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Officers and Professional Advisers

Directors (as at the date of this report)

Richard Last Scott Cunningham Angus MacSween Kathryn (known as Karyn) Lamont Annette Nabavi Adrian Chamberlain Executive Chair
Chief Financial Officer
Non-Executive Director
Non-Executive Director
Non-Executive Director
Non-Executive Director

Secretary

Julie Brown

Registered Office

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Nominated adviser and broker

Investec Bank Plc 30 Gresham Street London, EC2V 7QP

Solicitors

Pinsent Masons LLP 141 Bothwell Street Glasgow, G2 7EQ

Independent auditor

Deloitte LLP 2 New Street Square London, EC4A 3BZ

Registrars

MUFG Corporate Markets (previously Link Asset Services) PXS 1 Central Square 29 Wellington Street Leeds, LS1 4DL

Company Registration Number

SC204560



I am pleased to present my first report to shareholders since being appointed Chair of lomart Group plc ("lomart" or "Group") on 12 June 2024. The year to 31 March 2025 has been one of both challenge and transformation for lomart.

The Group's trading performance, as previously communicated, was mixed with disappointingly higher than anticipated customer churn within our self-managed and private cloud businesses adversely impacting revenue and profits. On the positive side we have seen good order bookings growth in the year, which gives the Board confidence in achieving our medium-term growth strategy.

The acquisition of Atech on 1 October 2024 was a significant milestone, substantially enhancing the Group's scale, credibility, and capabilities, particularly in Microsoft Azure, modern work, and cyber security solutions, which are central to our focus on higher growth areas. Since acquisition, Atech has delivered revenue growth and profitability in line with our expectations, reinforcing the value of this strategic move. Atech has experienced strong growth over the past year, driven by the continued expansion of services within its existing customer base. As part of the lomart Group, Atech now benefits from access to a broader customer network with a high demand for its specialist expertise. Additionally, the company is leveraging the Group's sales infrastructure to accelerate new customer wins.

In response to our reduced profitability, we have taken action to improve the efficiency of our operations thereby reducing our ongoing cost base, including targeted adjustments to our workforce, and improvements to the efficiency of our data centres and supply chain operations.

These actions are expected to deliver annualised cost savings of around £4m, with the benefits becoming visible in the second half of FY26. We are also exploring further medium-term opportunities to enhance efficiency and reduce our cost base beyond this first phase, including a review of our data centre footprint and the expansion of our Indian offshoring operations.

Financial performance

Acquisitions completed in FY24 and the contribution of 6 months of Atech trading, saw the Group deliver overall revenue growth of 13% and record revenues of £143.5m (2024: £127.0m). Excluding acquisitions, the core business experienced a revenue decline of 7% year-on-year predominantly due to customer churn in our self-managed and certain private cloud managed services, outweighing new customer wins and increased revenue from existing customers.

The resulting mix of revenue weighed heavily on our adjusted EBIT margin, as did the change following Broadcom's acquisition of VMware which saw license amortisation expense increase due to a new £2.9m charge (comparable £1.5m recognised as operating expenses in FY24). As a result, the Group adjusted EBIT reduced to £12.8m (2024: £19.2m) and adjusted profit before tax reduced to £6.5m (2024: £15.0m) reflecting higher interest charges on the bank debt taken on to fund the Atech acquisition.

The statutory results include a £52.9m non-cash exceptional goodwill impairment charge relating to the lomart Cloud Services Cash Generating Unit ("CGU"). This reflects both the shift away from low growth, heritage product areas and the previously disclosed accelerated customer churn in certain areas of this CGU. This non-cash charge has no impact on the Group's operational performance or cash flows but does result in a large statutory loss after tax of £55.1m in the year to 31 March 2025 (2024: £6.4m profit).

The Group's cash generation continued to be strong with an adjusted EBITDA to operating cash flow (before exceptional items) conversion ratio of 85% (2024: 100%). Certain supplier payments overlapped the closing and opening positions, distorting both years somewhat, therefore an average of the two years of 93% is more representative. This is a strength of the business, as has been demonstrated for more than a decade, and is testament to the Group's largely recurring revenue business model.



Net debt increased to £101.9m as at 31 March 2025 (31 March 2024: £42.3m), following the cash outflow of approximately £57m associated with the acquisition of Atech. This represents a proforma net debt leverage approximately 2.7 times (FY24: 1.1 times) or 2.3 times (excluding IFRS lease liabilities of approximately £18m). Following the year-end, in June 2025, Iomart renewed its banking facilities and has put in place a new £115m revolving credit facility with a two-year term to 30 June 2027 and covenants reflecting current leverage levels and plans for the future.

Dividend

An interim dividend of 1.30p per share was paid to shareholders in January 2025. In light of our full-year results and current leverage position, the Board believes it is in the best interest of shareholders to forego the payment of a final dividend, with future dividends to be restored depending on improved operating profitability and a reduced overall level of indebtedness.

Strategy

Our vision remains clear and consistent: to establish lomart as the UK's leading provider of secure hybrid cloud services to our market. The cloud landscape continues to expand rapidly, with customer needs becoming increasingly complex as they seek to harness the latest technologies. Iomart, with the acquisition of Atech, is well-positioned to meet this demand, with deep expertise across private, public, and hybrid cloud infrastructures, cyber security expertise, and a comprehensive suite of managed services that support our customers' digital transformation agendas.

People

Our people are at the heart of lomart's success. I would like to thank our talented team for their continued commitment, adaptability and support during a year of challenges and significant change. We also welcome the Atech team, both in the UK and in India, to the lomart Group.

Following the departure of Group CEO, Lucy Dimes, in May 2025, I have assumed the role of Executive Chairman, supported by a strong executive leadership team and an experienced Board. The search for a CEO successor will commence later in the year following a full review of our business growth plans and options.

Outlook

Our focus for FY26 is clear. We intend to improve the operating efficiency of the Group, address churn in our self-managed and private cloud customer base, increase sales momentum in high-growth service areas, including providing Atech with the support to flourish, and to reduce our level of debt. Although it is early days, I am pleased to report that QI trading is progressing in line with the Board's expectations, recognising that cost reductions are more H2 weighted. Full year effect of net churn in FY25 will impact runrate into FY26 but QI FY26 has achieved a positive net order bookings.

While we remain mindful of macroeconomic uncertainty, the market dynamics around the IT cloud landscape continues to validate our strategic direction and reinforce our confidence in lomart's ability to grow and develop. The Board is committed to delivering disciplined execution, operational efficiency and improved value for shareholders.

Richard Last

Executive Chair, 24 July 2025

FY2025 Summary

Total Revenue £143.5m

2024: £127.0m

Adjusted EBITDA

£34.3m

2024: £37.7m

% of Recurring Revenue

89%

2024:91%

Adjusted EBIT £12.8m

2024: £19.2m

(Loss)/Profit Before Tax (£53.2m)

2024 : 8.7m

Adjusted
Profit before
Tax

£6.5m

2024 : £15.0m

Cash flow from Operations

£27.2m

2024: £36.6m

Adjusted Diluted EPS

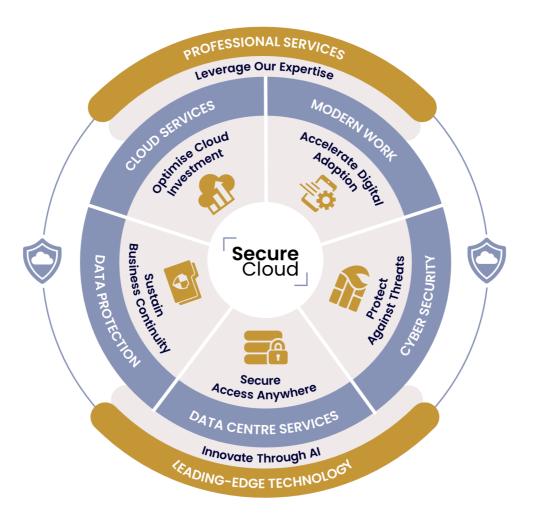
3.4p

2024: 9.8p

See page 20 for definition of alternative performance measures



One of the UK's most accredited providers of Secure Cloud Services.



Cloud Strategy & Infrastructure Modern Work & Transformation Cyber Security & Data Protection









OPERATIONAL REVIEW

Sales Momentum

FY25 has been a pivotal year as we transitioned our portfolio, added significant capability, made operational enhancements, and brought a sharper focus to our value proposition.

Order bookings for recurring revenue activity in the year, excluding any Atech contribution, grew strongly, totalling £20m in annualised recurring revenue (FY24: £16.5m proforma equivalent). Growth was led by Microsoft related solutions, with demand for the Group's core offerings in managed private cloud and back-up & data protection services providing a stable foundation. These results reflect the initial success of our pivot toward higher-growth cloud segments and our position as a relevant and trusted partner for both existing and new customers. Growth was also strong within our Oriium indirect channel business which currently focuses on data protection via Commvault product solutions. Our ability to extend our indirect channel remains an untapped sales opportunity and one which will see more attention in the next 12 months.

Momentum in order bookings was tempered by accelerated customer churn from legacy selfmanaged infrastructure, plus some private managed cloud customers. Specifically on the self-managed infrastructure revenue reductions, through our reprioritisation of this customer base, we have lost business with a year-on-year revenue impact of £1.6m from Bytemark and Memset combined customers. These businesses were acquired in 2020 and 2021, respectively. Rapidswitch, the largest of lomart's sub brands in this area, while still seeing revenue declines, was maintained at a consistent level. The segment has now dropped as a proportion of Group revenue from 22.4% to 16.5%. Although the dedicated server market remains under pressure, we continue to explore opportunities to mitigate the rate of decline in this segment. This includes more dedicated sales focus on the wider data centre services, which would include Rapidswitch offerings serviced primarily from our Maidenhead

Atech Sales Performance

Atech delivered revenue growth to 31 March 2025 of 27% reaching a 12-month revenue position of £40m (unaudited). This growth was across all of the strategic areas of Azure infrastructure, modern workplace and security. Of this revenue, 73% were recurring services, broadly consistent with the prior year.

The greatest area of success arose on growing existing customers' revenues at the same time as seeing low levels of customer churn. Given the proximity of the acquisition, this revenue growth had limited benefit as yet from being part of the lomart Group.

Following the Atech acquisition we have consolidated our marketing, sales, sales operations and pre-sales technical teams into one group under the leadership of our Chief Revenue Officer, working closely with the CEO of the Atech business which retains the Microsoft specialist technical knowledge and deployment capabilities. This will ensure we provide a coherent and consistent message to the market, maximise the cross-selling opportunities whilst retaining deep sector specialist knowledge and capabilities.

Enhanced Portfolio & Partnerships

This year we have taken strides to enhance our end-to-end proposition and product portfolio. Our enlarged group and combined capabilities will allow us to compete more effectively in the market with enhanced services, top-tier vendor partnerships, greater scale and references across cloud managed services, modern work, data protection and cyber security, cementing our position as a leading UK secure cloud provider.

FY25 also saw the deepening of our strategic alliances with Microsoft, Broadcom VMware (lomart has Pinnacle Partner status) and Commvault (lomart has Elite MSP Partner status). The Atech team achieved the privileged position of being awarded Azure Expert MSP status, as well as obtaining the final Microsoft solution partner designation to now hold all six. These continued efforts make lomart Group one of the most accredited MSP partners in the UK.

These partnerships not only enhance our go-to-market capabilities but also enable joint innovation and continued initiatives.

Operational Excellence & People

We will continue to invest in systems integration, cost efficiency, and automation to build a more scalable, modern service organisation, whilst recognising that many of our legacy brands can, with renewed support and focus, continue to generate good opportunities for lomart.

During the year we invested in our first Apprentice Scheme in our service desk function, launched our DEI Council and Women's Network, and upgraded our offices in Glasgow, London and India to support a high-performance culture.

The investment we have made in streamlining and improving our operations has delivered measurable improvements in customer service around satisfaction scores, 'right first time' deployment and service delivery turnaround times, benefitting customer retention and generating sales opportunities.

With the acquisition of Atech we have also expanded our 24/7 service capabilities via our new colleagues in its India operation.

As previously outlined, we have implemented a series of strategic measures aimed at enhancing operational efficiency and reducing our ongoing cost base. These include targeted workforce adjustments, optimisation of our data centre operations, and improvements across our supply chain processes. Collectively, these initiatives are projected to deliver annualised cost savings of approximately £4m.

In the first quarter of the new financial year, we have already secured around 40% of these anticipated savings. We remain confident that continued progress in the second quarter will enable us to realise the full annualised run rate benefit during the second half of the financial year.

Commitment to ESG & Sustainability

We believe that integrating environmental, social and governance ("ESG") considerations across our business enables us to improve customer satisfaction whilst benefiting the environment and society and improving our profitability.

Our ongoing commitment is for lomart to be aligned with UK Government targets and as such we have committed to achieve Net Zero by 2050, or earlier, if possible. We commenced purchasing Renewable Energy Guarantees of Origin ("REGO") certified renewable electricity across our UK data centre estate in 2021, which significantly reduces our carbon emissions.

We continue to look at ways to increase the energy efficiency across our UK data centre estate. During FY25 we commenced the replacement of our cooling system in our Gosport data centre which will reduce like for like energy consumption on our cooling requirements on this site by at least 30%.

In terms of our social agenda, we continued our support of the charity SmartSTEMs who organise and host events to inspire and engage young people from underprivileged backgrounds with the range of careers in STEM.

This also leverages their partnership with Generation, a company that transforms education to employment systems to prepare, place and support people from disadvantaged backgrounds into careers that would otherwise be inaccessible. We recognise, like many technology companies, that our gender balance in the workplace needs to improve; we have continued our sponsorship of the "Empowering Woman in Leadership" programme which is designed to address the lack of gender diversity in leadership roles across the technology sector.

The Company continues to adopt the Quoted Companies Alliance ("QCA") Corporate Governance Code and we have aligned with the updated Code, which was published on 13 November 2023, to be applied to financial years beginning on or after 1 April 2024.

Our Operational Focus for FY26

Our continued focus in the next year will be on:

Portfolio: We will maximise on the opportunity in high-growth services such as public cloud, modern workplace and cyber security through Atech, and our data protection services in Oriium.

We will continue to optimise our private cloud and data centre services offerings within the lomart brand. Our self-managed infrastructure and colocation businesses will be given renewed focus helping to drive data centre utilisation and productivity.

Operational Scalability: We will continue to improve operational and cost efficiencies in our group-wide sales, customer service and delivery functions creating a more scalable, modern service organisation.

Customer Retention & Growth: We will become more visible to our customers, engaging with them proactively to address their existing and future technology requirements. Through our enhanced product and services portfolio, we can support our customers for the long-term.



STRATEGY AND BUSINESS MODEL

Purpose & Values

We simplify the complexity of technology by delivering secure, scalable cloud solutions that help organisations grow and innovate with confidence. By building trusted partnerships and focusing on reliability and security, we protect what matters and support our clients' success in a digital-first world.

We bring together smart technology and passionate people to create lasting impact. Our culture is built on trust, innovation, and a relentless drive to deliver results. Our five guiding principles are:

- Purpose We are committed to doing what is right for our clients, delivering outcomes that matter.
- Passion We turn technology into opportunity, solving problems and unlocking growth.
- Pride We stand behind our work, delivering excellence and building relationships that last.
- People Our team is our strength. We invest in talent, celebrate success, and foster inclusion.
- Partnership We collaborate with clients and technology leaders to drive innovation and deliver measurable value.

Strategy

Our vision remains clear and consistent: to establish lomart as the UK's leading provider of Secure Cloud Services for the SME market.

To achieve this, our growth strategy is built on three core pillars:

- Protect and Expand Our Core. We are committed to strengthening and growing our existing customer base, leveraging our robust hybrid cloud infrastructure and associated services.
- Broaden Our Solutions Portfolio. We aim to deliver to existing and new customers a fully comprehensive secure private, public and hybrid cloud offering by continuing to evolve our product suite to meet the digital needs of our customers.
- Accelerate Through Strategic Acquisitions.
 Acquire new capabilities and scale from complementary acquisitions.

A major milestone in our strategic journey was the acquisition of Atech on 1 October 2024. This transformative transaction significantly enhanced our Microsoft and cybersecurity capabilities, deepened our talent pool, and strengthened our customer credentials.

Following this acquisition, our immediate priority is on integrating relevant functions to capitalise on the market opportunities and accelerate organic growth. Concurrently, we are proactively managing our cost base to align with the evolving composition of our portfolio, particularly in relation to legacy product areas. Given our current balance sheet leverage and strategic priorities, further acquisitions are unlikely in the short-term.

Business model

Our business model involves the provision of cloud and managed services, delivering computing power, storage, data protection and security capability customers need for the effective operation of their businesses.

We have invested in an estate of data centres, an extensive fibre network and for each customer the servers, routers, firewalls and other assets that are necessary to create the IT infrastructure they require within a private cloud environment. In a similar manner, we also offer public cloud solutions (principally Microsoft) within the mix of the infrastructure and resource requirements a customer could need. Having credibility, skills and technology partnerships across both of these cloud options, alongside potential on-premise needs, allows us to support customers in the hybrid solution so many of our existing or potential new customers require.

These resources, along with the associated staff, are shared across most of our revenue streams. Customers pay us for the provision of that infrastructure, with the potential to add third party technology and provide various degrees of a managed services to wrap around their technology requirements.

Larger customers tend to have multi-year contracts for complex cloud solutions, which are invoiced and paid on a monthly basis. Many of our smaller customers pay in advance for the provision of services which results in a substantial sum of deferred revenue, which is then recognised over the period of the service provision. A significant proportion of our revenue is therefore recurring and the combination of multi-year contracts and payment in advance provides us with strong revenue visibility.

While all of our activities involve the provision of services from common shared infrastructure, we are organised into three operating segments, Cloud Services (lomart) (£110.0m revenue), Atech (£21.5m revenue) and Mass Hosting (Easyspace) (£12.0m revenue).

Iomart Cloud Services Division

Within Cloud Services division, we have three core offerings that recognise the differing complexity of the solutions designed and the level of ongoing managed services we provide being: cloud managed services, self-managed infrastructure and non-recurring revenue. This enables us to supply products, solutions and services across the full cloud spectrum.

- Iomart Cloud Managed Services: provides fully managed, complex bespoke designs, resulting in resilient solutions involving differing cloud infrastructures. This cloud infrastructure can be either on-premise, private cloud or public cloud or indeed a combination of all three which we term 'hybrid cloud services' as is standard industry nomenclature. This often will be accompanied by our data protection and security offering.
- Self-Managed Infrastructure: that provides dedicated, physical, self-service servers to customers. We deliver many thousands of physical servers for our customers using highly automated systems and processes which we continue to develop and improve. Our own regional data centre estate and fibre network position us well to offer such infrastructure as a service.
- Non-Recurring Revenue: this relates primarily to on-premise equipment and software reselling, as well as consultancy and professional services activities. By their nature, the equipment and software reselling activity is lower margin, but we continue to offer it as the vast majority of our customers need us to provide the end-to-end solution of which this is often a critical part. Non-recurring activities often provide an important introduction to the lomart's broader service capabilities and therefore the opportunity to understand the customer and develop the relationship to a deeper level of recurring service provision.

Atech Division

Our Atech division is a leading, rapidly growing, Microsoft Solutions Partner, delivering complex, public cloud deployments, modern workplace solutions, digital transformation and specialised managed security services to mid-sized enterprises.

Atech has one of the strongest sets of Microsoft credentials in the UK market, with Azure Expert MSP status, and all six Solution Partner Designations (Solution Partner for Business Applications, Azure Infrastructure, Security, Data & AI, Modern Work and Digital & Application Innovation). Plus specialisations and membership of Microsoft's exclusive Intelligent Security Association ('MISA').

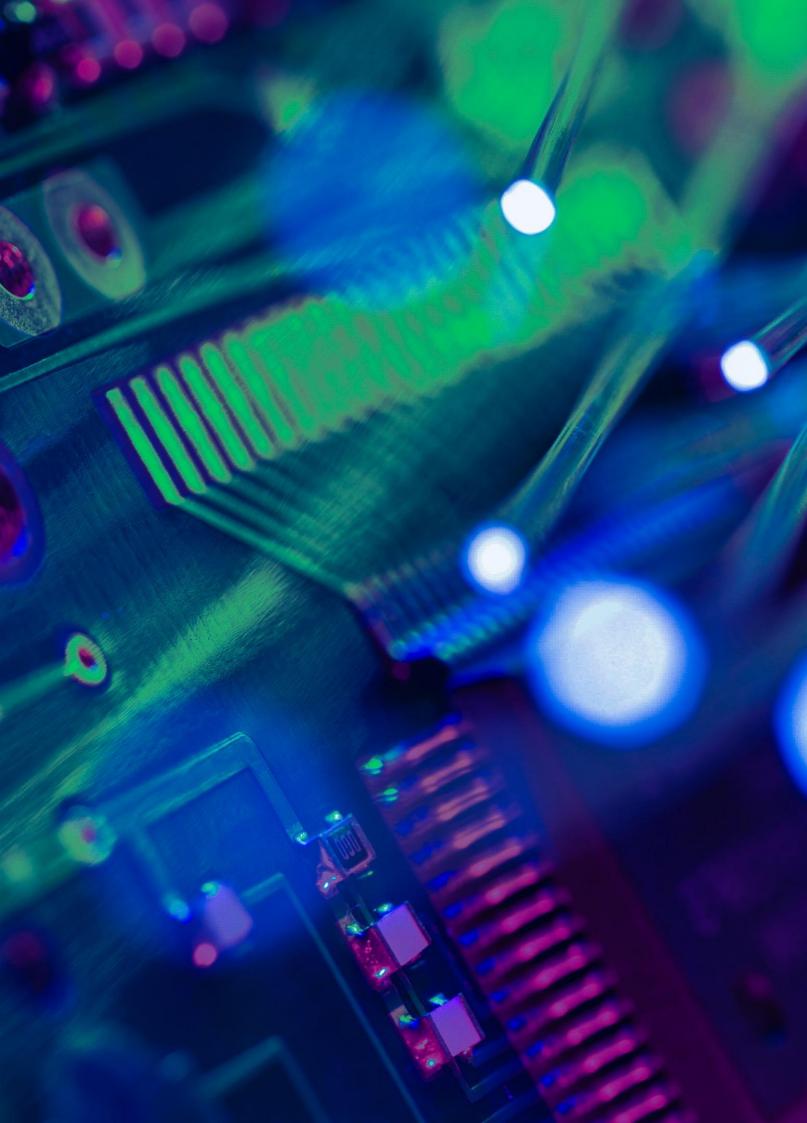
We do expect over FY26 to combine some of the activities of lomart and Atech such that there is a combination of effort within certain practices or business units. This will see some of our customer base and resulting revenue move between the divisions as this evolves.

