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Beeks Financial Cloud Group PLC
17 March 2025

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Beeks Financial Cloud Group plc

("Beeks" or the "Company")

Interim Results

17th March 2025 - Beeks Financial Cloud Group Plc (AIM: BKS), a cloud computing and connectivity provider for financial markets, is pleased to announce its unaudited results for the six months ended 31 December 2024.

Financial Highlights

- Revenues increased by 22% to £15.79m (H1 2024: £12.96m)
- Annualised Committed Monthly Recurring Revenue (ACMRR) up 7% to £28.50m (H1 2024: £26.60m)
- Gross profit up by 21% to £6.03m (H1 2024: £4.99m)
- Underlying EBITDA* increased by 25% to £5.74m (H1 2024: £4.61m)
- Underlying profit before tax** up 37% to £1.89m (H1 2024: £1.38m)
- Statutory profit before tax up 188% to £0.46m (H1 2024: £0.16m)
- Underlying diluted EPS*** up 47% to 2.61 pence (H1 2024: 1.77 pence)
- Cash flow from operations (before movement in working capital) up 23% to £5.76m (H1 2024: £4.69m)
- Net cash**** of £6.57m (H1 2024: £5.44m; 30 June 2024: £6.58m)

** Underlying EBITDA is defined as profit for the period before amortisation, depreciation, finance costs, taxation, share based payments, exchange rate gains/losses on statement of financial position translation and exceptional non-recurring costs*

*** Underlying profit before tax is defined as profit before tax excluding amortisation on acquired intangibles, share based payments, exchange rate gains/losses on statement of financial position translation and exceptional non-recurring costs*

****Underlying diluted EPS is defined as underlying profit after underlying tax divided by the weighted average number of ordinary shares including share options outstanding but not exercisable.*

***** Net cash is defined as cash less total bank loans and asset financing liabilities*

Operational Highlights

- Another period of double-digit growth in revenue and underlying Profit before Tax
- Significant Exchange Cloud contract wins secured, including the approval and launch of the multi-year contract with one of the largest exchanges globally, with the first customers now on-boarded and progressing to plan. Also a post-period win with Grupo Bolsa Mexicana de Valores, the second-largest exchange in Latin America
- Expansion with existing customers including a further extension deal with the Johannesburg Stock Exchange to meet strong customer demand
- Continued investment in product innovation to build and develop the functionality of Exchange and Proximity Cloud

Outlook

- ACMRR further increased to £29.2m as at the end of February 2025
- First Exchange Cloud win in crypto space under new revenue share model, further increasing the TAM for Exchange Cloud as we enter new asset classes. Kracken is one of the longest-standing, most liquid and secure cryptocurrency exchanges
- Increasing Exchange Cloud momentum highlights the product's transformational potential, with the regulatory and legal landscape remaining conducive for Beeks' product offering
- Several of the world's leading exchanges in final stages of conversations and multiple other opportunities in the sales funnel
- Outlook for FY25 remains positive and within the range of market expectations
- Development of an AI-based analytics offering Market Edge Intelligence, providing cutting-edge latency and client experience insights to enhance trading performance, launching in the next financial year
- Transition to a revenue-sharing model for Exchange Cloud contracts to enhance profitability and drive long-term value

Statutory Equivalents

The above highlights are based on underlying results. Reconciliations between underlying and statutory results are contained within the financial information. The statutory equivalents of the above results are as follows:

- Profit before tax of £0.46m (H1 2024: £0.16m)
- Basic earnings per share profit of 0.47p (H1 2024: 0.12p)

The largest reconciling item is the consistent add back of the non-cash share-based payment charge.

Gordon McArthur, CEO of Beeks Financial Cloud commented:

"*We have once again successfully delivered double-digit growth and increasing profit margins as we grow and scale with some of the largest financial organisations globally. Our unique proposition has the potential to transform the future of cloud technology in capital markets. The regular flow of new contracts and the conversations currently taking place with Tier 1 organisations around the world reflects the value of our offering and provides us with confidence in continued strong uptake throughout H2 and beyond.*"

This announcement contains inside information for the purposes of article 7 of the Market Abuse Regulation (EU) 596/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018.

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About Beeks:

Cloud computing is crucial to Capital Markets and finance.

Beeks Group is a leading managed private infrastructure provider exclusively within this fast-moving sector. Our Infrastructure-as-a-Service model is optimised for low-latency compute, connectivity and analytics, providing the flexibility to deploy and connect to exchanges, trading venues and public cloud for a true hybrid cloud experience.

ISO 27001 certified, we provide world-class security aligned to global security requirements.

Founded in 2011, Beeks Group is listed on the London Stock Exchange (LSE: BKS) and has enjoyed continued growth each year. Beeks Group now employs over 100 team members across the globe with the majority based at our Renfrew HQ.

Find out more at www.beeksgroup.com

Chief Executive Officer's Review:

Our vision is simple: Build. Connect. Analyse. Providing end-to-end outsourcing of financial services compute environments.

The Group's track record of strong financial performance has continued in H1 FY25, with another period of double-digit growth in revenue and underlying Profit before tax. Our recurring revenue profile has been a strength, at 78% of total revenue (H1 2024: 87%), alongside increasing levels of high-quality revenue from our Exchange Cloud and Proximity Cloud customers. We now continue our growth trajectory as an increasingly profitable and operationally cash-generative business.

The opportunity offered by Exchange Cloud is transformational. The series of extension deals signed with JSE, as well as the other contract wins with large exchanges in H1 and post-period end, have seen Exchange Cloud momentum continuing, and with substantial expansion potential at each customer alongside a steadily growing and progressing pipeline of additional wins, we are confident in continued progress. This is most recently evidenced by the post-period end win with Kraken, the large cryptocurrency exchange based in San Francisco.

