GETECH GROUP PLC

Annual Report and Accounts
Year ended 31 December 2023

Highlights

Financial highlights

- Revenue £4.0 million (2022: £5.1 million)
- Orderbook £4.6 million (2022: £4.6 million)
- Annualised Recurring Revenue £2.8 million (2022: £2.4 million)
- Cash at bank £0.4 million (2022: £4.3 million)
- Kitson House sold for £0.65 million in January 2024, Nicholson House remains an asset for sale valued at £0.85 million

Operational highlights

- New Globe and gravity & magnetics data customers added, plus 42% year-on-year increase in subscription licenses
- Globe 2023 released on plan, with new features applicable across multiple energy sectors (oil & gas, mining, carbon capture and storage (CCS) & geothermal)
- Added new capabilities to our minerals exploration capabilities, including artificial intelligence & machine learning, as well as new solutions for lithium, porphyry copper and clean gases (such as natural hydrogen and helium)
- Joint exploration venture agreement signed with East Star Resources to pursue copper exploration in Kazakhstan
- Strategic minerals exploration projects delivered for multiple organisations, including East Star Resources, Asian Battery Metals and Western Australia's Centre for Exploration Targeting
- Signed joint exploration agreement with a major European-headquartered global industrial and energy company focussing on natural hydrogen exploration
- Strategic collaboration with Cozairo to identify CCS opportunities
- Strategic partnership with Eavor to jointly locate and appraise a portfolio of geothermal projects in Latin America, with additional Geothermal partnerships signed with Expro and RED Engineering Design
- Completed a geothermal screening project for the manufacturing sites of a multinational FMCG company

FY 2024 Current Trading

- Unaudited revenues in the first 4 months 17% ahead of the same period last year
- Benefit of the rationalisation actions in 2023 taking effect in full for 2024
- New business wins in H1 with strong H2 pipeline
- Targeting EBITDA/Cash positive

Michael Covington, Chairman of Getech, said, "Getech is a different business now compared to the start of 2023. We have taken important decisions to lighten the cost base and refocus the business on its strengths which are to help our clients locate sub-surface energy and mineral resources. Whether it is more sustainable sources of hydrocarbons, critical minerals for the energy transition such as copper or lithium, geothermal resources or extractable geologic sources deposits of hydrogen, we are already supporting our clients. We are particularly excited about using new AI tools and resources that have the potential to accelerate key aspects of our unique geo data driven approach."

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Chairman’s Statement

Introduction

I am pleased to report on a year of significant progress against a challenging market backdrop. This began with changes to the management team in February 2023 with the appointment of Richard Bennett as CEO having previously been Non-executive Chairman and I moved from Non-Executive Director to become Non-Executive Chairman in February 2024.

During this period, the Company has been significantly refocused and restructured back onto a tight focus on its core competencies. We are now at a point of inflection and our strategy will remain being absolutely focused on sustainably growing underlying profitability whilst investing in enhancing our advanced geoscience technological and product distribution capabilities.

In 2021, the Company acquired H2 Green, a developer of green hydrogen transportation hubs. This early-stage company has required significant investment to progress whilst being affected by significant delays in key Government incentive policies. Operating both the core business and H2 Green was overstretching our resources and so we took the decision either to seek operational partners to help us develop or exit the H2 Green projects, while at the same time significantly reducing the H2 Green headcount and cost-base. This contributed to reducing the ongoing costs of the business by 25%, a reduction of c. £2 million per annum, thereby resetting the financial base of the business.

We have refocused on our core competence of data-led sub-surface exploration. We continue to target diversification of our customer base beyond oil and gas, with the ambition that at least 50% of our business should come from exploration companies focused on finding the natural resources that are vital for the energy transition such as critical minerals, geothermal and carbon storage.

Our financial performance in 2023 reflected the transition we undertook. We generated revenues of £4.0 million (2022: £5.1 million), held our order book at £4.6 million and increased our Annualised Recurring Revenue (ARR) to £2.8 million (2022: £2.4 million). As previously reported, we recorded an adjusted EBITDA loss of £2.7 million, reflecting the cost of investment in H2 Green, and a period of reduced revenue from core customers and the early stages of transitioning the business.

Cash resources have been depleted by the above commercial factors so we are keeping a tight rein on discretionary expenditures and budgets generally and pursuing a sale of Nicholson House. Working capital remains lower than in the past and the Board naturally views rebuilding it as a priority in 2024. Alongside the sale of Nicolson House, the Board is exploring other options to enhance our working capital. A restoration of cash resources would facilitate further investment into sales and business development, as well as advance our AI and Machine Learning enhancements to make our products more relevant to our key markets, and in particular critical minerals and natural hydrogen.

There are signs in 2024 that customers are returning to investing in exploration activities. Unaudited revenues in the first 4 months of 2024 were ahead of the same period last year, and we continue to see good upside potential in our principal markets.

Data-led sub-surface exploration

We are applying the Company’s core geoscience data and skills to support exploration of these vital energy resources. To achieve the energy transition, a substantial number of new, very large discoveries are required. Whilst the more easily identifiable discoveries have been made, the future depends on finding deeper and less obvious resources, which is where Getech can deploy its global geoscience data and proven expertise.

Getech has the largest commercially available database of potential fields data (magnetic and gravity data) that is accessed through our Globe platform usually as a "Software as a Service" (SaaS) type subscription which we provide via our new cloud based Maptium® platform. Moreover, when AI and Machine Learning techniques are applied, these can rapidly search our data for the indications of specific minerals and improve exploration success rates. Over the last year, we have continued to develop our Globe platform, advance our AI/ML technology and introduce new search capabilities for critical minerals including copper and lithium, as well as well as the source rocks for natural hydrogen (also called 'white' or 'geologic' hydrogen). We expect to continue development throughout 2024 and add search capabilities for other high-demand commodities to our platform.

Business model

We have continued to migrate Globe and our geoscience data products to a subscription model which has significantly increased annual recurring revenue (ARR), improving the Group's financial stability. A core focus is to grow ARR to in-excess of the cost-base over time and we are confident of being able to do so. Alongside this, we have also introduced to specific customers or projects an equity participation model in return for lower initial fees. This is creating a future share in assets with the potential to generate substantially higher returns from our data than has been achieved historically.

Outlook

Energy security remains a key concern, catalysing, in our opinion, increased activity over the last 12 months in the traditional oil and gas exploration sector. Meanwhile, the mining sector continues to report significant anticipated supply gaps across multiple commodities that should all be essential to delivering the Energy Transition.

Getech's corporate strategy is a response to these strong underlying trends and focuses on monetising the Company's capabilities across the geo-energy sector as well as seeking opportunities for transformational growth in critical minerals and potentially geological hydrogen. We are working on resolving our near-term liquidity concerns while at the same time evolving our offerings and unique propositions; growing our order book; expanding our pipeline; innovating our business models; and despite some near-term uncertainty over the route through to working capital self-sufficiency, we see exciting strategic prospects for the business.

Michael Covington
Chairman

How we Create Value for Shareholders

Sectors

- Oil & gas exploration and operations monitoring
- Critical minerals exploration
- Natural hydrogen & helium exploration
- Geothermal exploration and project feasibility studies

Our offering & differentiators

- The world's largest commercially available Gravity and Magnetic database
- A detailed geological model of the last 400 million years of earth history, in 'Globe'
- Deep geospatial and geoscience understanding
- Integrating our products and expertise with artificial intelligence and machine learning to create unique and successful exploration outcomes for our customers

Value proposition to customers

- Enhance understanding of geologic risk and uncertainty
- Improve exploration success rates through identification of prospective locations
- Reduce exploration costs and accelerate projects to shorten 'time-to-value'

How we monetise

- Annual Recurring Revenue through subscriptions to our data, products and services
- Hybrid model of revenue plus carried interest/royalty for selected asset opportunities
- Enterprise licensing for super-majors and large explorer customers

Operational Review

The last year was a transitional period while making significant progress towards an evolved strategy. New sales wins were more challenging to find than in previous years, but the Company maintained high oil and gas customer retention rates, added new software customers, increased annually recurring revenue and continued to repurpose its offerings for the energy transition, including making significant progress in enhancing its mineral exploration capabilities with artificial intelligence and machine learning.

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 the world's largest commercially available database of potential fields (gravity and magnetics) data assembled over c. 30 years and our proprietary Earth digital twin, called 'Globe'.

Developed over the last c. 14 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, including petroleum, carbon storage, geothermal, natural hydrogen and critical mineral assets. Globe is an innovative product that collects geoscience and earth observation data, and through proprietary computational modelling and AI-led machine learning techniques, identifies favourable exploration opportunities for our customers.

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

Oil and gas

In response to a renewed focus on energy security, Getech saw high customer retention rates in its oil and gas activities in 2023.

This was underpinned by the continuing development of our flagship product 'Globe'. The latest release, Globe 2023, included new content and analytical tools designed to aid in the exploration of oil and gas, including updated palaeosurface geology layers that can also assist in identifying potential carbon storage sites by better understanding the composition and quality of reservoirs. During the year, new Globe customers were added, including a new three-year subscription for an Asian oil and gas company.

In H2 2023, Getech signed a strategic collaboration agreement with US headquartered Cozairo, a specialist in carbon capture and storage (CCS) and a blue hydrogen project development company. Through this partnership agreement, the two companies will work collaboratively to identify CCS opportunities, providing a more complete market offering for CCS solutions to address the challenge of climate change.

2023 saw a 42% year on year increase in the number of subscription licenses for Getech's other software products: Data Assistant, Exploration Analyst and Unconventionals Analyst. This was largely driven by strong growth in the US onshore shale gas operations and investment banking sectors. This licence expansion was underpinned by new releases of all three software products, delivering enhanced functionality and performance across the product suite.

Our GIS Services team increased its revenues over the prior year and saw renewals of key strategic contracts - including the Company's largest single services contract with a major energy joint venture, which was renewed for multiple years and so helps ensure strong future revenue visibility.

Unfortunately, in 2023, our Gravity and Magnetic Solutions team had a challenging year. While data sales were increased compared to the prior year, the team's customer project work was adversely affected by the delay of several large contracts – due to factors outside of our control – leading to below forecast performance for our expert G&M services. In 2024 to date, we have seen stronger demand for these services and have a solid pipeline of opportunities from which to win new services revenue.

Critical minerals

Crucial to electrification required for the energy transition, the copper market has an expected supply gap of 6.5 million tonnes per year by 2031. Getech's unique data and analytics are ideal for discovering new sedimentary-hosted copper deposits in unexplored areas, which account for 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 H2 2023, Getech successfully completed an exploration project for Asian Battery Minerals, a participant in the 2023 BHP Xplor accelerator program, targeting potential nickel deposits in Mongolia. Also in H2 2023, Getech joined a consortium of academia and industry to speed up the understanding of copper deposits required for the discovery of critical metal needed for renewable technologies. The three-year Kupferschiefer project aims to create maps of mineral prospective areas within the Central European Basin. The project, led by the University of Western Australia's Centre for Exploration Targeting (CET), has university funding as well as industry sponsors, including the University of Warsaw, First Quantum Minerals, Teck Resources and BHP.

