1 March 2022

GetBusy plc

2021 Audited Results

Strong ARR momentum with upgrade to 2022 expectations

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 2021.

	2021	**2020**	**Change**	
	£'000	**£'000**	**Reported currency**	**Constant currency***
Group ARR	**15,828**	13,680	16%	16%
Group recurring revenue	**14,343**	13,017	10%	13%
Group total revenue	**15,448**	14,179	9%	11%
Group adjusted EBITDA*	**(510)**	(369)	(38)%	
Group adjusted loss before tax*	**(1,222)**	(927)	(32)%	
Group loss before tax	**(2,335)**	(1,126)	(107)%	
Net cash	**2,670**	2,283	17%	

Financial highlights

- Acceleration of constant currency ARR growth to 16% after very strong final quarter
- Recurring revenue growth of 13% at constant currency to £14.3m (2020: £13.0m)
- Recurring revenue comprises 93% of total revenues (2020: 92%), providing excellent visibility
- Gross margin remained strong at 91.6% (2020: 92.6%)
- Adjusted EBITDA of £(0.5)m (2020: £(0.4)m) reflecting ongoing growth investment
- Net cash of £2.7m (2020: £2.3m) significantly ahead of market expectations

Operational highlights

- Completed three technology acquisitions, broadening our capabilities to drive future ARPU growth
- Annual contract value from new business up 10%
- Net revenue retention very strong at 99.8% (2020: 99.6%)
- Paying users up 9% to 73,352
- Group ARPU up 6% at constant currency to £216
- Significant progress in opening new markets, with early successes in asset financing and ERP
- GetBusy product renamed Workiro

Upgraded expectations for 2022

- Strong ARR momentum drives 2022 group revenue of not less than £17.0m
- Increased investment in growth and emerging capabilities to fuel long term growth
- Adjusted EBITDA approaching break-even

Daniel Rabie, CEO of GetBusy, comments:

"2021 has been pivotal for GetBusy.

"As a result of the continued investment in the expansion of our capabilities and product range, the Group has evolved from being a provider of document management software for accountants to a provider of productivity software for professional and financial services firms. This has expanded our opportunities across a larger addressable market in which we have already begun to generate traction, complementing the strong growth in our existing businesses.

"Macro trends, including international privacy legislation, digital transformation, cyber security and mobility, are driving substantial demand and creating new markets and we are well-positioned to capitalise on that opportunity.

"We have entered the new year with encouraging momentum from our high-quality recurring subscription revenues and we now anticipate 2022 revenue growth will be ahead of expectations[#], enabling us to increase investment in long-term growth across our business."

[*] Adjusted Profit / (Loss) before Tax is Profit / Loss before share option costs, net capitalised development costs, finance costs that are not related to leases, and non-underlying items. Adjusted EBITDA is Adjusted Profit / (Loss) before Tax stated after capitalised development costs. A full list of our alternative performance measures, together with a glossary of certain terms, 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.

[#] Current 2022 market expectations are considered to comprise revenue of £16.2m and Adjusted Loss before Tax of £(1.1)m.

From 2022, the Group's segmental reporting will be changed to reflect the Group's transition to being a productivity software provider to professional and financial services. Revenue will be reported by region while costs will be reported on an aggregated basis.

A copy of the presentation to investors is now available on the Company's website, at www.getbusyplc.com

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THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION FOR THE PURPOSES OF ARTICLE 7 OF THE MARKET ABUSE REGULATION (EU) 596/2014. 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 70,000 paying users 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

2021 has been a year of considerable financial and strategic progress, with accelerating ARR, strong cash generation and a marked broadening of our capabilities.

The Group has transitioned from being a provider of document management software for accountants to a provider of productivity software for professional and financial services firms. Through continued investment in the expansion of our capabilities and product range, we have enlarged our addressable market and started to generate early traction in those new markets; our future reporting will reflect this.

I would like to take the opportunity to thank each member of our excellent teams in Cambridge, Houston and Sydney. Through another year of global turmoil and personal challenges, you have supported each other, shown grit and professionalism and delivered an excellent set of results. Because of you, the business has never been in better shape, with strong foundations and greater opportunity than ever for substantial long-term growth. On behalf of the board, thank you.

We are proud that our products equip our customers to move away from paper-based processes, reducing waste and eradicating the carbon associated with transporting, storing and destroying paper records. We strive to ensure our own operations are as benign as possible for the environment, including adopting repurposed industrial buildings for our main offices. As a cloud software business, we are excited to be working with Amazon Web Services and their new toolset to monitor and reduce the carbon footprint of our services, and we look forward to transitioning to fully renewable energy for our cloud services by 2025.