Our robust, secure, and scalable platforms provide the reliability and flexibility required for financial institutions in an ever evolving and complex trading landscape. By focusing on continuous product enhancement and customer-centric innovation, Beeks is positioned as a trusted partner for financial institutions worldwide. One of our key focusses in the period has been on the evolution of a ground-breaking AI-based analytics offering, Edge Intelligence, which we intend to launch in FY26, adding another potential avenue for growth.

With a strong sales pipeline and a continued focus on Tier 1 opportunities, Beeks is well-positioned for sustained growth in H2 and beyond.

Financial Performance

Revenue in the period grew by 22% to £15.8m (H1 2024: £13.0m), resulting in an increase in underlying EBITDA of 25% to £5.7m (H1 2024: £4.6m). This period we have successfully improved operating profit margins with underlying profit before tax growth of 37% to £1.9m (H1 2024: £1.4m). Additionally, the Group has again achieved a positive operational free cash flow position, with unaudited net cash of £6.6m at 31 December 2024 (30 June 2024: £6.6m, 31 December 2023: £5.4m), with the Company having received a delayed post period end payment of £1.2m in early January.

Beeks continues to have a strong recurring revenue profile, with customer retention remaining high, albeit during the period we had some higher than historic customer virtual private server churn following the transition of our server licence estate from VMWare to OpenNebula, as clients cleared out some legacy infrastructure. These reductions have now stabilised and are not expected to recur. The reduction in this revenue was more than offset by the associated lower software licence costs under the new provider therefore did not impact the overall profitability of the Group. It did have an impact on our ACMRR which grew at a lower than historic level of 7% in the period to £28.5m at 31 December 2024 (H1 2024: £26.6m). Revenue was also impacted by a Proximity Cloud cancellation with a Tier 1 investment manager due to extraneous circumstances as opposed to service delivery. Nevertheless, attrition rates remained low at 1.3% (H1 2024: 0.5%) of monthly revenue. Our focus has remained on growing both the Proximity and Exchange Cloud customer base and we have now have a total of 13 Proximity and Exchange Cloud racks live (H1 2023: 7). ACMRR further increased to £29.2m as at the end of February 2025 and we expect ACMRR growth to return to historical levels, particularly given the new commercial revenue share model of Exchange cloud.

Operational Expansion

We have held headcount steady during the period, investing instead in automation to maximise the efficiency of our existing team. The hires during the period have predominantly been to add geographic strength to our sales team, to support the conversion of our pipeline and ongoing Tier 1 customer account management and in other areas such as security with some offsetting headcount reduction in software development. Headcount has reduced marginally to 103 as at 31 December 2024 from 105 people as at 30 June 2024.

We have continued to increase capacity in our data centre footprint during the period, with a continued focus on existing locations, and the post-period end Exchange Cloud win with crypto exchange Kraken brings expansion into Kraken's European data centre. We continue to evaluate new locations in line with our sales pipeline and strategic direction.

Product Roadmap

Innovation of our products is central to our growth strategy. Key initiatives include improvements in automation, security enhancements, and Artificial Intelligence integration. With sustained investment in the AI capabilities of our Analytics offering and close collaboration with key customers, we have accelerated the development of Market Edge Intelligence-our edge AI/ML solution designed to deliver actionable insights that enhance trading performance and maximise the value of client AI/ML data engineering investments.

Market Edge Intelligence is a stand-alone supplementary software offering that customers can access with or without existing Beeks infrastructure, expanding our addressable market while also creating upsell opportunities for existing customers. Aimed at Tier 1 and Tier 2 customers and already receiving positive early feedback, this marks another way we hope to innovate in the financial services sector when our product launches next financial year. This reinforces our commitment to recognising and addressing the evolving needs of the trading landscape.

We have continued to build and develop the functionality of Exchange and Proximity Cloud, including:

- Investment in single sign-on capabilities to provide clients with a consistent and secure experience when switching between infrastructure management and performance analytics views. This enhancement strengthens our technical offering compared to industry alternatives.
- New displays for large Proximity Cloud and Exchange Cloud users in our self-service infrastructure management portal, enabling more efficient capacity management of virtual machines and overall cabinet power draw.
- Real-time client alerting to for key infrastructure metrics. This functionality allows clients to continuously monitor their systems and address application issues promptly.
- Integration of a high-performance timeseries database into Beeks Analytics. This upgrade improves system speed and flexibility, while also providing an integration point with Edge Intelligence.

Customers

Beeks continues to support a broad customer base across the financial services sector. Our Land and Expand strategy remains central to our approach, where we seek to maintain long-term relationships while increasing adoption of our services.

During the period, Beeks successfully delivered a Proximity Cloud solution to one of the world's largest banking groups, having achieved preferred bidder status during March 2024. The deployment includes a low-latency production environment along with a disaster recovery site. Additionally, a leading global multi-asset broker has also deployed Beeks Proximity Cloud across multiple sites, leveraging Beeks' managed infrastructure and connectivity services to power their trading platform. The contract was won in June 2024.

Notable wins with new and existing customers this period include:

- A further extension to the Exchange Cloud contract with Johannesburg Stock Exchange. This is a deal that has grown significantly in size, exemplifying the success of our partnership strategy and showcasing the value of our Exchange Cloud product.
- Approval and launch of the multi-year Exchange Cloud contract with one of the largest exchanges globally. The service went live during the period with the first Exchange Cloud customers being on-boarded post-period end, as expected. This serves as a significant endorsement of the capability, scale and value-add of the product.
- Post-period end, the Group secured a major new contract with the Grupo Bolsa Mexicana de Valores, the second-largest exchange in Latin America.
- The Company also won a post-period end contract with its first crypto exchange, Kraken. This partnership with one of the longest-standing, most liquid and secure cryptocurrency exchanges is a significant milestone as it marks the first step into the crypto platform space, a growing market with plenty of opportunity for Beeks.