In the first few months of 2024, Getech has built on these successes by entering into a joint venture agreement with East Star Resources plc, a London listed copper exploration company, to pursue copper exploration in Kazakhstan. Using our proprietary data, enhanced by in-house Artificial Intelligence (AI) capabilities, we are conducting a mineral systems analysis and structural interpretation for sedimentary-hosted copper to pinpoint prospective areas in mineral rich, yet underexplored, basins in Kazakhstan. East Star will lead the application process for the tenements / licences and spearhead operational activities. In return for our services, we will have a call option to obtain shares at nil cost in the JV Company, equivalent to 5% of its issued capital, once exploration licenses are secured within the project areas. Getech's 5% share is protected against dilution until a decision to mine has been made at one or more of the mining licenses.

This transaction is the first example of our equity participation strategy and demonstrates a change from generating fee income from subsurface searches to asset participation with the potential to generate substantially more value from our unique data and expertise.

Lithium is forecast to experience a 40-fold demand increase by 2050, driven by its essential role in renewable energy storage and electric vehicles. Finding new resources of lithium is time critical as it takes five to ten years to develop and commission a mine. According to the IEA's recent critical minerals review, exploration spending for lithium increased by 90% in 2022, the highest growth rate among all energy transition minerals.

In H2 2023, Getech launched a solution to identify global sedimentary lithium deposits. Using its Globe earth model as key input data, Getech's novel solution integrates additional structural interpretation, paleoclimate modelling and advanced geospatial analysis to predict resource locations.

To assist with its continuing efforts in the sector, Globe 2023 introduced numerous features aimed specifically at mineral exploration – such as a new dynamic plate model, enhanced paleogeographies and extended palaeosurface geology coverage. These improvements are designed to deepen understanding of the ancient land surface and its composition, a crucial aspect in successful resource exploration. The enhancements to the plate model in particular shed light on how tectonic movement has influenced the location of resources in the present day. In addition, Globe 2023 contains significant enhancements to its stratigraphic lexicon. This updated data, combined with its paleogeographic and palaeosurface geology reconstructions, offers exhaustive details about the composition of sedimentary basins, which is instrumental in locating basin ores such as sedimentary copper as well as lithium.

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 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.

In H2 2023, Getech completed a geothermal study for Angus Energy, demonstrating significant potential in a UK development. Angus Energy is committed to leveraging its oil & gas drilling and engineering expertise to develop geothermal energy projects. To achieve this, the company enlisted Getech's subsurface expertise to locate and assess promising areas for geothermal energy production in Southwest England. Getech identified favourable locations for geothermal energy applications and delivered an in-depth geoscientific interpretation that included structural mapping, depth estimation and heat flow analysis. The assessment, which featured 2D modelling and 3D inversions, enables Angus Energy to make informed and cost-effective decisions regarding future development phases. Leveraging market-leading geologic and geophysical data, advanced geoscientific techniques and state-of-the-art technology, Getech is uniquely positioned to locate the energy and mineral resources necessary for the energy transition.

In H1 2024, we have extended the capabilities that we can offer low carbon geoenergy projects by partnering with Expro and RED Engineering Design. Expro is a leading provider of energy services with expertise in well evaluation and integrity. Initially, the primary focus of this partnership is to identify and expedite opportunities within the emerging low carbon energy sector. The partnership with RED Engineering Design, part of the ENGIE Group, focuses on advancing the decarbonisation of energy sources through innovative geothermal solutions.

Getech also offers tailored decarbonisation solutions that help non-explorer 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.

In 2023, 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.

Green hydrogen (electrolytic)

H2 Green Ltd, a Getech subsidiary, was established to develop green hydrogen transportation hub projects in the UK, in order to profit from the continued decarbonisation of transport and industrial processes.

During 2023, and following our change in CEO, we conducted a review of strategic business priorities for the Group, which concluded that a) a sufficient number of offtake partners had not materialised to progress our green hydrogen projects in the short-term, and b) support for green hydrogen from Government was not emerging quickly enough nor strongly enough to support our portfolio of projects.

As a result, we took the decision to focus on seeking operational partners to help us develop or exit the Inverness and Shoreham Port projects; while at the same time significantly reducing the H2 Green head count and cost-base; and made an accounting impairment against the goodwill recognised on the acquisition of H2 Green.

Inverness project

In March 2023, the Inverness project was chosen to receive a UK Government grant from the Net Zero Hydrogen Fund. However, our strategic review (which began after we had submitted the grant funding application) concluded that as the grant was awarded on a 'match funding' basis it would have required an unsustainable level of up-front capital from Getech and so we withdrew our application.

Since then, we have exited the Inverness project by transferring all the rights, obligations and liabilities of our MOU with The Highland Council to a confidential third-party in exchange for financial considerations that apply if and as project development milestones are achieved over the coming years – comprising two milestone related payments, totalling £615k.

Shoreham Port project

H2 Green had previously secured exclusive development rights for green hydrogen, renewable energy and importing ammonia at Shoreham Port in West Sussex to help establish a green energy hub.

We continue to maintain our project exclusivity and are working with Shoreham Port to find a development partner to advance the project. We expect the project to develop at a scale commensurate for the local demand of green hydrogen within the vicinity of the Port.

Natural hydrogen (geologic)

Natural hydrogen (also called ‘white’ or ‘geological’ hydrogen) is emerging as a potential game-changer in the energy transition, offering clean power with only water as a byproduct, at expected ‘finding costs’ a fraction of that currently being anticipated for green hydrogen.

In H2 2023, Getech commenced a natural hydrogen exploration project in Eastern Europe for a prominent European energy company. The project leverages Getech’s extensive subsurface data and geoscience expertise to exploit the distinct magnetic characteristics of ophiolites – igneous rock formations considered sources of natural hydrogen. By mapping the extents and geometry of these formations, Getech provides vital data to identify potential hydrogen sources. As part of the project Getech undertakes 3D inversion modelling to distinguish the magnetic properties of such ophiolites from other sources of magnetic anomalies.

Also in H2 2023, Getech signed an agreement with LIAG (Leibniz Institute for Applied Geophysics), a partner in the HyAfrica consortium, to accelerate the exploration and development of natural hydrogen resources in Africa. The project aims to discover viable natural hydrogen deposits in Morocco, Mozambique, South Africa and Togo while assessing their economic and social impact. These findings will shape strategic plans for harnessing hydrogen as a sustainable energy source. Getech will contribute its best-in-class potential fields data, machine learning capabilities and geoscience expertise to support the consortium’s research efforts, bolstering the project’s ability to identify promising hydrogen resources.

In 2024, Getech built on these efforts by signing a joint natural hydrogen exploration agreement with a major European-headquartered global industrial and energy company, which aims to locate and develop economic accumulations. In addition to earning fees for its exploration services, Getech will also earn 5% equity interest in any licenses obtained within the designated area and will be 'carried' through the exploration phase, including field sampling, exploration drilling and well-testing.

Outlook

Energy security remains a key concern, leading to increased activity over the last 12 months in the traditional oil and gas exploration sector. Meanwhile, the mining sector continues to report significant anticipated supply gaps across multiple commodities that will be essential to deliver the energy transition.

Getech’s corporate strategy reflects these underlying trends and focuses on monetising the Company’s capabilities across the geoenergy sector as well as seeking opportunities for transformational growth: we are investing to evolve our offerings and unique propositions; growing our order book; expanding our pipeline; and innovating our business models.

Richard Bennett
Chief Executive Officer

Chris Jepps
Chief Operating Officer

Sustainability

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
- Continued to use renewable electricity and green gas suppliers

In 2023, 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 locating natural hydrogen.
- Expanded critical minerals exploration services that now include sedimentary-hosted lithium.

Natural hydrogen

Hydrogen is celebrated as a clean fuel: when burned, its only byproduct is water. However, there's a challenge: the majority of hydrogen currently used globally is grey hydrogen, produced by splitting methane with fossil fuels – a process that emits significant greenhouse gases. Green hydrogen, though environmentally friendly since it is produced using renewable energy sources, remains costly to produce at scale.

Natural hydrogen – also known as white, gold or geological hydrogen – stands out as a particularly promising source. It boasts not only low production costs but also minimal environmental impact due to its lack of associated greenhouse gas emissions. Recognising its potential, Getech has pioneered a robust workflow through the application of Mineral Systems Analysis approach. This innovative method predicts the locations of natural hydrogen deposits in the subsurface, which appear similar to mineral or hydrocarbon deposits.

Our approach utilises the Globe geoscience platform, extensive geophysical data and AI technologies to identify areas with the optimal geologic conditions for natural hydrogen production. This strategy not only supports sustainable energy development but also aligns with global efforts to transition to cleaner energy sources.

If the underground natural hydrogen deposits are substantial and can be extracted safely, they hold the potential to be transformative, offering a significant leap forward in the energy transition. This could drastically reduce reliance on fossil fuels and accelerate the adoption of hydrogen as a mainstream energy source.

Beyond our commercial ventures, Getech is committed to advancing scientific understanding and technological capabilities in this field. We actively engage in research collaborations with leading universities, aiming to refine our techniques and expand our impact on global energy solutions.

Sedimentary-hosted lithium

As the demand for renewable energy sources escalates, lithium has become indispensable due to its pivotal role in battery technology, particularly for electric vehicles and energy storage systems. Among the various sources of lithium, sedimentary-hosted deposits offer a promising avenue due to their significant advantages in terms of scalability, extraction efficiency and environmental impact.

Sedimentary-hosted lithium, often found in clay or hectorite deposits within sedimentary basins, represents a sustainable alternative to traditional hard rock or brine sources. These deposits can potentially be developed with a smaller environmental footprint, as they are typically located in regions with lower biodiversity and less ecological sensitivity. Moreover, the extraction and processing of sedimentary-hosted lithium generally consume less water and energy compared to other lithium sources, aligning with global environmental standards and reducing the overall carbon footprint of lithium production.

Getech is at the forefront of exploring sedimentary-hosted lithium, leveraging our subsurface expertise and advanced technological capabilities to locate these valuable resources.

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.

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 and 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 Board to create this environment. We actively support diversity and inclusion and ensure that all employees are valued with dignity and respect.

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.

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 emphasizes 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.

Community engagement

Getech continues to give back to our communities through charity partnerships and volunteering efforts. During 2023, 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. During 2023, Getech staff provided remote support to the charity in the aftermath of the Turkey-Syria earthquake, providing life-saving geospatial data, visualisation and mapping. We are seeking ways to increase our role in supporting MapAction including donations and training.

Financial Review

2023 was a year of transition for Getech, refocussing the business on core activities, taking action to reduce the cost base for 2024, and setting a course to return the business to profitability.

Revenue

In 2023, Getech's group revenue fell from £5.1 million to £4.0 million, a reduction of 21%. The fall in revenue was as a result of a reduction in expert services and spot sales of gravity and magnetic data. A significant contributing factor to these reductions were delays to customer projects and the lack of availability of funding for customer projects, which had a knock-on affect to our own revenue and sales.

As Getech continues to evolve its subscription model, despite the overall fall in revenue, revenue from recurring subscriptions increased by 7.5% from £2.2 million to £2.4 million. On an annualised basis, recurring revenues increased from £2.4 million at 31 December 2022 to £2.8 million at 31 December 2023.

