3 March 2021

GetBusy plc

2020 Full-year Audited Results

Strong revenue growth with robust foundations to scale

GetBusy plc ("GetBusy", the "Company" or the "Group") (AIM: GETB), a leading developer of document management and task management software, announces its audited results for the year ended 31 December 2020.

	2020	2019	Change	
	£'000	£'000	Reported currency	Constant currency*
Group total revenue	**14,179**	12,661	12%	12%
Group recurring revenue	**13,017**	11,388	14%	15%
Group adjusted loss before tax*	**(927)**	(595)	(56)%	
Group loss before tax	**(1,126)**	(1,180)	5%	
Net cash	**2,283**	1,743	31%	
Virtual Cabinet revenue	**8,473**	8,325	2%	2%
Virtual Cabinet adjusted profit before tax*	**3,891**	3,372	15%	
SmartVault revenue	**5,700**	4,336	31%	32%
SmartVault adjusted loss before tax*	**(1,373)**	(972)	(41)%	

Financial highlights

- Group recurring revenue up 14% in reported currency and 15% at constant currency
- Recurring revenue comprises 92% of total revenues, up from 90% in 2019
- SmartVault recurring revenue up 30% at constant currency driven by strong annual revenue per user ("ARPU") and user growth, and Virtual Cabinet up 6% driven by ARPU
- Gross margin remained strong at 92.8% (2019: 92.5%)
- Statutory profit after tax of £398k (2019: loss of £1.2m) aided by research and development tax refunds of £1.5m
- Net cash well ahead of market expectations, up £0.5m to £2.3m with better than expected R&D tax receipts
- Undrawn 3-year £2.0m loan facility signed with Silicon Valley Bank to support growth investment

Operational highlights

- Group ARPU up 10% at constant currency to £203
- 2% paying user growth to 67,343 following prioritisation of higher value users in SmartVault and churning some lower ARPU customers in Virtual Cabinet
- SmartVault growth investment programme started in H2 2020 leading to a very strong final quarter in 2020
- 182 paying users for GetBusy at 31 December (2019: nil)
- GetBusy integration partnership with NetSuite, the leading cloud business software provider, launched in January 2021

Daniel Rabie, CEO of GetBusy, commented:

"Our mission to make people productive and happy has resonated more in 2020 than ever before.

"As clients and prospects around the world made the transition to remote working, our deep-rooted expertise and our class-leading software enabled them to do so efficiently and securely. The rapid changes to people's working lives accelerate trends towards fully digitised, paperless work practices that our

document management and task management products enable. The surge in remote working, and the likely transition to a hybrid office-home working mix, requires a new software toolset for many organisations and each of our products is a component of that toolset.

"Despite the challenges of the pandemic and its economic consequences, we have delivered 15% growth in our high-quality recurring subscription revenues at constant currency. Our workforce grew by 24% in 2020 and we closed the year with 31% more cash, while embarking upon an ambitious programme of investment to support sustained growth in our document management business well into the future.

"In 2021, we expect to continue to capitalise on the trends that have been favourable to us during 2020.

"We are very clearly in the scaling phase of our document management business comprising SmartVault and Virtual Cabinet, and we are able to see a path to a substantial business with high quality, predictable and valuable earnings in the medium to long term.

"Whilst yet to be proven, we believe that our GetBusy product has the potential to open significantly greater addressable markets for our business. The problems it solves are universal, not sector-specific, and solutions to those problems have become even more valuable as businesses adopt hybrid working models on a permanent basis.

"Our Group contains a combination of a proven, highly cash-generative market-leader, a rapidly and predictably scaling pure SaaS business in a large and valuable market, and a new product that solves increasingly relevant problems and that has the potential to open a significantly greater market.

"This unique combination gives us confidence looking to the future."

* 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. 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 full reconciliation is provided in Note 5.

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/investors

GetBusy plc

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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 document management and task management software enables over 67,000 professional paying users around the world to digitise their operations and be productive while working in the office or remotely.

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

Chairman's Statement

It has been a privilege to chair GetBusy during what has been a momentous year globally.

I am enormously grateful to our 136 staff who have worked tirelessly, in often very challenging personal circumstances, to remain, and to help our customers remain, productive and happy. In line with our company values, they have shown grit and made things happen. Each of them has contributed to GetBusy's success over this extraordinary period and to each of them I say "thank you".

Fully digital operations for professional services firms used to be driven by a productivity mandate. Over just a few months, digitisation and the software that enables it has become a critical part of a firm's infrastructure that equips it, at its most basic level, simply to exist. Cloud-based and mobility-enabling products aren't just the future; they have become an essential element of the fabric of business everywhere and are poised for rapid and sustained growth. GetBusy has the right products in the right place at the right time.

