

1 March 2023

GetBusy plc
2022 Audited Results
Growth strategy delivering

GetBusy plc ("GetBusy", the "Company" or the "Group") (AIM: GETB), a leading provider of productivity software for professional and financial services, announces its audited results for the year ended 31 December 2022.

	2022	2021	Change	
	£'000	£'000	Reported currency	Constant currency***
ARR	19,240	15,828	22%	16%
Recurring revenue	18,281	14,343	27%	21%
Total revenue	19,293	15,448	25%	19%
Adjusted EBITDA*	692	(510)	n/a	
Adjusted loss before tax**	(746)	(1,222)	39%	
Loss before tax	(543)	(2,335)	77%	
Cash	2,972	2,670	11%	

Financial highlights

- 27% recurring revenue growth (21% at constant currency) to £18.3m
- 25% total revenue growth (19% at constant currency) to £19.3m
- ARR growth of 22% (16% at constant currency) to £19.2m with healthy new business, improving churn and successful monetisation
- Recurring revenue comprises 95% of total revenues (2021: 93%)
- Gross margin remains strong at 89.9% (2021: 91.6%) with greater volume of cloud revenue
- First year of positive Adjusted EBITDA at £0.7m (2021: £(0.5)m) – with majority of incremental revenue reinvested for growth in line with strategic roadmap
- Increased cash of £3.0m (2021: £2.7m) validates self-funding model, underpinned by new committed £2.0m facility, which remains entirely undrawn

Operational highlights

- Over one billion unique documents now stored securely in our products, with 250million documents and three million digital signatures handled annually
- 300,000 trees and 14,000 tonnes of CO₂ cumulatively saved by customers through our paperless solutions
- Group ARPU up 13% at constant currency to £256 (2021: £216)
- 2% increase in paying users to 75,058 (2021: 73,352)
- Strong net revenue retention of 100.2% per month (2021: 99.8%), reflecting successful fair-price monetisation efforts and value customers ascribe to our solutions
- Launched major new channel partnership with Right Networks, targeting SmartVault to its substantial base of over 8,500 accounting firms
- Strengthened position in insolvency market through integration and referral partnership with Turnkey IPS
- Merged Virtual Cabinet and Workiro operations to leverage our enterprise capabilities and expertise for the ERP market
- Awarded SuiteCloud International Partner of the Year for Workiro application

Outlook

- Targeting sustained double-digit ARR growth

- Ramping investment in sales and marketing through 2023
- Strong start to 2023

Daniel Rabie, CEO of GetBusy, comments:

"2022 was another fantastic year with 25% revenue growth, strong, double-digit ARR growth and our first Adjusted EBITDA-positive period, leading to a third consecutive year of cash generation. Against a difficult economic backdrop, our products are solving real, practical and universal challenges for our customers in large, under-penetrated and resilient markets, supported by enduring the themes of productivity, cyber-security, mobility and privacy.

"Our strategy of investing for long-term, sustainable growth from a stable platform with excellent visibility is validated.

"Moving into 2023 we plan to capitalise further on these valuable market opportunities through sustained investment in customer acquisition across the Group as we enter the next exciting phase of our scaling journey."

*Adjusted EBITDA is Adjusted Loss before Tax with capitalised development costs added back. A full list of our alternative performance measures, together with a glossary of certain terms, can be found in note 2.

** Adjusted Loss before Tax is Loss before tax, depreciation and amortisation on owned assets, long-term incentive costs, net capitalised development costs, finance costs that are not related to leases, and non-underlying items.

*** Changes at constant currency are calculated by retranslating the comparative period at the current period's prevailing rate of exchange.

A copy of the presentation to investors and the audited annual report will be available on the Company's website, at www.getbusyplc.com shortly.

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THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION FOR THE PURPOSES OF ARTICLE 7 OF REGULATION (EU) NO 596/2014 AS IT FORMS PART OF UK DOMESTIC LAW BY VIRTUE OF THE EUROPEAN UNION (WITHDRAWAL) ACT 2018 ("MAR"). UPON THE PUBLICATION OF THIS ANNOUNCEMENT, THIS INSIDE INFORMATION IS NOW CONSIDERED TO BE IN THE PUBLIC DOMAIN. THE PERSON RESPONSIBLE FOR MAKING THIS ANNOUNCEMENT ON BEHALF OF THE COMPANY IS PAUL HAWORTH.

About GetBusy

GetBusy's specialist productivity software solutions enable growing businesses to work securely and efficiently with their customers, suppliers and teams anytime, anywhere. Our solutions can be delivered flexibly across cloud, mobile, hosted and on-premise platforms, whilst integrating seamlessly with a wide variety of other class-leading core business systems.

With over 75,000 paying users and over 3 million collaborators across multiple market sectors and jurisdictions, GetBusy is an established and fast-growing SaaS business delivering sustained double-digit growth in high-quality recurring subscription revenue over the long term.

Further information on the Group is available at www.getbusyplc.com

Chairman's Statement

GetBusy is firmly focused on sustainable recurring revenue growth within a large, well-defined, robust and valuable market opportunity.

More than ever, GetBusy's products are delivering tangible value across a growing addressable market. Annually, we handle more than 250 million documents for our customers, who execute over 3 million digital signatures and share information with over 3 million collaborators. Our products have saved around 300,000 trees and 14,000 tonnes of CO₂ by helping our customers to go paperless.

