

Beeks¹

HY24 Investor presentation

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Beeks: At the Forefront of Financial Technology Infrastructure



Introduction to Beeks

Beeks is recognised as a leader in the financial technology landscape, providing specialised Infrastructure as a Service (IaaS) tailored for low latency trading in the capital markets and financial services sector.

Our core mission is to offer a technological foundation that meets the current demands of the market and is also poised for future advancements.

What We Do

Beeks is in the business of building, maintaining and analysing the digital infrastructure that allows financial transactions to occur at unparalleled speeds.

We are the backbone of low-latency trading platforms, ensuring data travels with minimal delay, crucial in a sector where milliseconds can significantly impact outcomes.

Core Focus: Infrastructure as a Service Solutions for Capital Markets



Trading Infrastructure

Trading Infrastructure is the cornerstone of our IaaS offerings.

Supporting the vital operations of trading platforms, Beeks provides the physical and virtual resources necessary for high-performance trading environments.

From cloud services to dedicated servers and virtual machines, our infrastructure is tailored to the dynamic needs of our clients, ensuring flexibility, reliability, and scalability.

At the heart of Beeks is our IaaS solutions, tailored for the fast-paced environment of capital markets

WAN Connectivity and Low Latency Networks

Comprehensive network solutions that serve as the circulatory system for Capital Markets, designed for the rapid execution of trades to enable swift and secure data movement across the financial ecosystem.

A critical component in minimising risk and maximising profitability in the trading environment

Network Performance Analytics

Leveraging advanced analytics, to offer insights into network and trading performance, facilitating informed decision-making and enhanced operational efficiency.

Professional Services

Designed to align with the strategic goals of our clients, offering support for network configuration, management, and security, thus reinforcing our commitment to comprehensive IaaS solutions.

Revolutionizing Capital Markets: Beeks IAAS Solutions



£1-20k
Monthly
Recurring

Private Cloud

Custom-built for financial institutions demanding dedicated, secure, and compliant environments. Our Private Cloud solution offers a robust foundation for running critical financial applications with guaranteed low latency and high performance.

Target Customers

Financial Institutions
Independent Software Vendors (ISVs)
Wealth Management Firms



Innovative and
Proven Technology



Scalability and
Adaptability

£1-5m
TCV

Proximity Cloud

Tailored for trading entities that require ultra-low latency access to financial exchanges and market data. The Proximity Cloud ensures that our clients are as close as possible to the action, reducing execution times and increasing trading efficiency.

Target Customers

Financial Institutions
High-Frequency Trading (HFT) Firms
Proprietary Trading Firms
Brokers and Dealers



Financial
Efficiency



Global Reach
with Local Expertise

£3-20m
TCV

Exchange Cloud

A game-changer for connectivity and trading infrastructure, offering direct access to multiple exchanges through a single cloud environment. This solution simplifies the trading ecosystem, allowing for rapid scaling, reduced complexity, and lower costs.

