otherwise be required by IAS 24 'Related Party Disclosures'.

Company Statement of Financial Position
as at 31 December 2022

	Notes	2022 £'000	2022 £'000	2021 £'000	2021 £'000
Non-current assets					
Intangible assets	43		**2,904**		2,834
Property, plant and equipment	44		**2,268**		2,312
Investment property	46		**69**		174
Investments	45		**2,244**		2,244
			7,485		7,564
Current assets					
Trade and other receivables	47	**2,579**		1,952	
Tax receivable		**266**		656	
Cash and cash equivalents		**2,564**		4,615	
		5,409		7,223	
Current liabilities	48	**(3,666)**		(3,108)	
Net current assets			**1,743**		4,115
Total assets less current liabilities			**9,248**		11,679
Non-current liabilities	48		**(609)**		(756)
Provisions for liabilities			**(25)**		(25)
Net assets			**8,594**		10,898
Equity					
Called up share capital	56		**168**		167
Share premium account			**8,685**		8,685
Merger reserve			**194**		194
Share-based payment reserve			**196**		258
Retained earnings			**(649)**		1,594
Total equity			**8,594**		10,898

As permitted by s408 Companies Act 2006, the Company has not presented its own income statement and related notes. The Company's loss for the year was £2,372k (2021: £1,602k loss).

The financial statements were approved by the Board of Directors and authorised for issue on 2 June 2023 and are signed on its behalf by:

Mr A L Darbyshire
Director

Company Registration No. 02891368

Company Statement of Changes in Equity
for the year ended 31 December 2022

	Notes	Share capital £'000	Share premium account £'000	Revaluation reserve £'000	Merger reserve £'000	Hedging reserve £'000	Capital redemption reserve £'000	Share-based payment reserve £'000	Retained earnings £'000	Total £'000
Balance at 1 January 2021		94	3,053	—	—	—	—	251	3,196	6,594
Year ended 31 December 2021:										
Loss and total comprehensive income for the year		—	—	—	—	—	—	—	(1,602)	(1,602)
Transactions with owners of the Company:										
Issue of share capital	56	73	6,179	—	—	—	—	—	—	6,252
Share-based payment charge	34	—	—	—	—	—	—	7	—	7
Issued on acquisition of subsidiary		—	—	—	194	—	—	—	—	194
Costs of share issue deducted from share premium		—	(547)	—	—	—	—	—	—	(547)
Balance at 31 December 2021		167	8,685	—	194	—	—	258	1,594	10,898
Year ended 31 December 2022:										
Loss and total comprehensive income for the year		—	—	—	—	—	—	—	(2,372)	(2,372)
Transactions with owners of the Company:										
Issue of share capital	35	1	—	—	—	—	—	—	—	1
Share-based payment charge	34	—	—	—	—	—	—	67	—	67
Exercise of share options	35	—	—	—	—	—	—	(129)	129	—
Balance at 31 December 2022		**168**	**8,685**	**—**	**194**	**—**	**—**	**196**	**(649)**	**8,594**

41. Accounting policies

Company information

Getech Group plc is a public company limited by shares incorporated in England and Wales. The registered office is Kitson House, Elmete Hall, Elmete Lane, Leeds, West Yorkshire, LS8 2LJ. The Company's principal activities and nature of its operations are disclosed in the Directors' report.

41.1 Accounting convention

The financial statements have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and in accordance with applicable accounting standards.

The financial statements are prepared in sterling, which is the functional currency of the Company. Monetary amounts in these financial statements are rounded to the nearest £'000.

The Company applies accounting policies, key judgements, and key estimates on a consistent basis as the Group, except for disclosure exemptions set out below. To the extent that an accounting policy is relevant to both Group and Parent Company financial statements, please refer to the Group financial statements for disclosure of the relevant accounting policy.

As permitted by FRS 101, the Company has taken advantage of the following disclosure exemptions from the requirements of IFRS:

- inclusion of an explicit and unreserved statement of compliance with IFRS;
- presentation of a statement of cash flows and related notes;
- disclosure of the objectives, policies and processes for managing capital;
- disclosure of key management personnel compensation;
- disclosure of the categories of financial instrument and the nature and extent of risks arising on these financial instruments;
- the effect of financial instruments on the statement of comprehensive income;
- comparative period reconciliations for the number of shares outstanding and the carrying amounts of property, plant and equipment, intangible assets, investment property and biological assets;
- a reconciliation of the number and weighted average exercise prices of share options, how the fair value of share-based payments was determined and their effect on profit or loss and the financial position;
- comparative narrative information;
- for financial instruments, investment property and biological assets measured at fair value and within the scope of IFRS 13, the valuation techniques and inputs used to measure fair value, the effect of fair value measurements with significant unobservable inputs on the result for the period and the impact of credit risk on the fair value; and
- related party disclosures for transactions with the parent or wholly owned members of the Group.

