



**FY21 Final Results**  
September 2021

# The Beeks Group

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/ The largest pure play cloud provider in capital markets



/ Celebrating over ten years exclusive service in FS and capital markets

FTSE

/ Listed on the London Stock Exchange since 2018



/ Over 100 global personnel



/ ISO certified

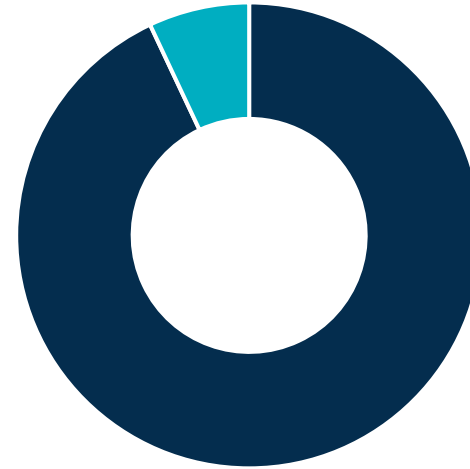


/ significantly expanded business and broadened product offering

# Our business model



- / Beeks deliver managed low-latency compute, connectivity and analytics exclusively within global capital markets and financial services
- / Largely a recurring revenue model
- / Majority of our revenue, and the growth driver for the business, is our Institutional customer base