Target Customers

Financial Exchanges
Clearing Houses
Multi-Asset Managers

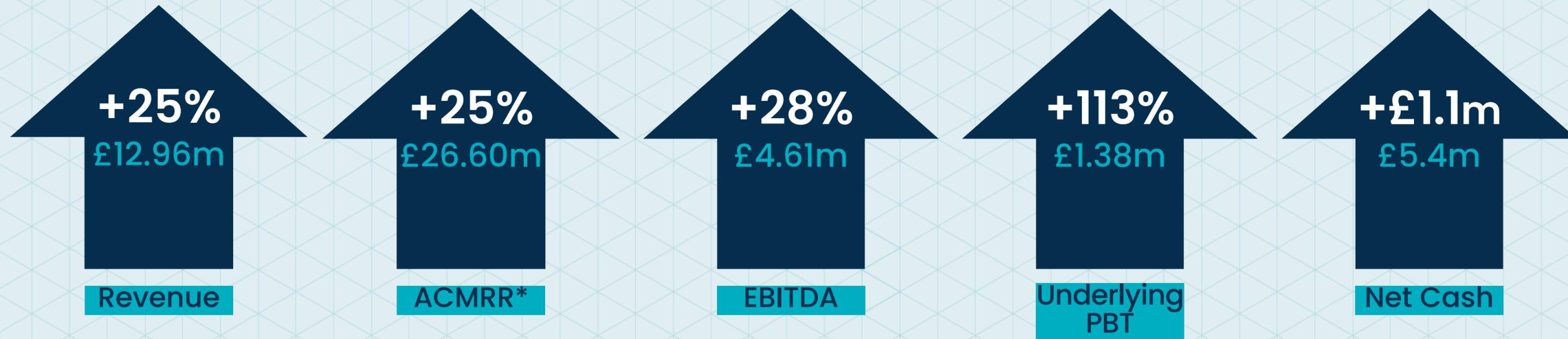


Security and
Compliance



Rapid
Deployment

Another period of significant double-digit growth

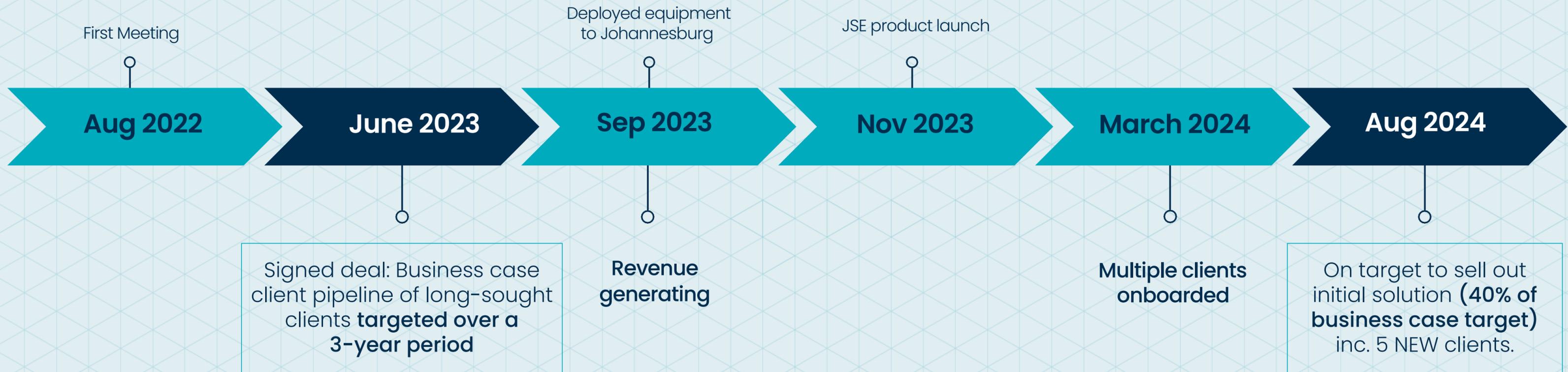


- / Is **Operational cash flow positive** in H1 with increased EBITDA and PBT margins
- / **Strong ACMRR*** provides visibility on earnings
- / **Growth of Tier 1 customer base** with notable customer wins
- / **Third Exchange Cloud customer** secured post-period end and successful go-live of JSE
- / **Land and Expand success** with existing customers
- / **Collaboration with BlueVoyant** to enhance security measures
- / **Increased data centre presence**, focusing on existing locations

*Annualised Committed Monthly Recurring Revenue (ACMRR)

Accelerating Growth: Beeks' Land and Expand Strategy

Beeks' "Land and Expand" strategy underscores our growth in fintech. The JSE Exchange Cloud timeline illustrates swift client onboarding and top performance. Our Johannesburg deployment and JSE Colo 2.0 launch reflect our commitment to global expansion and client satisfaction, highlighting our operational prowess and varied client portfolio.



Streamlined client onboarding

Ready to trade within 24 hours, significantly faster than the previous 7-14 days.

Flawless performance

No production incidents or latency issues since inception, fully meeting SLA standards.