42. Employees

The average monthly number of persons (including Directors) employed by the Company during the year was:

	2022 Number	2021 Number
Directors	**3**	3
Administration	**14**	10
Technical	**34**	34
Total	**51**	47

Their aggregate remuneration comprised:

	2022 £'000	2021 £'000
Wages and salaries	**2,961**	2,375
Social security costs	**378**	248
Pension costs	**353**	282
Share-based payment charges	**67**	7
	3,759	2,912

43. Intangible assets

	Other £'000	Development costs £'000	Reports £'000	Total £'000
Cost				
At 1 January 2022	5	6,234	399	6,638
Additions – internally generated	—	695	—	695
Disposals	—	—	(42)	(42)
At 31 December 2022	**5**	**6,929**	**357**	**7,291**
Amortisation and impairment				
At 1 January 2022	5	3,400	399	3,804
Charge for the year	—	625	—	625
Eliminated on disposals	—	—	(42)	(42)
At 31 December 2022	**5**	**4,025**	**357**	**4,387**
Carrying amount				
At 31 December 2022	**—**	**2,904**	**—**	**2,904**
At 31 December 2021	—	2,834	—	2,834

44. Property, plant and equipment

	Freehold property £'000	Right-of-use assets £'000	Plant and equipment £'000	Total £'000
Cost				
At 1 January 2022	2,798	—	836	3,634
Additions	—	76	66	142
Disposals	—	—	(254)	(254)
At 31 December 2022	**2,798**	**76**	**648**	**3,522**
Accumulated depreciation and impairment				
At 1 January 2022	516	—	806	1,322
Charge for the year	144	13	29	186
Eliminated on disposal	—	—	(254)	(254)
At 31 December 2022	**660**	**13**	**581**	**1,254**
Carrying amount				
At 31 December 2022	**2,138**	**63**	**67**	**2,268**
At 31 December 2021	2,282	—	30	2,312

The Company continues to explore the future sale of Kitson House, having agreed provisional terms for a sale (which was subsequently abandoned) during 2022. The requirements of IFRS 5 have been reviewed and based on the expected timeframe for disposal it is considered appropriate to continue to classify the land and buildings as a non-current asset rather than an asset held for sale. This property is pledged as security against borrowings of the Group, which are shown in note 26.

45. Investments

	2022 £'000	2021 £'000
Investments in subsidiaries	**2,244**	2,244
	2,244	**2,244**

Fair value of financial assets carried at amortised cost

Except as detailed below the Directors believe that the carrying amounts of financial assets carried at amortised cost in the financial statements approximate to their fair values.

Investment in subsidiary undertakings

Details of the Company's principal operating subsidiaries are included in note 21.

Movements in non-current investments

	Shares in subsidiaries £'000
Cost	
At 1 January 2022 and 31 December 2022	7,712
Impairment	
At 1 January 2022 and 31 December 2022	(5,468)
Carrying amount	
At 31 December 2022	**2,244**
At 31 December 2021	2,244

The Parent Company owns 100% equity interest in Geophysical Exploration Technology Inc. (trading as Getech Inc.), a company incorporated in the USA. The principal activity of Geophysical Exploration Technology Inc. is the marketing of gravity and magnetic data, services and geological evaluations. The cost of US$10 capital stock was £1 and this has been written off in an earlier period. The results of Getech Inc. are included in the consolidated figures for the year.

The Parent Company owns 100% of the ordinary share capital in ERCL Limited, a company incorporated in England and Wales. The principal activity of ERCL is specialist international upstream oil and gas consultancy.

The Parent Company owns 100% of the ordinary share capital in Exprodat Consulting Limited, a company incorporated in England and Wales. The principal activity of Exprodat Consulting Limited is providing geospatial and information management solutions to the upstream oil and gas industry.

The Parent Company owns 100% of H2 Green Limited, a company incorporated in England and Wales. The principal activity of H2 Green is building and managing a network of hydrogen hubs across the UK.

The investment in subsidiary undertakings has been tested for impairment and in the opinion of the Directors, the aggregate value of the Company's investment in subsidiary undertakings is not less than the amount included in the balance sheet. This impairment testing has been done on the same basis as for goodwill for the Group, full details of which are provided in note 25.

Sensitivity analysis is carried out on all budgets, strategic plans and discount rates used in the calculations. The cash flow model is sensitive to short-term market recovery.

46. Investment property

	2022 £'000	2021 £'000
Cost		
At 1 January 2022	**641**	—
Transfers from owner-occupied property	**—**	641
At 31 December 2022	**641**	641
Accumulated depreciation		
At 1 January 2022	**467**	—
Charge for the year	**105**	125
Transfers from owner-occupied property	**—**	342
At 31 December 2022	**572**	467
Carrying value		
At 31 December 2022	**69**	174
At 31 December 2021	**174**	—

On 10 February 2021 the Company entered into a sublease for one of its properties. The lease transferred use of the property to a third party through to its expiry, with no reversionary interest for the Company. As such this property was reclassified as an investment property, with the Directors electing to hold this at cost less depreciation due to the short term remaining on it. The cost of the property, when transferred from property, plant and equipment, was set as the present value of contractual rents receivable under the terms of the sublease; on inception a loss was recognised in the income statement.