Looking ahead, the Group remains committed to investment to generate substantial long term value through sustained double-digit growth in high-quality recurring subscription revenue. Our broadening capabilities address high-value challenges in attractive markets driven by favourable tailwinds. We are confident we have the right strategy and management team to deliver considerable long-term growth.

GetBusy enters 2022 in excellent shape, well-positioned for an acceleration of recurring revenue growth. The foundations from which to scale the business are in place and the Group's growing capabilities provide more opportunity than ever to capture an increasing share of very attractive markets. The opportunity is considerable.

CEO's Review – significant strategic progress and effective execution

Introduction

The Group delivered a strong financial performance in 2021 coupled with substantial strategic progress, including expansion into the asset finance market with a new product, three technology acquisitions to broaden our capabilities and a significantly expanded opportunity. Demand from new customers was buoyant across our target markets and customer retention was high, resulting in double-digit revenue growth, cash materially ahead of expectations and 16% growth in ARR, providing improved visibility.

Nearly five years on from our IPO, the Group has doubled in size. We have never had a firmer foundation from which to embark upon our ambition to at least double again within the next five years.

Current trading and outlook

During 2021 the Group continued to expand its product portfolio, both through internal development and acquisition, to capture the substantial market opportunity available. As the working world becomes more complex there is a growing requirement for organisations to adopt digital mobility and interoperability whilst operating within strict legislative and compliance frameworks and at the same time balancing the need to protect against emerging cyber threats. Growing businesses need GetBusy's specialist productivity software solutions to enable them to work securely and efficiently with their customers, suppliers and teams anytime, anywhere.

Our software suite now includes a range of tools and end-to-end workflows such as digital asset and document management, tailored templates, quotes/proposal development, form-fill, authentication, e-signatures and approvals, workflow and task management, chat, and complex digital certification.

These 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, such as ERP, accounting, tax, policy management and insolvency practice management systems.

As a result, we enter 2022 with product capabilities which substantially improve our position to deliver on our overarching strategic objective: to create value by generating long-term growth in high-quality, predictable recurring subscription revenue through our growing range of productivity software applications.

The strong ARR momentum from 2021 has carried on into the start of 2022 and provides the platform for us to deliver further significant revenue growth in the current financial year. We are increasingly confident that our solutions are solving key challenges for our clients and that our wider global market opportunity is growing, underpinned by a number of long-term drivers. This, together with the planned launch of new solutions into both existing and new markets in the year ahead, gives us growing confidence to continue to invest in our business and deliver high growth in revenues in FY22 and beyond.

Business review

GetBusy is a leader in productivity software for professional and financial services, used and valued globally, including by over 30% of the UK's largest professional firms. These attractive markets benefit from compelling growth drivers on which we can capitalise over the long term with our growing capabilities, talented and ambitious team and our scalable, predictable SaaS business model. SaaS models produce reliable recurring revenue streams and upfront cash that provide outstanding visibility to invest for growth with confidence. The very attractive gross margins lead to highly cash generative and profitable businesses as scale is achieved.

Market opportunity

Our evolution in 2021 from being a provider of document management software for accountants to a provider of productivity software for professional and financial services firms is a very important shift for GetBusy.

Through our sustained investment in product development, and carefully selected technology acquisitions, our capabilities have broadened to address more of the productivity challenges faced by professionals as they initiate, manage and complete work with their colleagues and clients. These developments, such as automated document requests, e-mail capture and digital proposals, deliver greater value to our customers, improving security and freeing up valuable client-facing time, driving our ability to expand further into our client base.

This broadening capability set gives us the opportunity to enlarge substantially our target market, moving into adjacent industries that have analogous workflows to accountants and to which we can add similar value. We have already generated momentum within the cyclically buoyant insolvency market and seen early success in the asset finance market with our new Certified Vault product.

Based on employment numbers within our countries of operation, we estimate the accounting and bookkeeping sector presents an ARR opportunity in excess of £750 million, while financial services is in excess of £1 billion. We estimate the market for Workiro within the cloud ERP market is in excess of £1 billion, based on published customer numbers from the key cloud-ERP providers.

Our target markets share four compelling and enduring growth drivers.

- **Digital transformation.** Operational efficiency is a key lever to maintain profitability in professional and financial firms, driving demand for innovative, integrated software applications to simplify and speed-up complex admin tasks.

- **Legislation**. Our software helps businesses comply with the global proliferation of privacy legislation.

- **Cyber security**. We help businesses secure some of their most sensitive and valuable data and documents.

- **Mobility and hybrid working**. We help professionals work securely and efficiently anytime, anywhere.

The strong operational performance in 2021 and our financial position has given us a firm foundation to invest in order to capitalise on these market tailwinds, propelling our ambitions to at least double ARR within five years.