Revenue by segment	**2023 £'000**	**2022 £'000**	**Variance %**
Recurring subscriptions	2,409	2,242	7.5
Expert services	532	1,027	(48.2)
Spot sales	1,083	1,702	(36.4)
Asset development	—	100	(100.0)
Total revenue/profit before exceptional items	**4,023**	**5,070**	**(20.7)**

Getech also maintained the value of its order book at £4.6 million from 31 December 2022, through to 31 December 2023.

Cost base

During H2 2023, Getech took steps to significantly reduce its cost base, removing c.£2 million of costs from the business on an annualised basis. Whilst it takes time for the cost benefit of these actions to be realised in 2024, during 2023 the Group's cost base was reduced to £7.6 million from £7.9 million in 2022.

Cost base reconciliation below shows how our cost base aligns with the financial statements.

	%variance	**2023 Number**	**2022 Number**
Cost of sales		3,034	3,681
Development costs capitalised		881	785
Administrative costs		4,714	4,779
Depreciation and amortisation charges		(939)	(1,137)
Movement in provisions		—	(104)
RDEC adjustments		—	(22)
Share-based payments		(84)	(67)
Total cost base excluding exceptional items	**-4%**	**7,606**	**7,915**

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

Operating cash flows

Getech's cash outflow from operations, before working capital adjustments was £3.2 million (2022: £2.0 million outflow), which includes costs of sales totalling £0.7 million related to Getech's asset development business (2022: £1.2 million).

Having taken actions to remove c.£2 million of costs from the business, from which the group will benefit in 2024, Getech expects to be cash flow break-even from operations in 2024.

Liquidity and going concern

At the end of 2023, Getech held £0.4 million in cash and cash equivalents (2022: £4.3 million). In June 2024, Getech re-financed Nicholson House to secure a £0.5 million working capital facility, repayable in June 2025 or on the sale of the property.

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 2025. 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. Included in these forecasts is the re-financing and/or sale of the freehold property, Nicholson House. The Directors then further apply sensitivity testing to the revenue profiles based on the achievement of various levels of revenue from noncontractually committed sources.

However, there remains a material uncertainty around the timing and sale value of Nicholson House and the level of non-contractually committed revenue, both of which could impact going concern. While the Directors have plans in place to manage any reasonably foreseeable circumstances, they forecast that there may be a need to secure additional funding in the short-term.

Despite the uncertainties as described above, the Directors have a reasonable expectation that the Group has, or will be able to secure, adequate resources to continue in operational existence for the forecast period. For these reasons, they continue to adopt the going concern basis of accounting in preparing this financial information on behalf of the Board.

Andrew Darbyshire
Chief Financial Officer

Risk Management

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 in the table below:

Risk	**Mitigation**
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.	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.
Owner: CEO Change: ↔	Impact: 4 Likelihood: 3
2. Commodity prices	
Declining commodity prices may lead our customers to reduce their capital budgets for some of our solutions.	Getech aims to pursue contract structures resilient to oil price fluctuations, maintain flexibility in its cost base, and diversify into other markets.
Owner: CEO Change: ↔	Impact: 4 Likelihood: 4
3. Green hydrogen market development	
The green hydrogen market is developing slowly which could degrade the project economics of hydrogen assets.	H2 Green employs a rigorous project review process specifically for capital investments, with well-defined commercial hurdles regarding offtake tangibility and facility design capacity. UK Government CFD/HAR funding assistance has aided production economics, but our primary mitigation is to seek a funding partner to carry the Getech costs on each project. Failing which, a decision can be made to exit.
Owner: CEO Change: ↔	Impact: 3 Likelihood: 3
4. Stakeholder engagement	
Insufficient engagement with stakeholders may result in a lack of understanding of Getech's commercial, strategic and corporate value.	Getech is committed to 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.
Owner: CEO Change: ↑	Impact: 3 Likelihood: 3
Operational	
5. Talent acquisition and retention	
Retention of specialist staff is essential to the success of the business - working in an environment where people are more 'mobile' and can easily find new jobs.	Provide stimulating work in an attractive working environment and a competitive remuneration package and benefits. Incentivise senior management with an attractive share option scheme.
Owner: COO Change: ↑	Impact: 2 Likelihood: 3

6. Data security

Loss or theft of data could devalue our assets and compromise our ability to sell or license the data.	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.

Owner: CFO Change: ↔ Impact: 4 Likelihood: 3

Financial

7. Revenue visibility

Inability to accurately forecast revenue could lead to suboptimal planning and decision-making.	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.

Owner: CFO Change: ↔ Impact: 4 Likelihood: 4

8. Liquidity and cash flow risk

The Group may struggle to meet short-term financial demands due to a volatile working capital cycle.	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.

Owner: CFO Change: ↔ Impact: 4 Likelihood: 4

9. Cost inflation

An increase in cash costs can lead to reduced profitability, limiting our investment capacity and potentially affecting our share price.	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.

Owner: CFO Change: ↓ Impact: 3 Likelihood: 2

Section 172 Statement

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 22 was approved by the Board on 19 June 2024.

Michael Covington
Chairman

Board of Directors

Michael Covington
Chairman (Independent)
Committees: Audit, Nomination, Remuneration, Investment

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 and Blackfinch Group. He qualified as a Chartered Accountant in 1994 with PwC.
Joined – 2021

Emma Parker
Independent Non-Executive Director
Committees: Nomination, Remuneration, ESG

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.
Joined – 2021

Alyson Levett
Independent Non-Executive Director
Committees: None

Alyson, a Chartered Accountant, has over 20 years of leadership experience spanning various sectors such as software, telecommunications, consumer services, FMCG, and manufacturing. Currently she holds directorship positions at Eleco plc, AMTE Power plc and the Financial Services Compensation Scheme Limited where, in both cases, she is the Chair of the Audit Committee; she is also a director at Fetherston Grange Residents Association Limited. Her most recent executive position was as the Chief Financial Officer at I-Nexus Global plc, where she played a pivotal role in their strategic direction, oversaw finance operations and guided the company through its IPO on the AIM market in 2018.
Joined – 2024

Richard Bennett
Chief Executive Officer
Committees: Investment, ESG

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.
Joined – 2021

Andrew Darbyshire
Chief Financial Officer
Committees: Investment, ESG

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. He has a master's degree in mathematics from the University of York and is a Fellow of The Institute of Chartered Accountants in England and Wales. He is also the treasurer for the charity Live Music Now – Northeast.
Joined – 2018

Chris Jepps
Chief Operating Officer
Committees: None

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 COO in February 2018. Chris has a BSc in Geology from Imperial College, London, and is an alumnus of Esri's Partner Advisory Council.
Joined – 2018

Dr Stuart Paton
Resigned, March 2024
Committees: Audit, Remuneration (throughout 2023)

Stuart had 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.
Joined – 2011

Dr Jonathan Copus
Resigned, February 2023
Committees: None

Jonathan brought 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.
Joined – 2016

Corporate Governance Framework

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 2023, the Board comprised a Chairman, two 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

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 below.

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.

Director	Board	Audit committee	Remuneration committee	Nomination committee
Michael Covington	12/12	3/3	3/3	1/1
Emma Parker	8/12		3/3	1/1
Richard Bennett	12/12	1/1		1/1
Andrew Darbyshire	12/12			
Chris Jepps	12/12			
Dr Stuart Paton	12/12	3/3	3/3	
Dr Jonathan Copus	2/4			

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.

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

Audit Committee

In 2023, the Audit Committee consisted of two 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; and
- Review and consider for approval significant new contracts.

Remuneration Committee

In 2023, the Remuneration Committee consisted of three 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; and
- 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 2023, the Nomination Committee consisted of two 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; and
- Deciding membership of the Audit and Remuneration Committees.

ESG Committee

In 2023, the ESG Committee comprised two Executive Directors and one Non-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; and
- Ensuring the integration of ESG considerations into the Company's overall business strategy and decision-making processes.

Investment Committee

In 2023, the Investment Committee consisted of one Non-Executive Director and two Executive Directors. 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; and
- 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 2023 included Proactive/Cenkos Growth and Innovation Forums, AJ Bell and Shares Investor Evening, Investor Meet Company, Mello London, Vox Markets and others.

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

Remuneration Committee Report

The Remuneration Committee presents its report for the year ended 31 December 2023. 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 2023 the Remuneration Committee comprised the following members:

- Michael Covington (Chair)
- Emma Parker
- Dr Stuart Paton
- Richard Bennett (stepped down from the Remuneration Committee on appointment as Executive Chairman)

All members were Non-Executive Directors. The Committee met three 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.

2023 remuneration outcomes

The key components of the remuneration packages for Executive Directors and senior management include base salary, pension, benefits and share options.

In 2023, 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 2023.
- Pension: No significant adjustments were made during 2023.
- Benefits: No significant adjustments were made during 2023.
- Share options: A total of 397,996 share options were granted, with 107,960 allocated to the Group's Directors. The Committee approved the 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 period end: The committee approved the cancellation of employee and Director options pre-dating 2022 in exchange for the grant of 6,450,000 new options to senior management, with 3,500,000 allocated to the Group's Directors.

Post balance sheet events

On 7 February 2024 Getech announced the appointment of Michael Covington as Chairman and Richard Bennett as CEO (previously Executive Chairman and Acting CEO from February 2023), both with immediate effect. Additionally, Dr Stuart Paton, after 12 years of dedicated service, notified the Company that he would not be standing for re-election at the next AGM and would retire from the Board on 31 March 2024. Alyson Levett was appointed non-executive director on 4 June 2024.

On 6 February 2024 the Remuneration Committee approved a discretionary variable pay scheme for the executive team and senior management. This scheme allocates up to 25% of the free cash flow generated from operations, (before working capital adjustments, and deducting capitalised development costs) to a bonus pool for distribution among the Executive Directors and senior management. Individual bonuses are capped at 125% of base salary. Any bonus entitlements exceeding 50% of base salary may, at the discretion of the Remuneration Committee, be paid in deferred shares subject to a 3-year lock-up period.

Also on 6 February 2024, the Remuneration Committee granted share options for a total of 6,450,000 shares in the company to the executive team and senior management under the approved share option scheme (the "Options").

The Options include the following awards to directors and PDMRs:

Name	Position	Number of Options
Richard Bennett	CEO	1,700,000
Andrew Darbyshire	CFO	900,000
Chris Jepps	COO	900,000

The Options have the following terms:

- **Exercise Price:** 8.0p per share, which is the volume weighted average closing price of the Company's ordinary shares between 22 January 2024 and 6 February 2024.
- **Option Term:** 5 years, with 50% vesting after 2 years and the remaining 50% after 3 years.
- **Vesting Conditions:** The vesting of the Options is subject to achieving a one-month volume weighted average closing price in excess of 24p during the Option term.