We are helping professionals to be as productive, efficient, and secure as possible in the face of rising cost pressures and operational complexities. Our very high - and improving - customer retention rates demonstrate how embedded our growing range of capabilities have become within our clients' technology stacks; a trend we expect to continue as the tailwinds of digital transformation, cyber security, privacy legislation and hybrid working strengthen.

I am delighted with the progress the business has made in 2022. Together with the headline growth rates generated by our core businesses, there has been significant progress in our efforts to underpin longer-term growth, including through our emerging products. Significant new customer wins, new channel partnerships, the introduction of new capabilities to our customer base and prestigious industry awards have all been notable landmarks, but the foundation of these achievements remains the provision of a compelling proposition for new and existing customers.

On behalf of the Board, I would like to thank each member of our teams in Cambridge, Houston and Sydney for their commitment in 2022. Across the business, our people consistently exhibit ingenuity, tenacity, ambition and humanity; they are our most valuable asset and the reason for our success.

In 2022, we have re-examined each of our markets and products and concluded there is substantial long term value to be created by continuing to invest in the growth of our high quality recurring subscription revenue. Our industry-leading levels of recurring revenue endow us with excellent forecasting visibility which, twinned with our cash-generative underlying SAAS business model - proven over the five and a half years since GetBusy's inception - provides a stable platform to continue to invest for growth.

In 2021 we announced our ambition to at least double Annual Recurring Revenue within five years. I am pleased to report that ambition remains firmly on track.

CEO's review – a clear focus on growth

Since IPO, GetBusy has achieved over 18% compound annual growth in ARR. Over 95% of our revenue is recurring in nature – amongst the highest in the UK market. 2022 was GetBusy's third consecutive year of cash generation and our first year of positive Adjusted EBITDA. Our business model has enabled us to achieve growth since our IPO in a cash neutral fashion – we raised £3m in 2017 and, 5 years on, we have £3m of cash. Our markets are large and under-penetrated and we solve real-life, practical problems for our customers, making our products sticky. Against the current difficult economic backdrop, never has the relevance of our products been more apparent as we help customers to be efficient and secure in the face of rising costs. Our strategy of investing for long-term, sustainable growth from a stable platform with excellent visibility is validated.

Growing recurring subscription revenue remains our key focus.

The reliable and predictable revenue runrate from software subscriptions provides a solid foundation for mid- to long-term planning. Our high gross margins, strong customer retention rates and the favourable working capital profile arising from a high proportion of customers paying annually in advance, de-risk the investments we can make to drive future growth. Our business model, allows us to double down responsibly on growth investment in an otherwise cautious macro-economic environment, building a highly valuable base of customer cashflows that have annuity characteristics.

As we move into 2023, we are setting up the business to capitalise on the market opportunity with a clear focus on accelerating our customer acquisition, which ultimately underpins long term growth. We are making significant investments in our US sales and marketing operations for SmartVault, to strengthen its already robust position in a highly attractive market, and in the UK we are leveraging the substantial enterprise experience from Virtual Cabinet to penetrate the ERP space with Workiro.

We are excited to begin this next chapter in our growth story.

27% growth in recurring revenue – predictable, scalable and valuable

Recurring revenue growth in 2022 was driven by continued execution against the Group's consistent growth strategy: new customers and markets, customer retention, monetisation and product expansion.

ARR grew 16% at constant currency to £19.2m (2021: £15.8m), through a combination of new customer acquisition, strong customer retention rates and improved pricing within our established products.

Predictable

Users were up 2% to 75,058 with new business contributing significantly to this growth. Predictability is key to our customer acquisition model; we have consistently returned more than £4 in customer lifetime value for every £1 spent on acquiring a new customer. Once acquired, our customers tend to be sticky: gross churn is resilient, averaging 0.9% per month, an improvement on 2021 (1.0%) despite the anticipated increase arising from higher monetisation.

ARPU was up 13% at constant currency to £256. The size of our customer base enables us to draw valuable insights from users, informing product development and the retention activities of our customer success teams. That insight also proves the value of the productivity benefits delivered to our customers, enabling us to set fair prices for our new and existing clients with confidence. These price movements have been the core driver of ARPU in 2022, contributing £2.4m in ARR over the year from both the SmartVault and Virtual Cabinet products.

Our strong net revenue retention of 100.2% per month (2021: 99.8%) – meaning revenue from our customer base on average grows each month before the addition of new customers – provides us with outstanding visibility over near-term growth, built from a very stable foundation of predictable recurring revenue.

The absence of significant customer concentration contributes to the reliability of revenue generated from our customer base; no single client accounts for more than 2% of revenue.

Scalable

The professional and financial services markets that the Group targets are large and under-penetrated. GetBusy's software portfolio adds a productivity layer to core business applications, simplifying workflows, improving productivity, enhancing security and delighting clients. With the strong and enduring tailwinds of digital transformation, privacy legislation, mobility and cyber security, these supportive market dynamics will provide substantial growth opportunities for the Group for years to come. Many organisations are still very early on their software automation or optimisation journeys, and the depth of our expertise within these markets positions us well to provide an ever-increasing set of solutions to customers on that journey.