Effective execution of strategy

The highlight of 2021 was the acceleration of our ARR growth rate to 16%, with ARR at 31 December of £15.8m (2020: £13.7m). This reflects effective execution in a number of areas:

- **New business and new markets.** Each of our businesses generated more new business than in 2020, with overall new business growth of 10%. Our core accounting market was the main driver of growth, augmented by significant client wins among insolvency practitioners, a market in which we now have a very firm foothold. Encouragingly, we have also gained initial traction in the asset finance and ERP markets – both of which represent similar growth opportunities to the accounting market.

- **Customer retention.** Our ongoing commitment to investing in the user experience and capabilities of our products is aimed at keeping customers engaged and with us longer, leading to consistently high retention rates – our gross revenue churn rate averaged 1.0% across the Group (2020: 0.9%) – and attractive customer lifetime values.

- **Monetisation.** The effective pricing and packaging of our products will contribute towards us narrowing the gap between new customer pricing and the average price paid across the base. In 2021 our monetisation programmes delivered at the top end of our expectations.

- **Expansion.** Upselling additional capabilities into our customer base has been proven in the Group and will be an important part of our future growth. These capabilities, developed in-house or acquired, also help us to open new markets.

The growth opportunity available to us is substantial. Our focus remains the effective execution of all four of these revenue growth drivers.

Financial review

Group	2021	2020	Change	
			Reported currency	Constant currency
ARR at 31 December	£15,828k	£13,680k	16%	16%
Recurring revenue	£14,343k	£13,017k	10%	13%
Total revenue	£15,448k	£14,179k	9%	11%
Adjusted EBITDA	£(510)k	£(369)k	(38)%	
Adjusted profit / (loss)	£(1,222)k	£(927)k	(32)%	
Paying users at 31 December	73,352	67,343	9%	
ARPU at 31 December	£216	£203	6%	6%
Net revenue retention	99.8%	99.6%	n/a	

Revenue

ARR grew by 16% to £15.8m (2020: £13.7m), driven by new business and the favourable impact of our monetisation strategy.

Annual contract value ("ACV") from new business was £2.4m, up 10% compared to 2020 at constant currency; each of the Group's businesses reported growth in new ACV, with particular strength in SmartVault. This reflects the ongoing demand for our productivity solutions and the enduring nature of the core drivers of the professional and financial services markets in which the Group operates.

Net revenue retention, a measure of the proportion of recurring revenue retained from month-to-month, was very strong at 99.8% (2020: 99.6%). Together with consistently buoyant customer retention rates, this is driven by our monetisation strategy and its favourable impact on ARPU across the customer base during the final quarter of the year. We expect to see continued ARPU improvements from this strategy during the course of 2022, with ARPU gains thereafter driven by expansion revenue from uptake of our broadening productivity capabilities.

Reported recurring revenue was up 13% to £14.3m (2020: £13.0m), representing 93% (2020: 92%) of total revenue. As with ARR, recurring revenue growth was strongest in SmartVault at 26%, with Virtual Cabinet achieving 4% growth. Non-recurring revenue was down 5% to £1.1m, reflecting Virtual Cabinet's revenue model transition from upfront, perpetual licences to higher value recurring subscriptions, offset by growth in SmartVault as the user base expands. Total revenue of £15.4m (2020: £14.2m) was up 11% at constant currency.

Gross margin and overheads

Gross margin of 91.6% (2020: 92.6%) reflects the growth in our full cloud solutions, for which we bear the ongoing platform costs, and a greater uptake of SmartVault's integrated digital signature solution, for which there is an incremental cost of sale. Future gross margins will reflect the increasing proportion of the Group's revenue from our cloud solutions.

Our long-term growth will be underpinned by continued investment to broaden our capabilities, solving more productivity challenges for our customers and enabling us to move into adjacent industries, expanding our addressable market. An example of this is Certified Vault, built on our foundational SmartVault platform, which opens the substantial asset financing market to the Group.

Throughout 2021 we have continued our strategic investments in long term growth. Developer costs before capitalisation increased by 6% to £3.8m (2020: £3.6m); we are planning further investment in our product development capabilities over the course of 2022. Sales, general and admin costs were up 10% to £11.6m (2020: £10.5m), due to a combination of investments in customer acquisition, to drive new business, customer success, to drive net revenue retention, and performance incentives.

Adjusted EBITDA in 2021 was £(0.5)m (2020: £(0.4)m) while adjusted Loss before Tax was £(1.2)m (2020: £(0.9)m). Statutory loss after tax was £(1.6)m (2020: profit of £0.4m).