Upcoming enhancements

Launch of a secondary, fully managed, and resilient solution for clients.

Expanded service applications

Successful use in post-trade connectivity and test environment management.

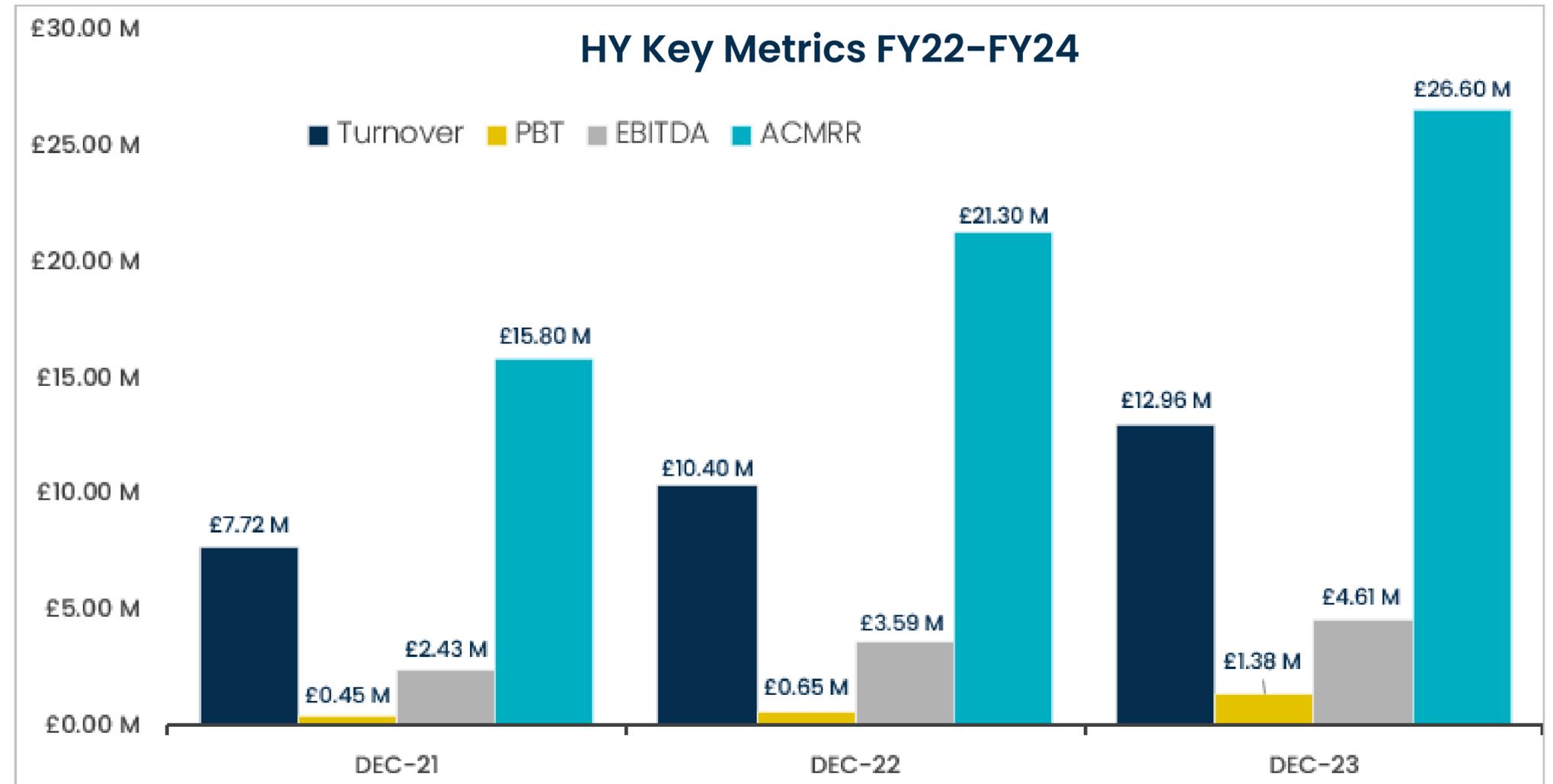
Proven client acquisition

Ease of access has secured long-sought clients over two years.