Summary table for the Chairman and Non-Executive Directors

<table>
<tr><th>Role</th><th>Operation</th><th>Implementation in 2023</th></tr>
<tr><td>Chairman</td><td>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.</td><td>Richard Bennett's inclusive Chairman fee was £44,990 per annum. On appointment as Executive Chairman on 1 March 2023, Richard was paid up to 10 days per month additional fees, pro rata.</td></tr>
<tr><td>Non-Executive Directors</td><td>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.</td><td><table><tr><th></th><th>2023 fee</th><th>2022 fee</th></tr><tr><td>Base fee</td><td>£22,495</td><td>£22,495</td></tr><tr><td>H2 Green board membership</td><td>£22,495</td><td>£22,495</td></tr></table>Dr Stuart Paton received H2 Green Board membership fees up until June 2023, after which he received base fees only.</td></tr>
</table>

Total remuneration in 2023

Directors' remuneration for the year ended 31 December 2023 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 (resigned 28 February 2023)	311	10	1	322	—
Richard Bennett (appointed 1 March 2023)	155	—	—	155	—
Chris Jepps	171	8	1	180	18
Andrew Darbyshire	138	10	1	149	16
Non-executive Directors					
Dr Stuart Paton	34	—	—	34	—
Richard Bennett (executive from 1 March 2023)	7	—	—	7	—
Michael Covington	23	—	—	23	—
Emma Parker	23	2	—	25	—
	848	**30**	**3**	**881**	**34**

Included in Salary paid to Dr Jonathan Copus is 6 months' notice pay from the date of resignation on 28 February 2023 and ex-gratia payment of £120,000.

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**

Employer pension contributions for directors are calculated at 5% of basic salary. Directors' additional voluntary contributions (AVCs) to their pensions are made via a salary exchange scheme, with the national insurance savings passed on to the directors and employees who participate in this scheme.

Benefits in kind include private medical insurance and electric vehicles leased through the group's salary exchange scheme.

Shareholder engagement

The Remuneration Committee places great value on the input of our shareholders 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. We encourage shareholders to participate in the forthcoming Annual General Meeting, where there will be a vote on the Remuneration Committee report.

Conclusion

The Remuneration Committee believes that the remuneration outcomes for 2023 reflect the performance of Getech and are aligned with our strategic objectives and shareholder interests. We remain committed to ensuring that our remuneration policies continue 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

19 June 2024

Audit Committee Report

The Audit Committee presents its report for the year ended 31 December 2023. 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 2023, the Audit Committee comprised the following members:

- Michael Covington (Chairman)
- Dr Stuart Paton
- Richard Bennett (stepped down from the Audit Committee on appointment as Executive Chairman)

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.

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 2023 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 2023, 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 19 to 20, 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

During the year, the Committee removed Grant Thornton UK LLP as group auditor and appointed Crowe UK LLP for the audit of the Group's 2023 Annual Report. The Committee discussed the audit fee for the 2023 Annual Report with the external auditor and approved the proposed fee on behalf of the Board. The fee amounted to £65,000 (2022: £95,000).

Crowe 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 2023 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 Crowe 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 2023, 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

19 June 2024

Directors' Report

The Directors present their report and financial statements for the year ended 31 December 2023.

Principal activities

The principal activity of the Group is locating energy and mineral resources essential for the world's energy transition. Getech generates revenue by locating new energy and mineral resources using its extensive data, geoscience expertise, AI-driven analytics and extensive GIS capabilities. The Group's client portfolio is wide-ranging, from governments, municipalities, natural resources and energy companies to consumer goods and computing services companies, all striving to become energy and minerals self-sufficient and drive towards net zero.

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 (resigned 31 March 2024)
- Emma Parker
- Alyson Levett (joined 4 June 2024)
- Andrew Darbyshire
- Chris Jepps
- Dr Jonathan Copus (resigned 28 February 2023)

Results and dividends

The results for the year are set out on page 45. The Directors do not recommend a dividend (2022: 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 18 to 20).

Substantial shareholders

The Parent Company was notified on 29 December 2023 of the following interests in excess of 3% of its issued ordinary share capital. Please see the table below.

	Number of ordinary shares	% of issued share capital
Mr Stuart Hawthorne	10,500,000	15.6
Amati Global Investors	7,727,000	11.5
Hargreaves Lansdown Asset Mgt	4,725,764	7.0
Interactive investor	4,520,100	6.7
Premier Miton Investors	4,465,745	6.6
BGF Investments	3,980,350	5.9
Rathbone Investment Mgt	3,608,222	5.4
Dowgate Capital	2,705,138	4.0
A J Bell Securities	2,455,408	3.6

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; and
- 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; and

- 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 2025. 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. Included in these forecasts is the sale of the freehold property, Nicholson House. In June 2024, Getech re-financed Nicholson House to secure a £0.5 million working capital facility, repayable in June 2025 or on the sale of the property. The Directors then further apply sensitivity testing to the revenue profiles based on the achievement of various levels of revenue from noncontractually committed sources.

However, there remains a material uncertainty around the timing and sale value of Nicholson House and the level of non-contractually committed revenue, both of which could impact going concern. While the Directors have plans in place to manage any reasonably foreseeable circumstances, they forecast that there may be a need to secure additional funding in the short-term.

Despite the uncertainties as described above, the Directors have a reasonable expectation that the Group has, or will be able to secure, adequate resources to continue in operational existence for the forecast period. For these reasons, they continue to adopt the going concern basis of accounting in preparing this financial information on behalf of the Board.

Michael Covington
Chairman

Independent Auditor’s Report to the Members of Getech Group plc

Opinion

We have audited the financial statements of Getech Group plc (the “Parent Company”) and its subsidiaries (the “Group”) for the year ended 31 December 2023, which comprise:

- the Group statement of comprehensive income for the year ended 31 December 2023;
- the Group and parent company statements of financial position as at 31 December 2023;
- the Group statement of cash flows for the year then ended;
- the Group and parent company statements of changes in equity for the year then ended; and
- the notes to the financial statements, including 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 2023 and of the Group’s loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the Parent Company financial statements have been properly prepared in accordance with 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.

Material uncertainty related to going concern

We draw attention to note 1.4 in the financial statements, which indicates that although the Directors believe that the existing cash balances and Group’s ability to realise the non-contractual revenue from customers and adjust costs in accordance with forecast levels of revenue, demonstrate that the Group has sufficient working capital for the forecast period, there exists a material uncertainty on the Group’s ability to continue as a going concern subject to the uncertainties surrounding the cash flows. There is significant reliance on revenue sources which are not yet contracted and other cash inflows such as the sale of a property, which could result in material uncertainty if they are not realised in the expected timeframe. As stated in note 1.4, these events or conditions, along with the other matters as set forth in note 1.4, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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

Our evaluation of the directors' assessment of the group's and the parent company's ability to continue to adopt the going concern basis of accounting included:

- Obtaining management's going concern assessment including future financing expectations, cash flow forecasts and sensitivity analysis covering the period to 30 June 2025;
- Gaining an understanding of the design of processes and controls in place over management's forecasts supporting the going concern assessment and confirming that they are implemented as designed;
- Challenging management over the key assumptions used in the forecasts which included revenue growth, cost assumptions and conversion of receivables into cash, to determine whether these are reasonable and consistent with the trading expectations and history of the business;
- Examining detailed budgets and forecasts prepared by management covering the period of the going concern assessment to ensure these are appropriate. Challenged management over the likelihood, timing and quantity of future revenues forecast;
- Reviewing the accuracy of past budgets and forecasts by comparing the budget for the current year against actual results for the year.
- Challenging management on the severity of the sensitivity analysis prepared by management and the reasonableness of the mitigating action management plans to put in place to maintain a net cash and cash equivalent to continue to meet its liabilities as and when they fall due.
- Reviewing the impact of existing loan agreements, and loan repayments on the cash flows in the going concern period.
- Challenging management on the appropriateness and adequacy of the disclosures in the financial statement in respect of going concern.

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

Overview of our audit approach

MATERIALITY

In planning and performing our audit we applied the concept of materiality. An item is considered material if it could reasonably be expected to change the economic decisions of a user of the financial statements. We used the concept of materiality to both focus our testing and to evaluate the impact of misstatements identified.

Based on our professional judgement, we determined overall materiality for the Group financial statements as a whole to be £200,000 (2022 £195,000 as determined by the predecessor auditor), based on approximately 4% of Group's loss before tax. Materiality for the Parent Company financial statements as a whole was set at £180,000 (2022: £127,000 as determined by the predecessor auditor) based on a restriction of component materiality.

We use a different level of materiality ('performance materiality') to determine the extent of our testing for the audit of the financial statements. Performance materiality is set based on the audit materiality as adjusted for the judgements made as to the entity risk and our evaluation of the specific risk of each audit area having regard to the internal control environment. This is set at £140,000 for the group and £126,000 for the parent.

Where considered appropriate performance materiality may be reduced to a lower level, such as, for related party transactions and directors' remuneration.

We agreed with the Audit Committee to report to it all identified errors in excess of £10,000. Errors below that threshold would also be reported to it if, in our opinion as auditor, disclosure was required on qualitative grounds.

OVERVIEW OF THE SCOPE OF OUR AUDIT

Our group audit was scoped by obtaining an understanding of the Group and its environment, including Group-wide controls, and assessing the risks of material misstatements at the Group level. For the three significant components we identified, which are Getech Group plc, Exprodat Consulting Limited and Geophysical Exploration Technology Inc., we performed a full scope audit of the complete financial information to component materiality. For the remaining components, we performed analytical reviews and other audit procedures on specific accounts within that component that we considered had the potential for the greatest impact on the significant accounts in the financial statements, either because of the size of these accounts or their risk profile.

The group audit team conducted the audit of all components of the business and no component auditors were used during the audit process.

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 which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the material uncertainty related to going concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

This is not a complete list of all risks identified by our audit.

Key audit matter	***How the scope of our audit addressed the key audit matter***
Revenue recognition – IFRS 15 There is a presumption in International Standards on Auditing (ISA 240) that there is a rebuttable assumption of a risk of material misstatement due to fraud. Revenue for the year totalled £4.02m consisting of subscriptions, services and spot sales as disclosed in Note 4.	• We obtained an understanding of the design and implementation of systems and controls relevant to income recognition; We also performed the following procedures: • We performed analytical procedures and an assessment of revenue recognition policies for consistency and compliance with IFRS 15; • We reviewed accounting papers prepared by management on Software Subscription income, Income from consultancy services, Off-the-shelf products and Income from Globe licences;