Our strong LTV:CAC ratio of 4:1 (2021: 4:1) allows us to increase our customer acquisition spend with a high degree of confidence in the anticipated returns. Typically, more than 65% of our direct customers elect for contracts that are paid annually in advance, providing us with structural working capital benefits that fund additional investment in growth. Our high gross margin of 89.9% (2021: 91.6%) means there are minimal incremental operating costs from acquiring new customers, which in the long term leads to substantial operating leverage and cash generation.

The strength of our integrations with core business applications, such as practice management or tax preparation software, contributes to our healthy customer retention. Those integrations also provide channel opportunities for us, enabling us to leverage a partner's access to well-defined customers, improving customer acquisition scalability. Major new partners signed in 2022 include Right Networks, which has an installed base of over 8,500 accounting firms, and Turnkey IPS, the leading insolvency practice management provider. SmartVault's partnership with Right Networks was launched commercially in December, with the first customers now onboarded, and we anticipate traction to build in that channel throughout 2023.

Channels are also a key part of our customer acquisition strategy for our emerging products Workiro and Certified Vault, with the former increasing the number of NetSuite value-added reseller partners to 8 during 2022.

Valuable

GetBusy focuses on the professional and financial services markets, with over 70% of revenue derived from the accountancy sector. These markets have remained buoyant during 2022 and historically have proved relatively resilient in the face of significant economic uncertainty. The battle to recruit and retain

professional talent, and the well-documented related inflationary challenges, will drive increased adoption of productivity and automation tools. The insolvency sector, a key growth area for GetBusy, is expected to become particularly active as the strain of three years of extraordinary financial pressures takes its toll on vulnerable sectors and practitioners increasingly adopt fixed-fee models, providing a catalyst for efficiency improvements.

The degree to which our products are embedded in our customers' everyday workflows, and integrated into other mission-critical applications, contributes to our low churn rates and high levels of net revenue retention. This leads to a subscription revenue base that has valuable annuity characteristics; the Group's customer base at its initial public offering in 2017 generates more ARR today than it did then as a result of strong retention, increased penetration, revenue expansion from upsell and price uplifts. Over time these revenue streams underpin highly profitable businesses, something we have evidenced with the more mature parts of our business achieving comfortably over 40% Adjusted Adjusted EBITDA margins.

This high-quality customer base has considerable strategic value. Through over 20 years of product and brand development, we have, through our portfolio of innovative products, built leading positions in attractive markets with high barriers to entry. Transaction multiples paid within the broader professional services software market validate the importance of those customer relationships and how selling additional products to those customers can create significant value over the long term. Our continuing investments in additional capabilities are made with this in mind. Over the longer term, we expect our emerging products, including Workiro and Certified Vault, to contribute more meaningfully to growth as the products mature and brand recognition is established.

Current trading and outlook

Our balance sheet is strong. Our markets are resilient. Our products solve relatable, practical problems. Our customer base is sticky. Our revenue is highly predictable.

This enables us to continue to reinvest incremental revenues into acquiring new customers and delivering additional value to existing customers, to sustain double-digit ARR growth over the long-term.

The strong ARR momentum from 2022 has continued into 2023, with robust January trading. We have started to scale our investments in customer acquisition, including in sales and marketing heads, in both the US and UK and we expect those investments to deliver meaningful returns over the medium-term.

The Board is tremendously excited about the Group's prospects to deliver exceptional shareholder value over the long-term, and looks forward to the future with increasing confidence.

Business and financial review

Group	2022	2021	Change	
			Reported currency	Constant currency
ARR at 31 December	£19,240k	£15,828k	22%	16%
Recurring revenue	£18,281k	£14,343k	27%	21%
Total revenue	£19,293k	£15,448k	25%	19%
Adjusted EBITDA	£692k	£(510)k	n/a	
Adjusted loss before tax	£(746)k	£(1,222)k	39%	
Paying users at 31 December	75,058	73,352	2%	
ARPU at 31 December	£256	£216	19%	13%
Net revenue retention	100.2%	99.8%	n/a	

Established products

SmartVault and Virtual Cabinet have clear leading positions in their respective markets.

SmartVault has particular strength within the SME accounting and tax space in the US, a market which we estimate to exceed \$250m in ARR. SmartVault is the only fully-integrated cloud document management provider for Intuit's leading Lacerte and ProSeries tax preparation products; the workflow productivity benefits from this tight integration lead to outstanding customer retention rates, typically five times better than for the broader customer base.

SmartVault's product development continued apace during 2022. Our recently released e-mail capture capability was iterated, and we introduced custom-branded e-mail messaging, a significantly updated and refreshed user interface, an overhaul of some of the features for account administrators and the beta-release of the form-fill and quoting technology integrations. These developments help us to retain clients and create distinctive points of value that allow us to price and package the product effectively, creating upgrade paths for customers. Feedback from beta customers on the form-fill and quoting technologies has been positive – particularly in the case of form-fill– and we have subsequently moved into general release, with revenue contribution expected to become impactful in 2024.

Virtual Cabinet further enhanced its position in the insolvency sector, creating integration partnerships with Turnkey IPS, the leading practice management provider, and Postworks, the digital mailroom provider, both of which are key players in the sector. This position is strengthened through Virtual Cabinet's integration with Workiro, providing a clear path for customers embarking on their cloud journey whilst retaining the class-leading capabilities of Virtual Cabinet and its deep integrations into a wide range of core professional applications.