There have been no changes in the regulatory or legal landscape that impact our current or future Exchange Cloud contracts. Our sales pipeline remains robust, with strong engagement from Tier 1 clients and significant opportunities in progress.

Customer contracts

Whilst the revenue recognised to date on Proximity and Exchange Cloud booked to date has had an element of upfront recognition, we are evolving contracts with new customers to a revenue sharing model, reflecting our confidence in the offerings. This approach offers various commercial benefits, including a shortening sales cycle and higher profitability. The revenue outlook for these contracts is usage based and therefore more difficult to forecast, however the benefit of this model will enhance the long-term attractiveness and value of these contracts.

An immediate example of this is the most recent win of Kraken, a revenue share deal in which Beeks' offering will be available to Kraken's customer base of c.13 million customers.

Future Growth and Outlook

The outlook for FY25 remains positive, as evidenced by the latest Kraken win, with further commercial wins anticipated in the near term. With the evolution towards certain new contracts being on a revenue-sharing model, current trading is within the range of market expectations with improving margins. The pipeline for Exchange Cloud is as strong as ever, with several of the world's leading exchanges in final stages of conversations and multiple other future opportunities in the sales funnel.

The steady flow of new contract wins and extensions are material evidence of the size of the market opportunity ahead and Beeks has the products, the team and the reputation necessary to seize this opportunity. This competitive advantage, together with our strong recurring revenue profile and visibility of pipeline, provides us with confidence in delivering value to our stakeholders and shaping the future of cloud technology in capital markets into H2 and beyond.

Gordon McArthur
CEO
17 March 2025

Chief Financial Officer's Review:

Financial Review

We are pleased to report on our first half of the year where we have grown revenue by 22% and delivered a significant increase in profitability when compared to H1 2024.

Group revenues grew by 22% to £15.79m (H1 2024: £12.96m) driven by organic growth in both our core Public/Private Cloud offering as well as new wins in Exchange and Proximity Cloud. Refer to note 3 for a breakdown of the Group's revenues.

Our core Public and Private Cloud revenues grew by 8% to £12.65m (H1 2024: £11.66m).

Our overall contractual revenue (ACMRR) grew 7% to £28.50m (H1 2024: £26.60m). As referenced earlier within this report, the legacy clean up of some of our historic VPS estate has had an impact on ACMRR but not on overall group profitability given the lower server software licencing costs we now have following the move to OpenNebula. We still have a high proportion of recurring revenue which gives us good visibility for forecasting and a steady operating cash collection profile. Recurring revenue represented 78% (H1 2024: 87%) of H1 2025 revenues with the remainder being represented by the upfront element of Proximity and Exchange Cloud plus hardware and software licence sales. Recognised revenue in the period was adversely impacted by a Proximity Cloud cancellation with a Tier 1 investment manager. As referenced earlier in this report, this was as a result of the customer's budgetary changes as opposed to service delivery, but still unfortunate. Due to the upfront revenue recognition of Proximity Cloud, the revenue recognised in the prior period had to be reversed, resulting in a reversal of £0.46m revenue and £0.15m of profit.

Despite this, we maintain an established customer base with low attrition rates at 1.3% (H1 2024: 0.5%) of monthly revenue. We have continued to grow our Tier 1 customer base as we execute on our land and expand strategy by both adding new Tier 1 customers and growing our existing Tier 1 customer base. Tier 1 customers now represent over half of our total revenue, with some of these contracted via partners.

Non-recurring revenue - growth relating to Exchange and Proximity

During the period we delivered growth in both our Proximity and Exchange Cloud products via three new customers, recognising additional revenues of £3.3m relating to these three new contract wins. In February 2024 we announced an Exchange Cloud win with one of the largest exchange groups globally. This client went live during the period, with customers being on-boarded post period end. We also delivered a multi-site Proximity Cloud deployment with one of the world's largest banking groups, previously announced in March 2024. This multi-site engagement further demonstrates our ability to deliver at scale following a successful and extensive customer on-boarding process.

Gross profit in the period increased by 21% to £6.03m (H1 2024: £4.99m) with gross margin largely unchanged despite some of the unexpected revenue attrition previously mentioned. In line with previous periods, we expect gross margins to improve in the second half of the year as we deliver on our sales pipeline with a lower cost of investment given current capacity levels.

Underlying EBITDA increased by 25% to £5.74m (H1 2024: £4.61m) with underlying EBITDA margins slightly ahead of this time last year at 36.3% (H1 2024: 35.6%). Underlying profit before tax is defined as profit before tax excluding amortisation on acquired intangibles, share-based payments, exchange rate gains/losses on statement of financial position translation and exceptional non-recurring costs. This increased by 37% to £1.89m (H1 2024: £1.38m). Underlying profit before tax margins have increased to 12.0% (H1 2024: 10.6%) largely as a result of stable overhead costs against growing revenues, further explained later in this report.

Underlying EBITDA, underlying profit before tax and underlying earnings per share are alternative performance measures, considered by the Board to be a better reflection of true business performance than statutory measures only.

Key performance indicator review

	H1 2025	H1 2024	Growth
Revenue	£15.79m	£12.96m	22%
ACMRR	£28.50m	£26.60m	7%
Gross profit	£6.03m	£4.99m	21%
Gross margin	38.2%	38.5%	
Underlying EBITDA	£5.74m	£4.61m	26%
Underlying EBITDA margin	36.3%	35.6%	
Underlying profit before tax	£1.89m	£1.38m	37%
Underlying profit before tax margin	12.0%	10.6%	
Statutory profit before tax	£0.46m	£0.16m	188%
Underlying basic EPS	2.61p	1.95p	

*All references to margins are as a percentage of revenue.