Easyspace Division

Our Mass Hosting (Easyspace) division delivers domain name registration and mass hosting services primarily to small and micro businesses.

While the broader market has seen increasing consolidation among large global players, we identified early on that the level of marketing investment required to aggressively pursue new customer acquisition in this segment was not the most efficient use of lomart's capital.

As a result, we have focused on maintaining a strong, loyal customer base and operational efficiency. The division continues to be highly profitable and cash generative.







The past year has presented significant challenges as we continue to reposition lomart in higher-growth segments of the IT services sector. Our focus on transforming our market position and product offering is central to driving sustainable, organic revenue growth. Encouragingly, even before the Atech acquisition, strong order booking trends laid a solid foundation. At the same time, we have taken proactive steps to address margin pressures stemming from shifts in our revenue mix and also customer renewal levels. While the benefits of product realignment and cost optimisation will take time to fully materialise, these actions position us well for a return to revenue and profit growth in FY27 and beyond.

The results include a material £52.9m non-cash exceptional goodwill impairment charge relating to the lomart Cloud Services Cash Generating Unit ("CGU") which prior to the impairment had a carrying value of £83.1m. This goodwill was an accumulation of many acquisitions over the years, including those focussed on the provision of dedicated servers and hosted infrastructure areas in which we are now seeing lower growth and customer churn from more heritage product areas. This non-cash charge has no impact on the Group's operational performance or cash flows but does result in a large statutory loss after tax of £55.1m in the year to 31 March 2025.

As previously reported, the acquisition of Atech on 1 October 2024 has four clear financial benefits to the Group. Firstly, the proportion of Group revenues derived from the growth areas of the cloud market has considerably increased. Secondly, it is anticipated that renewal levels within our existing customer base will stabilise, as there is now a clearer pathway for customers to adopt public cloud and security solutions while remaining with Iomart. Thirdly, we have gained access to a high-quality offshore operation enhancing scalability and delivery capability, and finally, capital expenditure requirements as a proportion of revenue have decreased, improving the Group's scalability and financial flexibility.

Key Performance Indicators	2025	2024
Revenue	£143.5m	£127.0m
% of recurring revenue ¹	89%	91%
Gross profit % ²	49.1%	54.8%
Adjusted EBITDA ³	£34.3m	£37.7m
Adjusted EBITDA margin %4	23.9%	29.7%
Adjusted EBIT ⁵	£12.8m	£19.2m
Adjusted EBIT margin %6	8.9%	15.1%
Adjusted profit before tax ⁷	£6.5m	£15.0m
Adjusted profit before tax margin %8	4.5%	11.8%
EBIT ¹⁰	(£46.8m)	£13.0m
(Loss)/profit before tax	(£53.2m)	£8.7m
(Loss)/profit before tax margin %9	(37.1%)	6.9%
Basic earnings per share	(49.0p)	5.8p
Adjusted earnings per share (diluted) 11	3.4p	9.8p
Cash flow from operations (before exceptional items) / Adjusted <code>EBITDA</code> $\%^{12}$	85%	100%
Net debt / Adjusted Proforma EBITDA leverage ratio ¹³	2.7	1.1

See page 20 for definition of alternative performance measures

Revenue

Overall revenue from operations increased by 13% to £143.5m (2024: £127.0m). We continued to maintain a high level of recurring revenue at 89% (2024: 91%), with the slight reduction on the prior year, a function of Atech having a higher level of non-recurring revenue activities, including professional services within the area of cyber security. We remain focussed on retaining our high recurring revenue business model with the combination of multi-year contracts and payments in advance providing us with good revenue visibility.

The revenue growth includes contributions from acquisitions, including £21.5m from Atech and a £4.2m revenue benefit from the full-year impact of small acquisitions completed in FY24. Excluding acquisitions, the core business experienced a revenue decline of £9.2m or 7% year-on-year. As previously disclosed, this decline was driven by elevated churn levels among the Group's self-managed customer base and certain private cloud managed services. This is shown more clearly in the disaggregated revenue disclosure below.

In the current year reporting, given the proximity of the Atech acquisition, we have shown Atech revenue as a separate Cash Generating Unit ("CGU") in the segmental reporting. We expect this disclosure will evolve in our reporting over FY26 to align with the finalisation of our operating model and the business unit structures. Retention of historic groupings for our FY25 reporting allows comparability of year-on-year trends and clarity on underlying organic revenues.

Iomart Cloud Services

The following is the disaggregation of Iomart Cloud Services revenues of £110.0m (2024: £114.6m).

Disaggregation of Iomart Cloud Services revenue	2025 £′000	2024 £′000
Cloud Managed Services (recurring)	76,363	75,212
Self-Managed Infrastructure (recurring)	23,686	28,429
Non-Recurring Revenue	9,949	10,937
Total lomart	109,998	114,578

<u>Iomart Cloud Managed Services (recurring revenue)</u>

Cloud managed services includes the provision of fully managed, complex, bespoke and resilient solutions involving private, public and hybrid cloud infrastructure. Revenue within cloud managed services increased by £1.2m or 1.5% to £76.4m (2024: £75.2m). This includes the full-year impact of small acquisitions completed in FY24 (Extrinsica on 5 June 2023 and Accesspoint on 5 December 2023) being around £3.4m of revenue benefit meaning underlying organic revenue was a reduction of around £2.2m or 3%.

Our order bookings in this area of the business grew well over the year, as both existing customers and prospects have responded positively to our broader solution set and our re-invigorated focus on customer service. However, as previously reported the run-rate entering FY25 was lower than the previous year and as the year progressed, we also saw some customer losses and lower levels of renewals from some existing customers which, in combination, negated the growth in order bookings. While we enter FY26 with a monthly recurring revenue lower than this time last year, monthly levels have been more stable in the last 6 months, and we have a higher order book than this time last year from strong bookings in the last quarter. This gives an improved starting point to support the path to organic growth in this specific area.

<u>Iomart Self-Managed Infrastructure (recurring revenue)</u>

The self-managed infrastructure revenue of £23.7m (2024: £28.4m) decreased by £4.7m (reduction in 2024: £1.2m). We have seen organic reductions within this area for a number of years as dedicated servers, being the largest product in this area, is most susceptible to a move to public cloud infrastructure as the customers have retained their own technical IT skills and an infrastructure only service is more transactional. The last 12 months has seen an acceleration of customer churn especially from the long tail of our customer base and also on a disproportionate basis from the smaller acquired brands of Memset and Bytemark as we sought to consolidate platforms and service teams to more resilient core offerings.



As well as being the largest area of revenue reduction impacting the Group, this £4.7m revenue reduction has been very impactful on profitability as this established infrastructure activity attracts an inherently high margin, benefiting from optimised capital deployment and long-term customer durations.

As part of the review and alignment of services to business unit groupings, of the £23.7m of revenue disclosed as self-managed infrastructure approximately £5.6m of customer revenue has been identified as better served within our managed services core team. The largest element being data centre colocation related services which we are seeking to consolidate into a small, focussed team. This change will be reflected in our disaggregated revenue disclosures going forward. As the Group continues its evolution towards a broader portfolio of managed service offerings, the impact of a potential lower level of renewals in the self-managed infrastructure area will decrease.

<u>Iomart Non-Recurring Revenue</u>

Non-recurring revenue of £9.9m (2024: £10.9m) relates primarily to hardware and licence reselling plus professional services/consultancy projects. This includes the full-year impact of the smaller acquisitions completed in FY24 which in combination supported headline revenue by around £0.8m, meaning underlying organic non-recurring revenue reduction was around £1.8m, with a weaker second half for such activity. These non-recurring activities can provide a useful introduction to the wider Group and evolve customers into a higher level of recurring services, but we do not allocate significant sales effort in lead generation for this area and by its very nature we see more variability over shorter periods. Increasing our professional services activity levels is being targeted ahead of simple product reselling but only within the context of this being the up-front work which leads to recurring managed services.

Atech

The following is the split of Atech revenue for the post acquisition 6 months to 31 March 2025 between recurring and non-recurring revenue.

Disaggregation of Atech revenue	2025 £′000
Cloud Managed Services (recurring)	15,520
Non-Recurring Revenue	5,942
Total Atech	21,462

Atech Cloud Managed Services (recurring)

Atech recurring revenue for the 6 months to 31 March 2025 post acquisition was £15.5m representing a continuation of strong underlying growth. On a 12 months basis to 31 March 2025 (including 6 months pre-acquisition), recurring revenues increased 18% to £29.3m (unaudited). Atech has a higher customer concentration then pre-existing lomart, with the Top 20 customers being around 80% of the recurring revenue and has experienced strong renewal levels and growth from these existing customers.

Atech Non-Recurring revenue

Atech non-recurring revenue for the 6 months to 31 March 2025 post acquisition was £5.9m which is 28% of the total Atech revenue, being a relatively higher percentage split compared to the pre-existing lomart business. The highest element of this is consultancy projects within cyber security, including with one large financial services customer for which £2.9m revenue was recognised in the six-month post-acquisition. Atech has received repeated business from this customer over several years with the current scope of work running to December 2025. It is expected that this contract will continue, the exact scope, scale and timing though will not be determined until later this calendar year. This area of the Atech business has also shown growth since the acquisition, with around £1.2m more revenue compared to the immediate 6 months preceding the acquisition.

Easyspace

Our Easyspace segment has performed relatively well over the year with revenues remaining broadly consistent, with only a £0.5m reduction to £12.0m (2024: £12.5m). The domain name and web hosting business is an area in which we do not invest heavily in, but it was pleasing to see a solid performance with a high level of renewals from our base of c56,000 customers. The activity remains highly profitable and cash generative.

Gross Profit

Gross profit in the year, which is calculated by deducting from revenue variable cost of sales such as power, software licences, connectivity charges, domain costs, public cloud costs, sales commission, the relatively fixed operating costs of operating our data centres plus, for non-recurring revenue, the cost of hardware and software sold, increased by £0.9m to £70.5m (2024: £69.6m). In percentage terms, gross margin2 overall reduced on the prior year to 49.1% (2024: 54.8%).

The specific revenue mix as outlined earlier is dilutive on gross margin. The Atech acquisition accelerated this in the second half, significantly increasing Microsoft licence consumption in our customer solutions. As outlined below, offsetting some of these factors is the change in classification on software expenses following the new commercial arrangements with Broadcom VMware which is favourable to gross margin.

Our key vendor relationships have remained stable in the period with any cost increases following more general inflationary trends. Our energy hedging strategy, which we entered into around the end of the calendar year 2022, means we have seen stability in the year although at levels above current spot market rates. During December 2024 we entered in to extended energy pricing arrangements which have also now fixed our energy cost for FY26 and FY27.

Adjusted EBITDA³

The Group's adjusted EBITDA decreased by £3.4m to £34.3m (2024: £37.7m) translating to an adjusted EBITDA margin⁴ of 23.9% (2024: 29.7%). This included a strong six-month EBITDA contribution from Atech of £3.2m being an adjusted EBITDA margin⁴ of 15.0%.

The lower margin percentage is a function of the gross margin profile, the high fixed cost base nature of our private cloud business activity, the as expected dilutive impact of acquisitions and the administration expenses (before depreciation, amortisation, share based payment charges, acquisition costs and exceptional non-recurring costs) of £35.5m. Administration expenses were £3.0m higher than the previous year due to the inclusion of staff plus overhead costs for the full year from the FY24 smaller acquisitions plus 6 months from the Atech acquisition. Outside of the acquisitions, we have seen a period of relatively stable overall headcount numbers and other overhead costs meaning the underlying administrative expenses are consistent with FY24. We expect administrative expenses to fall in FY26 on a like for like basis as we execute on cost optimisation measures during the year, with the full annualised impact of around £4m expected in FY27 and onwards.

A further unique feature to the current year is the change in income statement classification on software expenses following the new commercial arrangements with Broadcom VMware plus the overall higher cost imposed. Due to the long-term commitments made, these software costs are capitalised and reported as intangible asset amortisation to a value of £2.9m, replacing the previous license consumption cost of sales classification (comparable £1.5m recognised as operating expenditure in FY24).

The lomart Cloud Services segment saw a 17.8% decrease in adjusted EBITDA to £30.2m (2024: £36.7m). In percentage terms the Cloud Services margin decreased to 27.5% (2024: 32.1%) primarily as noted earlier due to both the revenue mix and our business model becoming less capital intensive over time. Atech's EBITDA contribution of £3.2m is a 15.0% of total Atech revenue which given the limited capital expenditure is also very close to its EBIT contribution. The Easyspace segment's adjusted EBITDA was £5.7m (2024: £6.2m) reflecting the relatively more stable revenue performance in the year, which in percentage terms remained strong although dropping somewhat to 47.5% (2024: 49.4%).

Group overheads decreased by £0.4m in the year to £4.8m (2024: £5.2m). These are costs which are not allocated to segments, including the cost of the Board, the running costs of the headquarters in Glasgow, Group marketing, human resource, finance, legal, and professional fees for the year.



Adjusted EBIT⁵

The Group depreciation charge of £14.7m (2024: £15.7m) fell by £1.0m in the year and as a percentage of recurring revenue is 11.5% (2024: 13.5%). This is the third year in a row in which we have seen this percentage value drop. The Group charge for amortisation of intangibles, excluding amortisation of intangible assets resulting from acquisitions ("amortisation of acquired intangible assets"), increased to £6.8m (2024: £2.8m) due to the reclassification and price increase on the Broadcom VMWare licence arrangements of £2.9m plus £0.6m of expansion expenditure for new customer arrangements opened up by our pinnacle partner status with Broadcom. This means that the Group's adjusted EBIT decreased by £6.4m to £12.8m (2024: £19.2m) which in adjusted EBIT margin⁶ terms translates to 8.9% (2024: 15.1%).

Adjusted profit before tax⁷

Finance costs of £6.4m (2024: £4.3m) have increased year-on-year by £2.1m due to the £57m bank debt drawn to support the Atech acquisition. The revolving credit facility in place during the year had a borrowing cost at the Group's current leverage levels of 250 basis points over SONIA (2024: 180 basis points).

After deducting the charges for depreciation, amortisation (excluding the charges for the amortisation of acquired intangible assets), exceptional non-recurring costs and finance costs from the adjusted EBITDA, the Group's adjusted profit before tax decreased to £6.5m (2024: £15.0m), representing an adjusted profit before tax margin8 of 4.5% (2024: 11.8%).

Earnings before interest and tax and (loss)/ profit before tax

The measure of adjusted profit before tax is an alternative profit measure which is commonly used to analyse the performance of companies particularly where M&A activity forms a significant part of their activities.

A reconciliation of adjusted profit before tax to reported (loss)/profit before tax is shown below:

Reconciliation of adjusted profit before tax to (loss)/profit before tax	2025 £′000	2024 £′000
Adjusted Profit Before Tax ⁷	6,455	14,956
Less: Amortisation of acquired intangible assets	(4,902)	(4,226)
Less: Acquisition Costs	(1,674)	(1,010)
Less: Share-based payments	(198)	(517)
Less: Administrative expenses - exceptional non-recurring costs	-	(462)
Less: Exceptional non-cash goodwill write-off	(52,900)	_
(Loss)/Profit Before Tax	(53,219)	8,741

The adjusting items in the current year are:

- charges for the amortisation of acquired intangible assets of £4.9m (2024: £4.2m). Acquired intangible assets have increased by £0.7m due to the Atech acquisition;
- acquisition costs of £1.7m (2024: £1.0m) which includes £0.9m of professional fees associated with the Atech acquisition;
- share-based payment charges of £0.2m (2024: £0.5m), the lower charge driven by the number of forfeited options in the year; and
- exceptional non-cash goodwill impairment charge of £52.9m which was recognised within the Cloud Services segment. This followed an impairment review triggered by the loss of customers, a decline in segment profitability during the year to 31 March 2025, and the decline in the share price.

After deducting these items from the adjusted profit before tax, the reported loss before tax was £53.2m (2024: £8.7m profit).

Earnings before interest and tax ("EBIT") in the year was a £46.8m loss (2024: £13.0m profit), the decrease consistent with the Adjusted EBIT⁵ movement and the large exceptional non-cash goodwill write off.

Taxation

The tax charge for the year is £1.9m (2024: £2.3m). The tax charge for the year is made up of a corporation tax charge of £0.6m (2024: £2.7m) with a deferred tax charge of £1.3m (2024: credit of £0.4m). The effective rate of tax or the year is (0.04%) (2024: 26%). In the current year, the headline effective tax rate is heavily distorted by the large number of non-taxable charges in the year, especially the goodwill non-cash impairment, plus the net impact of revisions to cumulative brought forward positions on capital allowance pools, making the effective tax rate in the current year somewhat redundant as a disclosed metric. As a predominately UK business our underlying tax rate mirrors the UK corporation tax rates.

Loss for the year

After deducting the tax charge for the year from the loss before tax the Group has recorded a loss for the year of £55.1m (2024: £6.4m profit).

Earnings per share

The calculation of both adjusted earnings per share and basic earnings per share is included at note 12.

Basic earnings per share from continuing operations was 49.0p loss (2024: 5.8p profit). This negative position is driven by the £52.9m exceptional non-cash goodwill impairment charge.

Adjusted diluted earnings per share¹¹, based on profit for the year attributed to ordinary shareholders before amortisation charges of acquired intangible assets, acquisition costs, share-based payment charges, exceptional non-recurring costs, and the tax effect of these items was 3.4p (2024: 9.8p), a reduction of 65%. This reduction is driven by the lower adjusted profit before tax plus the unfavourable impact of the prior period deferred tax adjustments.

Dividends

Our dividend policy, which has been in place for several years now, is based on the profitability of the business in the period measured with reference to the adjusted diluted earnings per share we deliver in a financial year. For the last few years, we have been paying dividends at the maximum level allowed by our stated policy. The current policy is a maximum pay-out of 50% of adjusted diluted earnings per share.

The Directors are proposing not to declare a final dividend (2024: 3.00p) reflecting the higher level of indebtedness in the Group following the Atech acquisition and reduced profitability in the current year. As a result, for the current year the total dividend will consist of the interim dividend of 1.3p paid in January 2025 (2024: 4.94p total of interim and final combined).

Acquisitions

Atech

We completed the acquisition of Kookaburra Topco Limited, the holding company of Atech Support Limited ("Atech") on 1 October 2024 for a total enterprise valuation of £57m, on a cash free, normalised working capital and debt free basis under a locked box completion mechanism. The final consideration paid included £6.2m of debt repayments and a balance of £51.7m paid to the previous shareholders. The full purchase price was financed through a combination of existing bank facilities and cash on the Company's balance sheet. There is no deferred or contingent consideration.

Cash flow and net debt

Net cash flows from operating activities

The Group continued to generate high levels of operating cash over the year. Cash flow from operations was £27.2m (2024: £36.6m) which represents an 80% conversion¹² of adjusted EBITDA (2024: 97%) or 85% of adjusted EBITDA to operating cash flow (2024; 100%) (before exceptional items). In the current year this has been impacted by the exact timing of payments to six larger vendors which overlapped the opening and closing period ends with an impact of around £2.5m being 7% of EBITDA meaning, taking into account both exceptional cash flow items of £1.6m and the specific vendor payments, a more normalised basis of cash flow from operations would result in a conversion ratio of around 93%.



Cash payments for corporation tax in the year were £1.9m (2024: £0.7m), resulting in net cash flow from operating activities in the year of £25.4m (2024: £35.9m).

Cash flow from investing activities

Expenditure on investing activities of £62.2m (2024: £21.7m) was incurred in the year. £8.3m (2024: £9.5m) was incurred on the acquisition of property, plant and equipment, principally to provide specific services to our customers, £2.9m (2024: £2.2m) incurred in respect of development costs and £0.1m (2024: £0.1m) paid in relation to software license arrangements during the period. In the current year, M&A related payments were dominated by the £48.5m of equity consideration paid for the Atech acquisition (net of cash acquired) along with a smaller contingent consideration payment of £0.4m of deferred consideration on a historic acquisition by Atech, such amount being funded as a "debt like" item in the share purchase agreement ("SPA") mechanics plus £2.1m of deferred consideration payments on Extrinsica and Accesspoint acquisitions (2024: £4.2 on Extrinsicia acquisition). This compares to a much lower £9.9m on M&A related payments in the prior year.