Revenue by segment

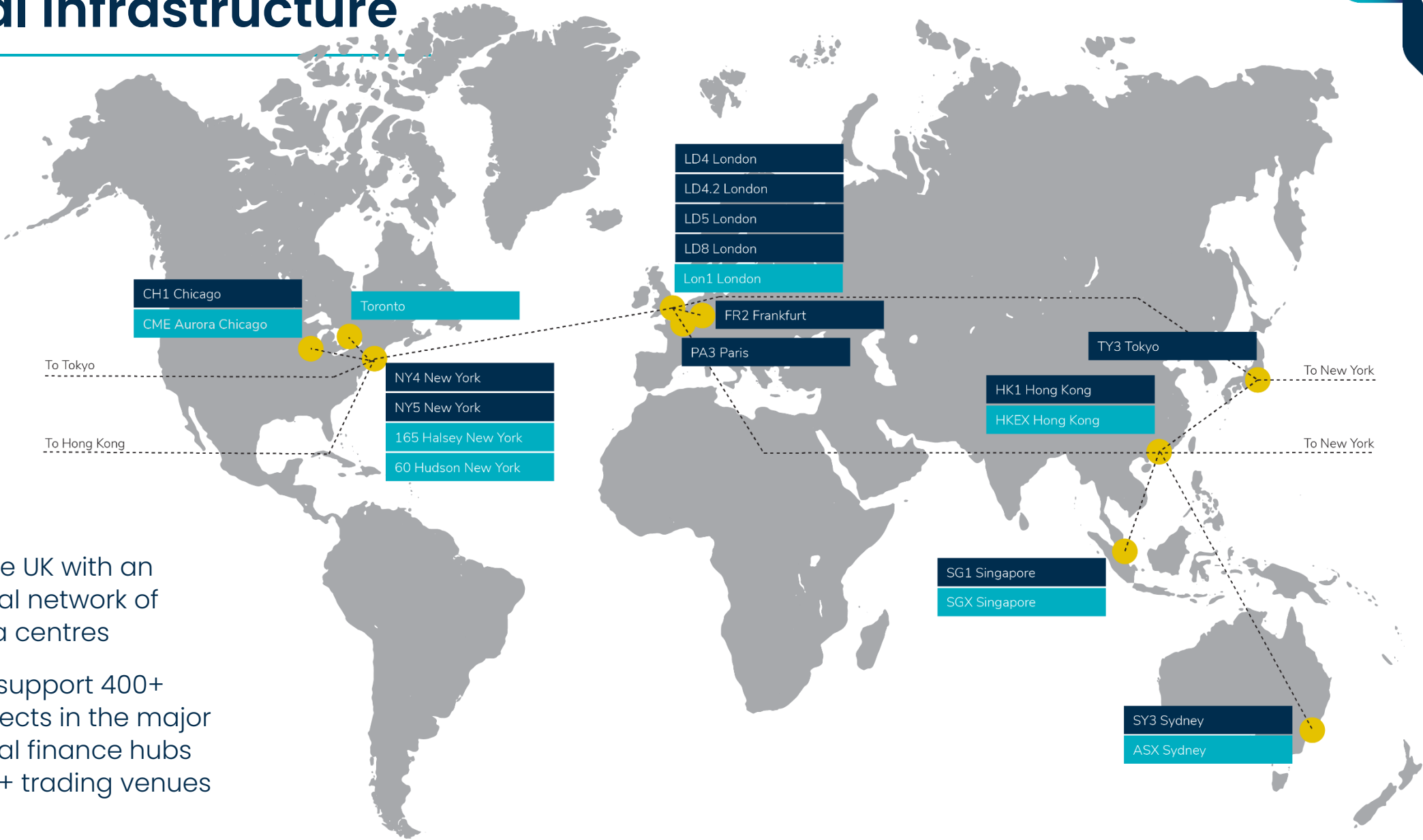
89% Institutional  
11% Retail



Revenue by geography

28% UK  
20% US  
17% Europe  
35% Rest of World

# Global infrastructure



Based in the UK with an international network of global data centres

Beeks can support 400+ cross connects in the major international finance hubs across 200+ trading venues

# Executing on growth strategy: Year of Product



## Positive financial performance

- / 24% growth in revenues and EBITDA
- / ACMRR up 23% to £13.8m (2020: £11.2m)

## Successful launch of two new offerings, with first customers secured

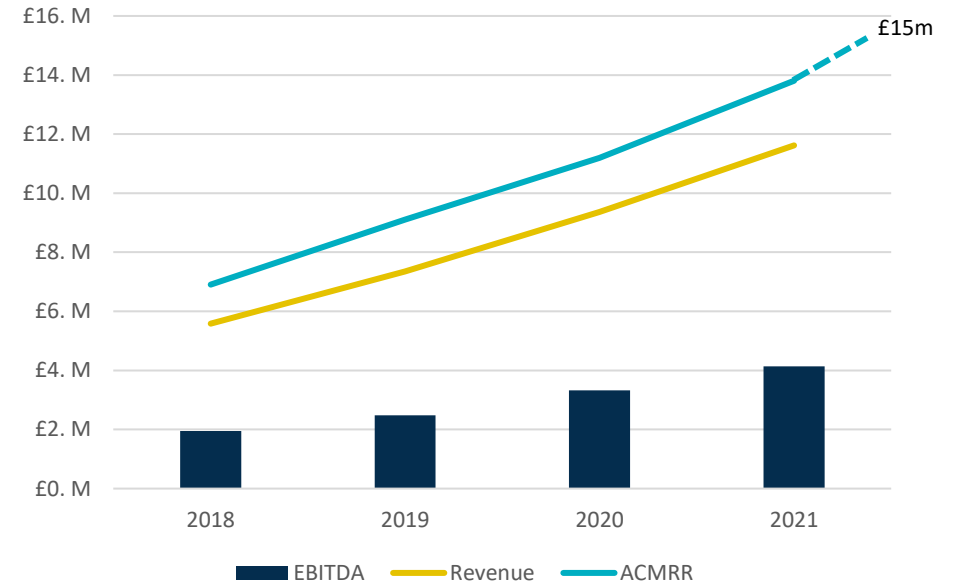
- / Launch of Proximity Cloud, the only fully configured, pre-installed physical trading environment optimised for low latency trading
- / Launch of Beeks Analytics, a cloud-based SaaS analytics offering

## Executing on land & expand opportunity

- / Growing Tier 1 base at various stages of deployment
- / Expanding base for accelerated future growth

## Record Q1 sales

- / \$5m TCV secured and £1.3m of non-recurring sales
- / Upgrading revenue forecasts
- / Validating the opportunity for Proximity Cloud



Metric	2018	2019	2020	2021	Sep '21
Revenue	£5.58 M	£7.35 M	£9.36 M	£11.62 M	
ACMRR	£6.9 M	£9.1 M	£11.2 M	£13.8 M	£15.0 M
EBITDA	£1.95 M	£2.48 M	£3.33 M	£4.14 M	