We are pleased with the Group's growth in 2020. The 15% constant currency increase in recurring revenue continues our trajectory towards significant scale, with SmartVault in particular proving the resilience and attractiveness of cloud software products.

As we invest for future growth, we can do so from a robust platform: a business with 91% recurring revenue, low customer concentration, low churn, resilient end markets, 31% more cash than a year ago and a revolving credit facility to provide additional headroom and firepower for growth.

Group business review

	2020	**2019**	**Change**	
			Reported currency	**Constant currency**
Recurring revenue	£13,017k	£11,388k	14%	15%
Total revenue	£14,179k	£12,661k	12%	12%
Adjusted Profit / (Loss)	£(927)k	£(595)k	(56)%	
ARR at 31 December	£13,680k	£12,256k	12%	12%
Paying users at 31 December	67,343	65,850	2%	
ARPU at 31 December	£203	£186	9%	10%

During the economic and social turbulence of 2020, we have benefitted from our resilient subscription revenue model, our low levels of customer concentration and products that enable people to work flexibly and productively.

Group recurring revenue grew by 15% at constant currency to £13.0m, with total revenue up 12% (12% at constant currency) to £14.2m. Growth was primarily driven by SmartVault, which had an excellent year for new customer growth. Virtual Cabinet also saw some excellent customer wins, particularly in the insolvency sector, and another two top 100 UK accounting firms were brought on board. ARR increased by 12% at constant currency to £13.7m due to a combination of higher user numbers and 10% higher ARPU.

The deep recessions caused by COVID-19 in our main geographical markets have inevitably led to many businesses reducing their workforces. In that context, we are pleased with the relatively small increase in net MRR churn that we have seen in our businesses.

As expected, non-recurring revenue decreased by 9% to £1.1m following the repositioning of Virtual Cabinet as a subscription software business, as opposed to the upfront licence and consulting model of 3 years ago. 89% of Virtual Cabinet revenue is now recurring.

Gross margin of 92.6% was in line with 2019. The impact of a higher proportion of revenue from SmartVault, which operates at lower gross margins than Virtual Cabinet, was offset by improvements in those margins following cost optimisation within the Amazon Web Services environment in which SmartVault operates.

Throughout 2020 we have increased investment in areas that we expect to deliver significant and long-term return. SmartVault has accounted for most of this investment, with a significant improvement in our product development capabilities, continued increases in customer acquisition teams and a substantial restructuring of our customer success function. In addition, we have had the first full year of operational costs for GetBusy as we transition from a product in development to a business finding product-market fit. Overall overheads have increased by 14% to £14.1m, leading to an increase in our Adjusted Loss before Tax of £0.3m to £(0.9)m.

Cashflow has been a particular highlight in 2020. Receipts from UK research and development tax credits, the US Paycheck Protection Program and a new equity issue in January 2020 have more than offset the operating loss and capital expenditure on our new office fit-outs resulting in a year-on-year cash increase of 31%. The completion of a 3-year, as-yet undrawn, £2million revolving credit facility with Silicon Valley Bank provides us with considerable confidence and cash headroom as we invest in future growth.

SmartVault

SmartVault is a cloud document management platform and portal for small and medium sized businesses. Our financial objective for SmartVault is to drive sustained growth in high quality recurring subscription revenue.

SmartVault	**2020**	**2019**	**Change**	
			Reported currency	**Constant currency**
Recurring revenue	£5,433k	£4,201k	29%	30%
Total revenue	£5,700k	£4,336k	31%	32%
Adjusted Profit / (Loss)	£(1,373)k	£(972)k	(41)%	
ARR at 31 December	£5,835k	£4,779k	22%	27%
Paying users at 31 December	23,530	20,599	14%	n/a
ARPU at 31 December	£248	£232	7%	11%
Net MRR Churn	0.8%	0.0%	n/a	

Recurring revenue was up 30% at constant currency. Significantly, annual contract value from new customers was up 50% compared to 2019 at £1.7m, of which 90% was in the US and 10% in the UK. Whilst volume of new accounts was the biggest contributor to this increase, we also saw a 9% increase in the average account size following initiatives to broaden the appeal of SmartVault to larger firms. 2020 has been the first year in which the UK has contributed meaningfully to new revenue in SmartVault, with solid business from our partnership with TaxCalc, a leading UK supplier of practice management, client management and compliance software to accountants and tax advisers.