There is a risk that revenue is recognised before the risks and rewards of ownership have transferred to the customer and before the performance obligation have been met. By evaluating which types of revenue, revenue transactions or assertions give rise to such fraud risks we are able to identify and assess the risk of material misstatement due to fraud. The risk of material misstatement due to fraud is on the revenue recognised over the contract term where the contract was ongoing at year end. We have also identified a further risk to be in relation to cut off.	• We performed substantive transactional testing of income recognised in the year; • We tested samples of contracts which are still ongoing at year end to gain assurance that the revenue recognition is in compliance with IFRS 15. • We tested samples of revenue transactions before and after the year end based on performance obligation for products to determine whether transactions were recorded in the correct accounting period and whether revenue was appropriately deferred or accrued; Conclusion: Based on the audit procedures, we have not identified any issues which will suggest that the revenue recognised is materially misstated.
Carrying value/Impairment of Goodwill and other intangible assets disclosed in Note 18. Goodwill on consolidation or arising from historic purchases of the trade and assets of another entity may not be carried at the correct value and may be impaired. Similarly, we identified potential impairments in the carrying value of other intangible assets following the loss performance of certain CGUs. The Group has Goodwill and intangible assets amounting to £0.3m and £3.6m respectively which are highly material and subject to the risk of material misstatement due to fraud or error. Similarly within the Parent company balance sheet is intangible assets of £3.1m which is prone to impairment. Management has rightly impaired the goodwill allocated to Hydrogen development projects as this has been discontinued. Management has further prepared impairment assessment for individual CGUs based on judgements on the	We have performed the following audit procedures: • Obtained and review the impairment assessment completed by the management on indicators of impairment. Challenged management's identification of cash generating units (CGUs) and their assessment whether any impairment indicators are present. • Challenged the conclusions, by determining whether there are indications of impairment, and if so the impairment reviews completed considering to what extent this would decrease the value of the assets. Considered whether there have been events or trends which question the recoverability of carrying values either for individual intangible assets or in total. • Engaged our internal valuations experts to review the valuation methodology, assess the appropriateness of management's impairment model and the discount rates applied. • Challenged management on the assumptions regarding the revenue, costs and cash flow forecasts used in the impairment model, giving consideration to historical forecast accuracy and corroborated expected revenue to existing and prospective contracts. • Performed a sensitivity analysis independent of management's assessment, to understand the impact of any reasonably possible

forecast results for each underlying entities, growth rate and entity level discount rates. Management concludes that there are no other impairments to the goodwill and intangible assets. Given the level of judgements and complexity involved in the impairment calculation, we have considered this to be significant risk area for our audit.	changes in the key assumptions, and evaluating the impact on the headroom available from the value in use and carrying amount before there would be impairment. • Assessing the adequacy and completeness of the Group's disclosures with respect to the carrying value of the Goodwill and other intangible assets, and the related assumptions. Conclusion: Based on the audit procedures, we have concluded management's judgement and assessment to be reasonable and there are no material misstatement to the goodwill and other intangible assets.

Other information

The directors are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion based on the work undertaken in the course of our 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 directors' report and strategic report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In 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.

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

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

Responsibilities of the Directors for the financial statements

As explained more fully in the directors' responsibilities statement 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 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

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. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory frameworks within which the Group and Parent Company operates. We also considered and obtained an understanding of the UK legal and regulatory framework which we considered in this context were the Companies Act 2006, the Quoted Companies Alliance (QCA) Corporate Governance Code, the Alternative Investment Market (AIM) rules and UK taxation legislation.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be the override of controls by management, misstatement of revenue and misstatement of carrying value of intangible assets including goodwill. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals. We also reviewed and challenged accounting estimates and assumptions used by management for the valuation of goodwill, intangible assets and recognition of contract income, in order to verify that the calculations and models were reasonable and free of biases.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. We are not responsible for preventing non-compliance and cannot be expected to detect noncompliance with all laws and regulations.

These inherent limitations are particularly significant in the case of misstatement resulting from fraud as this may involve sophisticated schemes designed to avoid detection, including deliberate failure to record transactions, collusion or the provision of intentional misrepresentations.

A further description of our responsibilities is available 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.

Michael Jayson (Senior Statutory Auditor)
for and on behalf of **Crowe U.K. LLP**
Statutory Auditor
Manchester
19 June 2024

Group statement of Comprehensive Income

for the year ended 31 December 2023

	Notes	2023 £'000	2022 £'000
Revenue	4	4,023	5,070
Cost of sales		(3,034)	(3,681)
Gross profit		**989**	**1,389**
Other operating income		65	205
Administrative expenses		(4,716)	(4,779)
Operating loss before exceptional items		**(3,662)**	**(3,185)**
Exceptional items	5	(1,526)	—
Operating loss	7	**(5,188)**	**(3,185)**
Finance income	11	17	8
Finance costs	12	(55)	(45)
Other gains and losses	13	125	125
Loss before taxation		**(5,101)**	**(3,097)**
Tax income	14	(48)	269
Loss for the year		**(5,149)**	**(2,828)**
Other comprehensive income			
Currency translation differences		78	110
Total comprehensive loss		**(5,072)**	**(2,718)**
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.			
Earnings per ordinary share (EPS)	16		
Basic EPS		(7.64)p	(4.21)p
Diluted EPS		(7.64)p	(4.21)p

All activities are continuing operations.

Group Statement of Financial Position

as at 31 December 2023

	Notes	2023 £'000	2022 £'000
Non-current assets			
Goodwill	18	296	631
Intangible assets	18	3,606	3,413
Property, plant and equipment	19	83	2,282
Investment property	20	—	69
Deferred tax asset	31	109	200
		4,093	**6,595**
Current assets			
Trade and other receivables	25	1,351	1,202
Current tax recoverable		74	318
Cash and cash equivalents	23	385	4,322
Assets classified as held for sale	22	1,475	—
		3,285	**5,842**
Total assets		**7,378**	**12,437**
Current liabilities			
Trade and other payables	29	2,395	2,304
Current tax liabilities		—	9
Borrowings	27	589	110
		2,984	**2,423**
Net current assets		**301**	**3,419**
Non-current liabilities			
Borrowings	27	—	570
Trade and other payables	29	—	39
Long-term provisions	32	—	25
		—	**634**
Net assets		**4,394**	**9,380**
Equity			
Called up share capital	36	169	168
Share premium account		8,685	8,685
Merger reserve		2,601	2,601
Share-based payment (SBP) reserve		158	196
Currency translation reserve		186	108
Retained earnings		(7,405)	(2,378)
Total equity		**4,394**	**9,380**

The financial statements were approved by the Board of Directors and authorised for issue on 19 June 2024 and are signed in its behalf by:

Andrew Darbyshire
Director

Group statement of Changes in Equity

for the year ended 31 December 2023

	Notes	Share capital £'000	Share premium account £'000	Merger reserve £'000	SBP reserve £'000	Currency translation reserve £'000	Retained earnings £'000	Total equity £'000
1 January 2022		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:								
Issue of share capital	35	1	—	—	—	—	—	1
Share-based payment charge	34	—	—	—	67	—	—	67
Transfer of reserves	36	—	—	—	(129)	—	129	—
31 December 2022		168	8,685	2,601	196	108	(2,378)	9,380
Loss for the year		—	—	—	—	—	(5,149)	(5,328)
Currency translation differences		—	—	—	—	78	—	78
Total comprehensive income for the year		—	—	—	—	78	(5,149)	(5,250)
Transactions with owners:								
Issued share capital	35	1	—	—	—	—	—	1
Share-based payment charge	34	—	—	—	84	—	—	84
Transfer of reserves		—	—	—	(122)	—	122	—
31 December 2023		**169**	**8,685**	**2,601**	**158**	**186**	**(7,405)**	**4,394**

Group Statement of Cash Flows

for the year ended 31 December 2023

	Notes	2023 £'000	2022 £'000
Operating activities			
Loss before tax		(5,102)	(3,097)
Adjusted for non-cash items:			
Other gains and losses		(125)	(125)
Depreciation charge		186	329
Amortisation of intangible assets		745	808
Impairment of property, plant and equipment		626	—
Impairment of intangible assets		335	—
Loss on disposal of assets		8	—
Movement in provisions		25	—
Share based payment charge		84	67
Finance income		(17)	(8)
Finance charges		55	45
Gains and losses on exchange rate		(1)	—
RDEC adjustments		—	(22)
		(3,180)	**(2,003)**
(Increase)/decrease in trade and other receivables		(149)	390
Increase/(decrease) in trade and other payables		212	357
Cash generated from operations		(3,116)	(1,256)
Income tax refunded		278	788
Net cash outflow from operating activities		**(2,837)**	**(468)**
Investing activities			
Development costs capitalised		(881)	(785)
Purchase of property, plant and equipment		(27)	(73)
Interest received		17	14
Net cash used in investing activities		**(892)**	**(850)**
Financing activities			
Proceeds from issue of shares		1	1
Repayment of loan		(91)	(89)
Repayment of lease liabilities		(160)	(199)
Interest paid		(55)	(40)
Net cash used in financing activities		**(305)**	**(327)**
Net decrease cash and cash equivalents		**(4,034)**	**(1,645)**
Cash and cash equivalents at the beginning of the year		4,322	5,864
Foreign exchange adjustments to cash and cash equivalents		97	103
Cash and cash equivalents at end of year		**385**	**4,322**

Note to the Group Statement of Cash Flows

for the year ended 31 December 2023

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.

	1 January 2023	**Financing cash flows**	**Other cash flows**	**On inception**	**Other movements***	**Foreign exchange**	**31 December 2023**
Cash	4,322	(251)	(3,890)	—	—	204	385
Bank loans	(680)	91	—	—	—	—	(589)
Leases	(167)	160	—	(25)	—	—	(32)
Contingent consideration	(125)	—	—	—	125	—	—
	3,350	—	(3,890)	(25)	125	204	(236)

	1 January 2022	**Financing cash flows**	**Other cash flows**	**On inception**	**Other movements***	**Foreign exchange**	**31 December 2022**
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

Notes to the Group Financial Statements

for the year ended 31 December 2023

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 Nicholson 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 2023. 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 2025. 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. Included in these forecasts is the sale of the freehold property, Nicholson House. In June 2024, Getech re-financed Nicholson House to secure a £0.5 million working capital facility, repayable in June 2025 or on the sale of the property. The Directors then further apply sensitivity testing to the revenue profiles based on the achievement of various levels of revenue from noncontractually committed sources.

However, there remains a material uncertainty around the timing and sale value of Nicholson House and the level of non-contractually committed revenue, both of which could impact going concern. While the Directors have plans in place to manage any reasonably foreseeable circumstances, they forecast that there may be a need to secure additional funding in the short-term.

Despite the uncertainties as described above, the Directors have a reasonable expectation that the Group has, or will be able to secure, adequate resources to continue in operational existence for the forecast period. For these reasons, they continue to adopt the going concern basis of accounting in preparing this financial information on behalf of the Board.

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.

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 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 based on 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.

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 “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 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.

1.12. 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. Non-current assets held for sale

Non-current assets classified as held for sale are presented separately and measured at the lower of their carrying amounts immediately prior to their classification as held for sale and their fair value less costs to sell. Once classified as held for sale, the assets are not subject to depreciation or amortisation.

1.14. 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 (e.g. 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.

1.15. 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.

1.16. 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.

1.17. 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.

1.18. 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.

1.19. 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, considering 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.

1.20. 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.

1.21. Retirement benefits

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

1.22. 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 considers 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, considering 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.

1.23. 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 a 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.

1.24. Grants

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

1.25. 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.

1.26. 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:

- IFRS 17 'Insurance Contracts'
- Amendments to IFRS 17 Insurance Contracts (Amendments to IFRS 17 and IFRS 4)
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)
- Definition of Accounting Estimates (Amendments to IAS 8)
- International Tax Reform—Pillar Two Model Rules (Amendments to IAS 12)

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:

- Classification of Liabilities as Current or Non-current (Amendments to IAS 1)
- Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)
- Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)
- Lack of Exchangeability (Amendments to IAS 21)
- Non-current Liabilities with Covenants (Amendments to IAS 1)

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

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 recoverability 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 £2,619,000 (2022: £93,000) has been recognised against the loan.