Cash

Our revenue model benefits from a high proportion of subscriptions paid annually in advance, with the final quarter of the year being particularly cash generative. Together with the receipt of UK research and development tax credits, this favourable cashflow dynamic allows us to continue our investments in long-term growth. Net cashflow in 2021 was strong at £0.5m (2021: £0.4m), supported additionally by the working capital seasonality of our performance incentive programmes, with closing net cash of £2.7m (2020: £2.3m), up 17% over the year. Our £2million revolving credit facility with Silicon Valley Bank remains fully undrawn and, together with our strong cash balance, provides us with considerable confidence and cash headroom as we continue to invest in future growth.

<u>SmartVault</u>

SmartVault	2021	2020	Change	
			Reported currency	Constant currency
ARR at 31 December	£7,854k	£5,835k	35%	33%
Recurring revenue	£6,439k	£5,433k	19%	26%
Total revenue	£6,818k	£5,700k	20%	28%
Adjusted Profit / (Loss)	£(1,020)k	£(1,373)k	26%	
Paying users at 31 December	28,499	23,530	21%	
ARPU at 31 December	£276	£248	10%	11%
Net revenue retention	100.0%	99.2%	n/a	

SmartVault new business ACV of £1.9m was up 12% on 2020 and benefitted from an increase in the average selling price, driven by larger account sizes. This move towards larger accounts, and the introduction of a minimum user number, is part of a drive to improve our customer acquisition efficiency and improve customer retention rates, since generally larger accounts have lower churn rates. The introduction of the Certified Vault product, which caters to the financial services market, has also contributed to the increase in average selling price, with new ACV being typically 4 to 5 times larger than for a traditional SmartVault customer. Customer acquisition efficiency remains strong, with an average LTV : CAC ratio of 4:1 (2020: 4:1) despite expansion into the asset finance market.

Net revenue retention of 100.0% was a marked improvement on 2020 (99.2%). This reflects the very favourable impact from our monetisation strategy, which launched in November and contributed c. £0.9m in ARR. Gross churn of 1.4% per month (2020: 1.2%) continues to be markedly better than is typical in the SME space, with the slight increase compared to 2020 being a result of the expected impact of our monetisation strategy on certain customer cohorts.

Overall recurring revenue was 26% higher at £6.4m (2020: £5.4m); the growth rate was lower than that for ARR as the substantial uplift from monetisation did not impact until the final quarter of the year. Total revenue was £6.8m (2020: £5.7m), up 28%, and benefitted from a higher uptake of services and our other non-recurring add-on products.

Gross margin of 84% (2020: 85%) reflects the higher uptake of our integrated digital signature solution, for which there is a cost of sale.

The 8% increase in overheads to £6.8m is the result of our investments to scale the business, specifically in the customer acquisition, customer success and product development teams, reflecting our strategy of generating long term growth in high quality recurring subscription revenue. This led to Adjusted Loss of £(1.0)m (2020: £(1.4)m).

Virtual Cabinet

Virtual Cabinet	**2021**	**2020**	**Change**	
			Reported currency	**Constant currency**
ARR at 31 December	£7,944k	£7,854k	1%	2%
Recurring revenue	£7,881k	£7,578k	4%	4%
Total revenue	£8,607k	£8,473k	2%	1%
Adjusted Profit / (Loss)	£4,370k	£3,891k	12%	
Paying users at 31 December	44,594	43,631	2%	
ARPU at 31 December	£178	£180	(1)%	0%
Net revenue retention	99.7%	99.8%	n/a	

Recurring revenue in Virtual Cabinet remained solid during 2021, growing at 4% at constant currency to £7.9m (2020: £7.6m) while ARR was 2% up at £7.9m (2020: £7.9m), generating very reliable and predictable cashflow. New business was particularly strong in the insolvency sector, in which we have strong integration with the leading practice management software. As well as the cyclical buoyancy of that sector, there is opportunity arising from the decision by many larger accounting firms to spin off their restructuring practices to address independence challenges, requiring some of the newly-created firms to rebuild their technology stacks from scratch. Upgrades to existing customers, which includes additional users, also contributed meaningfully, especially in H2, albeit typically at a lower ARPU.

Non-recurring revenue, which includes consulting and upfront licence sales, decreased by 19% to £0.7m, a reflection of the transition to a pure subscription model that was started 4 years ago. Total revenue was £8.6m (2020: £8.5m).

Virtual Cabinet's overheads remain tightly controlled and were 8% lower than 2020, a product of lower bad debt and office rent costs offset by higher marketing spend and inflationary staff costs.

Adjusted profit of £4.4m was up 12% compared to 2020 and operating profit margin improved by 4.9 percentage points to 50.8%.

Workiro

Workiro	2021	2020	Change
Total revenue	£31k	£6k	437%
Adjusted Profit / (Loss)	£(2,037)k	£(1,975)k	(3)%
ARR at 31 December	£66k	£17k	288%
Paying users at 31 December	556	182	205%
ARPU at 31 December	£94	£81	16%

Workiro is the new name for the GetBusy product. Workiro serves the dual purpose of opening the valuable cloud-ERP market to the Group as well as providing product capabilities and expansion revenue opportunities for our other businesses.