Cash flow from financing activities

In the current year, loan drawdowns of £57.0m (2024: £7.6m to support the initial equity consideration for the Extrinsica and Accesspoint acquisitions) were made from the Revolving Credit Facility ("RCF") to support the Atech acquisition on 1 October 2024. Payments under long-term intangible asset licence agreements £2.6m (2024: £nil) this being the first year instalment on the Broadcom VMware five year partnership commitments. We also repaid £6.2m of bank loans acquired from Atech at completion. Other than bank loan repayments connected to the completion of acquisitions, we made no bank loan repayments in the year (2024: £2.0m). As a result, the movement in the drawn bank loan of £97.0m (2024: £40.0m) at the year-end consists solely of the £57m drawn to support the Atech acquisition. Cash received in the year from issue of shares was £4k (2024: £7k). We also made dividend payments of £4.8m (2024: £6.lm); paid finance costs of £4.8m (2024: £3.1m and made lease repayments of £4.4m (2024: £5.0m).

Net cash flow

As a consequence of the above component elements and working capital movements in the year, our overall cash position was an outflow of £2.6m (2024: £1.9m inflow) which resulted in cash and cash equivalent balances at the end of the year of £13.1m (2024: £15.8m).

Net Debt

The net debt position of the Group at the end of the year was £101.9m (2024: £42.3m) as shown below, heavily impacted by the M&A-related cash payments of approximately £57m. The net debt position represents a multiple of 2.7 times¹³ our adjusted proforma EBITDA (2024: 1.1 times) or 2.3 times (excluding IFRS 16 lease liabilities of approximately £18.0m).

Net Debt	101,918	42,336
Less: Cash and Cash Equivalents	(13,088)	(15,755)
Lease Liabilities	18,006	18,091
Bank Revolver Loan	97,000	40,000
	2025 £′000	2024 £′000

At the year end, the Group had access to a £125m RCF provided by a banking group consisting of HSBC, Royal Bank of Scotland, Bank of Ireland and Clydesdale Bank, that matures on 30 June 2026. The RCF had a borrowing cost at the Group's current leverage levels of 250 basis points over SONIA. As noted below, subsequent to the year end this bank facility was refinanced.

The decrease in the lease liability to £18.0m (2024: £18.1m) reflects expected payments on property arrangement. There were no material revisions to existing leases.

Post balance sheet event

On 27 June 2025, a new RCF, totalling £115m, has been secured from a syndicate, comprising The Royal Bank of Scotland plc, HSBC UK Bank plc, and Clydesdale Bank plc (trading as Virgin Money). The facility extends to 30 June 2027 and includes financial covenants, limited to debt cover and interest cover, which are aligned with the Group's current leverage position and strategic objectives. This RCF replaces the facility which existed at the 31 March 2025 described above.

At current leverage levels, the bank margin under the new RCF is 3.0% above SONIA. The RCF includes a margin ratchet mechanism, enabling reduced interest costs as the Group deleverages.

Scott Cunningham

Scott Com

Chief Financial Officer, 24 July 2025

Definition of alternative performance measures:

- ¹ Recurring revenue is the revenue that repeats either under long-term contractual arrangement or on a rolling basis by predictable customer habit. % of recurring revenue is defined as Recurring Revenue (as disclosed in note 3) / Revenue (as disclosed in the consolidated statement of comprehensive income)
- ² Gross profit margin % is defined as Gross Profit / Revenue as a % (both as disclosed in the consolidated statement of comprehensive income)
- ³ Adjusted EBITDA (as disclosed in the consolidated statement of comprehensive income) is earnings before interest, tax, depreciation and amortisation (EBITDA) before share-based payment charges, acquisition costs and exceptional non-recurring costs. Throughout these financial statements acquisition costs are defined as acquisition related costs and non-recurring acquisition integration costs.
- ⁴ Adjusted EBITDA margin % is defined as adjusted EBITDA (as disclosed in the consolidated statement of comprehensive income) / Revenue (as disclosed in the consolidated statement of comprehensive income) as a %
- ⁵ Adjusted EBIT is earnings before interest and tax (EBIT) before amortisation charges on acquired intangible assets, share-based payment charges, acquisition costs and exceptional non-recurring costs. Throughout these financial statements acquisition costs are defined as acquisition related costs and non-recurring acquisition integration costs.
- 6 Adjusted EBIT margin % is defined as adjusted EBIT / Revenue (as disclosed in the consolidated statement of comprehensive income) as a %
- ⁷ Adjusted profit before tax (as disclosed on page 17) is profit before tax, amortisation charges on acquired intangible assets, share-based payment charges, acquisition costs and exceptional non-recurring costs.
- ⁸ Adjusted profit before tax margin % is defined as adjusted profit before tax (as disclosed on page 17) / Revenue (as disclosed in the consolidated statement of comprehensive income) as a %
- 9 Profit before tax margin % is defined as Profit before Tax / Revenue (both as disclosed in the consolidated statement of comprehensive income) as a %
- ¹⁰ EBIT is earnings before interest and tax
- ¹¹ Adjusted diluted earnings per share, as disclosed in note 12, is earnings per share before amortisation charges on acquired intangible assets, share based payment charges, acquisition costs and exceptional non-recurring costs and the taxation effect of these /weighted average number of ordinary shares diluted (as disclosed in note 12)
- ¹² Cash flow from operations / Adjusted EBITDA % is defined as cash flow from operations (as disclosed in the consolidated statement of cash flows) / Adjusted EBITDA (as disclosed in the consolidated statement of comprehensive income) as a %
- 13 Net debt / Adjusted EBIDTA level ratio is defined as Net Debt (as disclosed on page 19) / Adjusted EBITDA (as disclosed in the consolidated statement of comprehensive income)

Order booking value being the annual revenue value of the customer order at the time of booking, as opposed to the total contract value or the actual revenue realised in the reporting period, which will be influenced by the timing of order booking and the billing commencement date.



PRINCIPAL RISKS AND UNCERTAINTIES

The Board of Directors, who are responsible for the Group's system of risk management and internal controls, have established systems to ensure that an appropriate level of oversight and control is provided to manage principal risks and uncertainties identified that could have a material impact on the Group's performance. The Group's system of risk management and internal controls, which are reviewed for effectiveness by the Audit Committee and the Board at least on an annual basis, are designed to help the Group meet its business objectives by appropriately managing, rather than eliminating, the risks of failure to achieve business objectives, as any system can only provide reasonable, not absolute, assurance against material misstatement or loss.

The Board delegates oversight of certain risk management activities to the Audit Committee. The Board ensures that it controls the risk appetite through the Group's delegated authorities and matters reserved for the Board. In addition, the Board must approve any decision likely to have a material impact on the Group from any perspective, including, but not limited to, financial, operational, strategic or reputational.

Risk management approach

A risk management framework is in place which sets out the ongoing processes for the identification, assessment and management of risks (both present and future), and for their ongoing monitoring and review. Effective risk management is essential to enable us to deliver on the Group's strategy and to achieve our operational objectives. The risk management framework sets out our approach to risk management which is designed to support our identification of risks to the business. Once identified, risks are given a gross score, based on an approved risk scoring matrix, based on the Group's assessment of the likelihood and impact of the risk occurring and impact on the Group's future and resilience. Each risk is assessed with a risk response and is re-assessed and given a net score based on the strength of mitigating controls that are in place. This process is documented in our Group risk register which is reviewed annually by the Audit Committee.

In the current year, the Group has continued to apply its risk management framework and risk assessment process to monitor the relevant identified risks to the Group in order to execute and deliver the Group's strategy. Quarterly risk management sessions were held with the Executive Directors and senior management to perform a detailed review of the Group risk register and risk map to review the identified significant risks, the probability of those risks occurring, their potential impact (particularly on the delivery of the Group's strategy) and the plans for managing and mitigating each of the identified risks. These reviews included a robust assessment of the Group's emerging risks taking into consideration internal and external insights to identify key emerging risks for further consideration, monitoring and action planning. Any emerging risks identified are captured on the Group's risk register.

More details on the Group's control framework are provided in the Corporate Governance report and details of financial risks are outlined in note 30.

Risk control assurance

We have strong management controls, including policies and procedures, together with management oversight. We have internal assurance through a detailed review of risks, including operational and commercial risks, and functional oversight and monitoring of risks. The Board and Executive team review the Group's financial and operational performance through comprehensive financial reporting processes including monthly reporting of financial performance compared to budget, forecasts and the prior year and monitoring of key performance indicators related to various risks of the business.

In addition, we have independent assurance through our internal audit programme led by Ernst and Young LLP ("EY"). The internal audit plan for the year is approved by the Audit Committee.

Principal risks and uncertainties

Through the above process, potential material risks and uncertainties remain similar to the prior year. These risks are as follows:

Staff

As with any service organisation lomart is dependent on the skill, experience and commitment of its employees and especially a relatively small number of senior staff. The performance of the Group could be adversely affected if the required staffing levels are not maintained or senior staff are not retained. The Group seeks to recruit and retain suitably skilled and experienced staff by offering a challenging and rewarding work environment. This includes competitive and innovative reward packages and a strong commitment to training and development. The Group also has the ability to manage and recruit resource across multiple locations which creates, to some degree, flexibility on where we recruit and how we deploy our resources.

Data centre operation

Any downtime experienced at our data centres would immediately have an impact on our ability to provide customers with the level of service they demand. Should the Group be unable to provide the required level of service this could have an adverse effect on the Group's performance through the loss of customers and reputation. Our ongoing investment in preventative maintenance and lifecycle replacement programme ensures our data centres continue to operate effectively. We also continually look at new innovations and technology within the sector that can help to deliver operational efficiency and effectiveness in line with our ISO50001 energy management system, and our obligations within the CRC Energy Efficiency Scheme.

Network

The Group provides an essential service to an extensive client base many of whom rely on the provision of that service for their major internet presence. The service we provide to customers is dependent on the continued operation of our diverse fibre network which connects our data centre estate.



PRINCIPAL RISKS AND UNCERTAINTIES

Should the network fail, there would be an adverse impact on customers and any diminution in the level of service could have serious consequences for customer acquisition and retention. The Group has implemented a resilient network throughout its data centre estate with no single points of failure to ensure the likelihood of network failure is minimised.

Data and Cyber Security

There has been a sharp rise in recent years in cyber and data related crime. The security of customer, commercial and personal data presents both a reputational and financial risk to the Group. The Group continues to make investment in physical and data security systems and to promote a culture within the organisation which embeds security across all of our operations. Iomart continues to develop our security portfolio to equip our customers with the means to counter the types of security threats our clients face. We continue to focus on enhancing our internal process improvement, security awareness and training to ensure we provide solutions which customers can rely on. The Group also carries specific insurance in relation to cyber related crime. Our contracts and associated schedules with customers make it clear where responsibilities lie in relation to the roles and responsibilities of each party for the security of data and data protection in general.

Competition and product portfolio

lomart operates in a competitive and fluid marketplace and while the Directors believe the Group enjoys significant strengths and advantages in competing for business, some of the competitors are significantly larger, allowing them to offer similar services for lower prices than the Group would be prepared to match, or launching new product offerings with significantly enhanced features. Consequently, these competitors could materially adversely impact the scale of the Group's revenues and its profitability. In response to this, we maintain a broad customer base, with currently no single customer with more than 4% of our annual revenue. We also mitigate the risk by establishing strong relationships with our customers, developing tailormade and value-creating solutions and delivering excellent service performance while being competitive in our day-to-day business. Our development team are continually working towards both enhancing, and augmenting, the services and products we currently offer. Our product board meets regularly to keep abreast of new technology which could enhance the Group's service portfolio.

In the last two years we created a new executive position of Chief Portfolio Officer and have invested in our product capabilities through the recruitment of product managers and built our product marketing team. Furthermore, we have expanded our strategic partnerships team and established new governance to ensure we maximise the benefits, and pricing, available from key vendor alliances and that our products stay relevant. This greater product led approach ensures we stay abreast of market developments and have a faster pace to our go to market initiatives. As noted earlier during FY25, we saw accelerated customer churn in certain areas of the business.

The Atech acquisition does provide customers with a clearer pathway for customers seeking to adopt public cloud and security solutions. These are areas of high demand and until the Atech acquisition, the Group had lower levels of credentials and capabilities. We have also invested in our customer service and streamlined our processes. These two factors support mitigation of this.

Key suppliers

The Group is dependent on certain key suppliers for the continued operation of its business, the most significant of which are those for electricity, access to public cloud infrastructure, software, bandwidth and servers. Were any of these key suppliers to fail in their service provision to the Group this could have an adverse effect on the Group's ability to provide services to its customers. In all cases these supplies are obtained from reputable organisations chosen after a thorough selection process. After selection, the Group actively seeks to maintain good relationships with the chosen suppliers. The Group also seeks to maintain either several sources of supply or, in the case of electricity, alternative sources of power.

Inflationary pressure

In 2022, inflationary pressure was added to the Group's risk register as a risk. Our largest cost base is our people cost which is managed centrally with annual salary awards and reviews of our benefits packages to staff. Other significant costs relate to licence, access to public cloud infrastructure, data centre (including electricity) and connectivity costs. Monthly reviews are undertaken of the cost base and we are in discussion with customers and suppliers where we are seeing any inflationary impact. In addition, our pricing model is regularly reviewed to ensure that contracts are priced adequately to cover inflation risk. Specifically on electricity costs, the energy market is more stable. We have a proactive strategy in place which is administered on our behalf by energy consultants, Schneider Electric and we currently have fixed pricing arrangement in place for FY26 and FY27.

Environmental impact

The Board takes into consideration both main areas of environmental risk, these being the direct and indirect impact on the environment by Group activities, and the second being the potential impact or influence on the Group and its customers by external environmental issues.

Regarding the Group's impact on the environment, this includes the direct and indirect emissions and overall sustainability of its sites, people, products and processes. As customers seek to reduce their own emissions, demand for the Group's propositions and services change, the Board recognises the importance of our corporate responsibilities to do everything possible to reduce the impact that both lomart and its customers have on the environment. The second environmental focus being the potential impact to Group functions based on external environmental factors and how they may be changing, including environmental disaster, that may impact on its ability to maintain services and keep customers, sites and workforce safe.

During the year the Group established a dedicated inhouse ESG committee. The work undertaken and conclusions for this specific risk are outlined in pages 31 to 35.

Growth management

The Group seeks to achieve high levels of growth through a combination of organic and acquisitive means. As a consequence, we need to continue to evolve as an organisation to meet the demands that such growth places on our business operations. Failure to evolve in the necessary way could lead to deterioration in overall business performance. As part of our annual strategy and budget review process, which is updated as necessary throughout the year, we identify the resource and organisational changes that are needed to support our growth. In addition, an integration and migration plan is produced for each acquisition that is made to ensure the acquired operation is appropriately integrated into the Group's operations.

Acquisitions

The Group has a stated strategy to make acquisitions. This produces three areas of risk noted below. Given the proximity and the materiality of Atech, the acquisition on 1 October 2024, this risk currently has heightened relevance. As noted in other parts of this report, significant effort and focus exists on capitalising on the opportunity created by this strategic step

- Acquisition target risk we may not be able to identify suitable targets for acquisition. Through a combination of internal research and external relations we maintain an active pipeline of potential acquisition targets;
- Acquisition integration risk we may not integrate the acquired business into the Group in an effective manner and as a consequence could lose staff and customers of the acquired business. For each acquisition we prepare an integration and migration plan which includes the participation of the vendor to ensure appropriate integration of the acquired business into the Group's operations; and
- Acquisition performance risk the acquired business may not perform in line with expectations. As a consequence, the expected financial performance of the operation may not be achieved with a resulting adverse effect on profits and cash flow. For each acquisition diligence and integration planning is undertaken and all potential synergies identified.









STAKEHOLDER ENGAGEMENT

Effective stakeholder engagement is critical to the long-term success and sustainability of our business, and the Board recognises its responsibility to take into consideration the needs and concerns of our key stakeholders as part of its discussion and decision-making processes. During the year, the Board and its Directors confirm they have acted in a way that promotes the success of lomart Group for the benefit of its members as a whole, and in doing so have had regard to the stakeholders and key matters set out in Section 172(1) (a) to (f) of the Companies Act 2006 ("Section 172") as follows:

S172 factor	Relevant disclosures
a) The likely consequence of any decision in the long- term	Our Strategy and Business Model: page 9
b) The interests of the Group's employees	Stakeholder Engagement: page 26 to 27
	Diversity, Equity and Inclusion: page 45 to 46
	Ensuring the safety and wellbeing of our people: Directors Report page 56
c) The need to foster the Group's business relationships	Stakeholder Engagement: page 26 to 27
with suppliers, customers and others	Directors Report: page 55 to 57
	Modern Slavery Statement: page 46
d) The impact of the Group's operations on the	Stakeholder Engagement: page 26 to 27
community and the environment	Streamlined Energy and Carbon Reporting ("SECR") reporting: pages 31 to 35
e) The desire of the Group to maintain a reputation for	Corporate Governance Statement: pages 39 to 47
high standards of business conduct	Whistleblowing policy: page 46
f) The need to act fairly between members of the Company	Stakeholder Engagement: page 26 to 27

How the Board keeps Section 172 on its agenda

The Board considers that the Group's key stakeholders are its shareholders, employees, customers, suppliers and key partners and the environment. The Board uses its monthly board meetings as a mechanism to address and meet its obligations under Section 172 to ensure they consider the interests of stakeholders as follows:

- The Board holds an annual strategy day assessing the long-term plan of the Group and its impact on key stakeholders;
- Standing agenda items and papers presented at each monthly Board meeting including financial and operational reports, including reporting on people, sales and marketing, customer service, technology, product portfolio, M&A and the external market;
- The Board receives presentations from the Executive team on a regular basis giving updates on key activities which feed into the decision-making process;
- The Chairs of the Audit, Remuneration and Nomination Committee provide regular updates to the Board on items within their remit; and
- The Group's risk management approach identifies principal risks facing the Group, and mitigating controls to manage the impact of the risks. Through attendance at the risk management sessions, the Board understand the risks relating to our stakeholder groups.

The Board and Directors recognise that they are expected to take into account the interests of stakeholders whilst prioritising the long-term success of the Group. This can mean that the interests of certain stakeholder groups in the short-term may need to be balanced against such long-term success.

We set out on pages 26 and 27 why effective engagement is important with each stakeholder and the principal methods of engagement. In all cases, the level of engagement informs the Board, both in relation to stakeholder concerns and the likely impact on decision-making. We set out the key Board decisions taken in the year ended 31 March 2025 and the stakeholder groups impacted by those decisions on pages 28.

Stakeholder Group	Why effective engagement is important	How we engage
Shareholders	Long-term strategic plans and growth for the business require strong relations with shareholders to ensure that the interests of our investors are aligned with the Company's strategic direction and purpose. We ensure that we provide open and transparent information to the market to allow investors, both existing and potential, to make effective and informed investment decisions.	 Annual report and financial statements and half year results. Results materials and presentations. Investor Roadshows following interim and year end results announcements. Trading updates. Stock exchange announcements, regulatory news service ("RNS") and press announcements with anonymised feedback provided by our brokers. Annual General Meeting. Chair and CEO engagement with significant shareholders. Dedicated investor section on lomart website.
Employees	People are at the heart of everything we do and we recognise the key to our success is led by our employees. To deliver our strategic plans, we need to attract, develop, reward and retain valuable talent. Our culture defines the behaviours we all hold ourselves to account on and helps drive our strategy of building a high performing team.	 Regular townhalls with CEO, CFO and Executive team to help bring employees up to date with latest strategy and performance and allow for Q&A. Employee engagement surveys with results presented to the Board. Learning management system to support training requirements. Access to independent whistleblowing process. Senior management and Board visits to different locations. Chief People Officer invited to engage with the Board and the Chair of the Remuneration Committee on areas including recruitment and retention and succession planning. HR team send regular communication to engage with employees on health and wellbeing with invitations to regular webinars. Regular 'iocomms' from the CEO providing updates on activity and news in the Company. The Board receives regular HR updates covering employee KPIs and updates on employee matters which drives a positive connection to the wider employee base. Launch in the current year of a new company wide intranet which provides communications channels in a modern way to our employees. For more information on how we engage with employees, see page 56.
Customers	Understanding the varying needs and challenges of our customers is critical to the Group's success and to ensuring we grow through organic and new customers. We engage with our customers to ensure we continue to enhance and develop our product portfolio to meet their needs.	 The Board receives updates on sales and customer feedback monthly, which informs strategic decisions. Chief Revenue Officer is invited to engage with the Board on a regular basis to provide updates on performance to drive operational priorities to deliver a high-quality customer experience. We ensure that our customers have the opportunity to speak to their support team, account manager or a member of senior management throughout each stage of their customer journey. Regular service reviews to address feedback from customers. We host stands at key technology events and run our own private events to connect with existing and prospective customers. For more information on how we engage with customers, see page 57.



STAKEHOLDER ENGAGEMENT

Stakeholder Group	Why effective engagement is important	How we engage
Suppliers and key partners	To support our business model and strategy, we require an efficient and effective supply chain. Suppliers are critical to the products and service we provide to our customers including the development of our product portfolio and new products, competitive pricing and service delivery. The Group has a number of key strategic partners that we engage with to support delivery of our business in a number of key areas including IT infrastructure and communication products and services, software, provision of power and our landlords on leased property.	 Regular open and honest two-way interaction with suppliers. CEO engagement with a number of key strategic partners and key vendor alliances to ensure we monitor the quality of our suppliers to optimise operational efficiency; ensures we receive the best level of service and continue to contract on favourable terms to support the business. We have specific product and vendor management in place for our strategic partners being Microsoft, Broadcom and Commvault who undertake regular updates, both informal and informal, as part of the partnership programmes of these technology partners. The Board approves all key supplier contracts above certain thresholds in accordance with the Company's delegation of authority limits. For more information on how we engage with suppliers, see page 57.
Environment	The Group recognises the environmental impact arising from our business activities and is committed to minimising the impact we have on the environment to secure the long-term future of the Group. The Group operates a number of data centres throughout the UK and we operate our data centres in a way intended to reduce the impact on our local environment, including the usage of energy and greenhouse gas emissions.	 The Board considers and approves capital investments that support the Group's reduction in carbon emissions from our data centres. The Board receive regular management reports on energy performance and outputs of our data centres to demonstrate our commitment to Energy Saving Opportunities Scheme ("ESOS") and SECR. The Board also receive updates on compliance with ISO standards, environmental and energy efficiency management policies and updates on improvement activities through monthly Board reporting.

