

26 March 2024

GetBusy plc

2023 Audited Results

Continued double-digit growth and value creation

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 2023

	2023	2022	Change	
	£'000	£'000	Reported currency	Constant currency***
Group ARR	20,524	19,240	7%	10%
Group recurring revenue	20,311	18,281	11%	12%
Group total revenue	21,112	19,293	9%	10%
Group adjusted EBITDA*	1,045	692	51%	
Group adjusted loss before tax**	(629)	(746)	16%	
Group loss before tax	(509)	(543)	6%	
Cash	1,942	2,972	(35%)	

Financial highlights

- Recurring revenue growth of 12% at constant currency to £20.3m (2022: £18.3m)
- Recurring revenue comprises 96% of total revenues (2022: 95%)
- ARR growth of 10% at constant currency to £20.5m (2022: £19.2m)
- Gross margin improvement to 90.1% (2022: 89.9%)
- Adjusted EBITDA up 51% to £1.1m (2022: £0.7m)
- Cash of £1.9m (2022: £3.0m) remains strong, underpinned by undrawn committed £2.0m facility giving a total of £3.9m available growth capital

Operational highlights

- Strong net revenue retention of 100.0% per month (2022: 100.2%), reflecting lower gross churn
- Group ARPU up 12% at constant currency to £281 (2022: £256)
- 3% reduction in paying users to 73,057 (2022: 75,058), reflecting strategy to focus on higher value customers
- Over 1,500 document activities per second processed on our platforms at peak times
- 3.5 million collaborators share over 20 million documents annually across our products
- Launched major new integration for SmartVault with Thomson Reuters’ UltraTax application, opening promising new accounting markets within US
- Launched Accounting Unlimited in the US, packaging an unrivalled feature set into one plan and driving excellent expansion revenue since launch
- Signed five partners to Workiro Platinum programme, incorporating minimum annual revenue commitments

Outlook

- Our core markets remain robust, our balance sheet is strong, we have a loyal customer base and our revenue is highly predictable.
- 2024 has started well, with continued growth across the Group through a combination of new business, expansion and price improvement.
- The board remains excited about the Group’s prospects to deliver exceptional shareholder value over the long-term.

Daniel Rabie, CEO of GetBusy, comments:

“Against an ongoing challenging 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, elevated cyber threats and ever-increasing compliance burdens. This is clearly seen in the degree to which our products are embedded in our customers’ workflows, with over 3.5million collaborators completing up to 1,500 document activities per second on our platforms, securely and effortlessly.

“Our strategy of investing for long-term, sustainable growth from a stable platform with excellent visibility is validated, delivering another year of double-digit ARR growth.

“We look forward to the investments and improvements to our customer acquisition functions made during 2023, together with strong expansion revenue from existing customers, to contribute to enhanced growth rates during 2024 and beyond.”

*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 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 73,000 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 introduction

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 to our customers and becoming more embedded within their business-critical infrastructure. We are expanding the markets we serve through the combination of product innovation and a broader set of integrations, setting the Group up for strong revenue growth over both the medium- and long-term and creating significant value for shareholders.

We are helping professionals to be as productive, efficient, and secure as possible in the face of rising cost pressures, operational complexities and a structural scarcity of qualified talent. 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.

Once again significant progress has been made in 2023. So much has been achieved in scaling and improving our customer acquisition engines, building out our partner channels, opening new addressable markets, increasing average selling price and improving churn but the foundation of these achievements remains the ongoing 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, all of whom the directors have spent time with in 2023, for their ongoing commitment. Across the business, our people consistently exhibit ingenuity, tenacity, ambition and humanity; they are our most valuable asset and the reason for our success.

Our strategy is clear. Considerable strategic value can be realised in the medium term by investing in the ongoing penetration of our core accounting market, particularly with SmartVault in the US, whilst establishing a foundation for long term growth through the provision of intuitive enterprise content management to a wide range of industries through Workiro, capitalising on the established brand and success of Virtual Cabinet. The board and management teams are completely aligned around this strategy.

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

CEO's overview

Since IPO, GetBusy has achieved over 16% compound annual growth in ARR. Over 96% of our revenue is from recurring subscriptions – amongst the highest in the UK market. Our business model has enabled us to achieve growth in the 6 years since our IPO in an essentially cash neutral fashion, with an average of less than £0.2m of cash consumed annually. Our markets are large and under-penetrated and we solve real-life, practical problems for our customers, making our products sticky. Against an ongoing challenging 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 core 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.