Profit before Tax	Period ended 31 Dec 2024 £000	Period ended 31 Dec 2023 £000
Profit before tax for the period	461	158
Deduct:		
Grant Income	(138)	(137)
Add back:		
Non-recurring costs	81	22
Amortisation of acquired intangibles	65	156
Share-based payments	1,352	1,129
Exchange rate loss on intercompany translation	71	49

Exchange rate loss on intercompany translation	71	49
Underlying profit for the period	**1,892**	**1,377**

Beeks reported a Statutory profit before tax of £0.46m (H1 2024: £0.16m) with underlying profit before tax increasing to £1.89m (H1 2024: £1.38m).

Cost of sales (excluding amortisation on acquired assets) increased by 23.6% to £9.89m (H1 2024: £8.00m), largely in line with sales growth under gross profit margins as referenced earlier. There is always a relatively fixed direct cost associated with revenue growth resulting in higher data centre hosting costs and the cost of infrastructure. As is typical in our growth, we again added capacity across our global data centre estate during the period.

There has been an increase in administrative expenses (excluding share-based payments and non-recurring costs) when compared to the prior year of 16% to £4.11m (H1 2024: £3.55m) but administrative costs have remained lower as a percentage of revenue. This is despite expensing our investment in the staff and third party consulting costs associated with our Edge Intelligence product development of which £0.3m has been expensed in the period (H1 2024: 0). In addition to Edge Intelligence hires we have further strengthened our sales team with a London based senior sales hire to capitalise on our pipeline, and further increased our security team. In line with our automation strategy, engineering and support staff have remained flat. Our headcount as at 31 December 2024 has reduced marginally to 103 from 105 as at 30 June 2024 and from 105 as at 31 December 2023. This is part of our overarching strategy to deliver improved margins to shareholders. Staff costs have increased by 15% (excluding share-based payments and net of capitalisation) to £2.58m in the period (H1 2024: £2.25m). Gross staff costs as a % of revenue has decreased from 27% in H1 FY24 to 24% as at H1 FY25.

We have continued to invest in product, in product enhancements to Exchange Cloud and a new Edge Intelligence product that provides cutting-edge latency and client experience insights to enhance trading performance. As such, capitalised development costs in the period were £1.39m (H1 2024: £1.40m). Most of this cost is internally generated as we use our in-house teams to develop the bespoke technology. As in prior periods we will continue to fund this level of investment through operational cash generation.

Taxation

The effective tax rate ('ETR') for the period is 21%, (H1 2024: -27%). There are some timing reasons for our tax provision being lower than the prevailing tax rate in the UK of 25%. This is largely due to deductions from the Group's share scheme.

Earnings per Share and Dividends

Underlying basic earnings per share has increased 47% to 2.61 pence (H1 2024: 1.95 pence). Underlying diluted earnings per share has increased 34% to 2.38 pence (H1 2024: 1.77 pence). The calculation of both underlying basic and diluted earnings per share is included in note 6.

Balance Sheet and Cash Flows

The Group generated an increase of cash from operations (before movement in working capital) in the period of 23%, up to £5.76m (H1 2024: £4.69m). Expenditure on investing activities was lower than the prior year as we used capacity of existing stock. We invested £1.25m (H1 2024: £1.65m) in property, plant and equipment across our infrastructure estate.

Given supply chain lead times have reduced, we have reduced current stock levels from £1.88m to £1.02m deploying these assets across our data centre locations for revenue generation. Our existing stock capacity will help reduce some of H2 2025 investment although some Proximity and Exchange Cloud deployments can require bespoke infrastructure solutions requiring new investment.

During the period we have reduced our asset finance borrowings and we had no requirement to draw down any additional borrowings given our cash generation. Period end debt is historically low at £0.76m (H1 2024: £1.73m). Cash and cash equivalents totalled £7.33m at 31 December 2023 (H1 2024: £7.17m). We had a post period end receipt of £1.19m in early January. Gross debt has reduced to 0.1x underlying annualised EBITDA (H1 2024: 0.2x). Gross debt is defined as borrowings excluding IFRS16 lease liabilities divided by the annualised underlying EBITDA.

At the end of the period, the Group had net cash of £6.57m (H1 2024: £5.44m).

At 31 December 2024 net assets were £39.18m compared to net assets of £34.12m at 31 December 2023 and net assets of £37.50m at 30 June 2024.

Fraser McDonald
CFO
17 March 2025

Beeks Financial Cloud Group PLC
Consolidated statement of comprehensive income
For the period ended 31 December 2024

	Note	6 months to December 2024 (unaudited)	6 months to December 2023 (unaudited)	Year to June 2024 (audited)
		£'000	£'000	£'000
Revenue	3	15,794	12,957	28,487
Other Income	3	191	185	371
Cost of sales		(9,957)	(8,153)	(17,516)
Gross profit		**6,028**	**4,989**	**11,342**
Administrative expenses		(5,541)	(4,703)	(9,759)
Operating profit	4	**487**	**286**	**1,583**
Analysed as:				
Earnings before depreciation, amortisation, share based payments and non-recurring costs		**5,875**	**4,695**	**10,940**

based payments and non-recurring costs

	Note			
Share based payments	4	(1,352)	(1,129)	(2,326)
Other non-recurring costs		(81)	(22)	(29)
Depreciation	4	(2,693)	(2,373)	(5,085)
Amortisation - acquired intangible assets		(152)	(152)	(326)
Amortisation - other intangible assets		(1,110)	(733)	(1,591)
Operating profit		**487**	**286**	**1,583**
Finance income		129	84	250
Finance costs		(155)	(212)	(374)
Profit before taxation for the period		**461**	**158**	**1,459**
Taxation	5	(132)	43	734
Profit after taxation for the period		**329**	**201**	**2,193**
Other comprehensive income				
Amounts that may be reclassified to profit and loss				
Currency translation differences		(2)	4	8
Total comprehensive income for the period		**327**	**205**	**2,201**
		Pence	**Pence**	**Pence**
Basic earnings per share	6	0.47	0.12	3.33
Diluted earnings per share	6	0.45	0.12	3.11