Key Board decisions in the year

The following table covers the key decisions made during the year and the stakeholder group(s) impacted by these decisions.

Key Impact	Key decisions made	Key Stakeholder Group impacted
Long-term strategy and performance of the Group	In February 2025, the Board held an annual strategy day to review the current position of the Group and develop the vision and strategy for the business. The Board considered the potential impact that the Group's growth plans might have on its key stakeholders to ensure that there is a healthy balance between growth, shareholder returns, internal and external factors and wider stakeholder considerations. The Board approved the Group's FY26 financial budget and five-year plan which took into consideration the strategic plan and any specific priorities and challenges faced by the Group. The Board considered the potential impact on our key stakeholders to ensure that the budget achieved a responsible balance between operating performance and short and long-term considerations that matter to our key stakeholders.	Shareholders, Employees, Customers, Suppliers, Environment
Financing and capital spend	The Board approves major capital expenditure in excess of £1m to support the capital investment of our infrastructure and data centres. During the year, the Board approved: • the 5 year Broadcom VMware license arrangement, along with the matching USD hedging for the future annual payments. • the commencement of the refinancing of the Group's bank facility, which was successfully concluded, subsequent to the year end, on 27 June 2025. The Board reviews the dividend policy and approved the interim and annual dividends taking into account the results and financial position of the Group.	
Acquisitions	The Board approved the acquisition of Kookaburra Topco Limited, the holding company of Atech Support Limited. The Board considers that this transaction is in line with the acquisition strategy of the Group and is in the interests of our key stakeholders. Atech is the UK's most highly accredited Microsoft Solution Partner. The Board consider that this acquisition fully supports lomart's vision of being one of the UK's principal providers of secure cloud services across public, private and hybrid environments.	
Suppliers	As noted in the CFO report on page 19, in May 2024, the Board approved the commitment to a 5-year licence programme with Broadcom. This commitment ensures our existing customers continue to benefit from our deep VMware know-how and capability but will also allow us to support new customers who require an intermediary partner to support their own requirements.	

The Strategic Report on pages 3 to 35 has been approved by the Board and is signed on its behalf:

Scott Cunningham

Scott Con

Chief Financial Officer, 24 July 2025



SUSTAINABILITY REPORTING

lomart seeks to minimise the impact of our operations on the environment and is committed to reducing its greenhouse gas ("GHG") emissions. As in prior periods, we are pleased to report that lomart is aligned with the UK Government targets and committed to achieving Net Zero by 2050, and earlier, if possible. We are proud that a combination of our renewable electricity commitments and other efficiencies has already ensured we have reduced our scope 1 & 2 total carbon emissions by over 99% since our benchmark year of FY21.

Climate Risks and Opportunities

Within the Group, we recognise the importance of addressing the potential risks and opportunities climate change presents. Due to the increase in our overall employee numbers following the acquisition of Atech, for the first time, we are legally required to produce climate-related financial disclosures under The Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022. The statements in this disclosure cover the whole Group, including Atech.

lomart complies and discloses in alignment with the UK Government's Climate-related Financial Disclosures ("CFD") regulations. Previously, ESG-related risks and opportunities were identified as part of the overall business-wide risk and opportunities process at the Group level.

lomart is engaging in a review process, alongside a third-party consultancy, to reassess any potential climate-related risks and opportunities that may be material to the business, considering different time horizons and climate scenarios in line with the CFD requirements. These will then be incorporated into lomart's risk management processes if applicable and used to inform lomart's business strategy. Previous work has covered high-level flood risks and energy supply, and tax risks. lomart is committed to expanding the scope of future assessments to ensure climate-related risk and opportunities are fully considered as part of the business strategy.

lomart also plans to create metrics and targets linked to the climate-related risks and impacts identified through climate scenario analysis, which will be undertaken in the next financial year.

Governance

The Group is committed to a rigorous and reliable approach to identifying, monitoring, and managing risk across all aspects of our business. Our approach to corporate governance and ESG is outlined in the Corporate Governance Report. Iomart's CEO has the delegated authority from the Board to manage Iomart's actions concerning all ESG topics. The CEO is assisted by the ESG Steering Committee on climate-related matters through the following channels:

- During the year, we established an ESG Steering Committee, which supports the CEO in overseeing climate-related risks and opportunities. The Chief Data Centre Officer will be working with third-party consultants engaged by the Group to support the identification of climate risks, energy management and our overall strategy. The ESG Steering Committee is chaired by the Chief People Officer and consists of three permanent members: the Chief People Officer, Chief Financial Officer and the Chief Data Centre Officer. The Committee meets quarterly to discuss any relevant activities over the preceding period. They identify future work that is required and communicate relevant updates to the Board on a biannual basis. The ESG Steering Committee has oversight of all ESG-related issues (current or future). The Committee has met three times in the financial
- The Audit Committee supports the CEO in reviewing all relevant information available to identify any potential risks to the business or actions that need to be taken to ensure business continuity and advancement. This Committee is responsible for managing the identification of overall risks and communicating any risks found to be material to the Board ahead of Board meetings. The Audit Committee will also review the outputs delivered by the third-party consultancy engaged by the Board to identify and assess potential climate-related risks, as well as score the identified risks against lomart's internal risk register mechanism. This Committee meets quarterly and, as part of the risk management process, assesses the impact of key threats, including climate threats, against lomart's operations, with an annual update of the Group Risk Register. This risk assessment is reported to the Board annually.
- The CFO supports the CEO in receiving energy performance updates from the Energy Management Team and communicating these to the Board. The CFO receives monthly performance updates on energy use, consumption and other data related to Climate Change Agreements ("CCA") and ESOS commitments in the Group's monthly infrastructure executive report, with the data prepared by the independent energy advisors engaged by the Group. These third-party advisors also produce a half-yearly documented energy review report. Updates are then communicated with the Board through the CFO on the same timescales. Whilst climate-related risks or opportunities are not yet considered as an individual standing agenda item in any of these meetings or at the Board level, going forward, as the scope of our work across climate-related risks and opportunities, net zero and broader ESG targets expands, the Board will receive more frequent and specific updates.

Risk Management

In prior periods, ESG-related risks and opportunities were identified as part of the overall, business-wide risk and opportunities process, conducted by the Audit Committee in preparation for the financial statements. This was conducted at a Group level but did not specifically focus on climate-related risks and opportunities. Through the business-wide risk and opportunities process, flooding and energy were identified at the group level as key risks and were integrated into lomart's overall risk management process.

During this year, we completed a workshop facilitated by third-party experts to expand on individual climate-related risk and opportunities (the results of which can be found in the tables below). These will form the basis of a climate-related risk management framework going forward, which will be managed by the Group's ESG Steering Committee.

The Group will define an appropriate risk identification cycle frequency for climate-related risks and opportunities, at least every 3 years. Iomart will review how the results can be integrated into the Group's wider risk management and business continuity plan upon completion of a climate scenario analysis, to ensure the relative significance of climate-related risks in relation to broader risks can be assessed. The Group will also continue to assess all CAPEX investments with considerations of energy, sustainability, and carbon reduction co-benefits, aiding the Group in identifying climate-related opportunities moving forward.

Strategy

lomart has started a high-level exploration of current and future exposure to climate-related risks during the climate risk workshop held this year, which is summarised in Tables 1 and 2, respectively. The potential impacts of these risks and opportunities have been established through desktop research by third-party experts and through engagement with the Group's internal subject matter experts. Further detail is provided in the second column of these tables labelled 'Potential operational impact'.

It is expected that the completion of a climate scenario analysis supported by third-party experts within the next year will consider relevant time horizons and climate scenarios and the output of this analysis will aim to fully understand the resilience of the group's business model and strategy, as well as identify if there are any critical assets or revenue streams at risk. The Group will consider the suggested adaptation actions that may be needed to ensure the resilience of operations, renewing this analysis at least every three years.

Metrics and Targets

The Group plans on developing key performance indicators and setting targets to manage climate-related risks and to realise climate-related opportunities upon completion of a climate scenario analysis within the next year.

The Group intends to contract third-party experts to review relevant targets and support in monitoring and assessing progress against identified climate-related risks and opportunities within an appropriate timeframe.

Beyond climate-related risks and opportunity targets, lomart has committed to meeting net zero by 2050 and has reduced its Scope I and 2 emissions by 99% since its baseline year of FY2I. Our next steps in the short-term include: understanding our full value chain footprint (Scope 3), assessing the relevance and feasibility of setting a Science-Based Target, developing interim targets to 2050 and exploring whether intensity targets are more relevant to the business.

To achieve our existing targets, lomart plans on transitioning to a low-carbon economy through a range of initiatives, including the following energy efficiency measures (some of which have already been actioned or are continuing programmes):

- Investing in solar panels and LED lighting
- Replacing cooling systems with ones that are modern, efficient and utilise free fuelling
- Relocating their head office premises in Glasgow to a new EPC Grade A office
- Implementing an IMS certified and purchasing REGOs certified to ISO 14001:2014 and ISO 500001:2018
- Procuring renewable electricity across their UK data centre estate in 2021

These are the measures currently identified. Further work will be ongoing to review and enhance measures as needed.



SUSTAINABILITY REPORTING

Qualitative Risk Workshop

The qualitative risk and opportunities workshop undertaken in March 2025 considered short, medium, and long time horizons, aligned broadly with lomart's definition of short (up to one year), medium (one to five years) and long-term risk (after five years). Further work will be undertaken to properly define the time horizons and understand under which time horizons these risks and opportunities are likely to materialise following the completion of a Climate Scenario Analysis.

Whilst the risks and opportunities were not rated for specific climate scenarios, the discussions during the workshop covered the potential materiality of risks and opportunities in the context of multiple scenarios. This included a business-as-usual world (in line with Current Policies in NGFS), and a world where global warming is limited to 1.5 °C in line with Paris Agreement (in line with Net Zero 2050 in NGFS scenarios). Based on this, physical risks were identified to be more relevant under a business-as-usual scenario in the long-term, and transition risks were identified as most relevant under a 1.5 °C scenario in the short and medium-term. Following a detailed look at different climate scenarios and time horizons as part of a CSA, lomart will evaluate its business readiness and resilience against these high-level climate-related risks and opportunities and ensure climate-related risk is fully considered as part of strategic developments

Unlike many of its peers, lomart has not included water shortages as an acute physical risk that could impact the business due to the absence of evaporative cooling systems utilised across lomart's various sites; as such, this specific industry risk is considered immaterial to lomart.

The physical risks are considered in the geographical locations of lomart's data centres and offices, which are across the United Kingdom. Transition risks are looked at across multiple regions given lomart's global stakeholders.

Table 1: List of potentially relevant climate-related risks at the Group level, based on the internal stakeholder engagement workshop.

Risks	Potential operational impact	Indicative risk rating	Business strategic response and resilience
Physical acute, Flooding and storms	Damage to building, equipment and downtime No access to routes to and from sites and impact on employee homes Damage to infrastructure Increased insurance premiums and potential for reduced availability of insurance on assets in high-risk locations Early retirement of existing assets (e.g., damage to property and assets in "high-risk" locations) Possibility of short-circuits, causing serious damage, fires, or small scale explosions Water and moisture damage insulation, corrosion, cable, and equipment failure	High	Existing response: Sites or data centres in coastal areas are situated on elevated ground or staff can work from home if necessary Local flood barriers and water management plans in place Investment in electrical, cooling and generator capacities for data centres Planned response: Ambition to contract a third party to undertake a climate scenario analysis of all sites as well as review current mitigation measures in place and consider new ones. The necessary frequency of assessment will also be defined Explore whether the Group's suppliers are vulnerable to flooding, to identify the magnitude of the risk across the business and consider appropriate mitigation actions to ensure preparedness
Physical acute, Heatwaves	Overheating of systems and physical damage to facilities No power supply or temporary loss, causing harm to customers and data centres' overload Heat stress impacts workers' productivity No access to transport infrastructure	Medium	

Table 1: Continued

Risks	Potential operational impact	Indicative risk rating	Business strategic response and resilience
Transition Technology, Technology changes	Replace existing assets ahead of their economic lifespan with new low-carbon technology Increased costs associated with replacing assets and R&D costs Can be driven by new regulations forcing the deployment of new, low-carbon technologies	High	Planned response: Carry out horizon scanning to stay ahead of any technology changes and government regulations related to eco-friendly equipment Aim to assign this responsibility to the relevant staff members (e.g., ESG Committee) and have processes and budget in place to update equipment and other technology as required.
Transition Market, Energy costs	Increased costs if hedging utility rates at the wrong time, while seeking protection against volatility Increased cost of service/utilities, leading to customers and/or profitability being impacted	High	Existing response: Keep in place existing mitigating options concerning volatility in energy supply and taxes, particularly the current hedging strategy, passing on increased costs to customers. This risk is well mitigated for now.
Transition, Policy and Legal, Reporting obligations	Increased operating costs to respond to reporting requirements (e.g., higher compliance costs including consultancy fees and internal resources) Non-compliance could lead to litigation and reputational damage	Low	Planned response: Assign resources to improve current ESG programmes and research opportunities to reduce energy use from data centres. Work with third-party specialists to stay up to date on any new or proposed regulations.
Transition, Reputation, Stakeholders expectations	Reduced revenue from decreased demand for goods/services Reduced revenue from negative impacts on workforce management and planning (e.g., employee attraction and retention)	Low	



SUSTAINABILITY REPORTING

Table 2: List of potentially relevant climate-related opportunities at the Group level, based on the internal stakeholder engagement workshop.

Opportunities	Potential operational impact	Indicative risk rating	Business strategic response and resilience
Resilience: Integrate physical risk exposure into business continuity planning to ensure lomart develops adaptive capacity to respond to climate change.	Immediate expenses for developing an adaptive strategy Increased reliability of supply chain and ability to operate under various conditions (long-term) Increased revenue through new products and services related to ensuring resiliency (long-term) Preventing potential significant IT costs incurred from extreme weather events. Reduced costs in that instance, with business continuity plan in place and reduced impact on employees (long-term)	Medium	Existing response: Workshop undertaken with third-party experts to understand physical and transition risks. Published our first CFD/(TCFD) report to communicate our efforts to stakeholders and committed to doing so every year Planned response: Building on the climate scenario analysis results, the ambition is to revisit the business continuity plan documentation, Group Risk Register and Load and Capacity Management Planning with physical risk considerations
Resource efficiency: Incorporate low- carbon technologies into Iomart's direct operations and its supply chains.	Improved reputation and competitor advantage through demand for lower emissions products and services Decreased operating costs with enhanced process efficiencies, reduced energy consumption and lower energy costs (long-term), but high capital costs to adopt new technologies (short-term) Reduced exposure to future fossil fuel price increases Bolster operational resilience of sites vulnerable to flooding and water stress	High	Existing responses: The viability of three strategies to improve energy and water efficiency is under current evaluation: Switch to more sustainable types of fuel, such as white diesel or Hydrotreated Vegetable Oil (HVO) fuel. Integrate a circular economy approach to IT legacy kits from customers, which could be recycled and gathered at a single IT asset disposal site Optimise short suppliers' shipments by analysing recurrent journeys and combining them. Planned response: Continue exploring innovations that may enable future data centres to support the grid, such as utilising battery storage capacity or providing waste heat Explore geographical locations of the data centres as some can benefit from average grid carbon intensities lower than others, hence providing cloud and colocation clients the opportunity to reduce their energy impact significantly
Energy source and Products & Services: Explore technology solutions or lower-emission sources of energy as a protection against volatility in energy supply.	Increase generator capacities and on-site renewables Returns on investment in low-emission technology Reduced operational costs	Medium	Planned response: Explore other mitigating options to volatility in energy supply and taxes, such as technological ones.
Markets: Access new markets and customers and maintain existing reputation.	Opportunity to access new markets and customers Improved reputation leading eventually to increased revenue.	Medium	Planned response: Exploring opportunities to engage on sustainability matters with our customers, top suppliers, and staff to anticipate their expectations and ensure that the Group understands the changing market demands and offers any changes to its services accordingly. This can be through events tailored to specific sectors and engaging with customers to understand their needs

Greenhouse Gas (GHG) Emissions Inventory

lomart applies a set of global environmental standards to all our activities, and our environmental and energy management systems are certified to ISO 14001 and ISO 50001 (internationally recognised standard for energy management systems (EnMs) standards). These certifications provide a framework against which we have developed our environmental procedures and monitoring systems. These processes have allowed us to measure our environmental performance and focus our activities on delivering improvements.

Details of our methodology, energy consumption used to calculate emissions and our progress from the baseline year can be found below.

Iomart Group PLC Emissions & SECR Compliance Report

Methodology

As a UK-incorporated quoted company, lomart is required to report its energy use and carbon emissions per the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018.

GHG emissions and energy use data for the period	2020-21 Baseline Year	2023-24 Comparison reporting Year	2024-25 Current reporting Year
	UK	UK	UK
Emissions from activities which the company owns or controls, including combustion of fuel & operation of facilities (Scope 1) / tCO ₂ e	-	17	8
Emissions from the purchase of electricity, heat, steam, and cooling purchased for own use (Scope 2, location-based) / tCO ₂ e	13,504	10,432	9,744
Emissions from the purchase of electricity, heat, steam, and cooling purchased for own use (Scope 2, market-based) / tCO2e	13,504	8	-
Emissions from business travel in rental cars or employee-owned vehicles, where the company is responsible for purchasing fuel	4	7	38
Total gross Scope 1 & Scope 2 emissions [location-based]/ tCO_2e	13,504	10,449	9,752
Total gross Scope 1 & Scope 2 emissions [market-based]/ tCO_2e	13,504	25	8
Total gross Scope 1, Scope 2 [location-based] & Scope 3 emissions / tCO ₂ e	ope 1, Scope 2 [location-based] & 13,508		9,790
Total gross Scope 1, Scope 2 [market-based] & Scope 3 emissions / tCO ₂ e	13,508	32	46
Energy consumption used to calculate the above emissions / kWh	57,956,041	50,439,236	47,264,798
Recurring Revenue [£'000]	100,211	116,112	127,569
Intensity ratio: tCO ₂ e (gross Scope 1 + 2) per £'000 revenue [location-based]	0.13	0.09	0.08
Intensity ratio: tCO ₂ e (gross Scope 1 + 2) per £'000 revenue [market-based]	0.13	0.0002	0.0001
Intensity ratio: tCO ₂ e (gross Scope 1, 2, 3) per £'000 revenue[location-based]	0.13	0.09	0.08
Intensity ratio: tCO ₂ e (gross Scope 1, 2, 3) per £'000 revenue[market-based]	0.13	0.0003	0.0004



SUSTAINABILITY REPORTING

Using an operational control approach, the Group has identified its operational boundaries to ensure all activities and facilities, including data centres, are assessed in line with the GHG Protocol Corporate Accounting and Reporting Standard. Currently, fugitive emissions due to refrigerant leakages in AC units are excluded from Scope 1 emissions, due to poor data availability. Processes are in place to monitor this going forward, and this will be included in future year footprints.

The data detailed in this table represent emissions and energy use for which lomart is responsible and covers the following:

- Scope 1 emissions are a result of the combustion of transport fuels in company-owned vehicles or long-term leased vehicles. Iomart does not have facilities which use natural gas.
- Scope 2, indirect emissions are from purchased electricity for our offices and data centres. Market-based
 emissions take into account the procurement of renewable electricity (100%), backed by Renewable Energy
 Guarantees of Origin (REGOs).
- Scope 3 emissions from business travel in rental cars or employee-owned vehicles, where lomart is responsible for purchasing fuel.

Where energy consumption data is missing, estimation techniques, that are set out in the GHG Protocol, are used using actual data to cover the missing periods. Emissions are then calculated by multiplying the activity data by the relevant UK Government GHG Conversion Factors for Company Reporting 2024.

The Group uses total recurring revenue to calculate the intensity ratio, as this allows emissions to be monitored over time, considering changes in the size of the Group. This factor provides the greatest degree of accuracy and is the metric best aligned to power usage and business growth.

