1 August 2018

GetBusy plc ("GetBusy" or the "Company" or the "Group")

2018 Half-Year Unaudited Results

Sustained recurring revenue growth and strategic progress

GetBusy plc (AIM: GETB), a leading document management software business, is pleased to announce its unaudited results for the six months ending 30 June 2018.

	H1 2018	H1 2017	Change	
	£'000	£'000	Reported currency	Constant currency+
Recurring revenue	**4,496**	**3,800**	**18%**	**23%**
Non-recurring revenue	660	725		
Total revenue	**5,156**	**4,525**	**14%**	**18%**
Adjusted EBITDA* before development costs	**783**	**838**	**(7)%**	
Development costs	(1,275)	(1,232)		
Adjusted EBITDA*	**(492)**	**(395)**	**(25)%**	
Cash	2,357	N/A		

Financial highlights

- Total revenue up 14% in reported currency and 18% at constant currency
- Recurring revenue up 18% in reported currency and 23% at constant currency
- Increase in proportion of recurring revenue to 87%, up from 84% in H1 2017
- Significant increase in UK recurring revenue growth to 16%, up from 5% for FY 2017
- Adjusted EBITDA of £(492)k, down just £97k from H1 2017 despite additional £383k of corporate costs following demerger and IPO in August 2017.

Operational highlights

- SmartVault launched in UK and Australia
- Integration partnership signed with DocuSign
- Paying users up 1,100 to 58,600
- Portal users exceeded 1 million for the first time
- Customer and commercial validation started for new GetBusy product
- Favourable conditions to increase investment in customer acquisition in H2 and beyond.

Daniel Rabie, CEO of GetBusy, comments:

"In H1 2018 we've seen early but significant progress on the key elements of our strategy. We have continued our focus on high quality recurring subscription revenues, which we have grown by 18%, or 23% at constant currency. We've also had tremendous early success in the UK converting to a pure subscription model, with year-on-year growth of 16% compared to 5% for FY17. We have launched our cloud-based SmartVault product in the UK and Australia and already secured our first SmartVault customers in those territories. Finally, we have improved our ability to create further value from our SmartVault portal users through our integration partnership with DocuSign.

"I'm really proud of the performance of our team who continue to give their all to exceed customers' expectations. Moving into H2 we will seek to capitalise on favourable market conditions and data points to increase our investment in customer acquisition in all territories."

* Adjusted EBITDA is EBITDA before IPO and demerger costs, share option costs, net capitalised development costs and non-underlying items. A full list of alternative performance measures can be found in note 2.

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

A glossary of certain terms can be found in note 2.

Ahead of today's presentations to investors, a copy of the presentation to investors is now available on the Company's website, at www.getbusy.com/about/investors

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About GetBusy

GetBusy is an established, successful, award-winning Document Management software business, with operations in the UK, USA, Australia and New Zealand, providing over 58,000 customers with a highly secure form of digital document distribution with the flexibility to suit any business or industry. It has found particular success in the accountancy, legal and financial services verticals. Over 1 million users are registered to share information through GetBusy's online client portals.

The Group has three core product offerings:

- Virtual Cabinet is Document Management software focused on the medium size to enterprise size markets. It is used by 27 of the 100 largest accounting firms in the UK and 12 of the top 20 accounting firms in Australia and New Zealand;
- SmartVault is an award-winning Document Management software targeting the professional small and medium enterprise market, and is long established in the USA;
- GetBusy (in development) is a new client chat product which we anticipate will help customers create stronger relationships with less effort, help users become more organised and productive, and reduce their administrative burden.

The Group has an international reach, rapidly growing revenue from existing products, a proven business model, and strong momentum moving into the future.

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

H1 2018 performance

Recurring revenue increased by 18% (23% at constant currency) to £4.5m (H1 2017: £3.8m) and now comprises 87% of our total revenue. Pleasingly, there was strong growth across all three regions. The UK tripled its 2017 recurring revenue growth rate to 16%, delivering recurring revenue of £2.2m (H1 2017: £1.9m) as a result of a strategic shift from traditional upfront licence and consulting contracts to pure subscription models, which we believe offer greater flexibility to customers, and deliver improved customer lifetime values. The GDPR compliance deadline in May 2018 has also benefitted the UK business, driving increased awareness of the need for document security.

