

CHAIRMAN'S STATEMENT

The past year has been a strong one for GBG. We have delivered on our strategic objectives, achieved record levels of revenue and profit and earned our best-ever levels of engagement for both team members and customers. The impact of Covid-19 means, however, that we have little time to celebrate our past success. Instead, we are focussing all our attention and skills on supporting our team members and customers during this demanding and uncertain time. We are taking actions to make sure our business remains strong throughout this period and we are confident that we will emerge from this crisis in a position to deliver against our long-term growth strategy.

Covid-19 Pandemic

On behalf of the Board, I want to say how grateful I am to our team members across the world for their commitment and dedication during the Covid-19 pandemic. While working remotely, they have maintained high levels of service to our customers as well as supporting the well-being of their families and colleagues. It is a credit to them and the senior management team that we have been able to operate so effectively in light of these challenging conditions, putting us in a strong position to maintain the prospects of the Group. I am justly proud of all their efforts.

The Chief Executive's report covers in more detail the steps and actions that GBG has taken to carry out its business continuity plans, ensuring the safety and well-being of our team members and supporting our customers. The Board has been holding virtual meetings on a weekly basis, where we have received updates from the Executive Directors on a range of matters relating to Covid-19. This is a very effective forum to make sure that we can continue to meet our obligations to all of our stakeholders. It has also given us the opportunity to identify and consider any potential challenges and opportunities at an early stage.

We are keenly aware of the challenges posed by the impact of Covid-19 on the global markets we operate in, as well as society at large. While it is still too early to assess the full impact of the pandemic, I am pleased with the pace of actions we have taken to mitigate the effects of the pandemic on our team members, customers and the business.

Financial Performance

GBG's financial performance in the year was again ahead of market expectations. Revenues increased by 38.7% to £199.1 million (2019: £143.5 million), with organic revenue growth at constant currency¹ of 10.7%. Adjusted operating profit¹ increased by 49.7% to £47.9 million (2019: £32.0 million) and adjusted earnings per share¹ rose 19.8% to 21.8 pence (2019: 18.2 pence).

We generated good levels of cash in the year which contributed to a significant improvement in our net debt¹ position, down to £35.0 million from £66.3m in FY19. We enter FY21 in a robust financial position with a strong balance sheet, a cash generative business model and access to liquidity.

Achievements and Strategic Outlook

During the year we remained focused on the continued strategic development of our three core solutions: Location, Identity and Fraud. We have been effective in engaging with existing and potential customers, as well as responding to market trends and developments, while maintaining our long-standing commitment to innovation.

GBG is committed to building market-leading products that meet the evolving needs and requirements of our customers, helping them to operate securely and compliantly, at the same time as providing a high quality and seamless customer experience.

We have also continued to embrace new concepts, combining the best ideas from the markets we serve. This includes enhancing our capabilities in artificial intelligence, multi-modal authentication and validation methods including biometrics, voice and images. The increasing breadth, depth and scope of data in our products means we can offer our customers unique access to the most accurate information, enabling them to make more intelligent, commercial and risk-based decisions. In turn, this helps them to increase their revenues and improve operational efficiency.

Following its acquisition in 2019, IDology has integrated well into the Group, contributing significantly to our strategy to enhance our product capability and to expand geographically. It also further demonstrates our ability to identify, acquire and integrate businesses that are complementary to our growth strategy and that will increase GBG's value.

We also welcomed Natalie Gammon to the Board in November 2019. She brings a wealth of relevant experience and we look forward to the input and insights she will bring.

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At the half year, I indicated that The Information Commissioner's Office, the data industry regulator in the UK, had announced in November 2018 that it was conducting audits on a number of companies to understand the use of data in their services. We were included in this review and we are continuing to work with the Commissioner to continue to improve privacy compliance. We will keep the market informed of any material developments.

AGM and Dividend

In light of current and anticipated Covid-19 public health guidelines, GBG is asking shareholders to comply with certain unprecedented but urgent measures for this year's AGM. These measures which follow current best practice which are being taken to safeguard the safety and well-being of shareholders and other participants and to make the AGM as safe as possible.

As the UK Government has imposed measures restricting public gatherings, anyone seeking to attend the meeting in person (beyond the two persons designated by the Board as being necessary to form a quorum) will be refused entry to the AGM. Shareholders wishing to vote on any of the matters of business at the AGM are strongly encouraged to submit their votes in advance by proxy. Further details and instructions will be detailed in the AGM notice issued to shareholders.

As indicated in our April 2020 trading and Covid-19 update, the Board does not intend to declare a final dividend in respect of financial year 2020. We have already taken steps to reduce costs and preserve liquidity, including a Group-wide pay freeze, halting all-but-essential recruitment and deferring Executive Directors' bonuses. This extra prudent step will help to both preserve short-term liquidity and provide GBG with additional financial flexibility to support and invest as we come out of the pandemic.

The Year Overall and Outlook

FY2020 has been another successful year in terms of delivering on our strategic priorities and further growth of the Group. Whilst we are pleased at how GBG has responded to the immediate challenges presented by Covid-19, it still remains unclear how it will affect GBG in the coming months as each customer, sector and geography are impacted in different ways. However, consumers are carrying out more transactions online and organisations are responding to this by accelerating their plans to offer seamless, quick and secure digital services. These are healthy indications that we could see an increasing demand for certain of our services in the medium-term. We look forward to playing our part in supporting businesses as economies recover from the effects of the pandemic.

We remain confident in the longer-term prospects of the Group, thanks to a combination of a well-established growth strategy, a strong balance sheet, significant market opportunity, diversified sectors and customer base and world-class products.

On behalf of the Board, I would like to thank Chris Clark, his Executive Team and all of our team members for their hard work in achieving the result for 2020. I am very grateful for their commitment and dedication during this difficult time. I would also like to thank our shareholders and customers for their continued support.

David Rasche
Chairman

¹ These measures are defined within note 37 to the Annual Report.