Continued Growth



- / Continued sales growth + 25%
- / ACMRR up 25% to £26.6m
- / 28% growth in EBITDA vs prior period
- / 2 major proximity/exchange cloud deals delivered in the period
- / Improved operating profit margins due to growing revenue versus flat overhead cost base
- / Statutory profit achieved (£0.2m) against a statutory loss (£0.8m) in the prior period
- / Cash flow positive during the period with net cash of £5.4m versus £4.4m at June 23 and £3.3m at Dec 2022



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

Investment Opportunity: Beeks Group



1.

20-30%
Top Line
Growth

Strong Growth and Stability

Beeks boasts a remarkable track record of achieving 20-30% top-line growth annually. This consistent performance highlights our ability to scale, innovate, and meet the evolving needs of the financial technology infrastructure sector.

2.

Cash
Generative

Financial Strength and Profitability

Transitioning into a profitable and cash-generative phase, Beeks now stands on solid financial ground. Our prudent financial management and strategic investments have paved the way to achieve our strategy for sustainable growth and profitability.

3.

Strategic
Partnerships

Trusted by Global Leaders

Our proven capability to secure deals with the world's largest financial exchanges underscores our expertise and the industry's trust in our solutions. These partnerships are a testament to our high-quality service, reliability, and competitive edge.

4.

Expansive
Market
Potential

Riding the Wave of Technology

With the growing adoption of cloud services, the addressable market is expanding rapidly. Financial markets are increasingly turning to cloud computing to fulfil their needs for speed, security, and efficiency. Beeks is at the forefront of this transformation.

Join us in shaping the future of high-frequency trading infrastructure.

FY24 key objectives



/ Convert the Exchange Cloud and Proximity Cloud pipeline



/ Continue product development / adding feature functionality



/ Achievement of greater operational leverage



Opportunity

- / We continue to be supported by underlying market trends, with the ongoing shift of the financial services sector to cloud computing
- / We have a considerable and growing pipeline

Outlook

- / We are profitable, operationally cash generative and well-placed for further growth acceleration
- / Conversion of pipeline core H2 focus
- / Post-period Exchange Cloud conditional contract, £5m Proximity Cloud with renowned world bank, expansion of \$1.3m Proximity Cloud deal to \$3.6m
- / Confident in achieving results for FY24 in line with Board expectations
- / As previously announced, FY25 trading is anticipated to be significantly ahead of prior Board expectations

“ The strong growth we continue to demonstrate year on year, and our confident outlook for this and next year underline the size of the opportunity we are addressing. Financial markets are still only at the start of the journey to the cloud. Our focus for the second half remains the conversion of our significant pipeline ”

Appendix



Appendix



Board



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 (Serco Group PLC subsidiary)



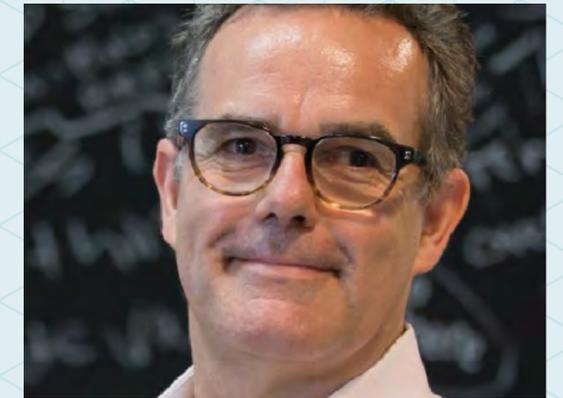
Mark Cubitt
Chairman

- / 26 years' of PLC experience
- / Chairman of Concurrent Technologies PLC, also listed on AIM
- / Formerly CFO at Wolfson Microelectronics PLC and held numerous CFO roles in public and private companies