Net MRR churn of 0.8% was notably higher than 2019, which included a significant plan rationalisation and price increase. This increase in net churn has been caused by softer expansion activity and a higher volume of downgrades, potentially caused by customers reducing costs during the pandemic.

Encouragingly, gross churn (from customers who have closed their accounts) declined in 2020 and especially during H2. The average gross MRR churn during H2 2019 was 1.5% per month; during H2 2020 it was 1.1% per month, demonstrating that more customers regard SmartVault as a core component of their technology and workflow stack. This reflects the investments that we have started to make into the product as well as the restructuring of the customer success function.

Recurring revenue increased by 29% (30% at constant currency) to £5.4m with closing ARR up 22% (27% at constant currency) to £5.8m. Non-recurring revenue, which includes services and sales of seasonal licences and e-signatures, was up 97% to £0.3m, a reflection of the larger user base and targeted efforts by the newly created customer success team.

Gross margin improved by 3% to 85.3%. This follows the migration of SmartVault to the Amazon Web Services environment in early 2019 and the subsequent cost optimisation work undertaken.

Throughout 2020 we have increased our investments to support growth in SmartVault. The primary driver of this investment case is the compelling LTV : CAC ratio, which provides a measure of the return expected from incremental customer acquisition spend. This ratio has averaged 4:1 globally over 2020, similar to that seen in 2019; encouragingly during H2 we have seen the ratio improve, especially within the US. Our investments go beyond short-term customer acquisition, but the consistency and robustness of this ratio provides us with confidence in the scalability of the SmartVault business.

Product development costs nearly doubled to £1.7m as we built out the in-house team to increase the velocity of new feature introduction. We also partnered with a design house to create a refreshed user interface, which will be implemented over the course of 2021 with the aim of improving usability for paying users and portal users, reducing churn rates and reducing the load on our customer support teams.

Other overheads increased by 25% to £4.5m. Customer acquisition costs were increased by 50%, including higher sales commissions, higher marketing spend and an increase in our in-house sales and marketing teams to support future growth. We also restructured our customer success function, bringing the first-line support team back in-house into the US and introducing more sophisticated software tools to improve the speed and efficiency of how customer queries are handled, including automation to improve scalability.

During 2021 our aim is to embed the investments we have been making, increase that investment and continue along the growth path.

In customer acquisition, we shall target progressively larger customers as we improve the enterprise functionality of the SmartVault product. We shall also test new vertical markets to diversify our base from the accounting and bookkeeping sectors; these are likely to be in the broader financial services sector, particularly niches that are currently underserved by technology providers.

Our customer success teams will focus on reducing churn and expanding our business with existing customers. We shall explore packaging additional functionality as enhanced subscriptions to increase our ARPU and improve the value of SmartVault within the workflows of our clients' operations.

Virtual Cabinet

Virtual Cabinet is a leading desktop document management, workflow and cloud portal tool targeted at a variety of medium to large professional services businesses. Virtual Cabinet's financial objective is sustained growth in profit and cash generation.

Virtual Cabinet	**2020**	**2019**	**Change**	
			Reported currency	**Constant currency**
Recurring revenue	£7,578k	£7,187k	5%	6%
Total revenue	£8,473k	£8,325k	2%	2%
Adjusted Profit / (Loss)	£3,891k	£3,372k	15%	
ARR at 31 December	£7,854k	£7,466k	5%	4%
Paying users at 31 December	43,631	45,251	(4)%	
ARPU at 31 December	£180	£165	9%	7%
Net MRR Churn	0.2%	0.1%	n/a	

2020 was a year of two halves. As previously announced, H1 was challenging for new customer acquisition at Virtual Cabinet. COVID-19 lockdowns in the UK and Australia had a significant impact on our ability to sell into new customers because the product often requires on-premise implementation and training; remote implementations tended to be for smaller, less complex customers. From June, however, we have seen a sustained and encouraging increase in new customer orders, assisted by the offer of subscription-free periods to improve order close rates. Additionally, we have improved our ability to deliver entirely remote implementations even for more complex sites. We have seen particular strength within the buoyant insolvency sector, driven by our deep integration into the leading insolvency practice management software.

Recurring revenue increased by 5% (6% at constant currency) to £7.6m, while ARR increased by 5% to £7.9m. Revenue growth was adversely impacted by higher than usual customer downgrades during scheduled annual renewals. Whilst we have no material direct exposure to severely troubled industries such as tourism, leisure and retail, the clients we do have in those sectors have tended to ask for support through contract suspensions or deferred payments, which we have accommodated where possible.