Our focus in 2023 was to structure the business to capitalise on the substantial market opportunity for productivity software tools in the accounting and ERP markets. Alongside delivering a 12% constant- currency increase in high quality recurring subscription revenue, we made encouraging progress in enlarging the markets available to us in the short- and long-term, scaling our customer acquisition engines, building out our partner channels, increasing average selling price and improving churn.

The Group has never been in a stronger position to capitalise on the opportunity.

SmartVault in the US – an outstanding opportunity with a considerably expanded target market

In the US, a market that harbours an outstanding opportunity in the accounting sector through our SmartVault product, we made considerable progress in enabling scale and considerably expanding the target market.

During 2023, we re-engineered our entire direct sales and marketing operational methodology and implemented major improvements in our data insight capabilities. This provides us with an excellent platform from which to ramp direct sales and optimise the outcome for our marketing efforts whilst maintaining enviable return on investment: throughout 2023 our customer lifetime value to acquisition cost ratio ("LTV:CAC") averaged 4:1 (2022: 4:1).

SmartVault is seeing a higher volume of larger deals, demonstrating its increasing appeal to larger accounting firms. The number of new customers generating more than \$10,000 in annual subscription revenue, typically equating to 20 or more users, increased by 25% in the key Q4 selling season, compared with the same period last year. We expect this trend to lead to a meaningful increase in average selling price in the future. Larger customers tend to have markedly lower churn rates than smaller customers, which substantially enhances the lifetime value of the customer base.

Integration with UltraTax

Our integration with Thomson Reuters' UltraTax launched in July. Sales into UltraTax customers have since contributed 9% of new revenue, with average selling price being 76% higher than the average across all SmartVault customers. This is particularly encouraging as successfully accessing users of UltraTax roughly doubles the medium-term market opportunity for SmartVault. Additionally, this integration provides a reusable blueprint for further integrations into other tax software platforms as well as practice management and workflow tools, providing SmartVault with a route to even broader adoption in the future.

Reseller Partners

Reseller partners, such as Rightworks and TaxCalc, contributed 19% of new business in 2023, compared to 2% in 2022. This provides us with confidence that our channel strategy will, over time, contribute meaningfully to SmartVault's growth. As well as its strength among users of Intuit's Lacerte and ProSeries tax applications – with which SmartVault has the leading document workflow integration – Rightworks is growing among users of UltraTax, providing an additional route to that recently unlocked user base, which is comparable in size to the combined Lacerte and ProSeries base. We added further complementary integration partners during the year, including Financial Cents, an accounting practice management tool, and Liscio, a client portal for accountants. SmartVault is becoming an integral part of the mission-critical technology stack for a greater variety of customers using a broader set of core accounting, tax and financial services applications.

Information Security Certifications

Our US business obtained the key ISO27001 and SOC2-1 information security certifications during the year, and we will shortly be upgrading to SOC2-2. These benchmarks are often required for larger enterprise customers in which there is a greater IT sophistication, as we have seen with our ISO27001 certification in the UK, so we expect this effort to enable SmartVault to become more successful among larger clients, such as those on the UltraTax platform.

Accounting Unlimited Plan

In November we launched our Accounting Unlimited plan, which packages an unrivalled feature set including e-signature and the form-fill and quoting technology acquired in 2021. Encouragingly, December's expansion revenue was comfortably the highest we've ever recorded, driven by customers upgrading to Accounting Unlimited, with an average revenue uplift of 42% per customer. Coupled with our lowest ever churn rates, this provides us with confidence that there remains substantial untapped value within the SmartVault customer base.

The combination of SmartVault's leading position and brand recognition among US accountants, its expanding integrations that open a larger addressable market, its success in attracting higher value customers, its progress in generating meaningful expansion revenue opportunities and its enviable customer retention rates, make SmartVault a business that we believe has very significant strategic value. We look forward to significantly growing the business and realising that value over the next few years.

Virtual Cabinet and Workiro – long-term growth opportunity in sizeable, diversified market

Collectively, Virtual Cabinet and Workiro serve enterprise customers in the professional and financial services sector together with a broad range of industries through Workiro's deep integration into ERP systems, with an initial focus on Oracle's NetSuite application. NetSuite's installed base of over 37,000 enterprise customers provides a considerable market opportunity for Workiro, with the broader cloud ERP market being significantly larger.