# The evolution of Beeks Cloud



- / Beeks is well positioned to address the Cloud compute requirements of the world's largest capital markets and financial services organisations
- / Beeks provide managed low-latency compute, connectivity and analytics exclusively within these latency sensitive environments and is one of the few companies in the world that can build, connect and analyse at scale
- / Through fast product development, Beeks has responded quickly to changing client needs in an evolving market offering the 3 P's of cloud provision - **Public**. **Private**. **Proximity**.
- / Catering to a wide spectrum of clients from retail to institutional Tier 1 clients

## Client segment evolution

**Public Cloud**  
Retail VPS Broker

**Private Cloud**  
Mid Market Institutions

**Proximity Cloud**  
Tier 1 Organisations

# The three P's: Public. Private. Proximity.



- / **Public cloud** utilise shared resources
  - / Economies of scale
  - / Pass on costs benefits and reduce barriers to entry
- / Traditional Beeks Retail clients including individual traders, retail brokers and small institutional trading firms
- / Can enjoy market-leading infrastructure and connectivity to global financial markets at a very attractive price with minimal contractual commitment

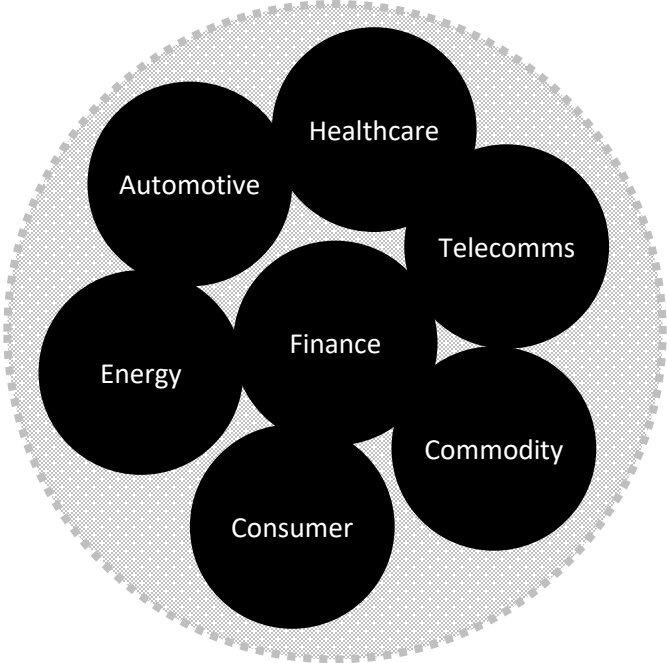
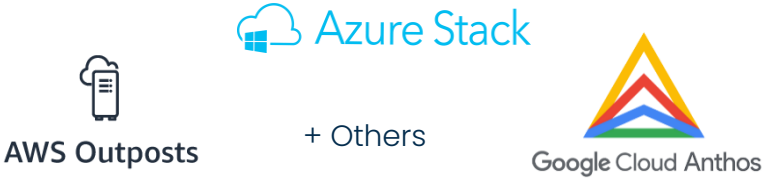


- / **Private environments** fit industry-specific security requirements, plus increased performance as not using shared resources.
  - / High value ticket
  - / Generally multi geographical opportunities
- / Global trading firms, exchanges, fintechs, telecommunications can enjoy a bespoke service either to use themselves or to incorporate as a solution for their customers (IPC case study)
- / This has been our strongest growth area in the last 12-18 months with several initial opportunities growing significantly in later phased roll out approach



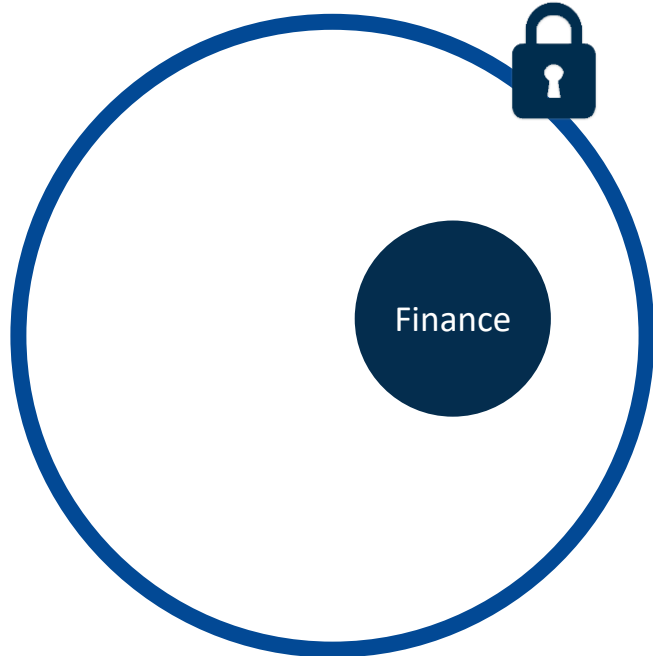
- / **Proximity Cloud** launched in August 2021 for global tier 1 community
- / Proximity Cloud provides the customer with a solution they can deliver anywhere and drop in to their **own private environment**
- / Our target market is global capital markets participants, large exchanges and fintech start up companies with no legacy footprint
- / Significant pipeline
- / **Unique to the market**