As well as a refreshed user interface and branding for Virtual Cabinet, next-generation search capabilities were developed and launched together with user analytics, improved OneDrive integration and improved document retention capabilities.

The Workiro technology is also proving to be an attractive cloud pathway for many Virtual Cabinet customers, with substantial overlap between the requirements of the ERP market and Virtual Cabinet's established and target customer base.

Emerging products

Our emerging products provide further growth potential for the Group. Each addresses a validated productivity need within a clearly identified and large market that shares the favourable characteristics and helpful tailwinds of our core professional services markets.

Workiro provides intuitive document management, task, communication and approval capability, targeted at users of ERP systems, with an initial focus on Oracle's NetSuite application, into which Workiro is deeply integrated. NetSuite's installed base of over 33,000 enterprise customers provides a considerable market opportunity for Workiro, with the broader cloud ERP market being significantly larger.

Workiro established a presence within the NetSuite ERP space during 2022, signing 8 reseller partners and winning SuiteCloud International Partner of the Year at the key SuiteWorld event. We expect our channel partners to contribute significantly to a scalable customer acquisition model over the long term, complementing our direct strategy. Given the typical size of many ERP-using businesses, moving into 2023 we have consolidated our customer acquisition efforts for Workiro and Virtual Cabinet, leveraging the latter's substantial enterprise experience and generating operational efficiencies as Workiro starts to scale.

Certified Vault was introduced into the asset finance market in the US in 2021, providing secure custody of electronic chattel paper on behalf of secured lending institutions. Following an encouraging start towards the end of 2021, we tempered customer acquisition during 2022 while we further develop and prepare the product, and the surrounding operational infrastructure, for the rigorous security and compliance demands of the larger financial services market. This essential work, which will create a very solid and sustainable foundation for Certified Vault in what is a large, highly attractive and under-served market, is progressing well. We expect to complete the first of our major security certifications for the market by early H2 2023, with the second, more robust certification by the end of the year. Ultimately this work should allow us to develop sales channels through asset finance providers, providing a high degree of scalability to the model. In the meantime, acquisition of smaller end customers in the space is allowing us to refine the product and our operational processes.

Income statement

Recurring revenue grew 27% (21% at constant currency) to £18.3m (2021: £14.3m), reflecting the strong ARR momentum carried forward at the start of the year and the subsequent ARR growth, in particular from the fair-price monetisation efforts in the UK and US.

US recurring revenue growth was strongest in the year, up 55% (35% at constant currency) to £9.5m (2021: £6.1m), entirely driven by SmartVault, in which solid customer acquisition was supported by excellent monetisation and improved churn. Growth in the UK was 7% to £6.7m (2021: £6.3m); the introduction of Virtual Cabinet Unlimited, our "all-in" pricing plan, and the migration of a large proportion of customers to

that plan. Australia and New Zealand, in which our products are well-penetrated, was up 5% at £2.0m (2021: £2.0m), and the region remains strongly profitable for the Group.

Non-recurring revenue of £1.0m was, as expected, down a little compared to 2021 following the effective completion of the process to convert older Virtual Cabinet customers onto pure SaaS models. Total revenue was up 25% (19% at constant currency) to £19.3m (2021: £15.4m).

Gross margin of 89.9% (2021: 91.6%) reflects the greater proportion of revenue from our cloud products, most notably SmartVault, as opposed to on-premise products for which there is very little cost of sale.

SG&A costs of £13.5m (2021: £11.6m) reflect a number of investments across the business to underpin future growth and improve the infrastructure of the Group to support additional scale. This includes investments in customer acquisition teams across the Group, customer success teams, which drive customer retention and expansion revenue campaigns, and a professionalisation of our cyber security and operations capabilities. We continued to build out our product development functions to support capability improvements across the Group, and developer costs of £4.6m were 20% higher (2021: £3.8m), partly due to currency but with additional investment mostly in the US.

£1.4m of development costs were capitalised (2021: £0.7m), including a variety of capability enhancements across Virtual Cabinet and SmartVault and elements of the core application builds for Certified Vault and Workiro. The increase compared to 2021 is a result of Workiro, for which no costs were capitalised prior to 2022, and which met the criteria for capitalisation under IAS38 Intangible Assets during the year.

Adjusted EBITDA was £0.7m (2021: £(0.5)m), whilst Adjusted Loss, which is stated before development capitalisation, was £(0.7)m (2021: £(1.2)m).

The reduction in depreciation and amortisation to £0.6m was principally a result of a change to the useful economic life of capitalised development costs to 5 years (previously 3 years), following a management review; the longer life better reflects the software development and commercial lifecycles of the Group.

Share option costs were a little lower at £0.3m (2021: £0.4m) following the conclusion of the vesting period of some of the options during the year, with no new grants made. The credit for employment taxes due on the exercise of options of £0.1m (2021: charge of £0.3m) is ultimately linked to the Company's share price, which is used in the calculation of the provision.

Non-underlying costs of £0.4m (2021: £0.4m) comprise corporate restructuring costs of £0.2m together with a £0.2m increase in the provision for potential historic sales tax liabilities in certain jurisdictions in the US. The restructuring will be completed in H1 2023 and creates separate intermediate holding company structures and trading companies for each of the Group's businesses and management support functions. The Group's registrations for sales tax in the relevant US jurisdictions are now largely complete and settlements are expected to be made in H1 2023. No further material costs are expected in 2023.