Towards the end of 2022, Workiro won SuiteCloud International Partner of the Year at the key SuiteWorld event. Since then, we have seen a marked increase in the engagement of both NetSuite themselves and the partner ecosystem. Five partners signed up to our invitation-only Platinum programme in Q4, which incorporates minimum annual revenue commitments together with prescribed marketing and brand-building activities. The flow of referrals from partners has been increasing steadily, with a growing pipeline of well-qualified opportunities.

Encouragingly, the customers we have won and our sales pipeline reflect a diverse range of industries with similar challenges around efficient and secure content handling within their core business functions, such as procurement, sales and accounting. This validates our hypothesis that Workiro provides a significantly greater market opportunity over the long-term than the professional services markets we have traditionally served.

Average selling price for Workiro is markedly greater than that for SmartVault with greater opportunity to expand within customers after the initial win, for example across different functions. Overall the quality and size both of customers we have won and within our pipeline, together with the low cost of acquisition via our combined partner/direct channel, provides encouragement that providing enterprise content management into the ERP market is a significant, scalable and accessible long-term opportunity for the Group.

Virtual Cabinet completed the transition of its customer base to the Unlimited “all-in” pricing plan during the first quarter; encouragingly, we have seen no adverse impact on churn rates, which validates the value ascribed to the product by our customers and confirms its position as a leading product in the space. Virtual Cabinet Cloud, powered by the Group’s Workiro technology, now provides a richly capable cloud transition path for customers, making Virtual Cabinet a compelling choice for professional services firms with a wide variety of cloud and on-premise core business applications and we have now seen the first Virtual Cabinet customers fully migrate to Workiro, helping us to improve customer retention and also providing an opportunity for ARPU enhancement in the future.

Why accounting?

Through SmartVault and Virtual Cabinet, GetBusy is the largest specialist provider of document management and workflow software into the accounting sector in our chosen markets of the US, UK and ANZ.

Our commitment to the accounting market is based on a number of compelling factors that collectively evidence a substantial opportunity on which we are very well placed to capitalise.

The US accounting sector alone employs 1.2 million people, including over 650,000 Certified Public Accountants within over 130,000 firms. Cloud technology adoption across the sector, particularly in the tax preparation market, is relatively early stage. The market is dominated by a handful of large tax software providers whose clients overwhelmingly use legacy on-premise software due to its familiarity and rich functionality. The transition of the sector to the cloud has been gradual but is accelerating.

Specialist productivity tools are increasingly a priority for small accounting firms. Declining numbers are entering the profession in the US; the Bureau of Labor Statistics is projecting an annual shortfall of some 50,000 newly qualified accountants over the next decade. This labour shortage is a catalyst for two trends that are favourable for our solutions. Firstly, firms are focusing on optimising practitioner efficiency by implementing simple, no-code workflow automations like those enabled through SmartVault and its integrations into the major tax software applications. Secondly, firms are making increasing use of outsourcing, including through offshore providers, to plug the labour gap, making a cloud-first technology stack essential for secure and efficient collaboration.

Technology adoption is also being driven by the rising participation of private equity in the accounting sector. This is leading to a consolidation of accounting firms across the size spectrum and a concerted drive for mandated technology adoption, as the “lifestyle” model of partnerships gives way to the growth- and efficiency-focused mindset of professional management installed by private equity. All firms will need to follow to remain competitive. Cloud technologies that optimise the productivity of expensive and scarce knowledge-workers are clear beneficiaries of this shift.

These accounting-specific trends are in addition to the broader drivers of the productivity and security software market for professional services firms:

- Strengthening data privacy regulation and more robust enforcement means accounting firms are expected by their clients to adopt technologies that safeguard sensitive data.
- A more hostile cybersecurity environment has driven data security to the top of the agenda at even the smallest of firms. Accounting firms have become a focus for cyber attacks due to the exceptionally sensitive data held; the relatively unsophisticated IT practices that persist in a proportion of the sector makes those firms particularly vulnerable.

- Hybrid working and the increasing mobility of the workforce are prevalent in the accounting sector, in which a competitive labour market forces firms to adopt employee-friendly work policies to make them more attractive to scarce talent. This trend drives the adoption of cloud technologies that enable remote employees to work securely and efficiently.