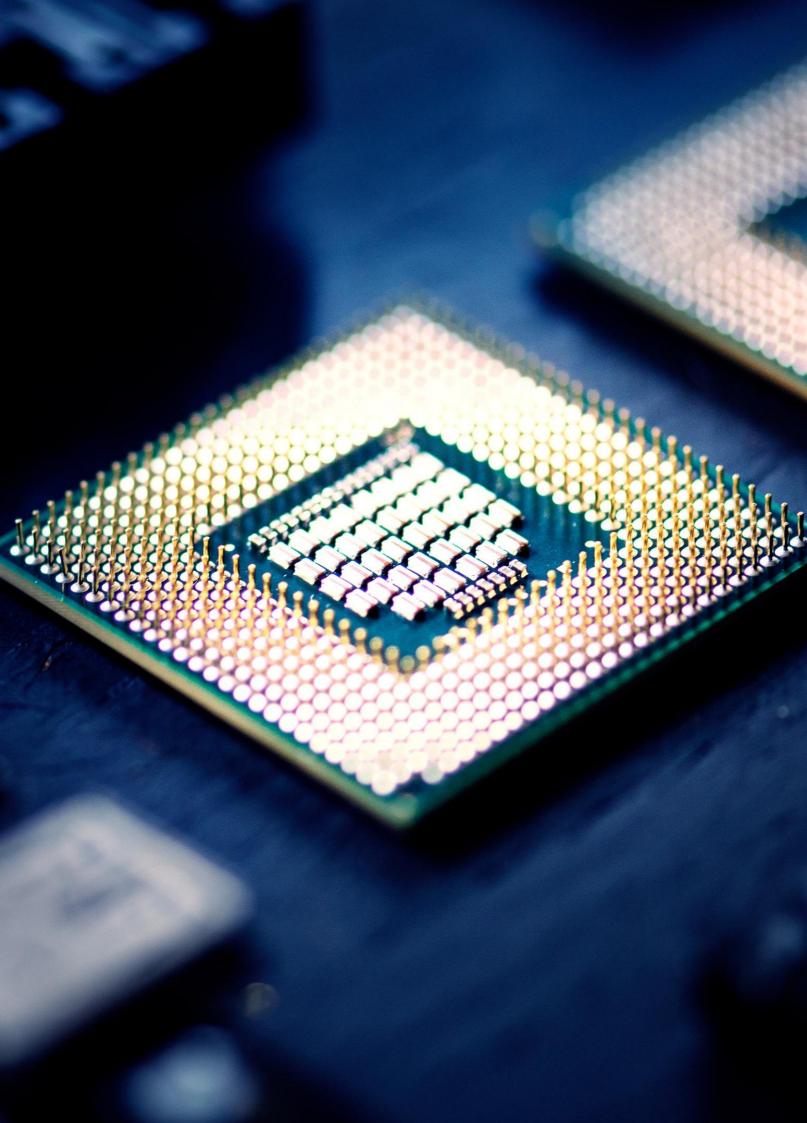
As all activity took place in the UK, there are no global energy use and emissions data to report.

Energy Efficiency Actions

The proactive management of our GHG emissions is central to lomart operations with a clear focus on controlling and reducing our carbon footprint. Iomart aims to improve the energy efficiency of its operations and ensure continued compliance with ISO 50001:2018 as the basis for its energy management arrangements and has committed to:

- setting objectives for reducing energy consumption and maintaining an energy efficiency programme
- managing energy usage to our related business premises
- compliance to existing and new, applicable environmental regulations
- improving the power usage effectiveness for each of our data centres
- providing training on good energy management practices and encouraging employee involvement in energy efficiency improvement initiatives; and
- lomart participates in the ESOS with annual ESOS audits carried out throughout the Group and is committed to meeting the requirements of the SECR regulations.

Last year, the Board approved a £1.3m replacement of a cooling system in a major data centre as well as other critical assets in key data centres to help drive our carbon reduction as we work towards carbon neutrality. Our solar panel installation for the Maidenhead data centre, which was completed in May 2024 has contributed 163,557 kWh of clean energy to that operation between May 2024 (project completion) and March 2025.





BOARD OF DIRECTORS



RICHARD LAST, EXECUTIVE CHAIR

June 2024 appointed as Non-Executive Chair, May 2025 appointed **Appointed**

Executive Chair

Committee Membership Nomination (Chair from 12 June 2024 to 30 May 2025)

Background & Experience

Richard brings over 35 years of experience in public and AIM-listed companies across technology, telecoms, and financial services. His expertise includes supporting growth, transformation, and international expansion. Richard is a Fellow of the Institute of

Chartered Accountants in England and Wales.

External **Appointments** Non-Executive Chair of chair of Tribal Group plc and Non-Executive Director at Corero Network Security plc. He holds a number of

appointments in private companies.



SCOTT CUNNINGHAM, CHIEF FINANCIAL OFFICER

Appointed

September 2018

Background & Experience

Scott is a chartered accountant having trained with Arthur Andersen where he became a senior manager providing audit and transaction support services to both public and private companies. Leaving Arthur Andersen in 2001, Scott joined Clyde Blowers and performed a number of roles including Group Financial Controller for the Clyde Bergemann Power Group from 2003 to 2006. He became Director of Corporate Finance and Company Secretary for AIM listed InterBulk Group plc in February 2006 and, in April 2007, Scott became Group Finance Director for InterBulk Group plc until it was successfully sold to Den Hartogh in March 2016. Immediately prior to joining lomart he was an Investment Director at Clyde Blowers Capital.



ADRIAN CHAMBERLAIN, SENIOR INDEPENDENT NON-EXECUTIVE DIRECTOR

Appointed

June 2023

Committee Membership Audit, Remuneration and Nomination (Chair from 26 September 2023 to 12 June 2024 and then subsequently reassumed Chair role from 30 May 2025 as Richard Last moved to Executive Chair role)

Background & Experience

Adrian has considerable experience across the technology and telecoms sector, having spent a significant period of his executive career with Cable & Wireless plc before becoming CEO of Message Labs and then Achilles, both cloud-based SaaS businesses. He has substantial experience in strategy formulation, growing turnover and establishing presence in new markets. Adrian was previously the Chair of the Board of eConsult Health Ltd, a cloud-based SaaS business in the healthcare sector and a Non-Executive and Senior Independent Director at Cambridge University Hospitals NHS Foundation Trust.

External

Adrian is a Non-Executive Director at Alfa Financial Software Holdings plc, a listed global software provider.

Appointments



KARYN LAMONT, NON-EXECUTIVE DIRECTOR

Appointed

February 2019

Committee Membership Audit (Chair), Remuneration and Nomination

Background & Experience

Karyn is a chartered accountant and former audit partner at PricewaterhouseCoopers LLP ("PWC"). She had over 25 years of experience with PwC, including 13 years as an audit partner, and provided audit and other services to a range of clients across the UK's financial services sector, including outsourcing providers. Karyn left PWC in 2016. Karyn is now an experienced Non-Executive Director and Audit Committee Chair with a portfolio of roles across multiple sectors. Her specialist knowledge includes financial reporting, audit and controls, risk management, regulatory compliance and governance.

External Appointments Karyn is a Non-Executive Director, and Audit Committee Chair of Scottish Building Society, North American Income Trust plc and

Scottish American Investment Trust plc.



ANNETTE NABAVI, NON-EXECUTIVE DIRECTOR

Appointed

May 2023

Committee Membership Remuneration (Chair - appointed 1 June 2023), Audit and Nomination

Background & Experience

Annette brings over 30 years of experience in operational and advisory roles in the technology sector, including significant expertise in driving growth through acquisition and partnerships. Annette currently sits on the board of Eleco plc, an AIM listed software company and serves as the Senior Independent Director and Chair of its Remuneration Committee. She has held several Non-Executive Director roles, including a seven-year tenure at AIM listed Maintel Holdings Plc, a cloud and managed services company, where she also chaired the Remuneration Committee. She has substantial experience in the area of remuneration through her involvement with the Quoted Companies Alliance, where she supported the update to the Remuneration Committee Guide.

External Appointments Annette is a Non-Executive Director, and Remuneration Committee Chair at Eleco plc and is Finance Director for Women in Telecoms and Technology, a Not-for-Profit organisation.



ANGUS MACSWEEN, NON-EXECUTIVE DIRECTOR

Appointed

March 2000, appointed as Non-Executive Director in October 2020

Background & Experience Angus founded lomart in December 1998 following 15 years spent creating and selling businesses in the telephony and internet sector. In 1984, after a short service commission in the Royal Navy, Angus started his first business selling telephone systems. He then grew and sold five profitable businesses – including Prestel, an online information division of BT, which he turned into one of the UK's first internet service providers. Following the sale of Teledata Limited, the UK's leading telephone information services company, to Scottish Telecom plc, Angus then spent two years on the executive of Scottish Telecom plc where he was responsible for the development of the company's internet division. Angus was Chief Executive Officer until he retired on 1 October 2020 and was appointed as a Non-Executive Director on the same day.



CORPORATE GOVERNANCE REPORT

On behalf of the Board, I am pleased to present our Corporate Governance Report for the year ended 31 March 2025.

As Chair, I am responsible for ensuring that the Board operates effectively and upholds high standards of corporate governance. We remain committed to maintaining robust governance structures, policies, and procedures that are appropriate to the size and complexity of the Group. The Board recognises that strong governance is fundamental to delivering our strategic objectives and sustaining long-term value creation.

We continuously review and refine our governance framework to ensure it remains fit for purpose and aligned with the evolving needs of the business. This includes ongoing enhancements to our processes, controls, and risk management practices to support the Group's continued growth.

During the early part of the financial year, Lucy Dimes served in a transitional dual role as both CEO and Chair. I was appointed as independent Non-Executive Chair on 12 June 2024, ensuring a clear separation of responsibilities in line with best governance practice for the remainder of the financial year. Lucy Dimes departed the company on 29 May 2025, and I have assumed the role of Executive Chairman for a transitionary period. I am supported by a strong Executive Leadership Team and an experienced Board to ensure we maintain a high standard of governance until the role of CEO and Chair are again separated.

The Company continues to adopt the Quoted Companies Alliance Corporate Governance Code, including the revised version published on 13 November 2023, which applies to financial years beginning on or after 1 April 2024. This report outlines our governance approach and how we have applied the Quoted Companies Alliance principles during the year. Compliance with the Quoted Companies Alliance code is one way in which the company upholds high standards of governance and accountability, ensures a strong culture of transparency and remains focused on sustainable growth.

Stakeholder engagement

Engaging effectively with our stakeholders is critical to the Group's long-term success. As Chair, I am responsible for leading the Board in a way that promotes the interests of all stakeholders and ensures the integrity and effectiveness of the Board's work. As detailed in our Stakeholder Engagement Report (pages 25 to 27), the Board actively considers the views and needs of our stakeholders in its decision-making and remains committed to building and maintaining strong relationships across our stakeholder base.

We believe that a culture of strong corporate governance is essential to our future success. I am confident that our governance framework provides a solid foundation to support the delivery of our strategic plan and the sustainable growth of the Group.

Richard Last

Chair, 24 July 2025

The Board

Role of the Board

The Board's principal role is to provide effective leadership of the Group and establish and align the Group's values, strategic plans and culture. The strategic report describes the business model on page 9 and explains the basis on which the Group generates value and outlines the long-term strategy of the Group.

It is the Board's role to ensure that the Group is managed for the long-term benefit of all its stakeholders and is responsible for delivering shareholder value by developing the Group's strategic plans. The Board strives to deliver effective and efficient decision making incorporating the needs of our many stakeholders to support the Group's strategy in the best interest of all the Group's stakeholders.

The Board is responsible for overseeing the Group's external financial and other reporting requirements and for ensuring that a robust framework of governance and controls exists which allows for the identification, assessment and management of internal controls and risk management to support the continued growth of the business.

There is an approved formal schedule of matters reserved for the Board which includes, but is not limited to:

- approval of strategic plans, annual financial budgets and business plans;
- approval of material acquisitions, contracts, major capital expenditure and disposal of major assets;
- changes relating to the Group's structure and shares;
- approval of the annual report and interim financial statements, trading statements, preliminary announcements and accounting policies;
- approving any significant funding facilities; and
- approval of the dividend policy at half-year and year end.

The Board meets regularly as required but including, as a minimum, ten scheduled meetings per annum, to discuss and agree on the various matters brought before it, including the trading performance of the Group. Information of a sufficient quality is supplied to the Board in a timely manner. In addition, there is regular communication between Executive and Non-Executive Directors, where appropriate, to update the Non-Executive Directors on matters requiring attention prior to the next Board meeting.

Board Structure and division of responsibilities

The Group is led by a strong and experienced Board of Directors which brings depth and diversity of expertise to the leadership of the Group. The Board has an appropriate balance of skills, experience and knowledge of the Group and its market to enable it to discharge its duties and responsibilities effectively. The Board recognises that to remain effective it must keep the composition of the Board under review to continue to ensure the right mix of skills and business experience to support the effective functioning of the Board, helping to ensure matters are fully debated and that no individual or group dominates the Board decision–making process.

Board biographies of all Board members giving details of their experience and other directorships are included on pages 37 to 38. The Board has concluded that other directorships held by any Board member do not detract from their ability to discharge their responsibilities effectively.



CORPORATE GOVERNANCE REPORT

The responsibilities of the roles within the Board are set out below:

Role	Principal responsibilities
Chief Executive Officer	Day-to-day responsibility for the effective management of lomart and ensuring Board decisions are implemented.
	Leads the Group to ensure the Group's strategic plan and other key business objectives are delivered upon.
	Provides regular operational updates to the Board on significant matters relating to the Group's operations.
	Ensures effective communication with shareholders and other key stakeholders.
	Monitors the Group's principal risks taking into consideration the Board's risk appetite.
	Is responsible for managing the Group's ESG initiatives.
	Chairs the Group's Executive Committee which comprises the Chief Financial Officer and senior executives who manage the day-to-day operation of the Group's business.
Chief Financial	Overall responsibility for management of the financial risks of the Group.
Officer	Accountable for financial reporting to the Board and shareholders on the Group's financial performance.
	Is responsible for ensuring a strong financial control environment that delivers robust financial reporting information to support decision making.
	Identifying and assessing potential acquisitions to drive our M&A strategy.
Chair	Leads the Board and sets the tone, promoting a culture of open and honest debate at Board meetings and upholds high standards of governance.
	Sets the Board's agenda and chairs Board meetings to encourage constructive challenge of the Executive Directors.
	Facilitates effective communication between Executive and Non-Executive Directors and encourages contribution and discussion.
	Ensures all Directors receive sufficient and relevant information prior to meetings to allow independent judgement and effective challenge of Board decision making.
	Works closely with the Chief Executive Officer on key strategic decisions.
	Maintains and supports communication channels with shareholders as appropriate.
	The above Non-Executive Chair principal responsibilities are combined with the principal responsibilities of the Chief Executive Officer for an interim period until a successor Chief Executive Officer is appointed and in relation to which enhanced support is provided by the Chief Financial Officer and the Group's Executive Committee
Non-Executive	Provides independent, constructive challenge to Executive Directors.
Director	Brings independent insight, scrutiny and a diverse range of skills and experience to Board decision making.
	Strengthens governance through Committee memberships to support delivery of the Group's strategy.
	Challenges whether the Group's risk management and internal control framework is robust.
Senior Independent	Acts as a sounding board for the Chair and, if and when appropriate, serves as an intermediary for other Directors.
Director	Available to shareholders if they have concerns that are not addressed through other channels.

The Chief Executive Officer and Chief Financial Officer are supported by a highly committed and experienced Executive team, with the qualifications and experience necessary to run the Group and are responsible for monitoring the performance of the senior management team. Overall, there is a clear division of responsibilities between the running of the Board and the Executives responsible for delivering on the Group's strategic plan, to ensure that no one person has unrestricted powers of decision. As noted on page 39, during FY25 there was a short period of time where Lucy Dimes had performed the role of CEO and Executive Chair, however, where appropriate the Senior Independent Director was involved for any areas where there was potential conflict of interest.

Company Secretary

The Company Secretary supports the Chair and Chief Executive Officer on all matters of governance and is available to all Directors for advice and support. The Company Secretary is responsible to the Board for ensuring the Board procedures are properly complied with and that the discussions and decisions are appropriately minuted.

Independence

At the year end, the Board considers that all Non-Executive Directors serving are independent with the exception of Angus MacSween. Angus MacSween was appointed as a Non-Executive Director to the Board on 1 October 2020 after resigning as CEO and is not currently appointed to any of the Board's committees.

Richard Last was appointed Non-Executive Chair on 12 June 2024. Subsequent to the year-end but prior to the date of this report, on 29 May 2025, Lucy Dimes stepped down as Chief Executive Officer and left the Company. On that date, Richard Last moved to Executive Chair to support the Executive team during the period of recruitment and appointment of a new Chief Executive Officer.

At the date of this report, the Board now has six members, comprising two Executive Directors, being the Chair and Chief Financial Officer, and four Non-Executive Directors.

Composition of and Appointments to the Board

The composition of the Board ensures an appropriate balance of Executive and Non-Executive Directors and when appointing new Directors to the Board there are formal, rigorous and transparent procedures in place to ensure consideration is given to the particular skills, knowledge and experience that a potential new member could add to the existing Board composition. A formal process is undertaken, which may involve external recruitment agencies, with appropriate consideration being given, in regard to Executive appointments, to internal and external candidates. Before undertaking the appointment of a Non-Executive Director, the Chair establishes that the prospective Director can give the time and commitment necessary to fulfil their duties, in terms of availability both to prepare for and attend meetings and to discuss matters at other times.

The Chair is responsible for ensuring that all the Directors continually update their skills, their knowledge and familiarity with the Group in order to fulfil their role on the Board and the Board's Committees. Updates in relation to changes in legislation and regulation relevant to the Group's business are provided to the Board by the Company Secretary, Chief Financial Officer and through the Board Committees While other external roles are considered helpful to give diversity of opinion and experience, when recruiting new Board members, consideration is given to the "point system" to prevent over-boarding. Additionally, existing Board members must seek the Chair's permission and/or notify the Board of additional external roles. Directors may seek independent professional advice at the Company's expense in furtherance of their duties as Directors.

Training in matters relevant to their role on the Board is available to all Board members. The Board receives annual AIM rule update training from the Company's Nominated Advisors, Investec, as well as update training on relevant legislation when required. New Directors are provided with an induction in order to introduce them to the operations and management of the business, key business and financial risks and the latest financial information about the Group.

Board Evaluation

The Board, led by the Chair, undertakes a formal and rigorous evaluation of its own performance annually and that of its Committees and individual directors to identify any areas for improvement. Each year, a formal evaluation is conducted by means of a detailed questionnaire which is completed by each Director. The results of this process are first reviewed by the Chair and then discussed by the Board collectively. The annual evaluation includes a review of the performance of individual Directors, including the Chair, and the Board Committees. The most recent evaluation during the year concluded that the Board and the relevant Committee performance had been satisfactory.

Recommendations from the FY24 board evaluation process were: (i) the appointment of a new board Chair, which was achieved with the appointment of Richard Last in June 2024; and (ii) succession planning which was addressed by the Nomination Committee in the year.

While no externally facilitated Board review has yet taken place, the Board is considering this against the costs to do so. The Board also considers the timing of this review is critical taking in account the tenure of members of the Board and the establishment of relationships and ways of working amongst them before an external review is commenced.



CORPORATE GOVERNANCE REPORT

Board Committees

The Board has established three committees to deal with specific aspects of the Board's affairs: Remuneration, Nomination and Audit Committee. Each Committee has formal terms of reference which are approved by the respective Committee and can be found in the investor section of the Group's website. The effectiveness of all Committees is reviewed as part of the Board evaluation exercise. The Executive Directors may be invited to attend Committee meetings, where appropriate, except where matters under review by the Committee relate to them. The Chair of each Committee reports to the subsequent meeting of the Board giving an update on the Committee's work.

Committee	Committee Responsibilities
REMUNERATION COMMITTEE Chair:	The Remuneration Committee oversees the Group's remuneration policy, strategy and implementation and is responsible for reviewing and making recommendations to the Board on the total remuneration packages of the Executive Directors which includes:
Anette Nabavi Other members:	making recommendations to the Board on the Group's policy on Directors' remuneration and long-term incentive plans (including share option schemes for Directors);
Adrian Chamberlain Karyn Lamont	ensuring remuneration is both appropriate to the level of responsibility and adequate to attract and/or retain Directors of the calibre required by the Group;
Karymeamone	ensuring that remuneration is in line with current industry practice; and reporting to the Board on all matters within its duties and responsibilities.
NOMINATION COMMITTEE Chair: Adrian Chamberlain (Chair from 26 September 2023 to 12 June 2024). Richard Last (from 12 June 2024to 30 May 2025) and then Adrian Chamberlain from 30 May 2025 Other members: Richard Last Adrian Chamberlain Annette Nabavi Karyn Lamont	The Nomination Committee considers the selection and re-appointment of Directors. Its terms of reference include: • reviewing the structure and composition of the Board; • identifying and nominating for approval candidates to fill Board vacancies; • evaluating the balance of skills, knowledge, experience and diversity of the Board; • reviewing results of the Board performance evaluation process; and • reporting to the Board on all matters within its duties and responsibilities. Part of the Nomination Committee's remit is to consider succession planning for both the board and other senior executives. This is considered at Nomination Committee meetings as part of an ongoing process, involving the Chief Executive Officer and Chief People Officer reporting back to the Nomination Committee on an annual basis (or more frequently where relevant). Specific focus in these discussions is given to the replacement of the Executive Directors both in unplanned and planned circumstances. In the year ended 31 March 2025, the Nomination Committee was responsible for recommending the appointments of Richard Last, as Non-Executive Chair.
AUDIT COMMITTEE Chair: Karyn Lamont Other members: Adrian Chamberlain Annette Nabavi	The Audit Committee has recent and relevant experience and is authorised by the Board to conduct any activity within its terms of reference and to seek any information it requires from any employee. During the year, the Audit Committee provided oversight of the financial reporting process to ensure information gives an accurate position of the Group's position, performance, business model and strategy. In addition, the Committee continued to oversee the risk management and internal control systems. The Audit Committee's terms of reference include reviewing and monitoring: • interim and annual reports, including consideration of the appropriateness of accounting policies and material assumptions and estimates adopted by management; • developments in accounting and reporting requirements;
	the external auditor's plan and scope for the year end audit of the Group and its subsidiaries and reviewing the audit findings; internal auditor's annual plan and individual audits terms of reference, reviewing the internal
	audit reports and recommendations and status of outstanding actions. In addition, the Audit Committee carries out an annual assessment of the effectiveness of the outsourced internal audit function in the overall context of the Group's risk management programme;
	the risk management framework and risk assessment covering the systems of internal control and their effectiveness, reporting and making recommendations to the Board on the results of the review and receiving regular updates on key risk areas of financial control;
	the performance and independence of the external auditor concluding in a recommendation to the Board on the reappointment of the auditor by shareholders at the Annual General Meeting;
	non-audit fees work performed by the external auditor and related fees; agreement terms entered into and remuneration, with the external and internal auditors.
	 agreement terms entered into, and remuneration, with the external and internal auditors; the Group's procedures for detecting fraud; and
	the Group's arrangements by which staff may, in confidence, raise concerns about possible improprieties in matters of financial reporting and other areas including an external whistleblowing service to take calls from employees. For more details on the Group's whistleblowing policy, see page 46.