Non-lease finance costs relate solely to the Group's debt facility with Silicon Valley Bank and include an accelerated amortisation of residual capitalised facility fees as a result of the cancellation of the facility on 28 February 2023 and subsequent replacement with a £2million unsecured facility from a director.

The loss before tax was £0.5m (2021: £2.3m). The tax credit of £0.6m (2021: credit of £0.8m) reflects the expected UK research and development tax credit offset by overseas tax payable in Australia and New Zealand.

Cashflow and working capital

2022 was the third straight year of net cash inflows, achieved despite the Adjusted Loss before Tax of £(0.7)m. Key cash movements in 2022 included:

- Deferred revenue increased by £1.2m as a result of the continued ARR growth and the large proportion of our new business that is paid annually in advance;
- Trade and other payables increased by £0.4m, due to a combination of smaller factors;
- Net tax receipts were £0.7m, with UK research and development credits offset by tax payments in Australia and New Zealand; and
- Capital expenditure (excluding capitalised internal development costs) was £0.5m (2021: £0.3m), with the increase due mostly to additions to purchased software, mostly from enhancements to the DocDown and Quoters technologies commissioned from the vendors of those assets.

Cash at 31 December 2022 was £3.0m, an increase of £0.3m from 31 December 2021.

Loan facility

The £2m secured revolving credit facility with Silicon Valley Bank remained entirely undrawn during the year. On 28 February 2023, this facility was cancelled as certain covenants contained within it were no longer considered to be appropriate for the Group's growth strategy. In its place, the Group entered into a 4-year £2m unsecured credit facility (the "New Facility") with Clive Rabie, a non-executive director. Under the facility, interest is charged on drawings at a margin of 6.0% above the Bank of England base rate. An availability fee of 75% of the margin is payable on undrawn amounts. The New Facility contains covenants related to the Group's ARR, which must remain above £18.0m and grow at no less than 5.0% annually.

The new facility remains undrawn at the date of this report.

Balance sheet

The £1.4m increase in intangible assets in 2022 to £2.5m is a result of both higher capitalised development costs, as a result of Workiro development meeting the capitalisation criteria for the first time, and lower amortisation following a change to the useful economic life of the Group's development costs from 3 years to 5 years. Purchased software, mostly associated with the technology acquisitions of DocDown and Quoters and the implementation of a new billing system for SmartVault, also contributed to the increase.

Lease assets decreased in the year to £1.2m, mostly as a result of the continued use of the Group's existing office facilities.

Trade and other receivables increased by £0.2m to £2.1m as a result of an increase in prepayments and the impact of a stronger USD. The current tax receivable of £1.1m relates to the UK research and development tax credit due for the 2022 financial year, with £0.5m of tax payable or refundable in the UK, Australia and New Zealand, which is recorded within current liabilities.

The £0.4m increase in trade and other payables is chiefly the result of higher accruals, including for historic US sales taxes. Additionally, trade payables were £0.3m higher due to the timing of invoicing from suppliers.

Deferred revenue, which is mostly derived from annual subscriptions paid in advance has increased by £1.2m to £6.7m, driven mostly by the increase in recurring revenue.

The lease liability of £1.5m relates to our Cambridge and Houston office premises.

Over the course of 2022, 98,412 new shares were issued as a result of the exercise of share options.

Future developments

On a constant currency basis, the Group expects to deliver sustained double-digit growth in recurring revenue. Non-recurring revenue is expected to comprise an ever decreasing proportion of total revenue as the focus remains firmly on subscription revenue streams.

Over 50% of the Group's recurring revenue is denominated in USD. Material fluctuations in prevailing exchange rates can have a material impact on reported revenue growth, although the Group has no material transactional currency exposure.

Gross margins will continue to trend slightly downwards, reflecting product mix, with the Group's high-margin Virtual Cabinet product becoming a smaller part of the overall mix. The additional investments in sales and marketing across the Group are expected to have a c. £1m impact on the cost base during 2023.

Two factors will likely influence the cashflow profile of the Group in the medium term.

- The UK is reforming its regime for research and development tax credits, making the scheme less favourable for smaller companies. This is likely to reduce the typical tax credit available to the Group by around 50% from 2024 onwards.
- Whilst around 75% of new customers pay annually in advance for their subscription, certain new channel partnerships have been negotiated on the basis of monthly payments, to reflect the partners' model with end users. This may reduce the cashflow benefit typically obtained through deferred revenue, although it is still expected that the Group's direct customers will retain the favourable cashflow profile.

Related Party Transactions

Incentive Plans

On 28 February 2023 the Company introduced the 2023 GetBusy Cash Distribution Plan to incentivise and reward significant realised value creation for shareholders ("CDP"). Daniel Rabie and Paul Haworth are participants in the CDP.

In designing and implementing the CDP, the Committee took advice from PwC, a remuneration consultant, as well as consulting with the majority of the Company's larger institutional shareholders, who all supported its implementation.