Competition in the space, particularly in the automation of document workflows, remains relatively benign. Generic document management providers – though sometimes substantially larger than GetBusy - lack the depth of integration with accounting and tax preparation software that specialist providers can offer and that are critical to workflow optimisation. The document capabilities embedded within many of the accounting practice management software suites are usually ageing, limited in functionality and starved of investment. Specialist providers, like SmartVault and Virtual Cabinet, are few as the barriers to entry are high, both technically and in brand recognition.

All of these factors reinforce our commitment to building a highly valuable business focused on the accounting sector.

Investing to capitalise on the long-term growth opportunity

The Group is committed to sustained investment, from its current funds and further self-generated cash resources, in the pursuit of both medium- and long-term growth.

We believe there is a substantial long-term growth opportunity for software that supports the productivity of knowledge workers, enhances their working day by improving workflows, and contributes to the profitability of the organisations that employ them. This opportunity is supported by enduring structural drivers such as stricter regulatory requirements, a more hostile cybersecurity landscape, tightening labour markets and increasing workforce flexibility demands.

By remaining focused on specific, valuable markets, in particular the accounting market, we can build a high quality, sticky customer base for whom our products have infrastructural characteristics. We believe our base of customers can become strategically very attractive as a result of the access we have to a very well-defined set of customers with similar software requirements.

Whilst medium-term growth is expected to be driven largely by the accounting market, in which we are experienced and proven, growth over the longer-term is expected to be significantly enhanced by the opening of larger enterprise markets and the provision of ECM solutions via Workiro. As in accounting, we expect success to come through the depth of our integrations with other mission-critical software platforms, such as ERP. The scale of the Workiro opportunity warrants the sustained investments we are making with the expectation that the solution will open substantially larger markets over the longer term.

Current trading and outlook

Our balance sheet is strong. Our markets are resilient. Our products solve relatable, practical problems. Our customer base is loyal. 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.

2024 has started well, with continued growth across the Group through a combination of new business, expansion and price improvement. We expect the investment and improvement to our customer acquisition functions made during 2023, together with strong expansion revenue from existing customers, to contribute to enhanced growth rates during 2024 and beyond.

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

Financial review

Group	2023	2022	Change	
			Reported currency	Constant currency
ARR at 31 December	£20,524k	£19,240k	7%	10%
Recurring revenue	£20,311k	£18,281k	11%	12%
Total revenue	£21,112k	£19,293k	9%	10%
Adjusted EBITDA	£1,045k	£692k	51%	
Adjusted loss before tax	£(629)k	£(746)k	16%	
Paying users at 31 December	73,057	75,058	(3%)	

ARPU at 31 December	£281	£256	10%	12%
Net revenue retention	100.0%	100.2%	n/a	

Recurring revenue was up 12% at constant currency (11% at reported currency) to £20.3m (2022: £18.3m), with good contributions from across the Group aided by strong opening ARR positions. The UK was up 18% to £8.0m (2022: £6.7m), buoyed by the migration of a large proportion of our clients to the Virtual Cabinet Unlimited “all-in” pricing plan in the second half of 2022 through to April 2023. The US was up 11% at constant currency (10% at reported currency) to £10.4m (2022: £9.5m), with a combination of new business, improved churn and expansion revenue from the introduction of the Accounting Unlimited plan in November.

ARR, which is our recurring revenue runrate, grew by 10% at constant currency to £20.5m (31 December 2022: £19.2m), driven by a combination of new business and the favourable ARPU impact from expansion and monetisation offset by churn, particularly from lower ARPU accounts. ARPU increased 12% at constant currency to £281, and users were down 3% as a result of our strategy of focusing on higher-value accounting and professional services customers with strong integrations. Non-professional services customers have a disproportionate impact on user numbers (particularly in SmartVault in which non-accountant plans typically have higher minimum user counts) but bring a fraction of the lifetime value to the Group of an accounting or professional services customer. Accounting per-user pricing is typically double that of non-accounting and accountants are less than a third as likely to churn as non-accountants.

Net revenue retention remained strong in the period at 100.0% per month (2022: 100.2%) due to improving churn rates across the Group (0.8% per month, compared to 0.9% in 2022), the impact of the final set of UK customers moving to the Virtual Cabinet Unlimited pricing plan during H1, and expansion revenue from the successful introduction of our Accounting Unlimited plan in SmartVault in November. 2022 included very strong comparatives for monetisation in the UK.