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 GOODWILL

These are estimated based on 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 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:

- Recurring revenues (including Globe, Data and Software subscriptions);
- Services (including Expert services and Developer workflows);
- Spot sales (including off-the-shelf Data and Reports sales); and
- Asset development, which covers the Hydrogen development work of H2 Green.

Segmental revenues and results

		2023		**2022**
	Revenue £’000	**Profit £’000**	**Revenue £’000**	**Profit £’000**
Recurring subscriptions	2,409	1,528	2,242	1,105
Expert services	532	66	1,027	233
Spot sales	1,083	763	1,702	1,154
Asset development	—	(727)	100	(1,103)
Total revenue/profit before exceptional items	**4,023**	**1,734**	**5,070**	**1,389**
Central administrative costs		(5,394)		(4,574)
Exceptional costs		(1,526)		—
Fair value gains and losses		125		125
Net finance costs		(39)		(37)
Loss before tax		**(5,100)**		**(3,097)**

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.

Revenue and assets by geographical markets

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

	2023		2022	
	Revenue £'000	Non-current assets £'000	Revenue £'000	Non-current assets £'000
United Kingdom	877	3,998	716	6,614
Italy	240	—	239	—
Ireland	73	—	102	—
Rest of Europe	281	—	227	—
United States of America	1,300	212	1,713	214
Rest of the Americas	9	—	815	—
Malaysia	188	—	188	—
Kazakhstan	330	—	305	—
Australia	172	—	136	—
Rest of Asia-Pacific	461	—	451	—
Africa	92	—	178	—
	4,023	**4,210**	**5,070**	**6,828**

There were no customers exceeding 10% of the Group's revenue (2022: three, with the largest customer contributing to 18% of revenues. 23.5% of revenues from two customers sit within the Spot sales segment, with the remaining one being in the Expert services segment). Revenue from Spot sales and from Asset development is recognised at point in time, whilst revenue from Recurring subscriptions and Expert services is recognised over time.

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

Contract assets	**2023 £'000**	**2022 £'000**
At 1 January	126	167
Transfers in the year from contract assets to trade receivables	(126)	(167)
Excess of revenue recognised over cash, or rights to cash, being recognised during the year	231	126
At 31 December	**231**	**126**

Contract liabilities	**2023 £'000**	**2022 £'000**
At 1 January	1,009	504
Amounts recognised as revenue during the year	(1,009)	(504)
Amounts received in advance of performance and not recognised as revenue during the year	904	1,009
At 31 December	**904**	**1,009**

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

Expenditure	**2023 £'000**	**2022 £'000**
Restructuring costs	565	—
Impairment of goodwill	335	—
Impairment of property, plant and equipment	626	
	1,526	**—**

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 previous 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

	2023 £'000	**2022 £'000**
Operating loss for the year is stated after charging/(crediting):		
Exchange losses/(gains)	1	22
Research and development costs (including staff costs)	468	856
Government grants	—	(22)
Depreciation of property, plant, and equipment	125	224
Impairment of property, plant, and equipment	626	—
Depreciation of investment property	69	105
Amortisation of intangible assets	745	808
Impairment of intangible assets	335	—
Share-based payments	73	67

8. Auditor's remuneration

Fees payable to the Company's auditor and associates:	**2023 £'000**	**2022 £'000**
For audit services		
Audit of the financial statements of the Group and Company	65	75
Audit of the financial statements of the Company's subsidiaries	—	20
	65	**95**
For other services		
Audit related assurance services	—	7

9. Employees

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

	2023 Number	2022 Number
Directors	3	3
Administration	21	17
Technical	42	46
	66	**66**

Their aggregate remuneration comprised:

	2023 £'000	2022 £'000
Salaries	4,568	4,185
Social security costs	546	515
Other pension costs	561	446
Share-based payment charges	73	67
	5,748	**5,213**

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 2023 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 (resigned 28 February 2023)	311	10	1	322	—
Richard Bennett (appointed 1 March 2023)	155	—	—	155	—
Chris Jepps	171	8	1	180	18
Andrew Darbyshire	138	10	1	149	16
Non-executive Directors					
Dr Stuart Paton	34	—	—	34	—
Richard Bennett (executive from 1 March 2023)	7	—	—	7	—
Michael Covington	23	—	—	23	—
Emma Parker	23	2	—	25	—
	848	**30**	**3**	**881**	**34**

Included in Salary paid to Dr Jonathan Copus is 6 months' notice pay from the date of resignation on 28 February 2023 and ex-gratia payment of £120,000.

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' share options

			Number of shares			
Date granted	Exercise period	Option price	31 Dec 2022	Granted	Lapsed / Exercised	**31 Dec 2023**
Dr Jonathan Copus						
2 Aug 2016	2 Aug 2017 – 2 Aug 2026	24.50p	500,000	—	500,000	—
2 Aug 2016	2 Aug 2018 – 2 Aug 2026	24.50p	500,000	—	500,000	—
2 Aug 2016	2 Aug 2019 – 2 Aug 2026	24.50p	400,000	—	400,000	—
20 Nov 2018	2 Aug 2019 – 19 Nov 2028	35.00p	100,000	—	100,000	—
20 Nov 2018	20 Nov 2019 – 19 Nov 2028	35.00p	125,000	—	125,000	—
20 Nov 2018	20 Nov 2020 – 19 Nov 2028	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 23 – 8 Feb 29	27.50p	216,667	—	216,667	—
8 Feb 2022	8 Feb 23 – 8 Feb 29	27.50p	216,667	—	216,667	—
Chris Jepps						216,666
20 Nov 2018	20 Nov 2019 – 19 Nov 2028	35.00p	125,000	—	—	125,000
20 Nov 2018	20 Nov 2020 – 19 Nov 2028	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 23 – 8 Feb 29	27.50p	166,667	—	—	166,667
8 Feb 2022	8 Feb 23 – 8 Feb 29	27.50p	166,667	—	—	166,667
15 Mar 2023	30 Jun 23 – 30 Jun 26	0.25p	—	58,400	58,400	—
Andrew Darbyshire						
20 Nov 2018	20 Nov 2019 – 19 Nov 2028	35.00p	125,000	—	—	125,000
20 Nov 2018	20 Nov 2020 – 19 Nov 2028	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 23 – 8 Feb 29	27.50p	166,667	—	—	166,667
8 Feb 2022	8 Feb 23 – 8 Feb 29	27.50p	166,667	—	—	166,667
15 Mar 2023	30 Jun 23 – 30 Jun 26	0.25p	—	49,560	—	49,560
Total Directors' share options			**3,900,000**	**107,960**	**2,458,400**	**1,549,560**

The market price of the shares at the end of the financial year was 5.25p and the range of market prices during the year was between 16.88p and 5.10p.

On 28 February 2023 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 35.

11. Investment income

	2023 £'000	2022 £'000
Financial instruments measured at amortised cost:		
Bank deposits	17	8

12. Finance costs

	2023 £'000	2022 £'000
Interest on bank overdrafts and loans	55	32
Interest on lease liabilities	—	7
Other interest payable	—	1
Core interest expense	**55**	**40**
Interest on contingent consideration for H2 Green acquisition	—	5
	55	**45**

13. Other gains and losses

	2023 £'000	2022 £'000
Change in value of contingent consideration	125	125

14. Income tax income

	2023 £'000	2022 £'000
Current tax		
UK corporation tax on profits for the current period	(86)	(283)
Adjustments for prior periods	5	—
Total UK current tax	**(81)**	**(283)**
Foreign taxes and reliefs	12	—
	(69)	**(283)**
Deferred tax		
Origination and reversal of temporary timing differences	117	38
Foreign exchange differences	—	(24)
	117	14
Total tax credit	**48**	**(269)**

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

	2023 £'000	2022 £'000
Loss before taxation	(5,101)	(3,097)
Expected tax credit based on a corporation tax rate of 23.5% (2022: 19%)	(1,200)	(588)
Fixed asset differences	151	73
Effect of expenses not deductible in determining taxable profit	69	4
Utilisation of tax losses not previously recognised	—	(24)
Unutilised tax losses carried forward	1,069	492
Additional deduction for Research and development	(113)	(221)
Surrender of losses for research and development expenditure credits	107	—
Other permanent differences	(60)	(7)
Share based payment charge	20	(13)
Under/(over) provided in prior years	5	25
Taxation credit for the year	**48**	**(269)**

The UK corporation tax rate was 19% to 31 March 2023 and 25% for the remainder of the year.

The rate increased to 25% from 1 April 2023. Deferred tax balances at the reporting date are therefore measured at 25% (2022: 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

	2023 Number	2022 Number
Number of shares		
Weighted average number of ordinary shares for basic earnings per share	67,381,385	67,251,505

	2023 £'000	2022 £'000
Earnings (all attributed to equity shareholders of the Company)		
Loss for the period from continuing operations	(5,421)	(2,828)

	2023 pence/share	2022 pence/share
Basic and diluted earnings per share		
From continuing operations	(8.05)	(4.21)

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

	2023 £'000	2022 £'000
Loss for the period from continuing operations	(5,421)	(2,828)
Adjusted for:		
Exceptional items	1,526	—
Adjusted earnings	(3,895)	(2,828)
Basic adjusted earnings per share (pence/share)	**(5.78)**	**(4.21)**

17. Impairments

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

	2023 £'000	2022 £'000
In respect of:		
Property, plant and equipment	733	—
Goodwill	335	—
Recognised in:		
Exceptional items	1,068	—

18. Intangible assets

	Goodwill £'000	Other intangibles £'000	Development costs £'000	Reports £'000	Data holdings £'000	Customer relationships £'000	Software development £'000	Total £'000
Cost								
At 1 January 2022	3,763	334	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	334	7,541	1,467	1,833	877	462	16,277
Additions (internally generated)	—	—	881	—	—	—	—	881
Additions	—	—	58	—	—	—	—	58
Foreign currency adjustments	—	—	—	—	(102)	—	—	(102)
At 31 December 2023	**3,763**	**334**	**8,480**	**1,467**	**1,731**	**877**	**462**	**17,114**
Amortisation and impairment								
At 1 January 2022	3,132	334	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	334	4,438	1,467	1,801	599	462	12,233
Charge for the year	—	—	691	—	16	38	—	745
Impairment charge	335	—	—	—	—	—	—	335
Foreign currency adjustments	—	—	—	—	(101)	—	—	(101)
At 31 December 2023	**3,467**	**334**	**5,129**	**1,467**	**1,716**	**637**	**462**	**13,212**
Carrying amount								
At 31 December 2023	**296**	**—**	**3,351**	**—**	**16**	**240**	**—**	**3,902**
At 31 December 2022	631	—	3,103	—	32	278	—	4,044

18. Intangible assets (cont.)

Impairment 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:

	2023 £'000	**2022 £'000**
Geospatial solutions	296	296
Hydrogen development projects	—	335
	296	**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 14.3% (2022: 12.6%) takes into consideration the industry-wide risks as well as those specific to the Group's CGU.

HYDROGEN DEVELOPMENT PROJECTS

Goodwill allocated to Hydrogen development projects has been fully impaired; management are of the opinion that the hydrogen development projects CGU will no longer benefit from the goodwill arising from the acquisition of H2 Green.