Beeks Financial Cloud Group PLC
Consolidated statement of financial position
For the period ended 31 December 2024

Assets	**Note**	**December 2024 (unaudited) £'000**	**December 2023 restated (unaudited) £'000**	**June 2024 (audited) £'000**
Non-current assets				
Intangible assets	7	9,474	8,793	9,368
Property, plant and equipment	8	15,268	17,262	16,739
Deferred tax		6,641	5,410	6,726
Trade and other receivables		5,135	2,424	3,287
Total non-current assets		**36,518**	**33,889**	**36,120**
Current assets				
Trade and other receivables		4,910	4,370	4,171
Inventories		941	1,408	1,506
Cash and cash equivalents		7,331	7,169	7,701
Total current assets		**13,182**	**12,947**	**13,378**
Total assets		**49,700**	**46,836**	**49,498**
Liabilities				
Non-current liabilities				
Trade and other payables		88	283	136
Lease liabilities	10	651	1,269	1,283
Deferred tax		4,196	3,884	4,196
Total non-current liabilities		**4,935**	**5,436**	5,615
Current liabilities				
Trade and other payables		4,288	4,968	4,777
Lease liabilities	10	1,302	2,068	1,611
Borrowings	10	-	244	-
Total current liabilities		**5,590**	**7,280**	**6,388**
Total liabilities		**10,525**	**12,716**	**12,003**
Net assets		**39,175**	**34,120**	**37,495**
Equity				
Issued capital		84	82	83
Share premium		23,775	23,775	23,775
Reserves		6,876	5,896	6,297

Retained earnings	8,440	4,367	7,340
Total equity	**39,175**	**34,120**	**37,495**

Beeks Financial Cloud Group PLC
Consolidated statement of changes in equity
For the period ended 31 December 2024

	Issued capital	Foreign currency retranslation reserve	Merger reserve	Other reserve	Share based payment reserve	Share premium	Retained earnings	Total equity
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 July 2023	82	70	705	(315)	4,419	23,775	4,050	32,786
Profit after tax for the period	-	-	-	-	-	-	201	201
Currency translation difference	-	4	-	-	-	-	-	4
Total comprehensive loss for the period	**-**	**4**	**-**	**-**	**-**	**-**	**201**	**205**
Share based payments	-	-	-	-	1,129	-	-	1,129
Exercise of share options	-	-	-	-	(116)	-	116	-
Balance at 31 December 2023 (unaudited)	**82**	**74**	**705**	**(315)**	**5,432**	**23,775**	**4,367**	**34,120**
Profit after tax for the period	-	-	-	-	-	-	1,992	1,992
Currency translation difference	-	4	-	-	-	-	-	4
Total comprehensive income for the period	**-**	**-**	**-**	**-**	**-**	**-**	**1,992**	**1,996**
Issue of share capital	1	-	-	-	-	-	-	1
Share based payments	-	-	-	-	1,197	-	-	1,197
Exercise of share options	-	-	-	-	(800)	-	800	-
Deferred tax	-	-	-	-	-	-	181	181
Balance at 30 June 2024 (audited)	**83**	**78**	**705**	**(315)**	**5,829**	**23,775**	**7,340**	**37,495**
Balance at 1 July 2024	83	78	705	(315)	5,829	23,775	7,340	37,495
Profit after tax for the period	-	-	-	-	-	-	329	329
Total comprehensive income for the period	**-**	**-**	**-**	**-**	**-**	**-**	**329**	**329**
Currency translation difference	-	(2)	-	-	-	-	-	(2)
Issue of share capital	1	-	-	-	-	-	-	1
Share based payments	-	-	-	-	1,352	-	-	1,352
Exercise of share options	-	-	-	-	(771)	-	771	-
Balance at 31 December 2024 (unaudited)	**84**	**76**	**705**	**(315)**	**6,410**	**23,775**	**8,440**	**39,175**

Beeks Financial Cloud Group PLC
Consolidated cash flow statement
For the period ended 31 December 2024

	6 months to		Year to
	December 2024 (unaudited)	December 2023 (unaudited)	June 2024 (audited)
	£'000	£'000	£'000
Cash flows from operating activities			
Profit before taxation for the period	461	158	1,459
Adjustments for:			
Depreciation and amortisation	3,955	3,217	7,002
Share based payment charge	1,352	1,129	2,326
Bank charges	-	70	-
Interest payable on bank loans	-	59	85
Bank interest received	(69)	(26)	-
Lease liability interest	60	82	163
Operating cash flows before movements in working	**5,759**	**4,689**	**11,035**

Operating cash flows before movements in working capital	**[illegible]**	**[illegible]**	**[illegible]**
Increase in trade and other receivables	(2,716)	(541)	(1,343)
Decrease in Inventory	566	359	997
(Decrease)/increase in trade and other payables	(509)	468	(171)
Cash generated from operating activities before tax	**3,100**	**4,975**	**10,518**
Corporation tax provision	72	117	33
Net cash generated from operating activities	**3,172**	**5,092**	**10,551**
Cash flows from investing activities			
Purchase of property, plant and equipment	(1,211)	(1,480)	(3,882)
Capitalisation of development costs	(1,387)	(1,404)	(2,909)
Net cash used in investing activities	**(2,598)**	**(2,884)**	**(6,791)**
Cash flows from financing activities			
Bank charges	-	(70)	-
Repayment of existing bank loans	-	(1,570)	(1,814)
Repayment of lease liabilities	(942)	(1,116)	(2,065)
Interest on lease liabilities	(60)	(82)	(163)
Interest payable on bank loans	-	(59)	(85)
Bank interest received	69	26	-
Proceeds from asset finance	-	-	229
Net cash generated from financing activities	**(933)**	**(2,871)**	**(3,898)**
Net (decrease)/increase in cash and cash equivalents	**(359)**	**(663)**	**(138)**
Cash and cash equivalents at the beginning of the financial period	**7,701**	**7,829**	**7,829**
Exchange effect on cash and cash equivalents	(11)	3	10
Cash and cash equivalents at the end of the financial period	**7,331**	**7,169**	**7,701**

Beeks Financial Cloud Group PLC
Notes to the financial statements
For the period ended 31 December 2024

Note 1. General information

The financial information covers the consolidated entity, Beeks Financial Cloud Group PLC and the entities it controlled at the end of, or during, the interim period to 31 December 2024.