# Proximity Cloud: game changer.



V

Proximity Cloud  
Powered by Beeks<sup>1</sup>



- / Optimised for low latency
- / Exclusive to capital markets and finance
- / No other sectors can access



# Land and expand successes



## Land

- / Focus on growing tier 1 customer base and currently at various stages of multiple contractual relationships
- / Ranging from POCs to large scale, phase 2 of roll-outs - with expansion opportunities across the majority

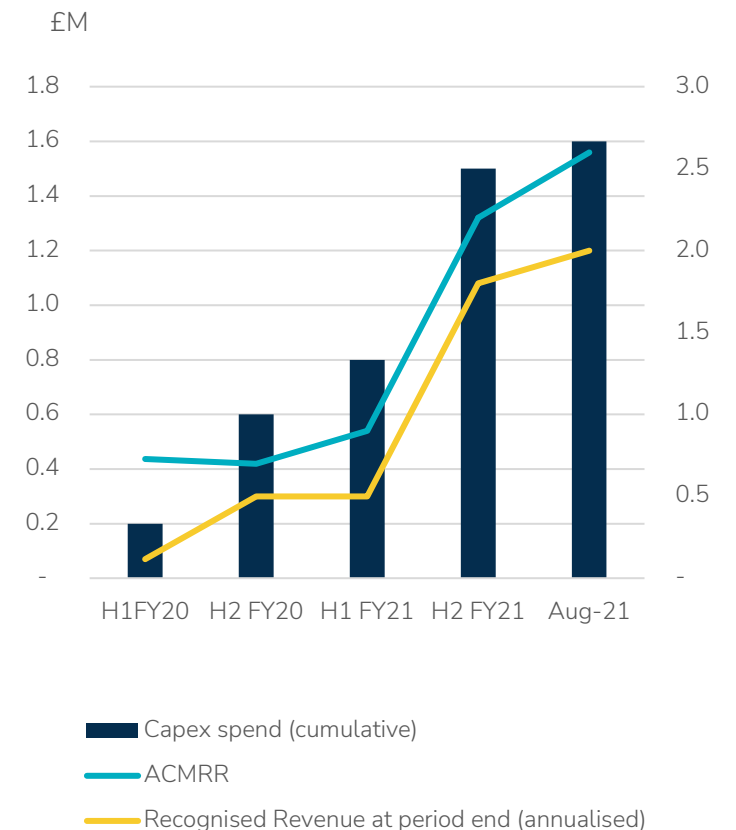
## Expand

- / Completed successful first stage full deployment of \$1m global private Cloud solution for global financial markets technology provider. Subsequently extended, reaching \$3m annualized by year end, increasing to \$3.7m in August 2021
- / An open banking provider has expanded initial £1.1m three year contract to 180% of the original commitment, again with further expansion opportunities ahead

## Record Q1

- / **\$1.1m** multiyear analytics deal for a Tier 1 Bank for an Asian deployment
- / Largest contract to date, totalling **\$2.7m** for a private cloud deployment with a European bank via a partner, with further global roll out in 2022
- / **\$1 million** multiyear deal for Proximity Cloud

Example tier 1 customer journey



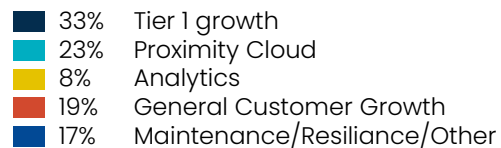
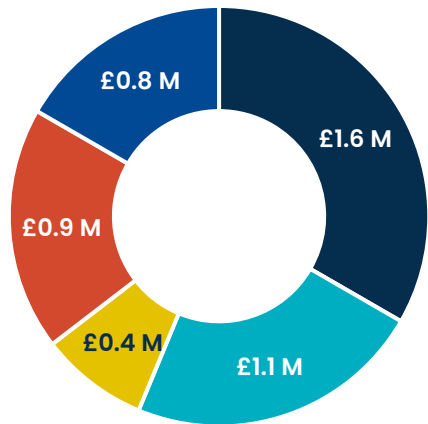
# Investing in product, people and operations