47. Trade and other receivables

	2022 £'000	2021 £'000
Trade receivables	**338**	731
Loss allowance	**(170)**	(85)
	168	646
VAT recoverable	**54**	43
Amounts owed by subsidiary undertakings	**1,884**	839
Other receivables	**44**	1
Prepayments and accrued income	**429**	423
	2,579	1,952

All amounts are short term. The carrying amounts of trade and other receivables are considered to be reasonable approximations to fair value.

The Company has taken advantage of the disclosure exemptions of FRS 101 to not present an analysis of its credit risks. Disclosure for the Group can be found in note 25.

48. Liabilities

		Current		Non-current	
	Notes	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Borrowings	49	**110**	110	**570**	659
Trade and other payables	50	**3,411**	2,751	**—**	—
Lease liabilities	51	**122**	158	**39**	97
Deferred income	54	**23**	89	**—**	—
		3,666	3,108	**609**	756

49. Borrowings

	Current		Non-current	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Borrowings held at amortised cost:				
Bank loans	**110**	110	**570**	659

The bank loan carries a variable interest rate of 2.75% above the bank base rate and is repayable in equal monthly instalments. The loan is secured by land and buildings owned by the Parent Company, with a carrying value of £2,246,000 (2021: £2,280,000). The loan is due for repayment with a balloon payment by the end of 2024.

50. Trade and other payables

	Current		Non-current	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Trade payables	**237**	242	**—**	—
Amounts owed to subsidiary undertakings	**2,491**	1,458	**—**	—
Accruals	**434**	717	**—**	—
Contingent consideration	**125**	245	**—**	—
Social security and other taxation	**97**	89	**—**	—
Other payables	**27**	—	**—**	—
	3,411	2,751	**—**	—

51. Lease liabilities

Maturity analysis	2022 £'000	2021 £'000
Within one year	**128**	167
In two to five years	**39**	98
Total undiscounted liabilities	**167**	265
Future finance charges and other adjustments	**(6)**	(10)
Lease liabilities in the financial statements	**161**	255

Lease liabilities are classified based on the amounts that are expected to be settled within the next 12 months and after more than 12 months from the reporting date, as follows:

	2022 £'000	2021 £'000
Current liabilities	**122**	158
Non-current liabilities	**39**	97
	161	255

52. Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the Company and movements thereon during the current and prior reporting period.

	ACAs £'000	Tax losses £'000	Provisions £'000	Retirement benefit obligations £'000	Share-based payments £'000	R&D £'000	Total £'000
Liability at 1 January 2021	99	(24)	—	(5)	(52)	66	84
Deferred tax movements in prior year							
Charge/(credit) to profit or loss	(5)	(187)	—	5	(1)	100	(88)
Effect of change in tax rate – profit or loss	30	(66)	—	—	(12)	52	4
Liability at 1 January 2022	124	(277)	—	—	(65)	218	—
Deferred tax movements in current year							
Charge/(credit) to profit or loss	(28)	16	(7)	—	1	18	—
Liability at 31 December 2022	**96**	**—**	**—**	**—**	**—**	**236**	**322**
Asset at 31 December 2022	**—**	**(261)**	**(7)**	**—**	**(64)**	**—**	**(322)**

The deferred tax asset in respect of tax losses arises as a result of losses incurred by the Company after 1 April 2017. The Group is expected to generate future taxable profits, which these losses will be set against. The trading losses carried forward have no expiry date. There exist total tax losses of £4,023,000 (2021: £3,136,000) of which £2,978,000 (2021: £2,150,000) is not recognised as a deferred tax asset.

Losses incurred by the Company prior to 1 April 2017 amount to £124,000 (2021: £124,000) which have been recognised in full as a deferred tax asset.

The Company further has unutilised R&D expenditure credits of £33,000 (2021: £33,000) which are available for utilisation against tax payable in future years. No deferred tax asset has been recognised in respect of these credits. No tax losses have expiry dates.

In the March 2021 Budget, a change to the future UK corporation tax rate was announced, indicating that the rate will increase to 25% from April 2023. Deferred tax balances at the reporting date are expected to reverse after that date and are therefore measured at 25% (2021: 25%).

53. Provisions for liabilities

	2022 £'000	2021 £'000
Dilapidation provision	**25**	25

All provisions are expected to be settled after more than 12 months from the reporting date.

Movements on provisions:

	£'000
At 1 January 2022 and 31 December 2022	25

54. Deferred revenue

	2022 £'000	2021 £'000
Arising from customer contracts	**23**	89

All deferred revenues are expected to be settled within 12 months from the reporting date.

55. Share-based payments

The Company information for share-based payments is the same as the Group information and is shown in note 34.

56. Share capital

Refer to note 35 of the Group financial statements.

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