Significant areas considered by the Audit Committee in relation to the 2025 financial statements are set out below:

Areas of estimates	Matter Considered and Role of the Audit Committee
Impairment of goodwill	The Audit Committee considered the carrying value of goodwill at 31 March 2025. The Committee reviewed the appropriateness of cash flow projections and the significant financial assumptions used, including the selection of appropriate discount rate and long-term growth rates. These projections and assumptions were further challenged through the use of sensitivity analysis. As set out in the consolidated financial statements, a £52.9m impairment of goodwill of lomart Cloud Services cash generating unit was recorded.
Carrying value of investments in subsidiaries	The Audit Committee considered the carrying value of investments in subsidiaries at 31 March 2025. The Committee reviewed the appropriateness of cash flow projections and the significant financial assumptions used, including the selection of appropriate discount rate and long-term growth rate. For the Company only balance sheet a £56.6m impairment of the carrying value of investment in lomart Managed Services Limited was recorded.
Business combinations valuation of intangible assets and fair value adjustments on acquisition	During the year ended 31 March 2025, the Group completed the acquisition of Kookaburra Topco Limited, the holding company of "Atech" (note 11). The Committee considered the calculations supporting the fair value of assets and liabilities acquired and reviewed the supporting papers prepared by management to support the value of intangibles acquired and any fair value adjustments required.
Going Concern	The Audit Committee has reviewed management's reports and financial models supporting the going concern assumption in the context of the Group's FY25 results, financial performance, and compliance with banking covenants. This assessment covers a period of at least 12 months from the date of approval of the Financial Statements.
	The Committee notes the successful refinancing of the Group's Revolving Credit Facility ("RCF") after the year-end, on 27 June 2025. The new facility, provided by a syndicate comprising Royal Bank of Scotland, HSBC, and Clydesdale Bank, has a total limit of £115m, £18m above current borrowings, and extends to 30 June 2027. The financial covenants attached to the facility are aligned with the Group's current leverage profile and strategic plans.
	The Committee reviewed internal financial forecasts and the results of stress testing, which incorporated severe but plausible downside scenarios (refer to note 11 for further detail). The assumptions underpinning both the base case and downside scenarios were evaluated and considered appropriate in light of the current trading environment. The principal risks and uncertainties of the Group were also considered within the downside scenarios. The Committee also considered the range of mitigating actions available to management should downside risks materialise.
	The Committee recognises that ongoing compliance with banking covenants is a key factor in the going concern assessment. Based on its review, the Committee concluded that it is appropriate for the Financial Statements to be prepared on a going concern basis. The Committee is satisfied with the transparency and robustness of the related disclosures, and with the judgement that no material uncertainty exists in this regard.

As appropriate, representatives of the external and internal auditors also attend Audit Committee meetings. The Chair of the Committee also meets separately with senior management, the external auditors and internal auditors.

The Audit Committee is responsible for monitoring the independence, objectivity and performance of the external auditors and for making a recommendation to the Board regarding the appointment of external auditors. Deloitte LLP have confirmed to the Committee that, in relation to their services to the Group, they comply with UK regulatory and professional requirements, including Ethical Standards produced by the FRC and that their objectivity is not compromised.

The auditors are required each year to confirm in writing that they have complied with the independence rules of their profession and regulations governing independence. Before Deloitte LLP takes on any engagement for other services from the Group careful consideration is given as to whether the project could conflict with their role as auditor or impair their independence. In the year ended 31 March 2025, the only non-audit services performed by Deloitte LLP related to the interim review and covenant compliance review, both of which are a permitted service.

As reported within the FY25 annual report, in the prior year, two specific weaknesses in the Group's IT controls were identified by the external auditors which were reported to management and the Audit Committee. These have been corrected in a timely manner and there was no wider impact. However, because the correcting action was post I April 2024, the external auditors could not place IT controls reliance in their testing of certain areas and performed alternative substantive work.



CORPORATE GOVERNANCE REPORT

Attendance at Board and Committee Meetings

Attendances of Directors at Board and Committee meetings convened in the year, along with the number of meetings that they were invited to attend, are set out below:

	Board	Remuneration Committee	Audit Committee	Nomination Committee
Richard Last - Chair*	7(7)	-	-	1(1)
Lucy Dimes - Chief Executive Officer & Chair*	9(9)	-	-	-
Scott Cunningham - Chief Financial Officer	9(9)	-	-	-
Karyn Lamont - Non-Executive Director	9(9)	6(6)	5(5)	1(1)
Angus MacSween - Non-Executive Director	9(9)	-	-	-
Annette Nabavi - Non-Executive Director	9(9)	6(6)	5(5)	1(1)
Adrian Chamberlain - Non-Executive Director	9(9)	6(6)	4(5)	1(1)

Figures in brackets indicate the maximum number of meetings in 2024/2025 for which the individual was a Board or Committee member. *Lucy Dimes was Chair until 12 June 2024 and was replaced by Richard Last.

There were three further Board meetings held, out with the scheduled meetings, to primarily discuss and approve the Atech acquisitions.

Non-Executive Directors are expected to devote such time as is necessary for the proper performance of their duties. This includes preparation for and attendance at up to 10 board meetings per year, regular board committees (where relevant), the AGM, meetings with the Chair and CEO and any away days.

In advance of all Board meetings the Directors are supplied with detailed and comprehensive board papers covering the Group's financial and operational performance. Where any Board member has been unable to attend Board or Committee meetings, their input has been provided to the Company Secretary or Committee Chair ahead of the meeting.

Risk management and internal control

The approach to risk management and the principal risks of the Group are set out on page 22. The Board confirms that procedures to identify, evaluate and manage the significant risks faced by the Group have been in place throughout the year and up to the date of approval of the Annual Report.

The Group's internal audit activity was outsourced to EY throughout the year. The activities of the internal audit function are governed by an internal audit charter which has been approved by the Audit Committee along with the annual internal audit plan. EY attend all Audit Committee meetings during the year and meet with the Audit Committee Chair independently on a regular basis.

Relations with shareholders

Communication with shareholders is given high priority by the Board. As noted in our Stakeholder Engagement report on page 26, the Board is committed to listening to and communicating openly with its shareholders via various channels to ensure that both institutional and private investors understand our strategy, business model and performance. The Chair, Chief Executive Officer and Chief Financial Officer have regular dialogue with shareholders and analysts to discuss strategy and other issues including the Company's interim and annual financial results. Following major periods of communications, our advisers consolidate feedback, on an anonymised basis, from the relevant parties which then forms the basis of a briefing pack for the Board to ensure awareness of shareholder opinions.

The Board recognises the AGM as an important opportunity to meet shareholders and give them the opportunity to raise questions with the Board. Details of the resolutions being proposed at the AGM can be found on the Group's website. Shareholders are given notice of the AGM at least 21 days prior to the meeting. The Chair aims to ensure that the Directors, including the Non-Executive Directors, are available at Annual General Meetings to answer questions.

Other Matters

Workforce engagement and promoting ethical business practices

We define corporate responsibility as ensuring that we have, or are developing sound policies, practices or programmes that address business transparency and ethics, workplace practices and employee relationships and customer consultation. In practice, our commitment to corporate responsibility plays out in a wide variety of ways and includes our employee engagement programme, which is designed to foster an inclusive workplace by encouraging our people to continually improve performance in this area.

Key practices include:

- Anti-Bribery and Corruption The Group is committed to ensuring it has appropriate processes in place to
 mitigate the risk of bribery and corruption and has a business ethics and anti-bribery policy which is outlined in our
 employee handbook and on our corporate website available to all staff.
- Modern Slavery Act The Group is committed to conducting business responsibly and ensuring that our supply
 chain has ethical employment practices, working conditions and has procedures in place to prevent modern
 slavery or human trafficking. Our Modern Slavery statement, which is updated and approved annually by the
 Board, details processes in place to help manage the risks outlined by the legislation and is available on the lomart
 website.
- Whistleblowing We recognise the importance of all of our employees and strive to achieve an inclusive work environment and an open culture. The Group is committed to maintaining high ethical standards in all areas of work and practice and has a detailed whistleblowing policy in place, which was updated and approved by the Audit Committee in the current year. The policy is outlined in the employee handbook and available on our corporate website.
- Data Privacy policy The Group has a data protection policy and information security management systems in
 place to ensure we have appropriate data security systems and processes to protect our data and are fully
 accredited with ISO 27001 'Information Security Management Systems'.
- Diversity and inclusion The Group's diversity and inclusion strategy aims to make lomart a great place to work, where all our employees feel they belong and are supported to succeed. We seek to promote diversity and equal opportunities within our workforce, and drive an inclusive culture, that respects and values differences and does not discriminate on grounds of colour, ethnic origin, gender, age, religion, political or other opinion, disability, or sexual orientation. Full and fair consideration is given to applications for employment made by disabled persons having regard to their aptitudes and abilities. Appropriate training is arranged for disabled persons, including retraining for alternative work of employees who become disabled, to promote their career development within the organisation. A fair remuneration policy is adopted throughout the Group. In April 2025, we reported our fourth gender pay report which has shown an improvement in our reported metrics. We will continue to develop our recruitment strategy to drive further improvements and diversity.
- Minimum Living Wage As in the past, our most recent annual salary review in April 2025, retained our commitment to ensuring we comply with the minimum living wage guidance.

Re-election

In line with the Quoted Companies Alliance code, at this year's Annual General Meeting, all members of the Board will voluntarily be subject to re-election and the Company's Articles of Association will be amended so that annual re-election will take place for each member of the Board.

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 Strategic Report on pages 22 to 24. The financial position of the Group, its revenue, trading results, cash flows, liquidity position and borrowing facilities are described in the Chief Financial Officer's Report on pages 13 to 20. Note 30 to the financial statements includes the Group's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments and hedging activities; and its exposures to credit risk and liquidity risk.

The Group continues to be cash generative, supported by a high proportion of recurring revenue and strong cash conversion of our adjusted EBITDA. The Consolidated Financial Statements have been prepared on a going concern basis, which the Directors consider appropriate for the reasons set out below.

The Group meets its day-to-day working capital requirements through operational cash flows, cash reserves, a £115m RCF, and leasing arrangements (see note 21). As at 31 March 2025, £97m of the RCF was drawn, primarily to fund historical acquisitions, including the £57m acquisition of Atech on 1 October 2024. The Group held £13.1m in cash and cash equivalents at year-end, which is the primary source of funding for day-to-day operations. The RCF was successfully refinanced on 27 June 2025 with a syndicate comprising Royal Bank of Scotland, HSBC, and Clydesdale Bank, extending the facility to 30 June 2027. The revised covenants reflect the Group's current leverage and strategic plans.

The Directors have prepared cash flow forecasts covering a period of at least 12 months from the date of approval of these financial statements (the "going concern assessment period"). These forecasts, which incorporate possible downside scenarios as reasonable worst case, demonstrate that the Group and Company is expected to have sufficient liquidity and covenant headroom to meet their obligations as they fall due.



CORPORATE GOVERNANCE REPORT

The Group is required to comply with financial covenants for adjusted leverage (reported net debt to adjusted EBITDA), interest cover (adjusted EBITDA to reported net interest expense and adjusted for certain IFRS 9 interest expenses). Covenants are tested quarterly each year and income statement items are on a last 12 month basis (including preacquisition adjusted EBITDA as appropriate).

The Directors' forecasts in respect of the going concern assessment period have been built from the Board approved budget for the year ending 31 March 2026, and a forecast for the year ending 31 March 2027, and the going concern assessment takes account of the financial covenant requirements.

The forecasts include a number of assumptions in relation to order intake, renewal and churn rates, cost base reductions and improved electricity pricing which are now fixed via procurement arrangements through FY26 and FY27 at forward rates favourable to those achieved in FY25. Revenue assumptions reflect levels achieved in FY25 plus organic growth in our Microsoft and security practice, underpinned by the enhancement to our skills and credentials from the recent Atech acquisition, and have been adjusted for the accelerated trend seen in customer churn within the self-managed infrastructure product group.

Whilst the Group's trading and cash flow forecasts have been prepared using current trading assumptions, the Directors acknowledge ongoing macroeconomic and operational risks. These risks include, but are not limited to, achieving forecast levels of new order intake, lower than expected customer renewals from larger customers plus evolution of product mix or cost pressures which impact margin quality. In making their going concern assessment in light of these risks, the Directors have also modelled a combined severe but plausible downside scenario when preparing the forecasts.

The downside scenario assumes economic downturn in FY26, primarily impacting recurring new order intake. In this scenario, recurring monthly order intake is forecast to reduce by 10% compared to base case budget. Over the last three years we have seen order bookings growth and high achievement of order booking targets. An additional and potentially more impactful factor that can impact the revenue and gross margin assumptions is the level of customer churn. Whilst known, near-term customer cancellations have been modelled, coupled with an underlying level of customer cancellations based on historic trends, there remains a risk that unexpected, medium to large customer cancellations could occur in the near-term. The Group is protected contractually to a large extent within the managed services area of the business with notice periods and cancellation clauses, however a residual risk remains. An additional level of customer cancellations has therefore been modelled each quarter in the downside scenario to reflect this risk with 20% higher customer churn assumed from the lomart managed services area. Non-recurring revenue which includes reselling of hardware and software plus consultancy services could be subject to reduced investment levels from customers more so on consultancy services which are likely to be more discretionary in nature. In our downside scenario we have assumed certain repeating consultancy services may not continue at the current level and this represents around 25% of total non-recurring revenue on an annualised basis. In addition, the downside scenario also assumes the new business obtained does not achieve the gross margin planned, with a 10% reduction to the planned gross margin achievement across all new recurring revenue modelled.

Power prices are 100% fixed (at current volumes) through to March 2027. As a result, this reduces risk on our largest variable cost outside of people costs and software licencing. However there remains a risk that periods of sustained higher summer temperatures, considering the impacts of wider climate-related factors, could increase energy usage at sites. A 5% increase in forecasted usage has been modelled across a period of three months over the summer to reflect this risk.

Given external market analysis indicates an expectation that interest rates have stabilised and some reductions in SONIA rates are to be expected, no sensitivity on interest rates has been included in the plausible downside scenario. Both the base case and severe but plausible downside forecast scenarios assume no payment of dividends. The Directors will continue to monitor this in relation to leverage levels and appropriate allocation of capital.

In addition to the base case and severe but plausible downside forecasts, the Directors have modelled an overlay scenario to recognise the mitigation available to the Directors in the event some of the downside scenarios materialise. Such actions include, but are not limited to, the rephasing of discretionary capital expenditure, reduction in people related costs including discretionary bonus payments, curtailment of more medium-term impacting resource and expenditure investments plus further management of discretionary cost areas such as marketing, training and travel.

Even under the downside scenario, the Group is forecast to maintain sufficient liquidity and comply with all financial covenants without requiring mitigating actions.

Accordingly, the Directors have a reasonable expectation that the Group and Company have adequate resources to continue in operational existence for the foreseeable future and for a period of at least 12 months from the date of approval of these financial statements. The Directors are not aware of any material uncertainties that may cast significant doubt on the Group's ability to continue as a going concern.

AIM Rule Compliance Report

lomart Group plc is quoted on AIM and as a result the Group has complied with AIM Rule 31 which requires the following:

- Have in place sufficient procedures, resources and controls to enable its compliance with the AIM Rules;
- Seek advice from its Nominated Advisor ("NOMAD") regarding its compliance with the Rules whenever appropriate
 and take that advice into account;
- Provide the Company's NOMAD with any information it reasonably requests or requires in order for the Nomad to carry out its responsibilities under the AIM Rules and the AIM Rules for Nominated Advisors, including any proposed changes to the Board and provision of draft notifications in advance;
- Ensure that each of the Group's Directors accepts full responsibility, collectively and individually, for compliance with the AIM Rules; and
- Ensure that each Director discloses without delay all information which the Group needs in order to comply with AIM Rule 17 (Disclosure of Miscellaneous Information) insofar as that information is known to the Director or could with reasonable diligence be ascertained by the Director.



DIRECTORS' REMUNERATION REPORT

Directors' Remuneration Report for the year ended 31 March 2025

On behalf of the Board, I am pleased to present the Directors' Remuneration Report for the year ended 31 March 2025. This sets out our Directors' Remuneration Policy and its implementation including amounts earned by Directors in respect of the year ended 31 March 2025. In framing its Remuneration Policy, the Remuneration Committee has adopted the Quoted Companies Alliance Remuneration Code for Small and Mid-sized Quoted Companies to ensure that our Remuneration Policy both reflects our strategy and is aligned with the Quoted Companies Alliance Remuneration code and shareholders' interests.

As the Company is listed on the Alternative Investment Market it is not required to comply with the provisions of the UK Corporate Governance Code 2018 ("Code") issued by the Financial Reporting Council, however, we continue to provide additional remuneration disclosures over and above the AIM Rule 19 disclosure requirements to enable shareholders to understand and consider our remuneration arrangements. In line with best practice, we also voluntarily submit this report and our Remuneration Policy to an advisory shareholder vote at our annual general meeting.

Remuneration Committee

The Remuneration Committee is chaired by Annette Nabavi. Adrian Chamberlain and Karyn Lamont, Non-Executive Directors, are also members of the Committee. The Executive Directors may attend meetings from time to time at the invitation of the Committee and provide information and support as requested. Directors are not present when their own remuneration is being discussed.

The Committee has formal terms of reference which can be found in the investor section of the Group's website, which are reviewed and approved annually by the Board. The Committee makes recommendations to the Board, within its terms of reference, on the remuneration and other benefits, including bonuses and share options, of the Executive Directors.

The Committee met six times during the current year. The attendance record for those meetings is included in our Corporate Governance report on page 45.

The Remuneration Committee determines, on behalf of the Board, the Group's policy for executive remuneration and the individual remuneration packages for Executive Directors. Each year, the Remuneration Committee reviews the incentive and reward packages for the Executive Directors to ensure that they are aligned with the Group's strategic objectives and financial performance; are appropriate to attract, retain and motivate executives in support of the creation of shareholder value; and drive continued commitment of executives to the Group's success through appropriate incentive schemes. In considering the appropriateness of the remuneration policy, the Remuneration Committee considers the current and future business strategy, wider workforce remuneration policies and practices, and market practice in comparable organisations. During the year the Committee took independent professional advice to ensure that the structure of the remuneration and bonuses of the Executive Directors remained in line with market best practice.

Remuneration of Executive Directors

Summary of the Directors' Remuneration Policy

Element	Purpose and Link to Strategy	Operation	Performance measures
Base Salary	Base salaries for the Executive Directors are designed to reflect the responsibilities and the skill, knowledge and experience of the individual required to achieve the long-term aims of the business.	Base salaries are reviewed annually. Where appropriate the Remuneration Committee considers independent expert advice when setting the level of reward packages. Base Salaries are increased annually recognising general company increases as part of annual merit awards. The Executive Directors do not receive Directors' fees.	n/a
Benefits	We aim to provide basic benefit packages to our Executives to complement basic salary.	The Executive Directors are entitled to life insurance cover, death in service benefits and to participate in the Group's Private Medical Insurance scheme. These benefits are consistent with other managers in the business. The Group operates a Sharesave scheme for all employees and Executive Directors are invited to participate.	n/a
Pension	The pension arrangements ensure an appropriate level of retirement benefit.	The Company may make contributions towards an individual's personal pension arrangements or pay an equivalent cash allowance. The maximum contribution or allowance payable by the Company is 10% of basic salary.	n/a
Annual Bonus	We offer an annual cash bonus to Executive Directors designed to drive performance against annual targets.	The maximum annual bonus opportunity is 110% of base salary. For achievement of target, a bonus of up to 100% of salary is paid. Executives only receive more than 100% of salary for performance well in excess of target. Bonuses reduce significantly if targets are not achieved with generally no bonuses payable if less than 95% of target is achieved.	The level of Executive Directors' discretionary bonus payments is determined by two financial measures and agreed personal objectives. The financial measures include adjusted EBITDA and revenue. Targets are set by the Committee at the beginning of each year. The Committee has the discretion to vary targets and weightings from year to year. The Committee has additional overriding discretion to adjust the formulaic outcome of the bonus scheme if deemed appropriate.



DIRECTORS' REMUNERATION REPORT

Element	Purpose and Link to Strategy	Operation	Performance measures
Performance Share Plan (LTIP)	The Group operates a Long Term Incentive Plan also called the Performance Share Plan for Executive Directors and managers to reward, retain and incentivise those individuals who have made a major contribution to the Group and will continue to play a key role in helping the Group achieve its long-term objectives and the creation of shareholder value in the future.	 Awards are normally granted in the form of nominal cost options. Share options awarded will normally vest after the third anniversary of the date of grant. Participants have 10 years from award to exercise. The Plan Rules contain, amongst other conditions, malus and clawback provisions and a limitation to ensure that new shares issued, when aggregated with all other employee share awards, must not exceed 15% of issued share capital over any ten-year period. 	 The maximum award under the performance share plan for Executive Directors is 150% of base salary. Awards are normally granted in the form of nominal cost options. The vesting of options is subject to the achievement of performance conditions. Normally, vesting is also subject to continued employment. Performance conditions are sliding scale financial and strategic objectives. Each year the Committee assesses what performance conditions and associated weightings it considers appropriate in supporting the Company's strategy and longer-term objectives. The Committee has overriding discretion to adjust the formulaic outcome of the LTIP if deemed appropriate.
All employee share scheme	The Group has established a share save scheme for all employees. The maximum monthly saving amount allowed under the scheme is £500 per month.	The Directors can participate in any company wide share save schemes which may be available, from time to time, to the whole company.	n/a

Service contracts

Executive Directors are engaged under service contracts which require the following notice periods:

Scott Cunningham 6 months Lucy Dimes 12 months

All Non-Executive Directors have a 6 month notice period with the exception of Non-Executive Directors, Annette Nabavi and Adrian Chamberlain, who have a 3 month notice period.