Net MRR Churn averaged 0.2% per month (2019: 0.1%). This reflects strong upsell revenue from customers and higher ARPU arising from annual price increases. Upgrade sales have been driven by add-on modules such as the portal or mobile apps as customers have pushed these modules to a higher number of users that are now working remotely. These upgrades and ARPU improvements were offset by slightly higher customer churn, particularly in H1, including two larger customers who were taken over by other firms that had mandated an alternative document management solution. Paying users decreased by 4% to 43,631 over the period, a reflection of the higher customer churn, however this was offset by an ARPU increase of 9% to £180.

Non-recurring revenue, which includes consulting and perpetual licence sales, decreased 21% to £0.9m. We expected a reduction due to the transition of the revenue model from an upfront, perpetual licence model to a higher value recurring subscription model. In addition, however, the volume of chargeable consulting work was down significantly during H1 in particular because of access restrictions to client sites.

Overheads were 8% lower than 2019. This is largely a result of changes made in Australia during 2019 to reduce the size of our sales and consulting team to match delivery capacity with expected order intake. In addition, we have redeployed certain operational staff to other areas of the business following efforts to use technology to automate internal processes.

During 2021, we are targeting continued profit growth through increased recurring revenues and higher levels of operational leverage generated by disciplined cost control. We expect our customer acquisition efforts to be increasingly geared towards online lead generation rather than outbound enterprise sales. This transition was in progress before the COVID-19 outbreak but we have accelerated it during 2020, including a complete rebrand of the product and a new website, which is being optimised for lead conversion. As a group, we are very familiar with inbound, transactional customer acquisition models. We shall also capitalise on our strengthening position in the insolvency market, a sector that is expected to see significant additional demand in 2021 and beyond.

GetBusy

GetBusy	**2020**	**2019**	**Change**
Total revenue	£6k	£-	n/a
Adjusted Profit / (Loss)	£(1,975)k	£(1,377)k	(44)%
ARR at 31 December	£17k	£-	n/a
Paying users at 31 December	182	-	n/a
ARPU at 31 December	£81	-	n/a

GetBusy is our new product that helps people organise, manage and collaborate around tasks. We believe GetBusy has the potential to open significantly larger addressable markets for the Group as the problems it solves are generic rather than specific to certain sectors.

In 2020 we have continued the journey of finding product-market fit for GetBusy via concurrent testing of different channels and value propositions. These channels include digital inbound lead generation, developing relationships with integration partners to enable GetBusy to be sold into another product's installed user base, and upselling the product into our existing document management customer base. Product improvements, integrations and new features have continued to be released regularly and we have introduced a new brand and website to better reflect our target market.

Notably, since the year-end we have agreed a partnership with NetSuite, the leading cloud business software suite with more than 24,000 enterprise customers globally, to embed GetBusy's document handling, task management and e-signature capability directly into the NetSuite interface. This integration, which will be available as a paid add-on within NetSuite's app store, provides integrated document and signature capability within the NetSuite experience - a unique proposition for users - together with the core GetBusy task management functionality.

Our financial and strategic objective remains proving a viable and scalable customer acquisition model that meets our payback criteria. To achieve those objectives, we have clear internal targets for each component of the customer acquisition funnel.

Relative to those internal targets, lead generation costs had been volatile and too high. Towards the end of H1 those costs started to decrease. The launch of our new brand and website in mid-November, with much clearer messaging on the problems the product solves, has been a trigger for a step-change in the cost of leads. The proportion of visitors to the website that are signing up for a free trial has more than doubled, and those leads seem to be of good quality.

Conversion of leads into new customers remains a challenge. We have had some months of strong demo-to-customer conversion rate, but we have not yet been able to keep those rates consistent. However, we have been encouraged by the average selling price to customers since the new website launch, which is a combination of the price per user and the team size.

Churn is volatile, as can be expected from such an early-stage product. We are gathering good data on the reasons for customers leaving as well as the reasons they are staying. That data helps us to prioritise the product roadmap and provides feedback into our customer acquisition messaging and onboarding processes.

Importantly, we launched our inbuilt digital signature solution, allowing documents to be simply and legally electronically signed. This combined with the NetSuite partnership has the potential to provide significant opportunity in these rapidly growing markets. We have assembled an outstanding and highly motivated team whose experience and data-focused approach means they are well equipped to find a path to a scalable customer acquisition model.

Given the value potential within GetBusy, and its potential applicability to a significant addressable market, in 2021 we shall continue our current rate of spend, on both the customer acquisition side and in product development. Our objective remains to create a scalable and repeatable customer acquisition model that meets our payback criteria.

Our 2020 net spend of £2.0m was 43% higher than 2019, reflecting the sales and marketing and operational infrastructure that we have put in place in 2020.