Recurring revenue in the US increased by 15% (26% at constant currency) to £1.5m (H1 2017: £1.3m) and Australia and New Zealand delivered a 35% increase (45% at constant currency) to £0.8m (H1 2017: £0.6m). Both the US and Australia businesses have virtually pure-play subscription models, allowing us to capitalise on favourable LTV : CAC ratios to build a strong, growing recurring revenue base.

Total revenue, which includes recurring, licence and consulting revenue, increased by 14% (18% at constant currency) to £5.2m (H1 2017: £4.5m). Within this, non-recurring revenue was down 9% at £0.7m (H1 2017: £0.7m) as a result of the shift in the UK model.

Annualised MRR at June 2018 was £9.4m, 24% higher than June 2017 and 10% higher than December 2017 at constant currency. The number of paying customers on our platforms increased to 58,600 with average recurring revenue per user increasing by 6% compared to FY 2017 to £155.

Our key SaaS metrics continue to trend favourably. SmartVault net MRR churn was 0.2% per month compared to 0.7% for the whole of 2017 and LTV : CAC ratio improved from 3:1 for 2017 to over 5:1 in H1 2018, a reflection of cumulative data-based experience and improved lead generation effectiveness within the team.

The number of registered portal users exceeded 1 million during H1 2018. The vast majority of these users are currently unmonetized and present revenue opportunities for the future through enhanced features, such as digital signatures in SmartVault, or as channels for new products. The rate of growth in our portal users demonstrates viral potential.

Gross margin increased by 1% point to 94% due to improvements in the US arising from higher volumes and the relatively fixed cost of the current infrastructure.

Development costs (before capitalisation) rose slightly to £1.3m, with a higher level of expenditure on our new GetBusy product compared to H1 2017. Sales, general and admin costs have increased by 22% to £4.1m, largely a reflection of increased corporate costs following the demerger and IPO in August 2017, together with higher sales commissions and investments in sales and marketing. Total corporate costs were £0.5m, compared to £0.2m in H1 2017.

Adjusted EBITDA was £(492)k, which was £97k lower than H1 2017 notwithstanding an additional £0.4m of corporate costs following IPO. Adjusted EBITDA before corporate costs and development costs was £1.3m, which was 33% ahead of H1 2017.

Net cash outflow during H1 2018 was £425k, with cash of £2.4m at 30 June 2018. A working capital outflow of £165k was offset by increased deferred revenue of £318k, both of which were due to the increase in invoiced sales over the period. Net capital expenditure was £58k (excluding development capitalisation). During H2 2018 and into 2019, we expect a reduction in deferred revenue as we transition our UK business towards a pure subscription model.

Strategic progress

During the first half of 2018 we have made some important progress towards our strategic goals.

Generating high quality subscription revenue remains our priority. Subscription revenue is predictable, sustainable, scalable and provides a solid platform for us to make investments for growth. During H1 we started to shift our UK business to a pure subscription model. Virtual Cabinet in the UK was historically sold as an upfront perpetual licence with a consulting project and an ongoing recurring support contract. Latterly that model has shifted to an upfront consulting project with subscription and we are now starting to wrap the consulting project into the price of the subscription. We believe customers recognise the value in the flexibility that a subscription-only model brings, not least because it eliminates the upfront lump sum consulting payment and so reduces a barrier to sale. The cash investment that is required to transition to this model is more than compensated for by the increased customer lifetime value.

Our cloud-based SmartVault product was launched in the UK and Australia in June 2018 and we have already generated our first subscription revenue, albeit modest. This complements our Virtual Cabinet offering, providing choice for customers with the two products solving similar problems in different ways. SmartVault is particularly well-suited to smaller customers who may not have the server infrastructure needed to support Virtual Cabinet or who mandate a cloud-first solution. We now have dedicated sales, support and delivery resource for SmartVault in the UK and Australia, which also allows us to provide virtually round-the-clock care to our existing customer base.