Non-recurring revenue of £0.8m was, as expected, down on 2022 (£1.0m) following the effective completion of the process to convert older Virtual Cabinet customers onto pure SaaS models. Total revenue was up 9% (10% at constant currency) to £21.1m (2022: £19.3m).

Gross margin of 90.1% (2022: 89.9%) reflects the benefit of higher ARPU (which doesn’t impact platform costs in the way that user volume does). Over the longer term, we expect gross margin to reflect the greater weighting of cloud revenues from SmartVault and Workiro, which carry a higher cost of sale than our on-premise products.

Sales, general and administrative costs of £14.8m (2022: £13.5m) largely reflect the investments made in scaling the sales teams in the US, for SmartVault, together with people and culture and cyber resilience, offset by lower performance incentive costs.

Total development expenditure was up 6% to £4.8m (2022: £4.6m) with headcount essentially flat during the year. £1.7m of development costs were capitalised (2022: £1.4m) across Workiro and SmartVault relating to a combination of new integrations, core functionality and new capabilities.

Adjusted EBITDA was up 51% to £1.0m (2022: £0.7m), whilst Adjusted Loss, which is stated before development capitalisation, saw a 16% improvement at £(0.6)m (2022: £(0.7)m).

Depreciation and amortisation was £0.9m (2022: £0.6m) as a result of the higher gross capitalised value of development costs arising from Workiro costs starting to be capitalised in 2022.

Long-term incentive costs of £0.3m were a little higher (2022: £0.2m). There was a small credit for share-based payments (2022: charge of £0.3m) as a result of the reversal of cumulative charges for certain option schemes that are considered highly unlikely to vest. £0.3m of the charge (2022: £nil) relates to long-term cash incentive schemes for senior management within our US business.

Non-underlying costs of £0.2m (2022: £0.4m) comprise corporate restructuring costs linked to the creation of separate intermediate holding company structures and trading companies for each of the Group’s businesses and management support functions, together with costs associated with the settlement of historic US sales tax liabilities.

Non-lease finance costs relate to the Group’s new £2m revolving credit facility, which remained undrawn over the period.

The loss before tax was £0.5m (2022: £0.5m). The tax credit of £0.3m (2022: credit of £0.6m) reflects a conservative estimate of the expected UK research and development tax credit offset by overseas tax payable in the US, Australia and New Zealand and the write-off of £0.2m of withholding tax that is unlikely to be recoverable. The reduction is mostly a result of the ongoing changes being made to the calculation of tax credits for UK SMEs, the first of which came into effect from 1 April 2023 and will materially reduce the value of the Group’s cash tax credit in future years.

Cashflow and working capital

In addition to the £0.6m adjusted loss, the £1.0m cash outflow comprised the following key movements:

- A deferred revenue reduction of £0.1m, reflecting a greater proportion of SmartVault new business being on monthly-paid subscriptions as opposed to annual, particularly revenue through resale partners;
- A £0.6m reduction in payables, mostly arising from lower performance incentives, offset by a £0.3m increase in provisions;
- A £0.2m reduction in receivables following strong cash collection during the year;
- £0.3m of capital expenditure, including subcontracted software development work;
- £0.2m of non-underlying restructuring cash costs;
- A £0.5m net tax inflow, comprising £1.0m in research and development tax credits in the UK offset by foreign tax payments.

Cash at 31 December 2023 was £1.9m (31 December 2022: £3.0m), underpinned by a £2m undrawn revolving credit facility committed until February 2027, which remained undrawn over the period.

Balance sheet

The £1.1m increase in intangible assets in 2023 to £3.6m is principally a result of capitalised development costs exceeding amortisation levels. Purchased software, mostly associated with the quoting and form-fill technology investments made in 2021, also contributed to the increase.

Lease assets decreased in the year to £0.9m, mostly as a result of the continued use of the Group's existing office facilities, offset by a new 2-year lease for the Group's Sydney office.

Trade and other receivables decreased by £0.2m to £1.9m, mostly a result of improved cash collection on trade receivables offset by higher prepayments arising from timing differences. The current tax receivable of £0.8m relates mostly to the UK research and development tax credit due for the 2023 financial year; this is a c. 40% reduction on 2022's research and development tax credit as a result of the changes to the UK's tax regime. The £0.4m of tax payable within current liabilities relates to Australia and New Zealand.