19. Property, plant and equipment

	Freehold land and buildings £'000	Right-of-use assets £'000	Plant and equipment £'000	Total £'000
Cost				
At 1 January 2022	2,798	83	962	3,843
Additions	—	76	72	148
Disposals	—	—	(268)	(268)
Exchange differences	—	11	5	16
At 31 December 2022	2,798	170	771	3,739
Additions	—	9	18	36
Disposals	—	(110)	—	(119)
Held for sale	(2,798)	—	—	(2,798)
At 31 December 2023	**—**	**69**	**789**	**858**
Depreciation				
At 1 January 2022	517	52	919	1,488
Charge for the period	144	41	39	224
Disposals	—	—	(268)	(268)
Exchange differences	—	8	5	13
At 31 December 2022	661	101	695	1,457
Charge for the period	36	39	42	117
Depreciation on disposal	—	(102)	—	(102)
Impairment charge	626	—	—	626
Held for sale	(1,323)	—	—	(1,323)
At 31 December 2023	**—**	**38**	**737**	**775**
Carrying amount				
At 31 December 2023	**—**	**31**	**52**	**83**
At 31 December 2022	2,137	69	77	2,282

Right-of-use assets

	2023 £'000	2022 £'000
Right-of-use assets		
Property	—	6
Motor vehicles	31	63
	31	**69**

Additions to the right-of-use assets during the year amounted to £9,000 (2022: £76,000).

	2023 £'000	2022 £'000
Depreciation charge for the year		
Property	12	13
Motor vehicles	35	28
	47	**41**

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

20. Investment property

	2023 £’000	2022 £’000
Cost		
At 1 January	641	641
Disposals	(641)	
At 31 December	—	641
Accumulated depreciation		
At 1 January	572	467
Charge for the year	69	105
Disposals	(641)	—
At 31 December	—	572
Carrying value		
At 31 December	**—**	**69**

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.

21. Subsidiaries

Details of the Company’s subsidiaries at 31 December 2023 are as follows:

Name of undertaking	Country of incorporation	Class of shareholding	% held directly	% held indirectly
Exprodat Consulting Limited (1)	England & Wales	Ordinary	100	—
ERCL Limited (1)	England & Wales	Ordinary	100	—
Getech International Limited (1)	England & Wales	Ordinary	100	—
Geophysical Exploration Technology Limited (1)	England & Wales	Ordinary	100	—
Geophysical Exploration Technology Inc (2)	USA	Ordinary	100	—
H2 Green Limited (3)	Scotland	Ordinary	100	—
H2G Opco 1 Limited (3)	Scotland	Ordinary	—	100
H2G Opco 2 Limited (3)	Scotland	Ordinary	—	100
Getech Minerals Limited (1)	England & Wales	Ordinary	100	—
Getech Lithium Limited (1)	England & Wales	Ordinary	100	—

Registered office addresses:
1) Nicholson House, Elmete Lane, Elmete Hall, Leeds LS8 2LJ
2) 16225 Park Ten Place, Suite 524, Houston, TX 77084, USA
3) c/o Azets, Exchange Place, 3 Semple Street, Edinburgh, Scotland, EH3 8BL

Getech Group plc has provided, under s479c Companies Act 2006, a guarantee which permits wholly-owned subsidiaries ERCL Limited (company number 08743541, registered in England & Wales), Exprodat Consulting Limited (company number 04371594, registered in England & Wales), and H2 Green Limited (company number SC663526, registered in Scotland) to not obtain audits of their individual financial statements for the year ended 31 December 2023.

22. Assets held for sale

	2023 £'000	2022 £'000
Freehold land and property	**1,475**	—

In accordance with IFRS 5, the Group has reclassified the freehold land and property; Kitson and Nicholson house. In January 2024, Kitson house was sold for £650,000 less costs to sell, at the same time an independent valuation of Nicholson house valued the property at £860,000 less costs to sell, Nicholson House is expected to be sold within a year of the balance sheet date. Accordingly, management are of the opinion that the total market value, less costs to sell, of Getech's freehold land and property is £1,475,000.

23. Cash and cash equivalents

	2023 £'000	2022 £'000
Cash at bank and in hand	**384**	**4,322**

24. 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

	2023 £'000	2022 £'000
Trade and other receivables	803	734
Cash and cash equivalents	385	4,322
	1,188	**5,056**

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 of any single counterparty or group of counterparties having similar characteristics. The Group's customers are generally major natural resource and energy companies with whom the Group has strong trading relationships, and 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 26. The credit risk for liquid funds is considered negligible since counterparties are reputable banks with high-quality external credit ratings.

25. Trade and other receivables

	2023 £'000	2022 £'000
Trade receivables	738	764
Loss allowance	(2)	(192)
	736	572
Contract assets (note 4)	231	126
VAT recoverable	61	95
Other receivables	5	67
Prepayments	318	342
	1,351	**1,202**

26. 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 £2,000 (2022: £192,000). It is considered that the expected credit loss for receivables balances less than six months is £nil (2022: £nil). During the year £192,000 of trade receivables were written off (2022: £nil). The carrying value for trade and other receivables is stated after the following allowance for credit losses:

Movement in allowances for expected credit loss

	2023 £'000	2022 £'000
Balance at 1 January	192	88
Additional allowance recognised	2	104
Trade receivables written off	(192)	—
Balance at 31 December	2	**192**

Calculation of expected credit loss

The expected credit loss for trade receivables at 31 December 2023 was determined as follows:

	Current	Less than 3 months	Less than 6 months	More than 6 months	Total
Expected credit loss rate	0.0%	0.0%	0.0%	20.0%	**0.0%**
Gross carrying amount (£'000)	666	63	0	10	**738**
Expected credit loss (£'000)	—	—	—	(2)	**(2)**

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

	Current	Less than 3 months	Less than 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)**

27. Borrowings

		Current		**Non-current**
	2023 £'000	**2022 £'000**	**2023 £'000**	**2022 £'000**
Borrowings held at amortised cost				
Bank loans	589	110	—	570

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 22 with a current carrying value of £1,475,000 (2022: £2,137,000). Post year end the loan balance was repaid in full.

28. 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**
	2023 £'000	**2022 £'000**	**2023 £'000**	**2022 £'000**
US Dollars	637	848	76	656
Euros	1	88	6	10
Canadian Dollars	—	2	—	—
	638	**938**	**82**	**671**

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 2023. The following table illustrates the sensitivity of the net result for the year regarding 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 2023. Sensitivity analysis is based on the Group's foreign currency financial instruments held at the end of each reporting period.

		2023		**2022**
	+10% £'000	**-10% £'000**	**+10% £'000**	**-10% £'000**
Reported loss before tax	(5,101)	(5,101)	(3,097)	(3,097)
Sensitivity to movement in currency exchange rates:				
US dollars	(51)	63	(17)	21
Euros	—	1	18	11
Sensitised loss before tax	**(5,152)**	**(5,037)**	**(3,096)**	**(3,065)**

Interest rate risk

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

	2023 £'000	**2022 £'000**
Cash	385	4,322
Bank loans	(589)	(680)
	(204)	**3,642**

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. Management consider a reasonably possible change in interest rate of +/-2% based on observation of current market conditions, which would have an immaterial impact on the Group's profit or loss.

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 2023	**Within one year £'000**	**In one to two years £'000**	**In two to five years £'000**	**Total £'000**
Trade and other payables	1,007	—	—	1,007
Bank loans	589	—	—	589
Leases	32	—	—	32
	1,628	**—**	**—**	**1,628**

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
Bank loans	110	570	—	680
Leases	128	39	—	167
	1,266	**609**	**—**	**1,875**

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

	2023 £'000	**2022 £'000**
Financial instruments measured at amortised cost		
Assets held for sale	1,475	—
Trade and other receivables	803	765
Cash and cash equivalents	385	4,322
	2,663	**5,087**
Current financial liabilities measured at amortised cost		
Trade and other payables	(1,007)	(903)
Bank loans	(589)	(110)
Leases	(32)	(128)
	(1,628)	**(1,141)**
Current liabilities measured at fair value through profit and loss		
Contingent consideration	—	(125)
Non-current financial liabilities measured at amortised cost		
Bank loans	—	(570)
Leases	—	(39)
	—	(609)
	1,035	**3,212**

The Directors consider that the fair value of financial assets and liabilities equates to the carrying value for both 2023 and 2022.

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:

	2023 £'000	**2022 £'000**
Total equity	4,443	9,380
Less cash and cash equivalents	(385)	(4,322)
	4,058	**5,058**

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.

29. Trade and other payables

			Current		**Non-current**
	Notes	**2023 £'000**	**2022 £'000**	**2023 £'000**	**2022 £'000**
Trade payables		377	372	—	—
Accruals		650	496	—	—
Contingent consideration		—	125	—	—
Social security and other taxation		379	139	—	—
Other payables		53	35	—	—
Leases	30	32	128	—	39
Contract liabilities	33	904	1,009	—	—
		2,395	**2,304**	—	**39**

Contingent consideration in 2022 related to future payments that were anticipated as part of the acquisition of H2 Green Limited. The criteria for making these payments have not been met, and the payment term expired on 31 March 2024. As such, the contingent consideration has been credited to the Group statement of comprehensive income as 'other gains and losses'.

30. Lease liabilities

Maturity analysis	**2023 £'000**	**2022 £'000**
Within one year	33	134
In two to five years	—	39
Total undiscounted liabilities	33	173
Future finance charges and other adjustments	(1)	(6)
Lease liabilities in the financial statements	**32**	**167**

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:

	2023 £'000	**2022 £'000**
Current liabilities	32	128
Non-current liabilities	—	39
	32	**167**

Amounts recognised in profit or loss include the following:

	2023 £'000	**2022 £'000**
Interest on lease liabilities	**6**	7

31. Deferred taxation

	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 2022	122	—	—	—	—	—	9	217	348
Deferred tax asset at 1 January 2022	—	(479)	(3)	(1)	(65)	(14)	—	—	(562)
Deferred tax movements in prior year									
Charge/(credit) to profit or loss	(25)	83	(8)	—	1	(19)	(3)	9	38
Foreign currency 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)
Deferred tax movements in prior year									
Charge/(credit) to profit or loss	(6)	159	2	1	(36)	16	(3)	(40)	(92)
Prior year adjustment	—	7	—	—	—	—	1	(10)	(1)
Foreign currency adjustments	—	—	—	—	—	2	—	—	9
Deferred tax liability at 31 December 2023	91	—	—	—	—	—	6	176	273
Deferred tax asset at 31 December 2023	—	(253)	(9)	—	(100)	(20)	—	—	(382)

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 £9,388,000 (2022: £4,960,000). The Group further has unutilised R&D expenditure credits of £54,000 (2022: £54,000) 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 £2,401,000 (2022: £1,294,000).

Deferred tax balances at the reporting date are expected to reverse at a UK corporation tax rate of 25% (2022: 25%).

32. Provisions for liabilities

	2023 £'000	2022 £'000
Dilapidation provision	—	25

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

Movement on provisions	2022 £'000
At 1 January 2023	25
Credit to profit or loss	(25)
At 31 December 2023	—

33. Contract liabilities

	2023 £'000	2022 £'000
Arising from contracts with customers	904	1,009

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

34. Retirement benefit schemes

Defined contribution schemes	2023 £'000	2022 £'000
Charge to profit or loss in respect of defined contribution schemes	543	446

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 £40,000 (2022: £30,000) at the end of the year.