In April we announced the integration of DocuSign's e-signature technology into our SmartVault product, having signed a global non-exclusive partnership and reseller agreement. DocuSign's technology is now embedded into SmartVault's Connected Desktop and Portal, allowing customers to e-sign and archive automatically any file stored in their SmartVault account.

H2 2018 investment in customer acquisition and scalability

In 2017 we migrated the Virtual Cabinet portal from self-managed servers to Amazon Web Services ("AWS"), a global cloud provider. This has improved speed, reliability and security for customers, eliminated the need for us to make ongoing and significant capital investments to support the infrastructure and has ensured the product is scalable. In H2 2018 we will start to migrate our SmartVault product to AWS. As well as bringing the user experience and cost benefits from which we benefited with Virtual Cabinet, this will provide a platform to more effectively develop and deploy product enhancements in the future. During the migration work and in the months following, we will continue to operate our existing infrastructure until we are satisfied with the performance and stability of the new environment. This will result in a £0.2m increase in costs of sale during 2019, which is expected to normalise in 2020.

A core value of GetBusy is that data drives decisions. In response to favourable performance in H1, encouraging LTV : CAC ratios for SmartVault and the improvement in recurring revenue growth in the UK, we will increase investment in customer acquisition during H2 in order to provide a solid platform of recurring revenue going into 2019.

Development progress

The development of our new GetBusy client chat product has entered the exciting stage of customer and commercial validation. This gives us the opportunity to iterate the product in response to usage data and feedback from a selection of customers. In addition, our teams continue to make customer-led improvements to our existing products to deliver additional value, create upsell opportunities and improve churn rates.

Awesome people

Our people are at the heart of everything we do. The relentless focus on delivering value to our customers has ensured that we have delivered a strong set of results. Each of our people has contributed to that success.

Consolidated income statement (unaudited)

For the 6 months ending 30 June 2018

	Note	2018 £'000	2017 £'000
Revenue	3	**5,156**	4,525
Cost of sales		(287)	(339)
Gross profit		4,869	4,186
Development costs		(1,275)	(1,232)
Sales, general and admin costs		(4,086)	(3,349)
Adjusted EBITDA	3	**(492)**	(395)
Capitalised development costs		160	156
Depreciation and amortisation		(149)	(86)
Share option costs		(157)	-
Non-underlying costs		(28)	-
Operating loss		(666)	(325)
Net finance costs		-	(29)
Loss before tax		(666)	(354)
Tax		179	57
Loss for the period attributable to owners of the Company		(487)	(297)
Loss per share (pence)			
Basic and diluted		(1.01)	(0.61)

Consolidated statement of comprehensive income (unaudited)

For the 6 months ending 30 June 2018

	2018 £'000	2017 £'000
Loss for the period	(487)	(297)
Other comprehensive income / (expense)		
Items that may be reclassified subsequently to profit or loss		
Tax recognised in equity	(1)	-
Exchange differences on translation of foreign operations	(24)	101
Other comprehensive income / (expense) net of tax	(25)	101
Total comprehensive income for the period	(512)	(196)

Consolidated balance sheet (unaudited)

At 30 June 2018

	30 June 2018 £'000	31 December 2017 £'000	30 June 2017 £'000
Non-current assets			
Intangible assets	427	302	182
Property, plant and equipment	249	298	311
Deferred tax asset	2	-	-
	678	600	493
Current assets			
Trade and other receivables	1,677	1,554	1,411
Current tax receivable	66	95	-
Cash and bank balances	2,357	2,814	-
	4,100	4,463	1,411
Total assets	4,778	5,063	1,904
Current liabilities			
Trade and other payables	(1,650)	(1,694)	(864)
Deferred revenue	(4,680)	(3,952)	(4,112)
Current tax payable	-	-	(245)
	(6,330)	(5,646)	(5,221)
Non-current liabilities			
Deferred revenue	-	(409)	-
Deferred tax liabilities	-	(205)	(56)
	-	(614)	(56)
Total liabilities	(6,330)	(6,260)	(5,277)
Net assets	(1,552)	(1,197)	(3,373)
Equity			
Share capital	73	73	57
Share premium account	2,756	2,756	-
Demerger reserve	(3,085)	(3,085)	1,381
Retained earnings	(1,296)	(941)	(4,811)
Equity attributable to shareholders of the parent	(1,552)	(1,197)	(3,373)