During 2021 we redirected the efforts of the team towards the cloud ERP sector, seeking to capitalise on our partnership with NetSuite. The cloud ERP space is estimated to be growing at 17% annually, with innovative products like NetSuite, Sage Intacct and Acumatica taking market share from the traditional on-premise ERP providers. The ERP sector has many of the attractive hallmarks of the accounting practice management space into which our document management products are sold: the technology is infrastructural to the customer's business, customers tend not be price-sensitive, solutions tend to remain in place for many years and churn rates are low.

The ecosystem around cloud ERP providers presents us with an interesting opportunity. Most providers curate a suite of third party add-on applications that address peripheral functionality, enhance the user experience within the core ERP product or tailor the product for particular industries. These applications are available for existing users to purchase in app stores. Networks of value-added resellers and consulting firms work with individual customers to design, implement and customise their technology stack around specific ERP systems; these resellers look for opportunities to sell additional capabilities into their existing clients.

Our immediate opportunity with NetSuite customers comes from a combination of working directly with NetSuite and with the value-added reseller network. Workiro integrates into the primary NetSuite interface and provides powerful document management, digital signature, real-time chat and task capabilities embedded within the application. Documents can be assigned to customer or supplier records and then sent into managed workflows via Workiro, for example to obtain a signature on a new contract with a customer or to send an invoice from a supplier to a quality assurance team for review, enabling them to attach certificates of conformity neatly into one thread. Whilst elements of this functionality are available from other applications within NetSuite's SuiteApp store, none of them provides this integrated experience and the combined cost of those applications far exceeds that of the single Workiro solution.

The Workiro technology provides benefits to the broader Group. For example, it provides an alternative portal for certain customers of Virtual Cabinet and will also form a component of its future cloud strategy. The core task, signature and novel document capabilities have the potential to add value to the Group's other products.

2021's activities have been targeted towards gaining visibility and credibility within the NetSuite and broader ERP ecosystem, collecting feedback on our solution and iterating it accordingly. Key to this has been establishing commercial relationships with value-added resellers, who typically have dozens of installed customers, each of which may comprise many hundreds of users.

We are encouraged by the progress so far, whilst acknowledging that uncertainties remain to generating meaningful traction. Our solution clearly resonates with resellers and their customer base, solving real problems that impact productivity across enterprises. The resellers we have signed are introducing us into their sales processes for new customers and into project plans for reconfigurations and maintenance for existing customers. The early ERP customers we have onboarded are seeing clear value in the integrated product offering and we expect them ultimately to reflect the high retention rates that are typically seen across the ERP space.

Sales cycles are typically longer than, for example, our transactional SmartVault business, reflecting the magnitude and complexity of ERP projects for large enterprises. To counter this, we are adding resellers with a variety of industry specialisms and a breadth of client size.

Revenue of £31k (2020: £6k) reflects the initial traction to £66k of ARR, including £39k from cross-selling into the Group's existing channels.

Costs in 2021 were largely at the same runrate as in 2020.

Central and corporate costs

Central and corporate costs comprise the costs of certain centralised functions, such as finance, people and culture, and IT and security operations, together with the costs of the board and those associated with being a public company.

The increase in corporate costs to £2.5m (2020: £1.5m) largely reflects the higher accrual for performance bonuses, together with investments in the people and culture function to support the recruitment, retention and development of our global team as we scale.

Items reconciling Adjusted Loss with Loss before Tax

On an IFRS basis, we have capitalised £0.7m of development costs in 2021 (2020: £0.6m), which relates solely to work carried out on Virtual Cabinet and SmartVault. Capitalised amounts in 2021 relate to, amongst other things, the development of Certified Vault, our RequestDocs and Email Capture features, integration of SmartVault with a 3rd party billing system, which will support expansion and monetisation efforts within SmartVault in the future, and substantial user interface improvements in Virtual Cabinet. No costs related to the development of Workiro have been capitalised as there is insufficient certainty over the commercial viability of that product at this stage.

The increase in depreciation on owned assets and amortisation is due to the impact of continued capitalisation of development costs and the opening of our new offices in Cambridge and Houston.

Share option costs remained at £0.7m (2020: £0.7m) and reflect both the IFRS2 charge on the options granted and the increase in the provision for employment taxes due if options are exercised.

Non-underlying costs of £0.4m (2020: £0.1m) comprise restructuring and redundancy costs together with a £0.3m provision for potential historic sales tax liabilities in certain jurisdictions in the US.

Other income in 2020 related to the full forgiveness of the Paycheck Protection Program loan that we received in the US (£0.4m) and the income credit for the "RDEC" portion of our 2017 UK research and development tax claim. There were no such items in 2021.