Implementation of the Remuneration Policy: for the year ended 31 March 2025

Base Salary

Lucy Dimes was appointed as CEO on 18 September 2023 with a salary of £370,000 which remained unchanged at the 1 April 2024 salary review.

Scott Cunningham's salary for the year ended 31 March 2025 was increased by 7% to £260,000 effective 1 April 2024. This increase is slightly higher than the average increase across the wider employee population as the Remuneration Committee performed a benchmarking exercise and took the decision to bring Scott's salary in line with the external market.

Annual Cash Bonus

Following an assessment of performance against the financial and personal objectives set for the cash bonus, the CFO was assessed as having achieved 12% of the maximum score for the year ended 31 March 2025. As the CEO left the Company on 29 May 2025, no bonus is payable for the year ended 31 March 2025. The performance against individual's personal objectives was the key factor under the scheme influencing the payments approved by the Remuneration Committee.

Implementation of the Remuneration Policy: for the year ending 31 March 2026

Base Salary

The Executives' base salaries were both increased by 3%, effective from 1 April 2025. Base salaries from 1 April 2025 are CEO (£381,100) and CFO (£267,800).

Ahead of FY26, executive base salaries will be reviewed in the final quarter of the financial year and increased if appropriate in line with our policy for effective implementation on 1 April, in line with the Company's annual merit review.

Annual Cash Bonus

Financial KPIs will remain the heaviest weighting, based on the company's annual budget and with appropriate thresholds and ranges. A proportion of the award will also relate to personal objectives to be agreed by the Board.

LTIP

Options will be granted to the Executives and selected senior managers. Given the current low share price, care will be given to balance incentivisation and equity dilution. KPIs will relate to the company's long-term strategy and the achievement of its transformation objectives and the creation of long-term shareholder value.

Directors' Remuneration for the year ended 31 March 2025

Details of individual Director's remuneration for the year are as follows (this information has been audited):

	Salary or fees £	Bonus ⁵ £	Benefits £	Pension Allowance £	Year ended 31 March 2025 Total £	Year ended 31 March 2024 Total £
Executive Directors						
Lucy Dimes ¹	370,000	-	5,389	37,000	412,389	423,769
Scott Cunningham	260,000	35,531	3,510	26,000	325,041	466,999
Reece Donovan ²	_	-	-	-	-	590,639
Non-Executive Directors						
Richard Last ³	80,641	-	-	-	80,641	-
Karyn Lamont	49,148	-	-	-	49,148	49,000
Angus MacSween	44,000	_	5,083	-	49,083	47,547
Annette Nabavi	49,000	_	-	-	49,000	41,679
Adrian Chamberlain	49,000	_	-	-	49,000	40,833
Richard Masters ⁴	_	_	_	_	-	22,833

Lucy Dimes was the Chief Executive Officer throughout the year ended 31 March 2025.

Reece Donovan resigned as Chief Executive Officer on 18 September 2023. Exceptional costs of £401,895 related to payment in lieu of notice of £324,450 and

Chair and Non-Executive Directors fees

The fees paid to the Non-Executive Directors are determined by the Board. Non-Executive Directors were paid £44,000 per annum for Board Director duties with additional fees of £5,000 per annum paid to the Audit and Remuneration Committee Chairs and the Senior Independent Non-Executive Director to reflect the additional time required to fulfil these roles. Effective from 1 April 2025, all Non-Executive Director fees were increased by 3%.

Non-Executive Directors are not entitled to receive any bonus or other benefits with the exception of Angus MacSween who retains private medical insurance. Non-Executive Directors are entitled to reasonable expenses incurred in the performance of their duties.

The Non-Executive Chair received an annual fee of £100,000, which increased to £103,000 in April 2025.

compensation for loss of office of £77,445 are included in the £590,639 above 3Richard Last was appointed as Chair on 12 June 2024.

^{*}Richard Masters resigned as Non-Executive Director on 5 September 2023.

5 Lucy Dimes left the Company on 29 May 2025 and so no bonus is payable for the year end 31 March 2025.



DIRECTORS' REMUNERATION REPORT

Directors' interests in shares

The Directors holding office at 31 March 2025 held beneficial interests in the issued share capital of the Company as shown in the following table:

Name of Director	Number of ordinary shares At 31 March 2025	Number of ordinary shares At 31 March 2024
Angus MacSween ¹	17,473,909	17,343,409
Scott Cunningham ²	246,228	122,175
Karyn Lamont	7,000	7,000
Annette Nabavi ³	5,500	-
Richard Last ⁴	50,000	-

On 2 October 2024, Angus MacSween exercised 117,480 share options and retained them all in shares; and on 30 October 2024 he purchased 13,020 shares, taking his total shareholding to 17,473,909 shares

20n 17 June 2024, Scott Cunningham exercised 124,053 share options and retained them all in shares, taking his total shareholding to 246,228 shares

Share price

The market price of the Company's shares at the end of the financial year was 31.0p (2024: 145.4p) and the range of prices during the year was between 31.0p (2024: 120.4p) and 147.0p (2024: 189.4p).

Directors' interests in share options (this information has been audited)

The interests of the Directors at 31 March 2025 in options over the ordinary shares of the Company were as follows:

Name of Director Lucy Dimes, 61	2024 2,583	Exercised	Granted	Lapsed	At 31 March 2025	Exercise price	Date of Grant	from which exercisable	Expiry
	2,583	Exercised	Granted	Lapsed	2025	price	Grant	oversieghle	Data
Lucy Dimes 61	•	_				P1100	Ordine	exercisable	Date
TUCV DIMES. bi	•				010 500	1	00/11/0000	00/11/0000	00/11/0000
, ,			_	-	612,583	lp	06/11/2023	06/11/2026	06/11/2033
	5,458	-	-	-	15,458	120.0p	15/02/2024	01/03/2027	31/08/2027
Director	-	-	423,664	_	423,664	lр	07/05/2024	07/05/2027	07/05/2034
62	28,041	-	423,664		1,051,705				
Scott 5	50,156	(50,156)	_	_	_	lр	06/04/2020	06/04/2023	06/04/2030
	3,897	(73,897)	_	_	_	lp	27/04/2021	27/04/2024	27/04/2031
	4,062	(73,097)			14,062		01/03/2022	01/03/2025	01/09/2025
		-	_	(107.000)	14,062	128.0p			
	7,980	-	_	(127,980)-	-	ĵр	09/05/2022	09/05/2025	09/05/2032
18	9,600	-	-	_	189,600	lр	20/04/2023	20/04/2026	20/04/2033
	-		297,710		297,710	1p	07/05/2024	07/05/2027	07/05/2034
45	5,695	(124,053)	297,710	(127,980)	501,372				
Angus 11	7,480	(117,480)	_	_	_	lр	25/09/2014	25/09/2017	25/09/2024
	5,575	(117,400)	_	_	175,575	lp	28/08/2015	28/08/2018	28/08/2028
	34,281	_	_	_	134,281	lp	01/04/2016	01/04/2019	01/04/2026
	,		_	_	,		12/04/2017	12/04/2019	12/04/2027
	9,848	_	_		129,848	lp			
	72,142	-	-	-	72,142	ĵр	04/04/2018	04/04/2021	04/04/2028
	57,710	-	_	-	57,710	lр	09/05/2019	09/05/2022	09/05/2029
4	0,895		_	_	40,895	1p	06/04/2020	06/04/2023	06/04/2030
7	27,931	(117,480)	-	-	610,451				

During the year Scott Cunningham exercised 124,053 (2024: nil) unapproved options of 1p and realised a gain of £157,547 (2024: £nil). Angus MacSween exercised 117,480 (2024: nil) unapproved options of 1p and realised a gain of £122,179 (2024: £nil).

During the year options over 721,374 ordinary shares (2024: 802,103) were granted to Directors under the unapproved share option performance share plan with an average exercise price of 1.0p per share (2024: 1.0p per share). No options over ordinary shares (2024: 15,458) were granted to Directors under the sharesave scheme in the current year (2024: 128.0p). Scott Cunningham's 127,980 options over ordinary shares under the unapproved scheme lapsed in the year (2024: 3,482). No options were exercised under the sharesave scheme during the year (2024: nil).

Post year end, Lucy Dimes left the business on 29 May 2025 and is no longer entitled to any of the granted options noted in the above table.

^{*}On 3 December 2024, Annette Nabavi purchased 5,500 shares, taking her total shareholding to 5,500 shares

4On 9 January 2025, Richard Last purchased 5,500 shares, taking his total shareholding to 50,000 shares

Subsequent Event

Subsequent to the year end on 29 May 2025, Lucy Dimes stepped down as Chief Executive Officer and left the Company. Lucy Dimes has been paid under her contract at termination, together with an additional payment of £43,000.

Approved by the Board

Annette Nabavi

Chair, Remuneration Committee 24 July 2025



DIRECTORS' REPORT

The Directors' present their annual report on the affairs of the Group, together with the financial statements and auditor's report, for the year ended 31 March 2025.

Principal activity

The principal activity of the Group is the provision of managed cloud services. The Group's principal subsidiary undertakings are listed in note 15 to the financial statements. The Group's registered number is SC204560.

Financial risk management objectives and policies

The Group's financial instruments comprise cash and liquid resources, bank loans and leases together with various items such as trade receivables and trade payables that arise directly from its operations. The main purpose of these financial instruments is to provide finance for the Group's operations.

At 31 March 2025, the Group has access to a £125m RCF which has a maturity date of 30 June 2026 and also benefited from a £50m Accordion Facility. The effective interest rate for the RCF in the current year was 6.90% (2024: 6.85%). Subsequent to the year-end on 27 June 2025, this facility was refinanced with a new £115m new RCF which has an expiry on 30 June 2027. This new RCF has a borrowing cost at the Group's current leverage levels of 3.0% margin over SONIA. The new RCF incurs a non-utilisation fee of 35% of the bank margin. The RCF provides the Group with additional liquidity which will be used for general business purposes and to fund investments, in accordance with the Group's three-year strategic plan. The directors are of the opinion that the Group can operate within the bank facility and comply with its banking covenants.

The Group has net debt at 31 March 2025 of £101.9m (2024: £42.3m). Net debt comprises lease liabilities totalling £18.0m (2024: £18.1m), the bank facility loan of £97.0m (2024: £40.0m) and cash and cash equivalents of £13.1m (2024: £15.8m).

The Group is not exposed to material movements in interest rates on its bank borrowings.

The Group has exposure to movements in the exchange rate of the US dollar as certain domain name purchases and licences are transacted in this currency. To protect elements of our cash flows against the level of exchange rate risk, the Group entered into forward exchange contracts to hedge foreign exchange exposures arising on the forecast payments during the year. At 31 March 2025 there are 4 outstanding forex currency contracts which have a cumulative gross value of USD 17.5m (2024: nil). The majority of transactions of the parent company and the UK subsidiaries are in UK sterling and, with the exception of forward foreign exchange contracts, the Group does not use derivative instruments. Additional information on risk management is included in note 30.

Dividend

The Directors declared an interim dividend for the year ended 31 March 2025 of 1.30p per share (2024: 1.94p). The Directors do not recommend a final dividend for the year ended 31 March 2025 (2024: 3.0p per share).

Research and development

The Group develops cloud computing products including private cloud platforms, hybrid cloud platforms, virtual platforms, online backup and storage solutions and email related products.

Future developments

The Group's business review and activities, together with the factors likely to affect its future development, performance and position are set out in the strategic report on pages 3 to 35.

Events which have occurred since the end of the financial year

See note 32 for details of post balance sheet events.

Directors and their interests

The present membership of the Board at the date of this report is set out on pages 37 and 38, the Directors who served during the year, and up to the date of this report, are listed below:

- Richard Last, Executive Chair appointed 12 June 2024 as Non-Executive Chair and then appointed Executive Chair 29 May 2025
- Lucy Dimes, Chief Executive Officer, left the Company 29 May 2025
- Scott Cunningham, Chief Financial Officer
- Angus MacSween, Non-Executive Director
- Karyn Lamont, Non-Executive Director
- Annette Nabavi, Non-Executive Director
- Adrian Chamberlain, Non-Executive Director

In line with the Quoted Companies Alliance code, at this year's Annual General Meeting, all members of the Board will voluntarily be subject to re-election and the Company's Articles of Association will be amended so that annual re-election will take place for each member of the Board.

Details of Directors' interests in the Group's shares are set out in the Report of the Board to the Members on Directors' Remuneration on pages 49 to 54.

Insurance for Directors and Officers

The Group may under the Company's Articles of Association, and subject to the provisions of the Companies Act, indemnify all Directors or other officers against liability incurred by them in the execution or discharge of their duties or exercise of their powers, including but not limited to any liability for the costs of legal proceedings where judgement is given in their favour. This indemnity was in place during the financial year and is ongoing up to the date of this report. In addition, the Group has purchased and maintains appropriate insurance cover against legal action brought against Directors and officers of the Company and subsidiaries.

Donations

It is the Group's policy not to make donations for political purposes.

Substantial shareholdings

At 25 June 2025 the following interests in 3% or more of the issued ordinary share capital, excluding shares held by the lomart Group plc Employee Benefit Trust, had been notified to the Company:

Shareholder	Shares	Percentage Held
Gresham House	21,766,158	19.28%
Angus MacSween	17,473,909	15.48%
Lombard Odier Asset Management	12,560,487	11.12%
Octopus Investments	8,961,093	7.94%
Schroders	8,510,000	7.54%
Hargreaves Lansdowne	4,748,450	4.21%
Rathbone plc	3,850,086	3.41%

Employees

The Group seeks to ensure that employee policies and processes are aligned with the Company's core values and promote the long-term strategy of the Group. The Group regularly communicates with all staff providing information on developments within the Group including updates on the Group's strategy through Group wide announcements and all employee calls. We have a policy of encouraging training through our 'iosmart' learning management system. Further information on how the Board engages with employees and how the Board have had regard to employees on the principal decisions during the year is included in the Stakeholder Engagement report on page 26.

People are at the heart of our core values and we continuously strive to build a diverse and inclusive environment where our employees feel valued. Our employment policies in respect of equal opportunities, disabled employees and diversity are disclosed on page 46.

We are committed to attracting and retaining the highest quality of personnel. We seek to achieve this through, amongst other things, the application of high standards in recruitment.

The Group has continued to focus on ensuring the health and wellbeing of our employees with a number of key initiatives during the year including:

- An employee assistance programme with a third-party provider, Health Assured, offering free counselling support available 24/7 for all employees and their families;
- All employees have access to Health Assured's 'My Healthy Advantage' phone app giving access to, among other things, mindfulness videos, mini health checks, health coaching and healthy eating guidance.
- We have continued supporting our employees with wellbeing programmes to improve mental health and help people take better care of their minds, improving resilience and productivity.
- In the year we have hosted financial webinars, led by HSBC, to support our staff in managing finances in the current economic environment. A number of employees participate in the growth of the Company through employee Save as You Earn schemes. Some employees are eligible to receive share options in the Company under the Group's performance share plan (note 27), and it is the Board's policy to make specific awards as appropriate to attract and retain the best available people. Options in respect of Directors are detailed in the Directors' Remuneration Report on page 53.



DIRECTORS' REPORT

Customers and suppliers

The Group seeks to be honest and fair in all relationships with customers and encourages feedback from our customers through account managers and engagement with individual customers through customer support teams. On a regular basis we engage with customers to obtain feedback on our performance.

The Group treats all of its suppliers with the utmost respect and seeks to be honest and fair in all relationships with them. We seek to honour the terms and conditions of our agreements in place with such suppliers and subcontractors.

Additionally, we recognise the importance to the Group and our suppliers of complying with all payment terms and we report on a half-yearly basis on our payment practices, policies and performances in line with the Reporting on Payment Practices and Performance Regulations 2017.

Information on our engagement with customers and suppliers and our regard to these stakeholders on the principal decisions taken by the Group during the financial year is included in the Stakeholder Engagement report on pages 26 and 27.

Environment

The Group's sustainability reporting, including Energy and Carbon reporting. is on pages 29 to 35.

Independent Auditor and disclosure of information to auditor

The Directors confirm that each of the persons who is a Director at the date of approval of this annual report confirms that:

- so far as each Director is aware, there is no relevant audit information of which the Group and Parent Company's auditor is unaware; and
- the Directors have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This information is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Deloitte LLP have expressed their willingness to continue in office as auditors. A resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Approved and signed by the Board

Julie Brown

Company Secretary, 24 July 2025

DIRECTORS' RESPONSIBILITIES STATEMENT

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors are required to prepare the group financial statements in accordance with UK-adopted international accounting standards. The Directors have chosen to prepare the parent company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards), including FRS 101 "Reduced Disclosure Framework". Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing the parent company financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

In preparing the group financial statements, International Accounting Standard 1 requires that Directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements of the financial reporting
 framework is insufficient to enable users to understand the impact of particular transactions, other events
 and conditions on the entity's financial position and financial performance; and
- make an assessment of the company's ability to continue as a going concern.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Responsibility Statement

We confirm that to the best of our knowledge:

- the financial statements, prepared in accordance with the relevant financial reporting framework, give a true and fair view of the assets, liabilities, financial position and profit or loss of the company and the undertakings included in the consolidation taken as a whole;
- the strategic report includes a fair review of the development and performance of the business and the position of the company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face; and
- the annual report and financial statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the company's position and performance, business model and strategy.

This responsibility statement was approved by the Board of Directors on 24 July 2025 and is signed on its behalf by:

Sitt and

Richard Last

Executive Chair, 24 July 2025

Scott Cunningham

Chief Financial Officer, 24 July 2025

Report on the audit of the financial statements

1. OPINION

In our opinion:

- the financial statements of lomart Group plc (the 'Parent Company') and its subsidiaries (the 'Group') give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 March 2025 and of the Group's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with United Kingdom adopted international accounting standards;
- the Parent Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the consolidated statement of comprehensive income;
- the consolidated statement of financial position;
- the consolidated statement of cash flows;
- the consolidated statement of changes in equity;
- the related notes 1 to 32 for the consolidated financial statements;
- the parent company statement of financial position;
- the parent company statement of changes in equity; and
- the related notes 1 to 12 for the parent company financial statements.

The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and United Kingdom adopted international accounting standards. The financial reporting framework that has been applied in the preparation of the Parent Company financial statements is applicable law and United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

2. BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the Group and the Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3. SUMMARY OF OUR AUDIT APPROACH

Key audit matters	The key audit matters that we identified in the current year were:
	 Valuation of goodwill and other intangible assets (Group) and investments (Parent Company); Going concern; and Business combinations: valuation and allocation of acquired intangible assets.
	Within this report, key audit matters are identified as follows:
	Newly identified
	ncreased level of risk
	Similar level of risk
Materiality	The materiality that we used for the Group financial statements was £Im which was determined on the basis of 3% of Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA), adjusted for acquisition costs, share-based payments and exceptional non-recurring costs (Adjusted EBITDA).
Scoping	Our audit covered 88% of the Group's Revenue (2024: 83%), 88% of Adjusted EBITDA (2024: 91%), 88% of Loss Before Tax (LBT) (2024: 89% of Profit Before Tax (PBT)) and 89% of Net Assets (2024: 96%).
Significant changes in	Our audit approach is consistent with the prior year with the exception of:
our approach	 Whilst consistent with prior year, the business combinations key audit matter relates to a specific acquisition made in the current year, namely Atech. There is no contingent consideration relating to this transaction, therefore judgments associated with contingent consideration are not part of the key audit matter identified.
	 Going concern has been included as a key audit matter in the current year. This is a result of the reduced profitability of the Group in the year, in addition to the increased leverage position at the balance sheet date and the date of signing of the financial statements.

4. CONCLUSIONS RELATING TO GOING CONCERN

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our evaluation of the directors' assessment of the Group's and Parent Company's ability to continue to adopt the going concern basis of accounting is discussed in section 5.2.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and Parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

5. KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

5.1 Valuation of goodwill and other intangible assets (Group) and investments (Parent Company)



Key audit matter description

There is a risk of impairment of goodwill £104m (2024: £110m) and other intangible assets £41m (2024: £15m) in the Group financial statements and a risk of impairment on the investments balance £159m (2024: £176m) in the Parent Company financial statements. In line with IAS 36 Impairment of Assets, management perform an impairment assessment and prepare forecast cash flows in order to determine the value in use of each cash generating unit ('CGU') identified. The risk relates specifically to the reasonableness of forecast cash flows and in particular the short-term revenue and EBITDA growth assumptions, which also form the basis of the cashflows to which a terminal growth rate is applied, as well as the discount rate applied to the cashflows.

As noted in key audit matter 5.3 below, the Group acquired Atech on 1 October 2024. This has been assessed to represent a standalone cash generating unit and operating seament.

There has been a reduction in the Group's profitability in the year, in particular within the Cloud Services segment, driven by a heightened level of customer churn. In addition, there has been a significant reduction in the Group's share price, thereby giving rise to an increased risk of impairment in the current year.

Following this, there has been a reduction in the forecasted cashflows and growth rates of the Cloud Services cash generating unit, resulting in a current year impairment to the goodwill held in the Cloud Services CGU of £52.9m. In addition, there has been an impairment of the investments held by the Parent Company of the Group of £56.6m, recorded in the Parent Company financial statements.