35. Share-based payment transactions

At 31 December 2023, 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 5 to 10 years. Options will become exercisable on the first to third anniversary of the date of grant. Exercise of an option is subject to continued employment.

At 31 December 2023, rights to options over ordinary shares of the Parent Company were outstanding as follows:

	Number of share options		**Weighted average exercise price**	
	2023 Number	**2022 Number**	**2023 pence**	**2022 pence**
Outstanding at 1 January 2023	2,760,000	4,130,000	28	28
Granted in the period	368,696	2,300,000	0.25	27
Forfeited in the period	(2,410,000)	(270,000)	27	35
Exercised in the period	(223,436)	(900,000)	0.25	18
Expired in the period	—	(200,000)	—	21
Outstanding at 31 December 2023	**2,795,260**	**4,130,000**	**30**	**29**
Exercisable at 31 December 2023	**2795,260**	**4,130,000**	**30**	**28**

The weighted average share price at the date of exercise for share options exercised during the year was 9.75p (2022: 27.5p).

The options outstanding at 31 December 2023 had an exercise price ranging from 0.25p to 48p, and a remaining contractual life of between 3 and 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:

	2023	**2022**
Weighted average share price	15.75p	27.5p
Weighted average exercise price	0.25p	35p
Expected volatility	52.12%	61.01%
Expected life	4 months	1-3 years
Risk free rate	3.41%	1.28%
Expected dividends yield	0%	0%

Share-based payments	**2023 £'000**	**2022 £'000**
Charge to profit or loss in respect of share-based payments	73	67

On 6 February 2024, a further 6,450,000 share options were granted, as explained further in note 40.

36. Share capital

	2023 Number	2022 Number	2023 £'000	2022 £'000
Authorised				
Ordinary of 0.25p	90,000,000	90,000,000	225	225
Issued and fully paid				
Ordinary of 0.25p	67,474,375	67,296,225	169	168

The company issued 178,150 of ordinary shares at 0.25p per share in settlement of share options exercised during the year, as shown in note 35.

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 2023 or 31 December 2022.

38. Capital risk management

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

39. Events after the reporting date

On 21 January 2024, the Group sold part of their Leeds office building, Kitson House, for £650,000. The retained part of the building, Nicholson House was valued at £860,000 for the purposes of security against borrowings and bank facilities. Nicholson House continues to be an asset held for sale.

On 6 February 2024, the Group granted 6,450,000 share options, of which 3,500,000 were granted to Directors of the Group. The options were granted with an exercise price of 8p per ordinary share, being the market price of the share at the date of grant. Subject to Getech's one-month volume weighted average closing share price reaching 24 pence per share, 50% of the awards are exercisable for a period of three years from 6 February 2026 and the remaining 50% are exercisable for a period of two years from 6 February 2027. The Directors have determined that the options carry a provisional value of £38,000.

At the same time, the Group cancelled all outstanding share options except for those granted on 13 March 2023 and remain outstanding.

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'.

	2023 **£'000**	**2022** **£'000**
Short-term employment benefits	1,257	1,109
Post-employment benefits	42	45
Share-based payments	48	52
	1,347	**1,206**

Short-term employment benefits include £317,000 exceptional restructuring costs.

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

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 2023

	2023 £'000	2022 £'000
Non-current assets		
Intangible assets	3,162	2,904
Property, plant and equipment	79	2,268
Investment property	—	69
Investments	1,760	2,244
	5,001	**7,485**
Current assets		
Trade and other receivables	839	2,579
Current tax recoverable	141	266
Cash and cash equivalents	187	2,564
Assets classified as held for sale	1,475	—
	2,642	**5,409**
Total assets	**7,643**	**12,894**
Current liabilities		
Trade and other payables	(6,099)	(3,556)
Borrowings	(589)	(110)
	(6,688)	**(3,666)**
Net current assets	**(4,046)**	**1,743**
Non-current liabilities		
Borrowings	—	(570)
Trade and other payables	—	(39)
Long-term provisions	—	(25)
	—	**(634)**
Net assets	**955**	**8,594**
Equity		
Called up share capital	169	168
Share premium account	8,685	8,685
Merger reserve	194	194
Share-based payment (SBP) reserve	158	196
Retained earnings	(8,251)	(649)
Total equity	**955**	**8,594**

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 £7,724k (2022: £2,372k loss).

The financial statements were approved by the Board of Directors and authorised for issue on 19 June 2024 and are signed in its behalf by:

Andrew Darbyshire
Director

Company registration number: 02891368

Company Statement of Changes in Equity

for the year ended 31 December 2023

	Share capital £'000	Share premium account £'000	Merger reserve £'000	SBP reserve £'000	Retained earnings £'000	Total equity £'000
1 January 2022	167	8,685	194	258	1,594	10,898
Loss and total comprehensive income for the year	—	—	—	—	(2,372)	(2,372)
Transactions with owners:						
Issue of share capital	1	—	—	—	—	1
Share-based payment charge	—	—	—	67	—	67
Transfer of reserves	—	—	—	(129)	129	—
31 December 2022	168	8,685	194	196	(649)	8,594
Loss and total comprehensive income for the year	—	—	—	—	(7,724)	(7,723)
Transactions with owners:						
Issued share capital	1	—	—	—	—	1
Share-based payment charge	—	—	—	84	—	84
Transfer of reserves	—	—	—	(122)	122	—
31 December 2023	**169**	**8,685**	**194**	**158**	**(8,251)**	**955**

Notes to the Company Financial Statements

for the year ended 31 December 2023

41. Accounting policies

Company information

Getech Group plc is a public company limited by shares incorporated in England and Wales. The registered office is Nicholson 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.

40.1. 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 Executive Directors) employed by the Company during the year was:

	2023 Number	**2022 Number**
Directors	3	3
Administration	16	14
Technical	35	34
	54	**51**

Their aggregate remuneration comprised:

	2023 £'000	**2022 £'000**
Salaries	3,412	2,961
Social security costs	428	378
Other pension costs	445	353
Share-based payment charges	73	67
	4,358	**3,759**

43. Intangible assets

	Other £'000	**Development costs £'000**	**Reports £'000**	**Total £'000**
Cost				
At 1 January 2023	5	6,929	357	7,291
Additions – internally generated	—	826	—	826
At 31 December 2023	5	**7,755**	**357**	**8,117**
Depreciation				
At 1 January 2023	5	4,025	357	4,387
Charge for the period	—	568	—	568
At 31 December 2023	5	**4,593**	**357**	**4,955**
Carrying amount				
At 31 December 2023	—	**3,162**	—	**3,162**
At 1 January 2023	—	2,904	—	2,904

44. Property, plant and equipment

	Freehold land and buildings £'000	Right-of-use assets £'000	Plant and equipment £'000	Total £'000
Cost				
At 1 January 2023	2,798	76	648	3,634
Additions	—	—	15	15
Held for sale	(2,798)	—	—	(2,798)
At 31 December 2023	**—**	**76**	**663**	**851**
Depreciation				
At 1 January 2023	661	13	581	1,255
Charge for the period	36	32	34	102
Impairment charge	626	—	—	626
Held for sale	(1,323)	—	—	(1,323)
At 31 December 2023	**—**	**45**	**615**	**660**
Carrying amount				
At 31 December 2023	**—**	**31**	**48**	**79**
At 1 January 2023	2,137	69	77	2,282

45. Investments

	2023 £'000	2022 £'000
Investments in subsidiaries	1,760	2,244

Fair value of financial assets carried at amortised cost

Except for as detailed below, the Directors believe that the carrying amounts of financial assets carried at amortised cost in the financial statements approximate 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 2023 and 31 December 2023	7,712
Impairment	
At 1 January 2022	(5,468)
Impairment charge	(484)
At 31 December 2023	(5,952)
Carrying amount	
At 31 December 2023	1,760
At 1 January 2023	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 project development of 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

	2023 £'000	2022 £'000
Cost		
At 1 January	641	641
Disposals	(641)	
At 31 December	—	641
Accumulated depreciation		
At 1 January	572	467
Charge for the year	69	105
Disposals	(641)	—
At 31 December	—	572
Carrying value		
At 31 December	—	**69**

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%. The lease term ended in November 2023.

47. Trade and other receivables

	2023 £'000	2022 £'000
Trade receivables	46	338
Loss allowance	(2)	(170)
	44	168
VAT recoverable	21	54
Amounts owed by subsidiary undertakings	361	1,884
Other receivables	1	44
Prepayments and accrued income	412	429
	839	**2,579**

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. Trade and other payables

		Current		**Non-current**
	2023 £'000	**2022 £'000**	**2023 £'000**	**2022 £'000**
Trade payables	340	237	—	—
Amounts owed to subsidiary undertakings	4,803	2,491	—	—
Accruals	534	434	—	—
Contingent consideration	—	125	—	—
Social security and other taxation	314	97	—	—
Other payables	8	27	—	—
Lease liabilities	32	122	—	39
Deferred revenues	27	23	—	—
	6,058	**3,556**	**—**	**39**

All deferred revenues arose from contracts with customers and are expected to be settled within one year.

49. Borrowings

		Current		**Non-current**
	2023 £'000	**2022 £'000**	**2023 £'000**	**2022 £'000**
Borrowings held at amortised cost:				
Bank loans	589	110	—	570

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 £1,475,000 (2022: £2,246,000). The loan is due for repayment with a balloon payment by the end of 2024.

50. Lease liabilities

Maturity analysis	**2023 £'000**	**2022 £'000**
Within one year	33	128
In two to five years	—	39
Total undiscounted liabilities	33	167
Future finance charges and other adjustments	(1)	(6)
Lease liabilities in the financial statements	**32**	**161**

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:

	2023 £'000	**2022 £'000**
Current liabilities	32	122
Non-current liabilities	—	39
	32	**161**

51. 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 2022	124	(277)	—	—	(65)	218	—
Deferred tax movements in prior year							
Charge/(credit) to profit or loss	(28)	16	(7)	—	1	18	—
Liability at 1 January 2023	97	(277)	(7)	—	(64)	236	—
Deferred tax movements in current year							
Charge/(credit) to profit or loss	(4)	78	1		(36)	(40)	—
Liability at 31 December 2023	**93**	—	—	—	—	**196**	**289**
Asset at 31 December 2023	—	**(183)**	**(6)**	—	**(100)**	—	**(289)**

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 £7,528,000 (2022: £4,023,000) of which £6,795,000 (2022: £2,978,000) is not recognised as a deferred tax asset.

Losses incurred by the Company prior to 1 April 2017 amount to £124,000 (2022: £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 (2022: £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.

Deferred tax balances at the reporting date are expected to reverse at a UK corporation tax rate of 25% (2022: 25%).

52. Provisions for liabilities

	2023 £'000	2022 £'000
Dilapidation provision	—	25

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

Movement on provisions	2022 £'000
At 1 January 2023	25
Credit to profit or loss	(25)
At 31 December 2023	—

53. Share-based payments

The Company information for share-based payments is the same as the Group information and is shown in note 35.

54. Share capital

Refer to note 36 of the group accounts.

Advisors

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