The loss before tax for the year was £2.3m, an increase of 103% compared to 2020, largely a result of the one-off other income in 2020, together with higher non-underlying costs and a higher adjusted loss before tax.

Tax

The tax credit of £0.8m (2020: credit of £1.5m) reflects the expected UK research and development tax credit offset by overseas tax payable in Australia and New Zealand. The Group still has sizeable carried forward tax losses in the UK and US.

Profit / (loss) after tax

The Group recorded a loss after tax of £1.6m (2020: profit of £0.4m).

Cashflow and working capital

A number of items have contributed to the net cash inflow of £0.4m in 2021, which has been achieved despite the Adjusted Loss before Tax of £(1.2)m and capital expenditure of £0.3m:

- Deferred revenue increased by £0.8m 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 £1.1m, largely due to higher accruals for performance incentives;
- £0.7m was received in the UK from research and development tax credits in respect of 2020.

Net cash at 31 December 2021 was £2.7m, an increase of £0.4m from 31 December 2021. The £2m revolving credit facility has remained entirely undrawn during the year.

Balance sheet

The £0.3m increase in intangible assets in 2021 to £1.1m is a result of an excess of capitalised development costs over the related amortisation, together with purchased software, including the technology acquisitions of Plann3r, DocDown and Quoters, and related implementation costs. Capitalised development costs relate solely to the Virtual Cabinet and SmartVault products

In early 2021 we completed the fit-out of the US office, leading to a small increase in property, plant and equipment to £0.4m. The reduction in right of use assets, which relate entirely to office leases, is a result of the amortisation of existing lease assets.

Trade and other receivables increased by £0.1m to £1.9m as a result of an increase in prepayments. The current tax receivable of £1.0m relates to the UK research and development tax credit due for the 2021 financial year, with £0.4m of tax payable or refundable in the UK, Australia and New Zealand, which is recorded within current liabilities.

The £1.3m increase in trade and other payables is chiefly the result of higher accruals for performance incentives and sales commissions, together with an increase in the accrual for employer taxes on share options. The performance incentives and sales commissions are payable during H1 2022, whereas employer taxes on share options only becomes payable on the exercise of the related options.

Deferred revenue, which is mostly derived from annual subscriptions paid in advance has increased by £0.8m to £5.5m as the proportion of our customer paying annually in advance increases.

The lease liability of £1.9m relates to our Cambridge and Houston office premises.

Over the course of 2021, 154,647 new shares were issued as a result of the exercise of share options.

Note on future segmental reporting

During 2021, a significant shift in the Group occurred, broadening from being a document management software group, selling to accountants, to a productivity software group selling across professional and financial services. The technology acquisitions of the software assets of Plann3r, DocDown and Quoters underscore that, as does the launch and initial success of Certified Vault and the pivot of Workiro towards the ERP space.

As the Group's new capabilities mature and become integrated with our other applications, we expect significantly more cross-selling between products in support of our expansion strategy. The once-distinct boundaries between our products are becoming increasingly blurred as our customers buy richer feature and solution sets. This is reflected in the way the Group is organised and managed and, from January 2022, in the information reviewed by the Board to allocate resources and monitor performance.

From 2022, our segmental reporting will reflect this revised reporting to the Board, in accordance with IFRS8 *Operating Segments*. Revenue will be reported by region, while costs will be reported on an aggregated basis.

CONSOLIDATED INCOME STATEMENT

	2021 £'000	2020 £'000
Revenue	**15,448**	**14,179**
Cost of sales	(1,295)	(1,044)
Gross profit	**14,153**	**13,135**
Operating costs	(16,355)	(14,783)
Other income	-	588
Net finance costs	(133)	(66)
Loss before tax	(2,335)	(1,126)

Loss before tax	(2,335)	(1,126)
Depreciation and amortisation on owned assets	706	558
Share option costs	400	416
Social security costs on share options	267	236
Non-underlying costs	400	126
Other income	-	(588)
Finance income / (costs) not related to leases	52	9
Adjusted EBITDA	**(510)**	**(369)**
Capitalised development costs	(712)	(558)
Adjusted loss before tax	**(1,222)**	**(927)**

Tax	771	1,524
(Loss)/Profit for the period attributable to owners of the Company	**(1,564)**	**398**
(Loss)/Profit per share (pence)		
Basic	(3.16)p	0.81p
Diluted	(3.16)p	0.71p

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	2021 £'000	2020 £'000
Profit/(Loss) for the period	(1,564)	398
Other comprehensive income / (expense)		
Items that may be reclassified subsequently to profit or loss		
Exchange differences on translation of foreign operations	(17)	92
Other comprehensive income net of tax	**(17)**	**92**
Total comprehensive income for the period	**(1,581)**	**490**