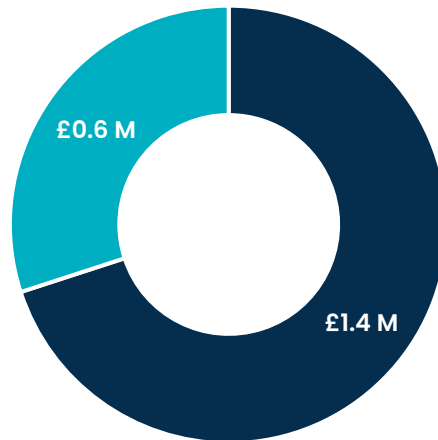
## Key Hires:

- ▶ Sales /Marketing – Head of US Sales / London Sales
- ▶ Head of Product Management (Private Cloud/Analytics)
- ▶ HR and Talent Management

Capex investment



Product investment



## Cash flows from operating activities:

	FY19	FY20	FY21
	(£'000)	(£'000)	(£'000)

Operating cash flows before working capital (including tax paid)

2,310    2,976    4,011

Net receivables/payables/other

(211)    259    1,224

**Net cash from operating activities**

**2,099    3,235    5,235**

Purchase of PPE (net)

(1,222)    (2,819)    (4,746)

Purchase of intangible assets

(437)    (720)    (2,005)