Corporate and central costs

Corporate and central costs were down 9% to £1.5m, mainly as a result of lower travel costs and professional adviser fees.

Items reconciling Adjusted Loss with Loss before Tax

On an IFRS basis, we have capitalised £0.6m of development costs in 2020, which relates solely to work carried out on Virtual Cabinet and SmartVault. Capitalised amounts in 2020 relate to, amongst other things, the development of the VC Go suite of mobility apps, the introduction of multiple branding within the Virtual Cabinet portal, the user interface improvements for SmartVault and the integration of the SmartVault with a 3rd party billing system, which will support expansion and monetisation efforts within SmartVault in the future. No costs related to the development of GetBusy have been capitalised as there is insufficient certainty over the commercial viability of that product at this stage.

In the light of the impact of the COVID-19 pandemic on the use of our offices, we have conducted a review of the carrying value of the related lease assets and concluded that the asset related to our Sydney office lease, which expires in September 2021, is impaired as there is no reasonable possibility of its value being recovered during the remaining lease term given local restrictions and the reduced number of staff in our Australian business. This has led to an impairment charge of £0.1m within non-underlying items.

The increase in depreciation on owned assets and amortisation is due to the impact of continued capitalisation of development costs.

The increase in share option costs to £0.7m is a result of the replacement incentive plans implemented last January and an increase in the provision for employment taxes due if options are exercised, driven by the Company's share price, which increased by 54% over the year.

Other income of £0.6m relates to the full forgiveness of the Paycheck Protection Program loan that we received in April in the US (£0.4m) and the income credit for the "RDEC" portion of our 2017 UK research and development tax claim.

The loss before tax for the year was £1.1m, a reduction of 8% compared to 2019.

During 2021, we will carry out work to align the statutory structure of the Group with our brands and we expect to incur non-underlying adviser costs in respect of that project.

Tax

We have recorded a tax credit of £1.5m in 2020, driven by successful research and development tax credit claims in the UK, slightly offset by tax payable in Australia and New Zealand where we are locally profitable. The Group still has sizeable carried forward tax losses in the UK and US.

Profit after tax

The Group recorded a profit after tax of £0.4m (2019: loss of £1.2m), largely as a result of research and development tax credits relating to previous years and the recognition of other income in respect of the Paycheck Protection Program ("PPP") loan forgiveness in the US, which would not be expected to recur.

Foreign currency exposure

The Group's subsidiaries do not have material foreign currency exposures. Most revenue and expenditure transactions are conducted in the functional currency of the individual subsidiary entity.

The Group's reported results, however, are impacted by the translation of the results of foreign-denominated subsidiaries into GBP. Most notably this impacts on the reported revenue figure; exposure at the Adjusted Profit / (Loss) level is relatively minor. It is for this reason that the Group reports constant currency growth figures alongside reported currency.

At 31 December 2020, 42% of the Group's annualised recurring revenue was denominated in USD, 11% in AUD and 3% in NZD. It is expected that the proportion of recurring revenue denominated in USD will increase to c. 46% of the total over the course of 2021, based on the exchange rates in effect at 31 December 2020. This is driven by the expected increase in revenue from SmartVault in the US.

Cashflow and working capital

A number of items have contributed to the net cash inflow of £0.5m in 2020, which has been achieved despite the Adjusted Loss before Tax of £(0.9)m and capital expenditure on new office fit-outs of £0.3m:

- £0.3m was received from the director share subscription in January;
- £0.4m was received as a loan from the PPP in the US, which was subsequently forgiven; and
- £1.2m was received in the UK from research and development tax credits in respect of the three years to 2019.

Net cash at 31 December 2020 was £2.3m, an increase of £0.5m from 31 December 2019. The £2m revolving credit facility has remained entirely undrawn since its completion in September 2020.

Balance sheet

The £0.2m increase in intangible assets in 2020 to £0.8m is a result of an excess of capitalised development costs over the related amortisation. Capitalised development costs relate solely to the Virtual Cabinet and SmartVault products. The commercial viability of the GetBusy product is not yet considered to be sufficiently certain to meet the criteria for capitalisation within IAS38 Intangible Assets; the timing of when that situation may change is inherently uncertain.

Over the course of 2020 we have fitted-out two new offices, in the UK and the US, which has led to an £0.3m increase in property, plant and equipment. The fit-out of the US office has been completed in early 2021. This has also led to a £1.6m increase in right-of-use assets, which all relate to our office leases. As discussed above, the remaining right-of-use asset related to our Sydney office was impaired at 31 December 2020, leading to a £0.1m charge within non-underlying costs.