CONSOLIDATED BALANCE SHEET

	2021 £'000	2020 £'000
Non-current assets		
Intangible assets	1,110	807
Right of use assets - leases	1,544	1,842
Property, plant and equipment	426	375
	3,080	3,024
Current assets		
Trade and other receivables	1,907	1,815
Current tax receivable	1,021	763
Cash and bank balances	2,670	2,283
	5,598	4,861
Total assets	**8,678**	**7,885**
Current liabilities		
Trade and other payables	(3,917)	(2,614)
Deferred revenue	(5,469)	(4,608)
Lease liabilities	(333)	(263)
Current tax payable	(378)	(272)
	(10,097)	(7,757)
Non-current liabilities		
Deferred revenue	(4)	(58)
Lease liabilities	(1,533)	(1,845)
	(1,537)	(1,903)
Total liabilities	**(11,634)**	**(9,660)**
Net assets	**(2,956)**	**(1,775)**
Equity		
Share capital	74	74
Share premium account	3,018	3,018
Demerger reserve	(3,085)	(3,085)
Retained earnings	(2,963)	(1,782)
Equity attributable to shareholders of the parent	**(2,956)**	**(1,775)**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2021

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 period	-	-	-	(1,564)	(1,564)
Exchange differences on translation of foreign operations, net of tax	-	-	-	(17)	(17)
Total comprehensive loss attributable to equity holders of the parent	**-**	**-**	**-**	**(1,581)**	**(1,581)**
Share option 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)**

2020	**Share capital £'000**	**Share premium account £'000**	**Demerger Reserve £'000**	**Retained earnings £'000**	**Total £'000**
At 1 January 2020 as originally stated	**73**	**2,756**	**(3,085)**	**(2,688)**	**(2,944)**
Profit for the period	-	-	-	398	398
Exchange differences on translation of foreign operations, net of tax	-	-	-	92	92
Total comprehensive loss attributable to equity holders of the parent	**-**	**-**	**-**	**490**	**490**
Issue of ordinary shares	1	262	-	-	263
Total transactions with owners of the Company	1	262	-	-	263
Share option costs	-	-	-	416	416
	-	**-**	**-**	**416**	**416**
At 31 December 2020	**74**	**3,018**	**(3,085)**	**(1,782)**	**(1,775)**

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2021

	2021 £'000	2020 £'000
Adjusted loss before tax	(1,222)	(927)
Depreciation of right of use asset - leases	316	365
Income statement cost of interest on finance leases	81	56
(Increase) in receivables	(92)	(239)
Increase/(Decrease) in payables	1,093	(37)
Increase in deferred income	806	233
Cash used in operations	**982**	**(549)**
Non-underlying costs	(400)	-
Income taxes received	623	1,076
Interest (paid)/received	(52)	5
Net cash used in operating activities	**1,153**	**532**
Purchases of property, plant and equipment	(181)	(368)
Purchases of intangible assets	(163)	(29)
Net cash used in investing activities	**(344)**	**(397)**
Principal portion of lease payments	(261)	(226)
Interest on lease liabilities	(81)	(56)
Proceeds on issue of shares	-	263
Income from forgiven PPP loan	-	384
Transaction costs related to loans and borrowings	-	(94)
Net cash used in financing activities	**(342)**	**271**
Net increase in cash	**467**	**406**
Cash and bank balances at beginning of period	2,283	1,743
Effects of foreign exchange rates	(80)	134
Cash and bank balances at end of period	**2,670**	**2,283**

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") whose document management and task management software enables over 70,000 professional paying users around the world to digitise their operations and be productive while working in the office or remotely.

These 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 s434(3) of the Companies Act 2006 or contain sufficient information to comply with the disclosure requirements of UK adopted International Accounting Standards ("IFRS").

The financial statements of GetBusy plc for the year ended 31 December 2021 were authorised for issue by the Board of Directors on 28 February 2022. 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.

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 Profit / Loss before Tax. This is calculated as profit / 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 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 operating cashflow. Only depreciation on owned assets is excluded; depreciation on leased assets remains a component of adjusted profit / loss because, combined with interest expense on lease liabilities, it is a proxy for the cash cost of the leases.
>
> *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 considered in diluted earnings per share. Therefore, excluding share option costs from Adjusted Profit / 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. 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 Profit / 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. The cashflow statement reconciles from Adjusted Profit / Loss before Tax, and so there is no adjustment for development

amortisation within operating cashflows and no adjustment for development capitalisation within cashflows from investing activities.

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 Profit / Loss before Tax and recorded separately. In all cases, a full description of their nature is provided.

Other income. This is income that is derived from activities outside of the underlying business and which is generally one-off in nature. In 2020 this included the forgiveness of a loan granted under the US Paycheck Protection Programme and notional income received under the UK Research and Development Expenditure Credit scheme.