Consolidated statement of changes in equity (unaudited)

For the 6 months ending 30 June 2018

2018	Share capital £'000	Share premium account £'000	Demerger Reserve £'000	Retained earnings £'000	Total £'000
At 1 January 2018	**73**	**2,756**	**(3,085)**	**(941)**	**(1,197)**
Loss for the period	-	-	-	(487)	(487)
Exchange differences on translation of foreign operations, net of tax	-	-	-	(24)	(24)
Tax recognised in equity	-	-	-	(1)	-
Total comprehensive loss attributable to equity holders of the parent	**-**	**-**	**-**	**(512)**	**(715)**
Proceeds from issue of shares	-	-	-	-	-
Share option costs, net of tax	-	-	-	157	157
	-	-	-	157	157
At 30 June 2018	**73**	**2,756**	**(3,085)**	**(1,296)**	**(1,552)**

2017	Share capital £'000	Share premium account £'000	Demerger Reserve £'000	Retained earnings £'000	Total £'000
At 1 January 2017	**57**	**-**	**882**	**(4,503)**	**(3,564)**
Loss for the period	-	-	-	(297)	(297)
Exchange differences on translation of foreign operations, net of tax	-	-	-	(11)	(11)
Total comprehensive loss attributable to equity holders of the parent	**-**	**-**	**-**	**(308)**	**(308)**
Dividends paid	-	-	-	-	-
Funding from related party	-	-	499	-	499
	-	-	499	-	499
At 30 June 2017	**57**	**-**	**1,381**	**(4,811)**	**(3,373)**

2017	Share capital £'000	Share premium account £'000	Demerger Reserve £'000	Retained earnings £'000	Total £'000
At 1 January 2017	**57**	**-**	**882**	**(4,503)**	**(3,564)**
Loss for the period	-	-	-	(2,299)	(2,299)
Exchange differences on translation of foreign operations, net of tax	-	-	-	92	92
Tax recognised in equity	-	-	-	4	4
Total comprehensive loss attributable to equity holders of the parent	**-**	**-**	**-**	**(2,203)**	**(2,203)**
Proceeds from issue of shares	16	2,756	-	-	2,772
Share option costs, net of tax	-	-	-	105	105
Funding from related party	-	-	(3,967)	5,660	1,693
	16	2,756	(3,967)	5,765	4,570
At 31 December 2017	**73**	**2,756**	**(3,085)**	**(941)**	**(1,197)**

Consolidated cash flow statement (unaudited)

For the 6 months ending 30 June 2018

	2018 £'000	2017 £'000
Adjusted EBITDA	(492)	(395)
Non-underlying costs	(28)	-
Increase in receivables	(124)	(305)
Increase in payables	(41)	(6)
Increase in deferred income	318	506
Cash used in operations	(367)	(200)
Income taxes received / (paid)	-	174
Interest received / (paid)	-	(29)
Net cash used in operating activities	(367)	(55)
Purchases of property, plant and equipment	(28)	(96)
Proceeds on disposal of property, plant and equipment	-	20
Purchases of other intangible assets	(30)	-
Net cash used in investing activities	(58)	(76)
Net funding provided prior to demerger	-	131
Net cash used in financing activities	-	131
Net increase / (decrease) in cash	(425)	-
Cash and bank balances at beginning of period	2,814	-
Effects of foreign exchange rates	(32)	-
Cash and bank balances at end of period	2,357	-

Notes to the financial information

1. **General information**

These interim financial statements are for the six months ending 30 June 2018. They do not require all of the information required for full annual financial statements and should be read in conjunction with the consolidated financial statements of the Group for the year ended 31 December 2017.

These interim financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the group operates.

2. **Basis of preparation and accounting policies**

The financial information set out above does not constitute statutory accounts within the meaning of section s435(1) and (2) of the Companies Act 2006 or contain sufficient information to comply with the disclosure requirements of International Financial Standards ("IFRS").