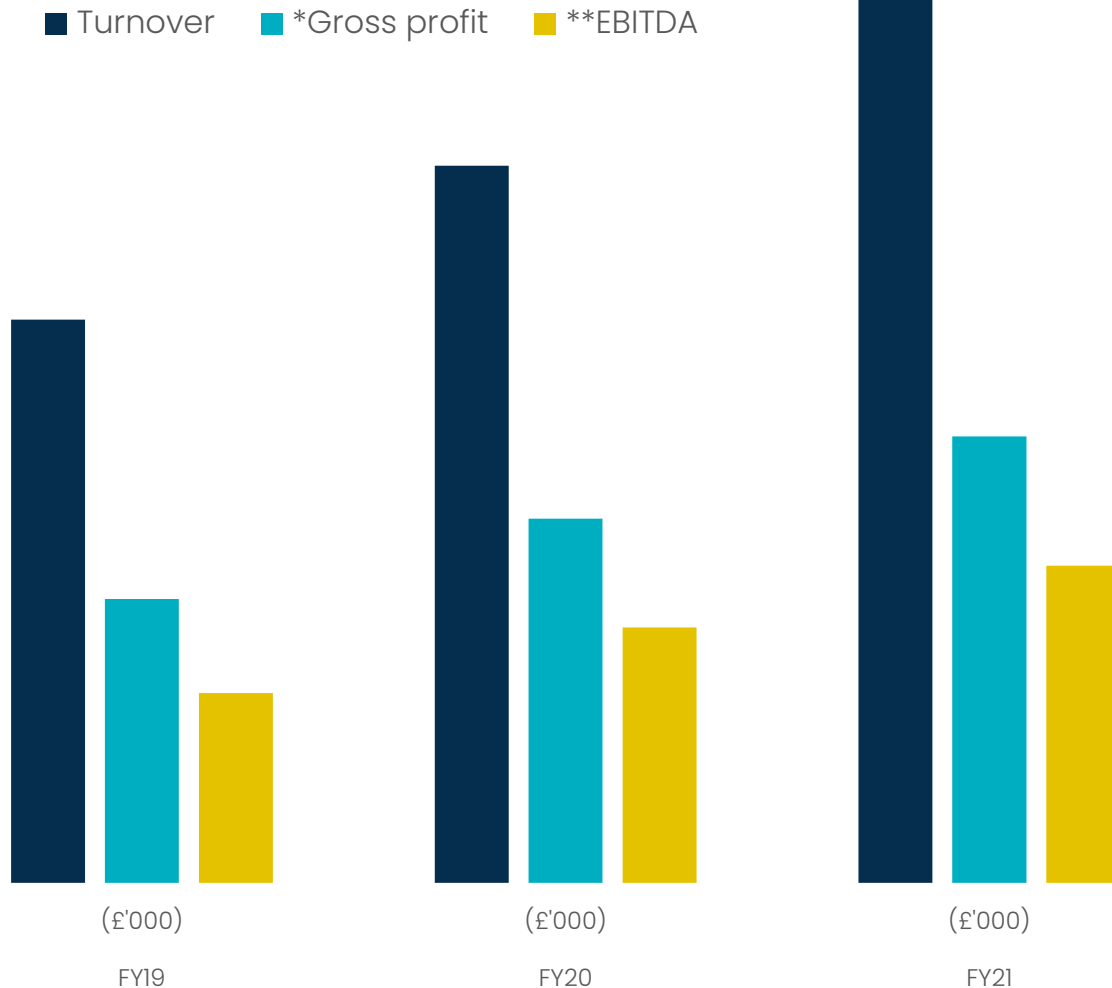
Payment for acquisitions

(1,112)    (750)    (1,015)

**Net cash used in investing activities**

**(2,771)    (4,289)    (7,766)**

# Income statement



Income Statement	FY19 (£'000)	FY20 (£'000)	FY21 (£'000)
Turnover	7,352	9,360	11,615
CoS	(2,627)	(2,984)	(3,535)
Dep and Amort	(1,018)	(1,624)	(2,251)
*Gross profit	3,707	4,752	5,829
Gross Margin %	50%	51%	50%
**EBITDA	2,479	3,334	4,142
EBITDA %	34%	36%	36%
^Operating profit	1,461	1,710	1,892
Operating Profit %	20%	18%	16%
^^Profit before tax	1,316	1,433	1,608
PBT %	18%	15%	14%

\*Underlying gross profit is statutory gross profit excluding other (grant) income and acquired amortisation costs

\*\*Underlying EBITDA is defined as earnings before amortisation, depreciation, finance costs, taxation, acquisition costs, share based payments and exceptional non-recurring costs and excluding grant income

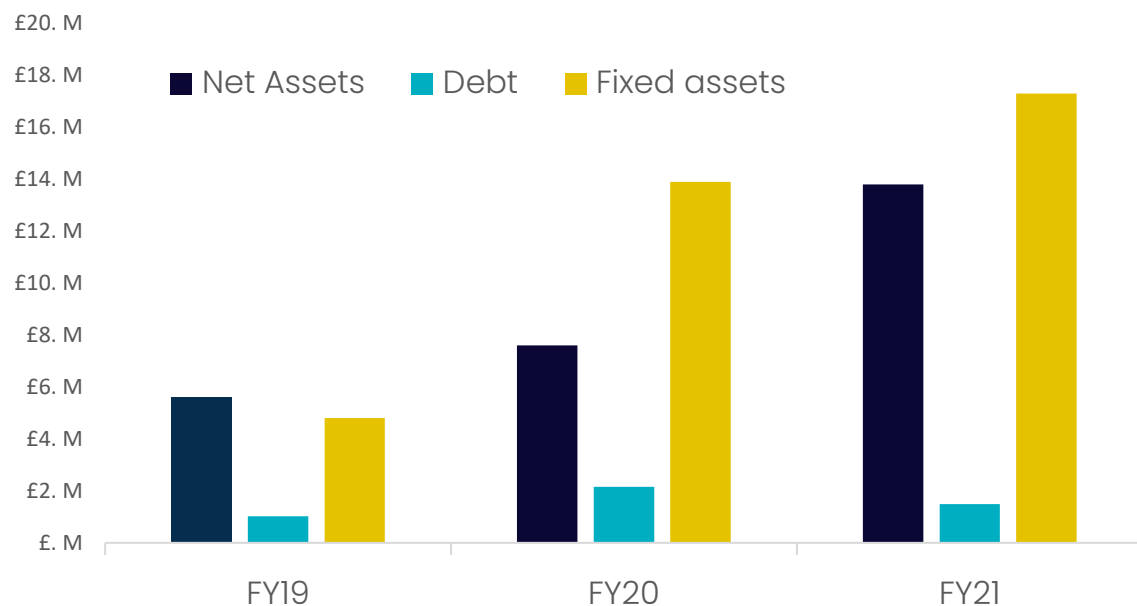
^Underlying operating profit excludes finance interest, amortisation on acquired intangibles, acquisition costs, share based payments and exceptional non-recurring costs and excluding grant income

^^Underlying profit before tax excludes amortisation on acquired intangibles, acquisition costs, share based payments and exceptional non-recurring costs and excluding grant income.