The £0.3m reduction in trade and other payables and provisions is chiefly the result of lower performance incentive accruals, offset by higher tax and social security.

Deferred revenue, which is mostly derived from annual subscriptions paid in advance was down slightly at £6.5m.

The lease liability of £1.2m relates to our Cambridge, Houston and Sydney office premises.

The increase in provisions of £0.3m relates chiefly to the implementation of a long-term incentive scheme within the Group's US business.

Over the course of 2023, 892,857 new shares were issued as a result of the exercise of share options.

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2023

	Note	2023 £'000	2022 £'000
Revenue	3	21,112	19,293
Cost of sales		(2,095)	(1,952)
Gross profit		19,017	17,341
Operating costs		(19,389)	(17,754)
Net finance costs		(137)	(130)
Loss before tax		(509)	(543)
Loss before tax		(509)	(543)
Depreciation and amortisation on owned assets		941	563
Long-term incentive costs		312	329
Social security costs on long-term incentives		21	(120)
Non-underlying costs		196	389
Finance costs not related to leases		84	74
Adjusted EBITDA		1,045	692
Capitalised development costs		(1,674)	(1,438)
Adjusted loss before tax		(629)	(746)
Tax		282	571
(Loss) / profit for the year attributable to owners of the Company		(227)	28
(Loss) / earnings per share (pence)			
Basic	4	(0.45p)	0.06p
Diluted	4	(0.45p)	0.05p

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2023

	2023 £'000	2022 £'000
(Loss) / profit for the year	(227)	28
Other comprehensive income – items that may be subsequently reclassified to profit or loss		
Currency movement on net investment	158	(126)
Exchange differences on translation of foreign operations	42	(254)
Other comprehensive income net of tax	200	(380)
Total comprehensive income for the year	(27)	(352)

CONSOLIDATED BALANCE SHEET

For the year ended 31 December 2023

	2023 £'000	2022 £'000
Non-current assets		
Intangible assets	3,620	2,486
Right of use assets	913	1,184
Property, plant and equipment	299	382
	<u>4,832</u>	<u>4,052</u>
Current assets		
Trade and other receivables	1,867	2,104
Current tax receivable	610	1,064
Cash and cash equivalents	1,942	2,972
	<u>4,419</u>	<u>6,140</u>
Total assets	<u>9,251</u>	<u>10,192</u>
Current liabilities		
Trade and other payables	(3,585)	(3,914)
Deferred revenue	(6,544)	(6,659)
Provisions	(504)	(559)
Lease liabilities	(423)	(371)
Current tax payable	(146)	(536)
	<u>(11,202)</u>	<u>(12,039)</u>
Non-current liabilities		
Lease liabilities	(741)	(1,131)
Provisions	(326)	-
	<u>(1,067)</u>	<u>(1,131)</u>
Total liabilities	<u>(12,269)</u>	<u>(13,170)</u>
Net liabilities	<u>(3,018)</u>	<u>(2,978)</u>
Equity		
Share capital	76	75
Share premium account	3,018	3,018
Demerger reserve	(3,085)	(3,085)
Retained earnings	(3,027)	(2,986)
Equity attributable to shareholders of the parent	<u>(3,018)</u>	<u>(2,978)</u>

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2023

	Share capital £'000	Share premium account £'000	Demerger Reserve £'000	Retained earnings £'000	Total £'000
2023					
At 1 January 2023	75	3,018	(3,085)	(2,986)	(2,978)
Loss for the year	-	-	-	(227)	(227)
Other comprehensive income, net of tax	-	-	-	200	200
Total comprehensive income for the year	-	-	-	(27)	(27)
Issue of ordinary shares	1	-	-	-	1
Equity-based long-term incentive credit	-	-	-	(14)	(14)
Total transactions with owners of the Company	1	-	-	(14)	(13)
At 31 December 2023	76	3,018	(3,085)	(3,027)	(3,018)
	Share capital £'000	Share premium account £'000	Demerger Reserve £'000	Retained earnings £'000	Total £'000
2022					
At 1 January 2022	74	3,018	(3,085)	(2,963)	(2,956)
Profit for the year	-	-	-	28	28
Other comprehensive income, net of tax	-	-	-	(380)	(380)
Total comprehensive income for the year	-	-	-	(352)	(352)
Issue of ordinary shares	1	-	-	-	1
Equity-based 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)