Finance costs / (income) 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 Profit / 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.

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. **<u>Revenue and operating segments</u>**

The Group's operating segments comprise its three software products (Virtual Cabinet, SmartVault and Workiro) and a corporate and central segment. The Board assesses Group performance and determines the allocation of resources on that basis.

2021	**SmartVault £'000**	**Virtual Cabinet £'000**	**Workiro £'000**	**Corporate & central £'000**	**Total £'000**
Recurring revenue	6,439	7,881	31	(8)	14,343
Non-recurring revenue	379	726	-	-	1,105
Revenue from contracts with customers	**6,818**	**8,607**	**31**	**(8)**	**15,448**
Cost of sales	(1,082)	(161)	(60)	8	**(1,295)**
Gross profit	**5,736**	**8,446**	**(29)**	**-**	**14,153**
Sales, general and admin costs	(4,987)	(3,292)	(774)	(2,535)	**(11,588)**
Development costs	(1,769)	(784)	(1,23)	-	**(3,787)**
Adjusted profit / (loss) before tax	**(1,020)**	**4,370**	**(2,037)**	**(2,535)**	**(1,222)**
Capitalisation of development costs					712
Adjusted EBITDA					**(510)**
Depreciation and amortisation on owned assets					(706)
Share option costs					(400)
Social security on share option costs					(267)
Non-underlying costs					(400)
Other finance costs					(52)
Loss before tax					**(2,335)**

2020	**SmartVault £'000**	**Virtual Cabinet £'000**	**Workiro £'000**	**Corporate & central £'000**	**Total £'000**
Recurring revenue	5,433	7,578	6	-	13,017
Non-recurring revenue	267	895	-	-	1,162
Revenue from contracts with customers	**5,700**	**8,473**	**6**	**-**	**14,179**
Cost of sales	(838)	(168)	(38)	-	**(1,044)**
Gross profit	**4,862**	**8,305**	**(32)**	**-**	**13,135**
Sales, general and admin costs	(4,550)	(3,422)	(1,058)	(1,470)	**(10,500)**
Development costs	(1,685)	(992)	(885)	-	**(3,562)**
Adjusted profit / (loss) before tax	**(1,373)**	**3,891**	**(1,975)**	**(1,470)**	**(927)**
Capitalisation of development costs					558
Adjusted EBITDA					**(369)**
Depreciation and amortisation on owned assets					(558)
Share option costs					(416)
Social security on share option costs					(236)
Non-underlying costs					(126)
Other income					588
Other finance costs					(9)
Loss before tax					**(1,126)**

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 period.

Revenue by territory of operation is shown below.

2021	**UK**	**USA**	**Aus / NZ**	**Total**
	£'000	**£'000**	**£'000**	**£'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**

2020	**UK**	**USA**	**Aus / NZ**	**Total**
	£'000	**£'000**	**£'000**	**£'000**
Recurring revenue	5,880	5,211	1,926	13,017
Non-recurring revenue	822	256	84	1,162
Revenue from contracts with customers	**6,702**	**5,467**	**2,010**	**14,179**

4. Earnings / (loss) per share

The calculation of earnings / (loss) per share is based on the loss for the period of (£1,564k) (2020: profit of £398k).

Weighted number of shares calculation	**2021**	**2020**
	'000	**'000**
Weighted average number of ordinary shares	49,516	49,219
Effect of potentially dilutive share options in issue	n/a	7,251
Weighted average number of ordinary shares (diluted)	n/a	56,470

Earnings / (Loss) per share	**2021**	**2019**
	Pence	**pence**
Basic	(3.16)	0.81
Diluted	n/a	0.71

At 31 December 2021, there were 7,527,629 shares under option. 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. <u>Reconciliation of Alternative Performance Measures – constant currency</u>

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	**2021**	**2020 as originally reported**	**Constant currency adjustment**	**2020 at constant exchange rates**	**Change at reported exchange rates**	**Change at constant exchange rates**
Group recurring revenue	£14,343k	£13,009k	£(316)k	£12,693k	10%	13%
Group total revenue	£15,448k	£14,141k	£(298)k	£13,843k	9%	11%
SmartVault recurring revenue	£6,439k	£5,434k	£(185)k	£5,249k	18%	26%
SmartVault total revenue	£6,817k	£5,703k	£(193)k	£5,510k	20%	27%
Virtual Cabinet recurring revenue	£7,881k	£7,575k	£28k	£7,603k	4%	4%
Virtual Cabinet total revenue	£8,608k	£8,471k	£28k	£8,499k	1%	1%
Group Annualised Recurring Revenue	£15.8m	£13.7m	£0.1m	£13.8m	16%	16%