The company is a public limited company which is quoted on the Alternative Investment Market and is incorporated and domiciled in United Kingdom. Its registered office and principal place of business is:

Registered office
Riverside Building
2 Kings Inch Way
Unit A
Riverside
Braehead
PA4 8YU

Note 2. Basis of preparation

The financial information for the period ended 31 December 2024 set out in this interim report does not constitute statutory accounts as defined in Section 434 of the Companies Act 2006 and is unaudited. The figures for the year ended 30 June 2024 have been extracted from the Group financial statements for that year. Those have been filed with the Registrar of Companies. The auditor's report on those financial statements was unmodified and did not contain statements under Section 493 of the Companies Act 2006.

The interim financial information has been prepared using the same accounting policies and estimation techniques as will be adopted in the Group financial statements for the year ending 30 June 2025. The group financial statements for will be adopted in the Group financial statements for the year ending 30 June 2025. The group financial statements for the year ended 30 June 2024 were prepared under international accounting standards in conformity with the requirements of Companies Act 2006. These interim financial statements have been prepared on a consistent basis and format with the Group financial statements for the year ended 30 June 2024, and have not been audited or reviewed by the auditors.

The provisions of IAS 34 'Interim Financial Reporting' have not been applied in full.

Going Concern

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Chief Executive's Statement.

The directors are of the opinion that the Group can operate within their current debt facilities and comply with its banking covenants. At the end of the period, the Group had net cash of £6.58m (H1 2024: net cash £5.44m) a level which the Board is comfortable with given the strong cash generation of the Group. The Group has a diverse portfolio of customers with relatively low customer concentration which are split across different geographic areas. As a consequence, the directors believe that the Group is well placed to manage its business risks.

The directors have considered the Group budgets and the cash flow forecasts to December 2026, and associated risks, including the potential impact of the current economic climate. We have run appropriate scenarios applying reasonable downside sensitivities and are confident we have the resources to meet our liabilities as they fall due. The budgets and cash flow forecasts have assumed all loan facilities being repaid in full. We have also run reverse stress test scenarios in order to identify circumstances where cash reserves would be depleted. The circumstances that would lead into such scenarios (such as moving from revenue growth to revenue attrition) are not considered plausible given the historic track record and trading prospects of the group.

After making enquiries, the directors have a reasonable expectation that the Group will be able to meet its financial obligations and has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements.

Note 3. Operating Segments

Identification of reportable operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision makers. The chief operating decision makers, who are responsible for allocating resources and assessing performance of operating segments, have been identified as the Executive Board. The group does not place reliance on any specific customer and has no individual customer that generates 33% (H1 2024: 33%) or more of its total group revenue.

Performance is assessed by a focus on the change in revenue across public/private cloud and new sales relating to Proximity Cloud/Exchange Cloud. Cost is reviewed at a cost category level but not split by segment. Assets are used across all segments and are therefore not split between segments so management review profitability at a group level.

Revenues by operating segment, further disaggregated are as follows:

	Period ended 31/12/24 (£'000) (Unaudited)			**Period ended 31/12/23 (£'000) (Unaudited)**			**Year ended 30/06/24 (£'000) (Audited)**		
	Public/ Private Cloud	**Proximity /Exchange Cloud**	**Total**	**Public/ Private Cloud**	**Proximity /Exchange Cloud**	**Total**	**Public/ Private Cloud**	**Proximity /Exchange Cloud**	**Total**
Over time									
Infrastructure/software as a service	11,471	-	**11,471**	10,674	-	**10,674**	22,723	-	**22,723**
Maintenance	421	-	**421**	199	-	**199**	388	-	**388**
Proximity Cloud	-	266	**266**	-	171	**171**	-	378	**378**
Exchange cloud	-	73	**73**	-	28	**28**	-	53	**53**
Professional services	83	-	**83**	214	-	**214**	463	-	**463**
Over time total	**11,975**	**339**	**12,314**	**11,087**	**199**	**11,286**	**23,574**	**431**	**24,005**
Point in time									
Proximity Cloud	-	2,694	**2,694**	-	261	**261**	-	1,626	**1,626**
Exchange Cloud		112	**112**	-	842	**842**	-	1,417	**1,417**
Hardware/Software resale	441	-	**441**	381	-	**381**	826	-	**826**
Software licences	143	-	**143**	143	-	**143**	456	-	**456**
Set up fees	35	-	**35**	44	-	**44**	100	-	**100**
Software other	55	-	**55**	-	-	**-**	57	-	**57**
Point in time total	**674**	**2,806**	**3,480**	**568**	**1,103**	**1,671**	**1,439**	**3,043**	**4,482**
Total revenue	**12,649**	**3,145**	**15,794**	**11,655**	**1,302**	**12,957**	**25,013**	**3,474**	**28,487**

	6 months to December 2024 (unaudited)	**December 2023 (unaudited)**	**Year to June 2024 (audited)**

	£'000	£'000	£'000
Revenues by geographic location are as follows:			
United Kingdom	6,410	3,458	7,140
Europe	1,127	1,570	2,861
US	6,003	4,771	11,140
Rest of World	2,254	3,158	7,346
Total	**15,794**	**12,957**	**28,487**

During the period, £138k (H1 2024: £137k) was recognised in other income for grant income received from Scottish Enterprise and £53k (H1 2024: £48k) was recognised as rental income.