Will Meldrum
Independent NED

- / Currently SVP at S&P Global
- / Over 27 years' experience in financial services industry
- / Previously worked at Deutsche Bank managing interests across a portfolio of investments



Kevin Covington
Independent NED

- / Over 30 years' experience working in the global financial services industry
- / Runs boutique advisory firm, Change Alley, helping develop and grow fintech organisations
- / Ranked in the top 40 most influential people in Trading Technology by the Institutional Investor Magazine for a number of years

Income Statement



Income Statement	Dec-21 (£'000)	Dec-22 (£'000)	Dec-23 (£'000)
Turnover	7,724	10,398	12,957
Other income	258	191	185
CoS	(2,801)	(3,192)	(4,895)
Dep and Amort	(2,215)	(3,049)	(3,258)
Gross profit	2,966	4,348	4,989
Gross Margin %	38%	42%	39%
**EBITDA	2,433	3,593	4,610
EBITDA %	31%	35%	36%
^Operating profit	612	845	1,504
Operating Profit %	8%	8%	12%
^^Profit before tax	450	645	1,376
PBT %	6%	6%	11%

**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

Cash Flow



Cash flows from operating activities:	DEC 21	DEC 22	DEC 23
	(£'000)	(£'000)	(£'000)
Operating cash flows before working capital (including tax paid)	2,521	3,684	4,809
Net receivables/payables/other	(1,273)	(2,549)	286
Net cash from operating activities	1,248	1,135	5,095
Purchase of PPE (net)	(5,038)	(3,382)	(1,480)
Purchase of intangible assets	(1,277)	(1,433)	(1,404)
Net cash used in investing activities	(6,315)	(4,815)	(2,884)
Net cash used in financing activities	2,804	216	(2,871)
Net increase/(decrease) in cash	(2,263)	(3,464)	(660)
Cash at beginning of period	3,372	10,160	7,829
Cash at end of period	1,109	6,696	7,169

Global infrastructure



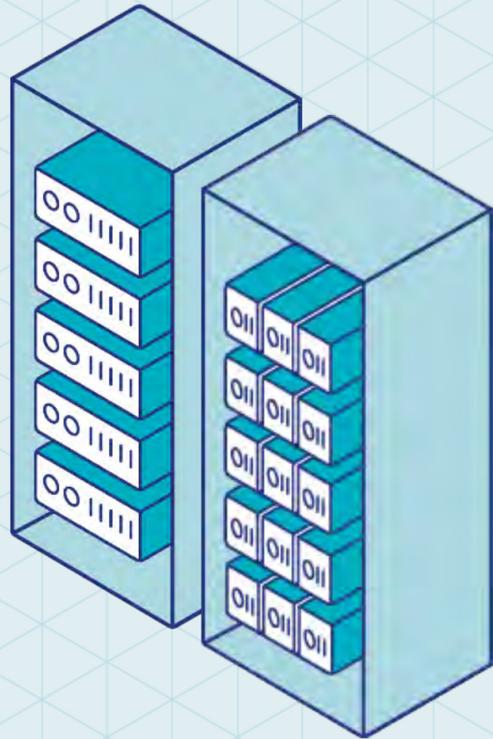
Based in the UK with a growing network of key global financial data centres

Coming soon: further services, in partnership with IPC, in Mexico with European expansion planned in Spain and the Nordic region.

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

● Coming soon ● Equinix ● Other

Proximity / Exchange Cloud: Change in Business Model



- / Different Revenue Recognition Policy to traditional Private Cloud (Software/hardware element) – c50% upfront on day 1
- / Long-term contracts with high TCV (c\$1m per rack)
- / Lower support model (Customer Data centre)
- / Change in % Recurring Revenue
- / Accounting only – not cash
- / Reported separately
- / Additional layer on top of ACMRR Private and Public Cloud growth

- / Reduce recurring revenue % of Overall Business but no difference in cash profile (accounting only)
- / Lower support should enhance operating margins