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2023

	2023 £'000	2022 £'000
(Loss) / profit for the year	(227)	28
Finance costs	137	130
Income tax credit	(282)	(571)
Depreciation of right of use asset	316	277
Depreciation of property, plant and equipment	169	163
Amortisation of intangible assets	772	400
Long-term incentive cost	312	329
Decrease/(increase) in receivables	172	(197)
(Decrease)/increase in payables	(584)	548
Increase/(decrease) in provisions	271	(120)
(Decrease)/increase in deferred income	(114)	1,187
Cash generated from operations	942	2,174
Interest paid	(84)	(74)
Income taxes received	519	675
Net cash generated from operating activities	1,377	2,775
Purchases of property, plant and equipment	(90)	(118)
Purchases of intangible assets	(232)	(339)
Capitalised internal development costs	(1,674)	(1,438)
Net cash used in investing activities	(1,996)	(1,895)
Principal portion of lease payments	(371)	(306)
Interest on lease liabilities	(53)	(56)
Proceeds on issue of shares	1	1
Net cash used in financing activities	(423)	(361)
Net (decrease)/increase in cash	(1,042)	519
Cash and cash equivalents at beginning of year	2,972	2,670
Effects of foreign exchange rates	12	(217)
Cash and cash equivalents at end of year	1,942	2,972

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.

The presentation of the balance relating to social security costs on long-term incentives has been amended in the current year. Presentation as a provision is considered to more closely align with the nature of the balance, which is uncertain in both timing and amount. For comparability purposes, the prior year presentation has been amended. The balance was previously presented as "Social security costs on long-term incentives" within trade and other payables. Consequential amendments have also been made to the consolidated cash flow statement, in respect of the prior year. "(Decrease)/increase in payables" increased from £428k to £548k and "Increase/(decrease) in provisions reduced from £nil to £(120k).

In accordance with Section 435 of the Companies Act 2006, the Group confirms that the financial information for the years ended 31 December 2023 and 2022 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 2022 have been delivered to the Registrar of Companies. The statutory accounts for the year ended 31 December 2023 have been audited and approved but have not yet been filed. The Group's audited financial statements for the year ended 31 December 2023 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 25 March 2024.

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 to 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 such as interest on loan amounts not drawn down. 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. Additional revenue analysis is presented by territory.

2023

	UK £'000	USA £'000	Aus/NZ £'000	Total £'000
Recurring revenue	7,979	10,407	1,925	20,311
Non-recurring revenue	295	458	48	801
Revenue from contracts with customers	8,274	10,865	1,973	21,112
Cost of sales				(2,095)
Gross profit				19,017
Sales, general and admin costs				(14,807)
Development costs				(4,839)
Adjusted loss before tax				(629)
Capitalisation of development costs				1,674
Adjusted EBITDA				1,045
Depreciation and amortisation on owned assets				(941)
Long-term incentive costs				(312)
Social security on long-term incentives				(21)
Non-underlying costs				(196)
Other finance costs				(84)
Loss before tax				(509)

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)

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. (LOSS) / EARNINGS PER SHARE

The calculation of (loss) / earnings per share is based on the loss of £227k (2022: profit of £28k).

Weighted number of shares calculation

	2023 '000	2022 '000
Weighted average number of ordinary shares	50,378	49,621
Effect of potentially dilutive share options in issue	-	7,341
Weighted average number of ordinary shares (diluted)	50,378	56,962

Earnings per share

	2023 Pence	2022 pence
Basic	(0.45p)	0.06
Diluted	(0.45p)	0.05

At 31 December 2023, there were 6,276,380 share options (2022: 7,169,236). 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 current 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	2023	2022 as originally reported	Constant currency adjustment	2022 at constant exchange rates	Change at reported exchange rates	Change at constant exchange rates
Group recurring revenue	£20,311k	£18,281k	(£149k)	£18,131k	11%	12%
Group total revenue	£21,112k	£19,293k	(£148k)	£19,145k	9%	10%
Group Annualised Recurring Revenue	£20,524k	£19,240k	(£497k)	£18,743k	7%	10%