Note 4. Operating profit

		6 months to	Year to
	December 2024 (unaudited)	December 2023 (unaudited)	June 2024 (audited)
	£'000	£'000	£'000
Operating profit is stated after charging:			
Depreciation on owned assets	2,051	1,670	3,789
Staff costs	3,736	3,530	7,198
Depreciation of right-of-use asset	642	703	1,296
Amortisation of intangibles	1,262	875	1,917
Currency translation (gain) / loss	(24)	4	38
Other cost of sales *	6,126	4,923	10,710
Share based payments	1,352	1,129	2,326

* Included within other cost of sales are the direct costs associated with the business including data centre connectivity, software licences, security and other direct support costs.

Note 5. Taxation

		6 months to	Year to
	December 2024 (unaudited)	December 2023 (unaudited)	June 2024 (audited)
	£'000	£'000	£'000
Current Tax			
R&D tax credit received	-	(121)	(121)
Foreign tax on overseas companies	47	90	222
Total current tax charge/(credit)	**47**	**(31)**	**101**
Deferred tax			
Origination and reversal of temporary differences	85	(12)	(835)
Total deferred tax charge / (credit)	**85**	**(12)**	**(835)**
Total tax charge/(credit)	**132**	**(43)**	**(734)**

The effective tax rate for the six months to 31 December 2024, based on the taxation credit for the period as a percentage of the profit before tax is 21% (H1 2024: (27%)).

Note 6. Earnings per share

As at 31 December 2024, the company had 67,053,738 shares (H1 2024: 65,709,158).

Basic earnings per share is calculated by dividing the earnings attributable to ordinary shareholders by the weighted average number of ordinary shares in issue during the year. Diluted earnings per share is calculated by dividing the earnings attributable to ordinary shareholders by the total of the weighted average number of ordinary shares in issue during the year and adjusting for the dilutive potential ordinary shares relating to share options.

	6 months to		Year to
	December 2024 (unaudited)	December 2023 (unaudited)	June 2024 (audited)
	£'000	£'000	£'000
Profit after taxation attributable to the owners of Beeks Financial Cloud Group PLC	329	201	2,193
	Pence	**Pence**	**Pence***
Basic earnings per share	0.47		3.33
Diluted earnings per share	0.45 0.12	0.12	3.11

share	0.12		
Weighted average number of ordinary shares used in calculated basic earnings per share	66,687,309	65,610,356	65,905,797
Dilutive impact of share options	3,484,034	4,736,830	4,023,763
Adjustments for calculation of diluted earnings per share: Options over ordinary shares	224,014	99,551	610,795
Weighted average number of ordinary shares used in calculated diluted earnings per share	70,395,357	70,446,737	70,540,354

*The above is calculated on profit after tax excluding the £121k R&D tax credit received during the period.

	6 months to		Year to
	December 2024 (unaudited)	December 2023 (unaudited)	June 2024 (audited)
	£'000	£'000	£'000
Underlying earnings per share			
Underlying profit after taxation attributable to the owners of Beeks Financial Cloud Group PLC	1,742	1,278	4,623
	Pence	**Pence**	**Pence**
Underlying earnings per share - basic	2.61	1.95	7.01
Underlying earnings per share - diluted	2.38	1.77	6.36
Weighted average number of ordinary shares used in calculated basic earnings per share	66,687,309	65,610,356	65,905,797
Adjustments for calculation of diluted earnings per share: Options over ordinary shares	3,708,048	4,836,380	6,782,876
Weighted average number of ordinary shares used in calculated diluted earnings per share	70,395,357	70,446,736	72,688,673

Included in the weighted average number of shares for the calculation of underlying diluted EPS are share options that have vested and that are not yet exercised and share options that have still to meet vesting criteria. It is management's intention that the vested shares will be exercised and that the Group will meet the challenging growth targets for the unvested shares to vest. As such, both these types of share options have been included in the underlying diluted EPS calculation.

Note 7. Intangible Assets

	Acquired Customer relationships	Development Costs	Trade name/IP addresses	Goodwill	Total
	£000	£000	£000	£000	£000
Cost					
As at 1 July 2023	**2,501**	**8,869**	**137**	**2,336**	**13,843**
Additions	-	1,333	103	-	1,436
Foreign exchange movements	(11)	-	-	-	(11)
As at 31 Dec 2023	**2,490**	**10,202**	**240**	**2,336**	**15,268**
Additions	-	1,463	1	-	1,464
Foreign exchange movements	9	-	-	-	9
As at 30 June 2024	**2,499**	**11,665**	**241**	**2,336**	**16,741**
Additions	-	1,233	-	-	1,233
Foreign exchange movements	18	-	-	-	18
As at 31 Dec 2024	**2,517**	**12,898**	**241**	**2,336**	**17,992**
Accumulated Amortisation					
Balance at 1 July 2023	**(1,474)**	**(3,207)**	**(88)**	**(968)**	**(5,737)**
Charge for the period	(138)	(733)	(14)	-	(885)
Foreign exchange movements	9	-	-	-	9
Grant funding	-	138	-	-	138
As at 31 Dec 2023	**(1,603)**	**(3,802)**	**(102)**	**(968)**	**(6,475)**
Charge for the period	(151)	(1,170)	(13)	-	(1,334)

period					
Foreign exchange movements	22	-	-	-	22
Grant income release	-	414	-	-	414
As at 30 June 2024	**(1,732)**	**(4,558)**	**(115)**	**(968)**	**(7,373)**
Charge for the period	(139)	(1,110)	(14)	-	(1,263)
Foreign exchange movements	(19)	-	-	-	(19)
Grant funding	-	137	-	-	137
As at 31 Dec 2024	**(1,890)**	**(5,531)**	**(129)**	**(968)**	**(8,518)**
N.B.V. 31 Dec 2024	**627**	**7,367**	**112**	**1,368**	**9,474**
N.B.V. 30 June 2024	**767**	**7,107**	**126**	**1,368**	**9,368**
N.B.V. 31 Dec 2023	**887**	**6,401**	**138**	**1,368**	**8,793**