Awards under the CDP vest if the Company makes a gross cash distribution to shareholders in excess of £70 million and up to £150 million within a 7 year period from the implementation date of the plan. An adjustment is made to the value of any award under the CDP to take account of any vested share options that have previously been exercised by the participants, thereby preventing participants benefiting from both the CDP and a distribution in respect of any exercised share options.

At a gross cash distribution of £70m (the "Entry Point"), the award paid to Daniel Rabie under the CDP, the VCP and the EMI Chare Option Plan would be £5.0m and the award paid to Paul Haworth would be £1.75m. These amounts are based on the approximate values that, absent the CDP, would otherwise be paid on the participants' fully vested and exercised share options.

Above the Entry Point to a gross cash distribution of £120m (the "Target Point"), the participants earn a linearly increasing share of the incremental distribution above the Entry Point. Daniel Rabie's share increases from 7.0% at the Entry Point to 15.0% at the Target Point. Paul Haworth's share increases from 2.5% at the Entry Point to 10.0% at the Target Point. Above the Target Point, the share of the incremental gross cash distribution earned remains at 15.0% for Daniel Rabie and 10.0% for Paul Haworth up to a maximum award payable at a gross cash distribution of £150m (the "Stretch Point").

Given the potential size of the cash awards, entry into the CDP constitutes a related party transaction as a result of the operation of AIM Rule 13 of the AIM Rules.

Daniel Rabie and Paul Haworth, by virtue of being directors of the Company, are each considered to be a related party of the Company and given the potential size of the cash awards, entry into the CDP constitutes a related party transaction for the purposes of Rule 13 of the AIM Rules for Companies. GetBusy's independent directors for this purpose (being Miles Jakeman, Nigel Payne and Paul Huberman) consider, having consulted with the Company's nominated adviser, finnCap Ltd ("finnCap"), that the terms of the CDP and the participation in the new CDP are fair and reasonable insofar as the Company's shareholders are concerned.

Loan facility

Clive Rabie, by virtue of being a director of the Company, is considered to be a related party of the Company. The Company's entry into the New Facility with Clive Rabie constitutes a related party transaction for the purposes of Rule 13 of the AIM Rules for Companies. GetBusy's independent directors for this purpose (being Paul Haworth, Miles Jakeman, Nigel Payne and Paul Huberman) consider, having consulted with the Company's nominated adviser, finnCap Ltd ("finnCap"), that the terms of the New Facility are fair and reasonable insofar as the Company's shareholders are concerned.

CONSOLIDATED INCOME STATEMENT

	Note	2022 £'000	2021 £'000
Revenue	3	19,293	15,448
Cost of sales		(1,952)	(1,295)
Gross profit		17,341	14,153
Operating costs		(17,754)	(16,355)
Net finance costs		(130)	(133)
Loss before tax		(543)	(2,335)
Loss before tax		(543)	(2,335)
Depreciation and amortisation on owned assets		563	706
Long-term incentive costs		329	400
Social security costs on long-term incentives		(120)	267
Non-underlying costs		389	400
Finance costs not related to leases		74	52
Adjusted EBITDA		692	(510)
Capitalised development costs		(1,438)	(712)
Adjusted loss before tax		(746)	(1,222)
Tax		571	771
Profit / (loss) for the year attributable to owners of the Company		28	(1,564)
Earnings / (loss) per share (pence)			
Basic	4	0.06p	(3.16)p
Diluted	4	0.05p	(3.16)p

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	2022 £'000	2021 £'000
Profit/(loss) for the year	28	(1,564)
Other comprehensive income – items that may be subsequently reclassified to profit or loss		
Exchange differences on translation of foreign operations	(380)	(17)
Other comprehensive income net of tax	(380)	(17)
Total comprehensive income for the year	(352)	(1,581)

CONSOLIDATED BALANCE SHEET

	2022 £'000	2021 £'000
Non-current assets		
Intangible assets	2,486	1,110
Right of use assets - leases	1,184	1,544
Property, plant and equipment	382	426
	<u>4,052</u>	<u>3,080</u>
Current assets		
Trade and other receivables	2,104	1,907
Current tax receivable	1,064	1,021
Cash and bank balances	2,972	2,670
	<u>6,140</u>	<u>5,598</u>
Total assets	<u>10,192</u>	<u>8,678</u>
Current liabilities		
Trade and other payables	(4,473)	(3,917)
Deferred revenue	(6,659)	(5,469)
Lease liabilities	(371)	(333)
Current tax payable	(536)	(378)
	<u>(12,039)</u>	<u>(10,097)</u>
Non-current liabilities		
Deferred revenue	-	(4)
Lease liabilities	(1,131)	(1,533)
	<u>(1,131)</u>	<u>(1,537)</u>
Total liabilities	<u>(13,170)</u>	<u>(11,634)</u>
Net assets	<u>(2,978)</u>	<u>(2,956)</u>
Equity		
Share capital	75	74
Share premium account	3,018	3,018
Demerger reserve	(3,085)	(3,085)
Retained earnings	(2,986)	(2,963)
Equity attributable to shareholders of the parent	<u>(2,978)</u>	<u>(2,956)</u>