The financial statements of GetBusy plc for the year ended 31 December 2017 were authorised for issue by the Board of Directors on 19 March 2018. The auditors have reported on these accounts and their reports were unqualified, did not draw attention to any matters by way of emphasis and did not contain any statements under s498 (2) or (3) of the Companies Act 2006.

These interim financial statements are prepared on the same basis as the financial statements for the year ended 31 December 2017, in which our full set of accounting policies, including critical judgements and key sources of estimation uncertainty, can be found. We adopted IFRS 15 *Revenue from contracts with customers* early in 2017.

Alternative performance measures

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 EBITDA. This is calculated as operating profit / loss before certain items, which are listed below along with an explanation as to why they are excluded:

> *Depreciation and amortisation.* These non-cash charges to the income statement are subject to significant judgement. Excluding them from this measure removes the impact of that judgement and provides a measure of profit that is more closely aligned with cashflow.
>
> *Share option costs*. Significant judgement is applied in calculating the fair value of share options and subsequent charge to the income statement, which has no cash impact. The impact of potentially dilutive share options is also taken into account in diluted earnings per share. Therefore, excluding share option costs from Adjusted EBITDA 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. There are also many examples of companies being criticised for using the capitalisation and amortisation of development costs as a method of manipulating profit, due to the substantial management judgement involved in applying the standard. To assist transparency, we exclude the impact of capitalising development costs from Adjusted EBITDA 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 after Adjusted EBITDA and before operating profit.

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 EBITDA and recorded separately. In all cases, a full description of their nature is provided.

Glossary of terms

The following terms are used within these interim financial statements:

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

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. Life time 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 MRR churn. The average percentage of MRR lost or gained (if negative) in a month due to the combined impact of customers leaving our platforms, customers upgrading or downgrading their accounts and price increases or reductions.

3. **Revenue and operating segments**

Our single operating segment is the development and sale of document management software products across several countries. Our Chief Executive Officer assesses Group performance on that basis.

2018	**UK £'000**	**USA £'000**	**Aus / NZ £'000**	**Total £'000**
Recurring revenue	2,209	1,534	753	4,496
Non-recurring revenue	552	42	66	660
Revenue from contracts with customers	**2,761**	**1,576**	**819**	**5,156**
Adjusted EBITDA before development and corporate costs	**1,151**	**210**	**(32)**	**1,329**
Development costs				(1,275)
Corporate costs				(546)
Adjusted EBITDA				**(492)**

2017	**UK £'000**	**USA £'000**	**Aus / NZ £'000**	**Total £'000**
Recurring revenue	1,908	1,335	558	3,801
Non-recurring revenue	618	59	47	724
Revenue from contracts with customers	**2,526**	**1,394**	**605**	**4,525**
Adjusted EBITDA before development and corporate costs	**1,293**	**(188)**	**(104)**	**1,001**
Development costs				(1,232)
Corporate costs				(164)
Adjusted EBITDA				**(395)**

Recurring revenue is defined as revenue from subscription and support contracts. Non-recurring revenue is defined as revenue from software licences, consulting and licence upgrades. No customer represented more than 10% of our revenue in either period.

4. Loss per share

The calculation of loss per share is based on the loss for the period of £487k (2017: £297k). There is a material departure from the requirements of IAS 33 in the calculation of earnings per share ("EPS") for the 6 months ending 30 June 2017 due to the carve-out basis of preparation described in note 2. To provide a meaningful measure of performance, the directors have assumed that the number of shares and the number of potentially dilutive shares have remained constant throughout that period.

Weighted number of shares calculation	**2018**	2017
	'000	'000
Weighted average number of ordinary shares	**48,400**	48,400
Effect of potentially dilutive share options in issue	**5,177**	4,770
Weighted average number of ordinary shares (diluted)	**53,577**	53,170

Loss per share	**2017**	**2016**
	pence	**pence**
Basic and diluted	(1.01)	(0.61)

As required by IAS33 (Earnings per Share), the impact of potentially dilutive options has been disregarded for the purposes of calculating diluted loss per share as the Group is currently loss making.