Trade and other receivables increased by £0.5m to £1.8m, a product of the timing of annual subscription renewals, a very strong December for new business in SmartVault, and £0.1m of upfront fees related to the loan facility with Silicon Valley Bank. The current tax receivable of £0.7m relates to the UK research and development tax credit due for the 2020 financial year, with £0.3m of tax payable or refundable in the UK, Australia and New Zealand, which is recorded within current liabilities.

The £0.3m increase in trade and other payables mostly relates to working capital timing differences, most notably in the payment of supplier invoices around the end of the year and in an increase in accruals related to sales commissions following the strong final quarter.

Deferred revenue, which is mostly derived from annual subscriptions paid in advance has increased by £0.2m to £4.7m. A £0.5m increase in SmartVault has been offset by a £0.3m reduction in Virtual Cabinet, partly caused by an increase in the proportion of customers opting to pay monthly by direct debit.

The lease liability of £2.1m has increased by £1.8m since the prior year as a result of the two new office premises.

Over the course of 2020, 1,025,272 new shares were issued as a result of new investments from directors and the exercise of share options, leading to a £0.3m increase in share premium.

Outlook

In 2021, we expect to continue to capitalise on the trends that have been favourable to us during 2020.

The product, sales, marketing and customer success investments we started to make in 2020, and that we plan to accelerate in 2021, will drive our growth in recurring subscription revenue, particularly in SmartVault. We can make these investments confidently in the light of favourable leading indicators and the significantly enhanced cash headroom that we currently enjoy.

We are very clearly in the scaling phase of our document management business comprising SmartVault and Virtual Cabinet, and we are able to see a path to a substantial business with high quality, predictable and valuable earnings in the medium to long term.

Whilst yet to be proven, we believe that our GetBusy product has the potential to open significantly greater addressable markets for our business. The problems it solves are universal, not sector-specific, and solutions to those problems have become even more valuable as businesses adopt hybrid working models on a permanent basis.

Our Group contains a combination of a proven, highly cash-generative market-leader, a rapidly and predictably scaling pure SaaS business in a large and valuable market, and a new product that solves increasingly relevant problems and that has the potential to open a significantly greater market.

This unique combination gives us confidence looking to the future.

Environmental, social and governance matters

The Group strives to be a good corporate citizen, contributing positively to the communities with which it interacts.

Operating in a sector that is generally environmentally benign, our people are encouraged nonetheless to devise and implement ways to reduce our impact on the climate and on the world's natural resources. Document management and digital signature software can be a core component of our customers' action plans to reduce their use of paper and the reduced need for journeys to and from offices reduces their carbon footprint.

Our culture is one of inclusivity, where each of our people is valued for who they are and treated with dignity and respect. We have the same approach to each our customer and suppliers and expect them to share our values.

We place significant importance on the quality of our governance. We have in place policies to ensure we go about business in the right way, with the right counterparties and partners, that we are managing our risks appropriately and that are attentive to our fiscal responsibilities.

Related party transaction: alteration to director incentive arrangements

On 7 January 2020, the Company received shareholder approval for granting awards to Daniel Rabie, Paul Haworth and Ben Oliver under new incentive arrangements, including the Company's Value Creation Plan (the "VCP").

The VCP rewards share price performance above 46p by sharing a varying proportion of incremental value created with the executives, rewarding 3.5% of incremental value at a price of 46p and increasing linearly to a maximum of 8.75% of value created at 100p and above, capped at 120p. The awards made to Daniel Rabie, Paul Haworth and Ben Oliver were announced on 28 January 2020 and were also set out in the Company's annual report and accounts for the year ended 31 December 2019.

On 2 March 2021, following consultation with shareholders, the Company and the participants amended the terms of the VCP so that instead of measuring incremental value at the end of the four year period following implementation of the VCP, participants can jointly choose to crystallise their awards at any time in the six months following the end of the four year period. Awards will be measured by reference to the market capitalisation of the Company on the date of crystallisation.

The original awards under the VCP to Daniel Rabie were subject to a waiver of the obligations of Rule 9 of the City Code on Takeovers and Mergers (the "Code"), which was approved by independent shareholders of the Company on 7 January 2020 (the "Rule 9 Waiver"). The Company notes, following consultation with the Takeover Panel, that this amendment to the terms of the VCP does not represent a material change to the Rule 9 Waiver and, as such, that such waiver remains valid and no further waiver or approval is required for the purposes of Rule 9 of the Code in respect of the proposed amendment to the terms of the VCP. The potential voting rights granted to Daniel Rabie by way of the awards under the VCP remain unchanged.