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2022

2022	Share capital £'000	Share premium account £'000	Demerger Reserve £'000	Retained earnings £'000	Total £'000
At 1 January 2022	74	3,018	(3,085)	(2,963)	(2,956)
Profit for the year	-	-	-	28	28
Exchange differences on translation of foreign operations, net of tax	-	-	-	(380)	(380)
Total comprehensive income for the year	-	-	-	(352)	(352)
Issue of ordinary shares	1	-	-	-	1
Long-term incentive costs	-	-	-	329	329
Total transactions with owners of the Company	1	-	-	329	330
At 31 December 2022	75	3,018	(3,085)	(2,986)	(2,978)
2021	Share capital £'000	Share premium account £'000	Demerger Reserve £'000	Retained earnings £'000	Total £'000
At 1 January 2021	74	3,018	(3,085)	(1,782)	(1,775)
Loss for the year	-	-	-	(1,564)	(1,564)
Exchange differences on translation of foreign operations, net of tax	-	-	-	(17)	(17)
Total comprehensive income for the year	-	-	-	(1,581)	(1,581)
Long-term incentive costs	-	-	-	400	400
Total transactions with owners of the Company	-	-	-	400	400
At 31 December 2021	74	3,018	(3,085)	(2,963)	(2,956)

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2022

	2022 £'000	2021 (restated) £'000
Profit / (loss) for the year	28	(1,564)
Finance costs	130	133
Income tax credit	(571)	(771)
Depreciation of right of use asset	277	316
Depreciation of property, plant and equipment	163	133
Amortisation of intangible assets	400	573
Long-term incentive cost	329	400
Increase in receivables	(197)	(92)
Increase in payables	428	1,360
Increase in deferred income	1,187	806
Cash generated from operations	2,174	1,294
Interest paid	(74)	(52)
Income taxes received	675	623
Net cash generated from operating activities	2,775	1,865
Purchases of property, plant and equipment	(118)	(181)
Purchases of intangible assets	(339)	(163)
Capitalised internal development costs	(1,438)	(712)
Net cash used in investing activities	(1,895)	(1,056)
Principal portion of lease payments	(306)	(261)
Interest on lease liabilities	(56)	(81)
Proceeds on issue of shares	1	-
Net cash used in financing activities	(361)	(342)
Net increase in cash	519	467
Cash and bank balances at beginning of year	2,670	2,283
Effects of foreign exchange rates	(217)	(80)
Cash and bank balances at end of year	2,972	2,670

The presentation of the reconciliation of profit to cash generated from operations has been amended in the current year. The starting point of profit/loss for the year rather than adjusted loss before tax is considered to be a more appropriate presentation as profit/(loss) for the year is a statutory IFRS measure. For comparability purposes, the prior year presentation has been amended.

Notes to the financial information

1. GENERAL INFORMATION

GetBusy plc is a public limited company ("Company") and is incorporated in England under the Companies Act 2006. The company's shares are traded on the Alternative Investment Market ("AIM"). The Company's registered office is Suite 8, The Works, Unity Campus, Pampisford, Cambridge, CB22 3FT. The Company is a holding company for a group of companies ("Group") providing productivity software for professional and financial services.

These financial statements are presented in pounds sterling (rounded to the nearest thousand) because that is the currency of the primary economic environment in which the group operates.

In accordance with Section 435 of the Companies Act 2006, the Group confirms that the financial information for the years ended 31 December 2022 and 2021 are derived from the Group's audited financial statements and that these are not statutory accounts and, as such, do not contain all information required to be disclosed in the financial statements prepared in accordance with UK-adopted International Accounting Standards. The statutory accounts for the year ended 31 December 2021 have been delivered to the Registrar of Companies. The statutory accounts for the year ended 31 December 2022 have been audited and approved but have not yet been filed. The Group's audited financial statements for the year ended 31 December 2022 received an unqualified audit opinion and the auditor's report contained no statement under section 498(2) or 498(3) of the Companies Act 2006. The financial information contained within this full year results statement was approved and authorised for issue by the Board on 28 February 2023.

2. ALTERNATIVE PERFORMANCE MEASURES AND GLOSSARY OF TERMS

The Group uses a series of non-IFRS alternative performance measures ("APMs") in its narrative and financial reporting. These measures are used because we believe they provide additional insight into the performance of the Group and are complementary to our IFRS performance measures. This belief is supported by the discussions that we have on a regular basis with a wide variety of stakeholders, including shareholders, staff and advisers.

The APMs used by the Group, their definition and the reasons for using them, are provided below:

Recurring revenue. This includes revenue from software subscriptions and support contracts. A key part of our strategy is to grow our high-quality recurring revenue base. Reporting recurring revenue allows shareholders to assess our progress in executing our strategy.

Adjusted Loss before Tax. This is calculated as loss before tax and before certain items, which are listed below along with an explanation as to why they are excluded:

Depreciation and amortisation of owned assets. These non-cash charges to the income statement are subject judgement. Excluding them from this measure removes the impact of that judgement and provides a measure of profit or loss that is more closely aligned with operating cashflow. Only depreciation on owned assets is excluded; depreciation on leased assets remains a component of Adjusted Loss because, combined with interest expense on lease liabilities, it is a proxy for the cash cost of the leases.

Long-term incentive costs. Judgement is applied in calculating the fair value of long-term incentives, including share options, and the subsequent charge to the income statement, which may differ significantly to the cash impact in quantum and timing. The impact of potentially dilutive share options is also considered in diluted earnings per share. Therefore, excluding long-term incentive costs from Adjusted Loss before Tax removes the impact of that judgement and provides a measure of profit that is more closely aligned with cashflow.