# Balance sheet and cash flows



- / Growing operating cash flows
- / Year of investment in product
- / Continued infrastructure investment (including Proximity Cloud) to facilitate customer growth
- / Debt as 0.4 times EBITDA



Cash flows from operating activities:	FY19 (£'000)	FY20 (£'000)	FY21 (£'000)
Operating cash flows before working capital (including tax paid)	2,310	2,976	4,011
Net receivables/payables/other	(211)	259	1,224
Net cash from operating activities	2,099	3,235	5,235
Purchase of PPE (net)	(1,222)	(2,819)	(4,746)
Purchase of intangible assets	(437)	(720)	(2,005)
Payment for acquisitions	(1,112)	(750)	(1,015)
Net cash used in investing activities	(2,771)	(4,289)	(7,766)
Proceeds from borrowings	990	1,485	3,050
Proceeds from grant income	-	174	907
Repayment of borrowings	(469)	(625)	(3,736)
Interest paid/received	(145)	(190)	(185)
Right-of-use lease repayments	-	(517)	(584)
Proceeds from the issue of new share capital	1	-	5,198
Dividends paid	(254)	(178)	(180)
Net cash used in financing activities	123	149	4,470
Net increase/(decrease) in cash	(549)	(905)	1,939
Cash at beginning of year	2,887	2,338	1,433
Cash at end of year	2,338	1,433	3,372

# FY22 strategic priorities



- / Opportunity to expand APAC territory



- / Proximity Cloud launch August 2021
- / Sales focus to increase customer base



- / Increased ability to generate substantial revenue through successful operational partnerships and exchange agreements



- / Continued investment in people to deliver on sales execution, delivery and further product development



- / Purchased purpose built premises to accommodate the expanding business

# Positive outlook

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- / Record Q1 performance, delivering \$5m in TCV and £1.3m in additional £Non-recurring product related
- / Focused on converting our record sales pipeline
- / Upgrading revenue expectations for the year
- / Proximity Cloud showing considerable early promise, validating the prospects we envisioned
- / Confidence to accelerating our investment in Proximity Cloud to capture the significant medium term opportunity
- / Whilst we continue to assess the ongoing impact of Covid-19 on our business and operations, we are confident that Beeks is poised for considerable growth within a rapidly developing market

# Board

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**Gordon McArthur**  
**CEO**

- / Founder & CEO since 2011
- / 20 years' experience in the IT Industry
- / Previous positions include senior commercial roles with IBM for 8 years



**Fraser McDonald**  
**CFO**

- / At Beeks since 2016
- / Over 20 years' experience in finance, management and consulting roles
- / Previous roles include Head of Finance and Commercial Manager at ACCESS LLP (subsidiary of Serco Group PLC)



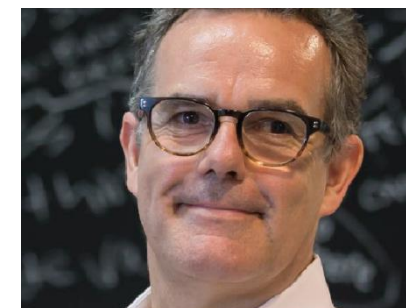
**Mark Cubitt**  
**Chairman**

- / 21 years' of PLC experience
- / Formerly CFO at Wolfson Microelectronics PLC and Chairman of Superglass Holdings PLC
- / Numerous CFO roles in public and private companies



**Will Meldrum**  
**Independent NED**

- / Currently SVP and Chief of Staff at IHS Markit
- / Previously worked at Deutsche Bank managing interests across a portfolio of investments



**Kevin Covington**  
**Independent NED**

- / More than 30 years' experience working in the international financial services industry
- / Runs boutique advisory firm, Change Alley, which helps develop and grow fintech organisations
- / Ranked in the top 40 most influential people in Trading Technology by the Institutional Investor Magazine or a number of years

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