In accordance with best practice and as with the January 2020 awards, the Remuneration Committee consulted the Company's largest institutional shareholders before amending the VCP. Having consulted its shareholders, it is the opinion of the Remuneration Committee that the amendment to the VCP better aligns the long-term interests of all stakeholders in the business.

Daniel Rabie and Paul Haworth, by virtue of being directors of the Company, and Ben Oliver, by virtue of being a director of a subsidiary of the Company, are each considered to be related parties of the Company. The amendment to the terms of the VCP is considered to be a related party transaction for the purposes of Rule 13 of the AIM Rules for Companies.

The Directors (with the exception of Daniel Rabie and Paul Haworth who are participating in the VCP) consider, having consulted with Liberum, that the amendment of the terms of the VCP is fair and reasonable insofar as shareholders of the Company are concerned.

Consolidated income statement

For the year ended 31 December 2020

	Note	2020 £'000	2019 £'000
Revenue	3	**14,179**	12,661
Cost of sales		**(1,044)**	(948)
Gross profit		**13,135**	11,713
Operating costs		**(14,783)**	(12,854)
Other income		**588**	
Net finance costs		**(66)**	(39)
Loss before tax		**(1,126)**	(1,180)
Loss before tax		**(1,126)**	(1,180)
Capitalised development costs		**(558)**	(331)
Depreciation and amortisation on owned assets		**558**	456
Share option costs		**416**	286
Social security costs on share options		**236**	113
Non-underlying costs		**126**	62
Other income		**(588)**	-
Finance (income) / costs not related to leases		**9**	(1)
Adjusted loss before tax	3	**(927)**	(595)
Tax		**1,524**	(25)
Profit/(Loss) for the period attributable to owners of the Company		**398**	(1,205)
Profit/(Loss) per share (pence)			
Basic	4	**0.81p**	(2.49)p
Diluted	4	**0.71p**	(2.49)p

Consolidated statement of comprehensive income

For the year ended 31 December 2020

	2020 £'000	2019 £'000
Profit/(Loss) for the period	398	(1,205)
Other comprehensive income / (expense)		
Items that may be reclassified subsequently to profit or loss		
Tax recognised in equity	-	-
Exchange differences on translation of foreign operations	92	14
Other comprehensive income / (expense) net of tax	92	14
Total comprehensive income for the period	490	(1,191)

Consolidated balance sheet

At 31 December 2020

	2020 £'000	2019 £'000
Non-current assets		
Intangible assets	807	646
Right of use assets - leases	1,842	220
Property, plant and equipment	375	143
	3,024	1,009
Current assets		
Trade and other receivables	1,815	1,353
Current tax receivable	763	-
Cash and bank balances	2,283	1,743
	4,861	3,096
Total assets	7,885	4,105
Current liabilities		
Trade and other payables	(2,614)	(2,265)
Deferred revenue	(4,608)	(4,233)
Lease liabilities	(263)	(219)
Current tax payable	(272)	(30)
	(7,757)	(6,747)
Non-current liabilities		
Deferred revenue	(58)	(200)
Deferred tax liabilities	-	(6)
Lease liabilities	(1,845)	(96)
	(1,903)	(302)
Total liabilities	(9,660)	(7,049)
Net assets	(1,775)	(2,944)
Equity		
Share capital	74	73
Share premium account	3,018	2,756
Demerger reserve	(3,085)	(3,085)
Retained earnings	(1,782)	(2,688)
Equity attributable to shareholders of the parent	(1,775)	(2,944)

Consolidated statement of changes in equity

For the year ended 31 December 2020

2020	Share capital £'000	Share premium account £'000	Demerger Reserve £'000	Retained earnings £'000	Total £'000
At 1 January 2020	**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)**

2019	Share capital £'000	Share premium account £'000	Demerger Reserve £'000	Retained earnings £'000	Total £'000
At 1 January 2019 as originally stated	**73**	**2,756**	**(3,085)**	**(1,695)**	**(1,951)**
Effect of first time adoption of IFRS16	**-**	**-**	**-**	(88)	(88)
As restated	**73**	**2,756**	**(3,085)**	**(1,783)**	**(2,039)**
Loss for the period	-	-	-	(1,205)	(1,205)
Exchange differences on translation of foreign operations, net of tax	-	-	-	14	14
Total comprehensive loss attributable to equity holders of the parent	**-**	**-**	**-**	**(1,191)**	**(1,191)**
Share option costs	-	-	-	286	286
	-	**-**	**-**	**286**	**286**
At 31 December 2019	**73**	**2,756**	**(3,085)**	**(2,688)**	**(2,944)**