Capitalised development costs. There is a very broad range of approaches across companies in applying IAS38 *Intangible assets* in their financial statements. For transparency, we exclude the impact of capitalising development costs from Adjusted Loss before Tax in order that shareholders can more easily determine the performance of the business before the application of that significant judgement. The impact of development cost capitalisation is recorded within operating costs.

Non-underlying costs. Occasionally, we incur costs that are not representative of the underlying performance of the business. In such instances, those costs may be excluded from Adjusted Loss before Tax and recorded separately. In all cases, a full description of their nature is provided. .

Finance costs not related to leases. These are finance costs and income such as interest on bank balances. It excludes the interest expense on lease liabilities under IFRS16 because, combined with depreciation on leased assets, it is a proxy for the cash cost of the leases.

Adjusted EBITDA. This is calculated as Adjusted Loss before Tax with capitalised development costs added back.

Constant currency measures. As a Group that operates in different territories, we also measure our revenue performance before the impact of changes in exchange rates. This is achieved by re-stating the comparative figure at the exchange rate used in the current period.

Glossary of terms

The following terms are used within these financial statements:

MRR. Monthly recurring revenue. That is, the monthly value of subscription and support revenue, both of which are classified as recurring revenue.

ARR. Annualised MRR. For a given month, the MRR multiplied by 12.

CAC. Customer acquisition cost. This is the average cost to acquire a customer account, including the costs of marketing staff, content, advertising and other campaign costs, sales staff and commissions.

LTV. Lifetime value, calculated as the average revenue per account multiplied by the average gross margin and divided by gross MRR churn.

MRR churn. The average percentage of MRR lost in a month due to customers leaving our platforms.

Net revenue retention. The average percentage retained after a month due to the combined impact of customers leaving our platforms, customers upgrading or downgrading their accounts and price increases or reductions.

ARPU. Annualised MRR per paid user at a point in time.

3. Revenue and operating segments

The Group's chief operating decision maker is considered to be the Board of Directors. Performance of the business and the deployment of capital is monitored on a group basis and so the Group has a single reportable segment. Additional revenue analysis is presented by territory.

2022

	UK £'000	USA £'000	Aus/NZ £'000	Total £'000
Recurring revenue	6,739	9,498	2,044	18,281
Non-recurring revenue	511	419	82	1,012
Revenue from contracts with customers	7,250	9,917	2,126	19,293
Cost of sales				(1,952)
Gross profit				17,341
Sales, general and admin costs				(13,526)
Development costs				(4,561)
Adjusted loss before tax				(746)
Capitalisation of development costs				1,438
Adjusted EBITDA				692
Depreciation and amortisation on owned assets				(563)
Long-term incentive costs				(329)
Social security on long-term incentives				120
Non-underlying costs				(389)
Other finance costs				(74)
Loss before tax				(543)

2021

	UK £'000	USA £'000	Aus/NZ £'000	Total £'000
Recurring revenue	6,280	6,119	1,944	14,343
Non-recurring revenue	661	365	79	1,105
Revenue from contracts with customers	6,941	6,484	2,023	15,448
Cost of sales				(1,295)
Gross profit				14,153
Sales, general and admin costs				(11,588)
Development costs				(3,787)
Adjusted loss before tax				(1,222)
Capitalisation of development costs				712
Adjusted EBITDA				(510)
Depreciation and amortisation on owned assets				(706)
Long-term incentive costs				(400)
Social security on long-term incentives				(267)
Non-underlying costs				(400)
Other finance costs				(52)
Loss before tax				(2,335)

Recurring revenue is defined as revenue from subscription and support contracts. Non-recurring revenue is defined as all other revenue. No customer represented more than 10% of revenue in either year.

4. Earnings / (loss) per share

The calculation of earnings per share is based on the profit for the year of £28k (2021: loss of £1,564k).

Weighted number of shares calculation

	2022	2021
	'000	'000
Weighted average number of ordinary shares	49,621	49,516
Effect of potentially dilutive share options in issue	7,341	-
Weighted average number of ordinary shares (diluted)	<u>56,962</u>	<u>49,516</u>

Earnings per share

	2022	2021
	Pence	pence
Basic	0.06	(3.16)
Diluted	<u>0.05</u>	<u>(3.16)</u>

At 31 December 2022, there were 7,169,236 share options (2021: 7,527,629). As required by IAS33 (Earnings per Share), the impact of potentially dilutive options was disregarded for the purposes of calculating diluted loss per share in the prior year as the Group was loss making.

5. Reconciliation of Alternative Performance Measures – constant currency

A number of our key performance indicators are provided at "constant currency". The percentage change in a KPI is shown assuming the current year exchange rate is used to translate both the current year and prior year figures. The table below reconciles the constant currency figures to those reported.

Performance measure	2022	2021 as originally reported	Constant currency adjustment	2021 at constant exchange rates	Change at reported exchange rates	Change at constant exchange rates
Group recurring revenue	£18,281k	£14,343k	£746k	£15,089k	27%	21%
Group total revenue	£19,293k	£15,448k	£787k	£16,235k	25%	19%
Group Annualised Recurring Revenue	£19,240k	£15,828k	£788k	£16,616k	22%	16%