Note 8. Non-current assets - Property, plant and equipment

Cost	**Computer Equipment £'000**	**Office equipment and fixtures and fittings £'000**	**Right of Use £'000**	**Freehold property £'000**	**Total £'000**
As at 1 July 2023	**20,490**	**326**	**7,741**	**3,039**	**31,596**
Additions	1,922	28	335	1	2,286
Disposals	(12)	-	(608)	-	(620)
Exchange adjustments	-	-	(15)	-	(15)
As at 31 December 2023	**22,400**	**354**	**7,453**	**3,040**	**33,247**
Additions	1,628	40	615	-	2,283
Transfer to stock	(163)	-	13	-	(150)
Exchange adjustments	(3)	-	(43)	-	(46)
As at 30 June 2024	**23,862**	**394**	**8,038**	**3,040**	**35,334**
Additions	1,057	79	120	1	1,257
Transfer to stock	-	-	(46)	-	(46)
Exchange adjustments	36	-	-	-	36
As at 31 December 2024	**24,955**	**473**	**8,112**	**3,041**	**36,581**
Depreciation					
As at 1 July 2023	**(9,828)**	**(97)**	**(3,620)**	**(98)**	**(13,643)**
Charge for the year	(1,619)	(16)	(703)	(35)	(2,373)
Exchange adjustments	-	-	31	-	31
As at 31 December 2023	**(11,447)**	**(113)**	**(4,292)**	**(133)**	**(15,985)**
Charge for the year	(1,816)	(47)	(813)	(36)	(2,712)
Transfer to stock	78	-	-	-	78
Exchange adjustments	6	-	18	-	24
As at 30 June 2024	**(13,179)**	**(160)**	**(5,087)**	**(169)**	**(18,595)**
Charge for the year	(1,748)	(49)	(860)	(36)	(2,693)
Exchange adjustments	(25)				(25)
As at 31 December 2024	**(14,952)**	**(209)**	**(5,947)**	**(205)**	**(21,313)**
As at 31 December 2024	**10,003**	**264**	**2,165**	**2,836**	**15,268**
As at 30 June 2024	**10,683**	**234**	**2,951**	**2,871**	**16,739**
As at 31 December 2023	**10,953**	**241**	**3,161**	**2,907**	**17,262**

Of the total additions in the period of £1.3m, £0.1m (H1 2024: £0.1m) relates to right-of-use assets held under IFRS16, which have a carrying value of £2.2m (H1 2024: £1.7m).

Note 9. Analysis of change in net debt

	Cash and cash equivalents £000	**Bank loans £000**	**Lease liabilities £000**	**Total net debt £000**
At 30 June 2023	7,829	(1,814)	(4,007)	2,008
Cash and cash equivalents cash outflow	(660)	-	-	(660)
Lease additions			(100)	(100)
Proceeds from new leases under		-	(229)	(229)

asset financing	-			
Repayment of loans	-	1,570	-	1,570
Lease repayments	-	-	997	997
At 31 December 2023	7,169	(244)	(3,339)	3,586
Cash and cash equivalents cash outflow	532	-	-	532
Repayment of bank loans	-	244	-	244
Lease additions	-	-	(630)	(630)
Lease repayments	-	-	1,075	1,075
At 30 June 2024	7,701	-	(2,894)	4,807
Cash and cash equivalents cash outflow	(370)	-	-	(370)
Lease additions	-	-	(120)	(120)
Proceeds from new leases under asset financing			-	-
Lease repayments	-	-	1,062	1,062
At 31 December 2024	7,331	-	(1,952)	5,379

Included within lease liabilities in the year is an addition is £0.1m of leases held under IFRS16 as right of use liabilities. The carrying value of brought forward asset financed leases at the period end is £0.76m (H1 2024: £1.49m)

Note 10. Borrowings

	31-Dec-24 £000	31-Dec-23 £000	30-Jun-24 £000
Current:			
Right of Use Lease liabilities	684	2,068	880
Asset financing lease liabilities	618	-	731
Bank loans	-	244	
Total current borrowings	**1,302**	**2,312**	**1,611**
Non-current:			
Right of Use Lease liabilities	510	1,269	890
Asset financing lease liabilities	141	-	393
Total non-current borrowings	**651**	**1,269**	**1,283**
Total borrowings	**1,953**	**3,581**	**2,894**

Note 11. Prior Period Adjustment

During the year, it was identified that the ageing of current and non-current contract assets and contract liabilities was not accurately disclosed within the prior year consolidated statement of financial position and respective notes. This error has been corrected within the correct ageing profiles restated in the figures for 2023 and the total impact on the consolidated statement of financial position is shown below:

	Restated 2023
	£000
Increase in non-current assets	2,424
Decrease in current assets	(2,424)
Impact on total assets	-
Increase in non-current liabilities	283
Decrease in current liabilities	(283)
Impact on total liabilities	-
Impact on net current assets	2,141
Impact on net assets	-

The above prior year adjustment has a net impact of £nil on net assets. There is also no resulting impact on the consolidated statement of comprehensive income and therefore no impact to EPS and diluted EPS.

Note 12. Availability of announcement and Half Yearly Financial Report

Copies of this announcement are available on the Company's website, www.beeksgroup.com. Copies of the Interim Report will be downloadable from the Company's website and available from the registered office of the Company shortly.

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