Consolidated cash flow statement

For the year ended 31 December 2020

	2020 £'000	2019 £'000
Adjusted loss before tax	(927)	(595)
Depreciation of right of use asset - leases	365	296
Income statement cost of interest on finance leases	56	-
(Increase)/decrease in receivables	(239)	268
(Decrease) in payables	(37)	(51)
Increase / (decrease) in deferred income	233	(397)
Cash used in operations	(549)	(479)
Income taxes received	1,076	74
Interest received	5	1
Net cash used in operating activities	532	(404)
Purchases of property, plant and equipment	(368)	(63)
Purchases of intangible assets	(29)	(68)
Net cash used in investing activities	(397)	(131)
Principal portion of lease payments	(226)	(256)
Interest on lease liabilities	(56)	(40)
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	271	(296)
Net increase/(decrease) in cash	406	(831)
Cash and bank balances at beginning of period	1,743	2,486
Effects of foreign exchange rates	134	88
Cash and bank balances at end of period	2,283	1,743

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 67,000 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 EU adopted International Financial Reporting Standards ("IFRS").

The financial statements of GetBusy plc for the year ended 31 December 2020 were authorised for issue by the Board of Directors on 2 March 2021. 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.

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 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.

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

3. Revenue and operating segments

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

2020	**Document Management**		**Task Management**		
	SmartVault £'000	**Virtual Cabinet £'000**	**GetBusy £'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
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 income / (costs)					(9)
Loss before tax					**(1,126)**

2019	**Document Management**		**Task Management**		
	SmartVault £'000	**Virtual Cabinet £'000**	**GetBusy £'000**	**Corporate & central £'000**	**Total £'000**
Recurring revenue	4,201	7,187	-	-	11,388
Non-recurring revenue	135	1,138	-	-	1,273
Revenue from contracts with customers	**4,336**	**8,325**	**-**	**-**	**12,661**
Cost of sales	(770)	(178)	-	-	**(948)**
Gross profit	**3,566**	**8,147**	**-**	**-**	**11,713**
Sales, general and admin costs	(3,640)	(4,033)	(472)	(1,618)	**(9,763)**
Development costs	(898)	(742)	(905)	-	**(2,545)**
Adjusted profit / (loss) before tax	**(972)**	**3,372**	**(1,377)**	**(1,618)**	**(595)**
Capitalisation of development costs					331
Depreciation and amortisation on owned assets					(456)
Share option costs					(286)
Social security on share option costs					(113)
Non-underlying costs					(62)
Other finance income / (costs)					1
Loss before tax					**(1,180)**

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.

Revenue by territory of operation is shown below.

2020	UK £'000	USA £'000	Aus / NZ £'000	Total £'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**

2019	UK £'000	USA £'000	Aus / NZ £'000	Total £'000
Recurring revenue	5,370	4,200	1,818	11,388
Non-recurring revenue	987	133	153	1,273
Revenue from contracts with customers	**6,357**	**4,333**	**1,971**	**12,661**

4. Earnings / (loss) per share

The calculation of loss per share is based on the profit for the period of £378k (2019: loss of £1,210k).

Weighted number of shares calculation	2020 '000	2019 '000
Weighted average number of ordinary shares	49,219	48,400
Effect of potentially dilutive share options in issue	7,251	5,557
Weighted average number of ordinary shares (diluted)	56,470	53,957

Earnings / (Loss) per share	2020 pence	2019 pence
Basic	0.81	(2.49)
Diluted	0.71	(2.49)

At 31 December 2020, there were 7,117,276 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 prior year as the Group was loss making. At 31 December 2019 there were 5,557,643 shares under option that would have become dilutive if the Group had been profitable.

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	2020	2019 as originally reported	Constant currency adjustment	2019 at constant exchange rates	Change at reported exchange rates	Change at constant exchange rates
Group recurring revenue	£13,017k	£11,388k	£(51)k	£11,337k	14%	15%
Group total revenue	£14,179k	£12,661k	£(53)k	£12,608k	12%	12%
SmartVault recurring revenue	£5,433k	£4,201k	£(26)k	£4,175k	29%	30%
SmartVault total revenue	£5,700k	£4,336k	£(25)k	£4,311k	31%	32%
Virtual Cabinet recurring revenue	£7,578k	£7,187k	£(24)k	£7,163k	5%	6%
Virtual Cabinet total revenue	£8,473k	£8,325k	£(27)k	£8,298k	2%	2%
Group Annualised Recurring Revenue	£13.7m	£12.3m	£(0.1)m	£12.2m	11%	12%