The associated risk regarding impairment is higher in the current year as a result of the Group's reduced trading performance. Given the level of judgement applied in determining the recoverable value of the Group's intangibles and goodwill, this has been identified as an area of potential management bias, and therefore gives rise to a potential fraud risk in the period.

Further details are provided in note 13 of the consolidated financial statements and in the 'key source of estimation uncertainty' in note 2, and notes 2 and 3 of the parent company financial statements. Refer to the considerations of the Audit Committee on page 44.

How the scope of our audit responded to the key audit matter

The audit procedures we performed in respect of this matter included:

- Obtaining an understanding of the relevant controls over the carrying value of goodwill, other intangible assets (Group) and Parent Company investments, in particular the controls over the forecasts that underpin the value in use model;
- Challenging the appropriateness of the directors' assessment of the determination of CGUs, with references to the requirements of IAS 36 and the level at which cashflows are generated and operations are managed;
- Assessing whether forecast cash flows were consistent with Board approved forecasts and budgets used elsewhere, including those prepared for going concern purposes (see key audit matter 5.2 below);
- Evaluating the mechanical accuracy of the budget and impairment models and methodology applied for consistency with the requirements of IAS 36;
- Assessing the underlying assumptions within the revenue and EBITDA projections. This included consideration of the challenges in customer churn experienced in the current year, the Group's historical forecasting accuracy in key growth areas and third-party market data where available;
- Obtaining input from our valuation specialists to assess management's discount rate by comparison to our assessment of a reasonable range;

- Challenging the directors' assessment of the terminal growth rates by performing analysis of market forecasts;
- Comparing the value in use to the market capitalisation as at the year-end date and the post year-end period to consider market expectations against management forecasts: and
- Assessing the adequacy of the financial statement disclosures, including the key sources of estimation uncertainty and sensitivity disclosures in notes 2 and 13 to the financial statements.

Key observations

We are satisfied that the judgments applied, impairment charges recorded in relation to Cloud Services goodwill, related investment balance and the associated disclosures in the key sources of estimation uncertainty and sensitivity disclosures in notes 2 and 13 to the financial statements are appropriate.

Our challenge on certain elements of the cash flow projections in relation to the Cloud Services CGU resulted in material changes to the impairment charge in the year. Our procedures identified certain weaknesses in the effectiveness of the review controls over the year-end impairment assessment.

5.2 Going Concern



Key audit matter description

In assessing whether the financial statements should have been prepared on the going concern basis, the Directors were required to consider all available information about the future for a period of at least 12 months from the date of approval of the financial statements. In conducting their assessment, the Directors have concluded that there are no material uncertainties which may cast significant doubt over the Group's or Parent Company's ability to continue as a going concern over this period of at least 12 months.

At 31 March 2025, the Group had cash and undrawn committed facilities available of £41m which consisted of a revolving credit facility ("RCF") expiring June 2026 of £28m. This facility contains covenants which require the Group to maintain specific financial ratios. At 31 March 2025 the Group held £13m in cash and cash equivalents. Following the year-end, on 27 June 2025, the Group re-financed the RCF held, the new facility has a limit of £115m, with £18m undrawn. Under the new facility the Group have reset the financial covenants, being debt and interest cover, to reflect the increased leverage position.

As part of the going concern assessment, the Group prepared a base case and a reasonable worst case ('RWC') scenario, which includes a number of cash flow related assumptions. The key assumptions applied by management include:

- Customer churn:
- Level of order renewal and growth;
- Power costs: and
- Cost base reductions.

The above form part of our key audit matter. These impact leverage and interest cover covenant compliance.

The Group has taken into account the impact of challenging trading performance in the current year. The Group's RWC forecast assumes an increased level of customer churn, fewer new customer orders and reduction in the margin achieved on new orders. The RWC scenario includes relevant mitigating actions which are within management's control and can be implemented in the event that trading is worse than the base case. These mitigating actions include rephasing of discretionary capital expenditure, business reorganisation and asset disposals, reduction in people related costs including discretionary bonus payments, and management of discretionary cost areas such as marketing, training and travel.

As noted above, there are many factors included within the forecasting model, and a significant level of judgement is involved in determining these factors. As such, we have identified going concern as a key audit matter due to the level of judgement required in forecasting future cash flows, challenging performance in the year, and the increased level of audit effort.

How the scope of our audit responded to the key audit matter

The audit procedures we performed in respect of this matter included:

- Obtaining an understanding of the processes and controls involved in management's going concern assessment;
- Testing the integrity of management's going concern model;
- Testing the assumptions made by management in the forecast model to underlying accounting records and supporting evidence;
- Assessing the underlying forecast assumptions by obtaining sufficient appropriate audit evidence which support management's analysis of the revenue and EBITDA projections, this included consideration of challenges experienced in the current year in the level of customer churn and continued ability of the Group to grow customer
- Challenging the reasonableness of the downside scenarios identified and key assumptions used by management in particular relating to i) customer churn, ii) order growth and iii) margin achieved. This includes consideration of the historical levels of customer churn, growth and margins achieved by the group, as well as wider macroeconomic forecasts:
- Obtaining copies of the revised agreement for the Group's RCF following the refinancing in June 2025;
- Assessing the level of headroom available to the Group from its facilities and assessing the risk of breaching the related debt and interest covenants;
- Held discussions with our Debt Advisory specialists regarding the Group's ability to re-finance in future periods;
- Challenging management's mitigating actions assumptions and the degree of judgment associated with them;
- Recalculating management's forecast covenant compliance throughout the going concern period; and
- Assessing the appropriateness of disclosures related to going concern made in the financial statements.

Key observations

We have identified risks in the forecast within management's reasonable worst case. These risks reduce the headroom on the covenant test, albeit there is no breach forecast during the going concern period.

We have concluded that whilst there is a significant degree of judgement and uncertainty inherent in the forecast assumptions, under management's reasonable worst case, mitigations that are available are not required to avoid a breach of covenants. We have not identified any material uncertainties that may cast significant doubt on the Group's and the Parent Company's ability to continue as a going concern for at least 12 months from the authorisation of the financial statements.

5.3 Business combinations: valuation and allocation of acquired intangible assets (



Key audit matter description

The Group acquired Atech on 1 October 2024, for a total consideration of £51.7m. At the date of acquisition, the consideration comprises £5.1m of identifiable net assets (including £13.8m customer relationships and £1.8m brand assets) and £46.6m goodwill.

The directors performed a purchase price allocation exercise to allocate the consideration in excess of the assets and liabilities acquired to goodwill and other intangibles.

Given the judgement involved in valuing acquired intangible assets, we have identified a risk of material misstatement in relation to the valuation and allocation of acquired intangible assets, specifically the customer relationships and brand assets. The key audit matter is focussed on the following assumptions:

- Customer churn assumption; and
- Forecast EBITDA margin.

Business combinations are included within note 6 to the financial statements. The Audit Committee's consideration in respect of the risk is included on page 44.

How the scope of our audit responded to the key audit matter	The audit procedures we performed in respect of this matter included:
	 Obtaining an understanding of the process undertaken by the directors to perform the purchase price allocation and gaining an understanding of the relevant controls;
	 Reviewing the share purchase agreement to assess whether the acquisition has been accounted for correctly in the financial statements;
	 With the involvement of our valuation specialists, we have understood the inputs and methodology, assessing the appropriateness of the methodology and assumptions used by the directors;
	 Assessing each element of the final completion payment under IFRS 3 in order to establish which items should be included in total consideration;
	 Challenging the assumptions for the inputs to the purchase price allocation and the valuation of intangible assets including the useful economic life with reference to comparable company benchmarks; and
	 Assessing the disclosures made in the financial statements.
Key observations	We concluded that assumptions in respect of customer churn and forecast EBITDA margin used in determining the valuation and allocation of acquired intangible assets are reasonable.

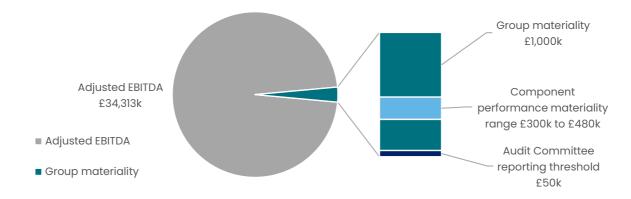
6. OUR APPLICATION OF MATERIALITY

6.1 Materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

Group Financial Statements		Parent Company Financial Statements		
Materiality	£1,000k (2024: £1,132k)	£800k (2024: £565k)		
Basis for determining materiality	3% of Adjusted EBITDA (2024: 3% of Adjusted EBITDA)	1.1% of net assets (2024: 0.7% of net assets)		
Rationale for the benchmark applied	We have used the Adjusted EBITDA measure as the benchmark for our determination of materiality as we consider this to be a critical performance measure for the Group on the basis that it is a key metric to analysts and investors and has equal prominence to statutory measures in the Annual Report.	We have used net assets as the benchmark for our determination of materiality as the Parent Company is not a trading entity and instead holds the Group's investments in subsidiaries.		



6.2 Performance Materiality

We set performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality for the financial statements as a whole.

	Group Financial Statements	Parent Company Financial Statements	
Performance Materiality	60% (2024: 60%) of Group materiality	60% (2024: 60%) of Parent Company materiality	
Basis for determining materiality	 In determining performance materiality, we considered the following factors: the quantum and nature of uncorrected misstatements identified in the prior year audit; our assessment of the potential for uncorrected misstatements in the current year; and our risk assessment, including the quality of the control environment, specifically the weaknesses identified as outlined in Section 7.2. 		

6.3 Error reporting threshold

We agreed with the Audit Committee that we would report to the Committee all audit differences in excess of £50k (2024: £57k), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

7. AN OVERVIEW OF THE SCOPE OF OUR AUDIT

7.1 Identification and scoping of components

The Group is headquartered in Glasgow and operates in the UK. Our Group audit was scoped by developing an audit plan for each significant account balance, class of transaction and disclosure. This was completed through discussion with IT, internal audit, and the commercial and finance teams, and by performing walkthroughs of processes, including Group-wide controls. We have assessed the risk of material misstatement at a Group level including assessing the qualitative and quantitative characteristics of each financial statement line item and considered the relative contribution of each component to these line items.

Based on this assessment, we focused our work on six (2024: four) components which represent 88% of Revenue (2024: 83%), 88% of Loss Before Tax (LBT) (2024: 89% of Profit Before Tax (PBT)), 89% of Net Assets (2024: 96%) and 88% of Adjusted EBITDA (2024: 91%).

The components which were identified on a legal entity level on which we performed audit procedures are as follows:

- Iomart Group plc
- Iomart Managed Services Limited
- Easyspace Limited
- Extrinsica Global Limited
- Oriium Consulting Limited
- Atech Support Limited

The trade and assets of Cristie Data were transferred to lomart Managed Services Limited on 31 March 2024 and therefore has not been identified as a separate component for the current year audit.

We audited Iomart Group plc and Iomart Managed Services Limited, the largest trading components, at component performance materiality determined as 80% of Group performance materiality (£300k). Our audit work on remaining components was executed at component performance materiality, capped at 50% of Group performance materiality (£480k). At the Group level, we also tested the consolidation process.



- Subject to audit procedures
- Review at group level

All work was performed directly by the Group engagement team.

7.2 Our consideration of the control environment

In the prior year, due to IT control deficiencies identified, no controls reliance was placed on automated controls. Similar to the prior year, we have not sought to place reliance on the Group's control environment. In FY25, management have mitigated these deficiencies and note these improvements in the Corporate Governance Report on page 44.

With the involvement of our IT specialists, we obtained an understanding of the relevant IT environment and relevant General IT Controls (GITCs) and the mitigating controls implemented in FY25. Whilst not relying on GITCs, we obtained an understanding of certain manual controls over complex and judgemental areas such as valuation of goodwill and other intangible assets (group) and investments (parent company), business combinations, revenue recognition and going concern.

Where we observed a number of areas where there is a lack of formal documentation of the operation of the control, and there is no formalised controls framework against which management assess the financial controls of the Group.

The Audit Committee discusses their review of the effectiveness of risk management and internal control on page 44.

7.3 Our consideration of climate-related risks

In planning our audit, we have considered the potential impact of climate change on the Group's business and its financial statements, based on our cumulative knowledge and experience of the Group and environment in which it operates. Management have assessed that there is currently no material impact arising from climate change on the judgements and estimates within the financial statements. This is disclosed in note 2 to the financial statements. We performed a risk assessment including inspecting the Group's risk register and Board minutes and did not identify any additional risks of material misstatement.

In addition, we have read the related climate change disclosures made within the annual report and ascertained whether they are materially consistent with the financial statements and our knowledge obtained during our audit.

8. OTHER INFORMATION

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

9. RESPONSIBILITIES OF DIRECTORS

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

10. AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

11. EXTENT TO WHICH THE AUDIT WAS CONSIDERED CAPABLE OF DETECTING IRREGULARITIES, INCLUDING FRAUD

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

11.1 Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance including the design of the Group's remuneration policies, key drivers for directors' remuneration, bonus levels and performance targets;
- results of our enquiries of management, the directors and the audit committee about their own identification and assessment of the risks of irregularities, including those that are specific to the group's sector;
- any matters we identified having obtained and reviewed the Group's documentation of their policies and procedures relating to:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - o detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
 - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;

• the matters discussed among the audit engagement team and relevant internal specialists, including valuations and IT specialists regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas: Valuation of goodwill and other intangible assets (Group) and investments (Parent Company) and the revenue recognised on new orders in the final quarter of the year. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory framework that the Group operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act, and tax legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Group's ability to operate or to avoid a material penalty. These included UK employment law, Data Protection Act, Listing Rules, environmental regulations and labour laws.

11.2 Audit response to risks identified

As a result of performing the above, we identified valuation of goodwill and other intangible assets (Group) and investments (Parent Company) as a key audit matter related to the potential risk of fraud. The key audit matters section of our report explains the matter in more detail and also describes the specific procedures we performed in response to that key audit matter.

In addition to the above, our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management, the audit committee and in-house legal counsel concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence with HMRC;
- in addressing the risk of fraud in relation to revenue recognised on new orders in the final quarter of the year, we tested a sample of new orders by obtaining the signed contracts, assessed whether the performance obligation has been met by obtaining evidence including of deployment or of acceptance by the customer and assessed whether the revenue had been recognised in the appropriate period; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including internal specialists and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Report on other legal and regulatory requirements

12. OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Group and the Parent Company and their environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

13. OPINION ON OTHER MATTER PRESCRIBED BY OUR ENGAGEMENT LETTER

In our opinion the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the provisions of the Companies Act 2006 that would have applied were the company a quoted company.

14. MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

14.1 Adequacy of explanations received and accounting records

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- · we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns.

We have nothing to report in respect of these matters.

14.2 Directors' remuneration

Under the Companies Act 2006 we are also required to report if in our opinion certain disclosures of directors' remuneration have not been made.

We have nothing to report in respect of this matter.

15. USE OF OUR REPORT

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This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Edward Salter (Senior statutory auditor)

For and on behalf of Deloitte LLP Statutory Auditor London, United Kingdom

24 July 2025





CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME - YEAR ENDED 31 MARCH 2025

	Note	2025 £′000	2024 £′000
Revenue	3	143,460	127,049
Cost of sales		(72,997)	(57,469)
Gross profit		70,463	69,580
Administrative expenses		(117,312)	(56,552)
Operating (loss)/profit	4	(46,849)	13,028
Analysed as: Earnings before interest, tax, depreciation, amortisation, acquisition costs, share-based payments and non-recurring costs		34,312	37,728
Share-based payments	27	(198)	(517)
Acquisition costs	6	(1,674)	(1,010)
Administrative expenses – non-recurring costs	6	-	(462)
Depreciation	4	(14,730)	(15,715)
Amortisation – acquired intangible assets	4	(4,902)	(4,226)
Amortisation – other intangible assets	4	(6,757)	(2,770)
Goodwill impairment charge	4	(52,900)	-
Finance costs - net	7	(6,370)	(4,287)
(Loss)/profit before taxation		(53,219)	8,741
Taxation	9	(1,898)	(2,300)
(Loss)/profit for the year attributable to equity holders of the parent		(55,117)	6,441
Other comprehensive expenses			
Amounts which may be reclassified to profit or loss			
Currency translation differences		(31)	(25)
Currency hedge loss		(84)	-
Other comprehensive expenses for the year		(115)	(25)
Total comprehensive (expenses)/income for the year attributable to equity holders of the parent		(55,232)	6,416
Basic and diluted earnings per share			
Basic (loss)/earnings per share	12	(49.0)p	5.8p
Diluted (loss)/earnings per share	12	(49.0)p	5.6p

All of the activities of the Group are classed as continuing. The following notes form part of the financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION - AS AT 31 MARCH 2025

	Note	2025 £′000	2024 £′000
ASSETS			
Non-current assets			
Intangible assets – goodwill	13	103,536	109,821
Intangible assets – other	13	40,769	15,231
Trade and other receivables	14	111	111
Property, plant and equipment	16	59,515	63,492
		203,931	188,655
Current assets			
Cash and cash equivalents	18	13,088	15,755
Trade and other receivables	17	36,833	26,460
Current tax asset		842	-
		50,763	42,215
Total assets		254,694	230,870
LIABILITIES			
Non-current liabilities			
Trade and other payables	19	(15,210)	(2,834)
Non-current borrowings	21	(112,132)	(55,582)
Provisions	22	(2,486)	(3,052)
Deferred tax	10	(10,084)	(4,884)
		(139,912)	(66,352)
Current liabilities			
Contingent consideration due on acquisitions	20	(364)	(2,080)
Trade and other payables	19	(48,012)	(35,728)
Current tax liability		-	(804)
Current borrowings	21	(2,874)	(2,509)
		(51,250)	(41,121)
Total liabilities		(191,162)	(107,473)
Net assets		63,532	123,397
EQUITY			
Share capital	24	1,128	1,124
Own shares	25	(70)	(70)
Capital redemption reserve		1,200	1,200
Share premium		22,500	22,500
Merger reserve		6,967	6,967
Hedging reserve	26	(84)	-
Foreign currency translation reserve		(10)	21
Retained earnings Total equity		31,901 63,532	91,655 123,397

These financial statements were approved by the Board of Directors and authorised for issue on 24 July 2025. Signed on behalf of the Board of Directors

Scott Cunningham

Director and Chief Financial Officer

Iomart Group plc - Company Number: SC204560



CONSOLIDATED STATEMENT OF CASH FLOWS - YEAR ENDED 31 MARCH 2025

	Note	2025 £′000	2024 £′000
(Loss)/profit before taxation		(53,219)	8,741
Finance costs - net	7	6,370	4,287
Depreciation	16	14,792	15,764
Amortisation	13	11,659	6,996
Exceptional goodwill impairment charge	13	52,900	-
Share-based payments	27	198	517
Research and development tax credit		(532)	(364)
Unrealised foreign exchange (gain)/loss		(76)	-
Non cash exceptional items		(39)	-
Exceptional items – operating cash flow impact		(361)	-
Movement in trade receivables		419	1,620
Movement in trade payables		(4,899)	(914)
Cash flow from operations		27,212	36,647
Taxation paid		(1,866)	(710)
Net cash flow from operating activities		25,346	35,937
Cash flow from investing activities			
Purchase of property, plant and equipment	16	(8,252)	(9,513)
Development costs	13	(2,907)	(2,178)
Purchase of intangible assets	13	(87)	(113)
Payment for current period acquisitions net of cash acquired		(48,465)	(5,710)
Payment of contingent consideration	20	(2,500)	(4,180)
Net cash used in investing activities		(62,211)	(21,694)
Cash flow from financing activities			
Issue of shares	24	4	7
Drawdown of bank loans	21	57,000	7,600
Payments under lease liabilities		(4,352)	(5,017)
Payments under long-term intangible asset licence agreements	13	(2,559)	_
Repayment of bank loans	21	-	(2,000)
Repayment of debt acquired on acquisition	21	(6,244)	(3,728)
Finance costs paid		(4,816)	(3,069)
Dividends paid	8	(4,835)	(6,099)
Net cash from/(used in) financing activities		34,198	(12,306)
Net (decrease)/increase in cash and cash equivalents		(2,667)	1,937
Cash and cash equivalents at the beginning of the year		15,755	13,818
Cash and cash equivalents at the end of the year	18	13,088	15,755

CONSOLIDATED STATEMENT OF CHANGES OF EQUITY - YEAR ENDED 31 MARCH 2025

N	ote	Share capital £'000	Own shares EBT £'000	Foreign currency translation reserve £′000	Capital redemption reserve £′000	Share premium account £′000	Merger reserve £'000	reserve	Retained earnings £'000	Total £′000
Balance at 31 March 2023		1,106	(70)	46	1,200	22,495	4,983	-	90,796	120,556
Profit for the year		_	_	_	_	_	_	_	6,441	6,44
Currency translation				(05)						
differences				(25)				_	-	(25)
Total comprehensive income		_	-	(25)	-	-	-	-	6,441	6,416
Dividends – final (paid)	8	-	-	-	-	-	-	-	(3,922)	(3,922)
Dividends – interim (paid)	8	_	-	-	-	-	-	-	(2,177)	(2,177)
Share-based payments	27	_	-	-	-	-	-	-	517	517
Issue of share capital	24	18	-	_	-	5	1,984		-	2,007
Total transactions with owners		18	-	-	-	5	1,984	-	(5,582)	(3,575)
Balance at 31 March 2024		1,124	(70)	21	1,200	22,500	6,967	-	91,655	123,397
Loss for the year		_	_	-	-	-	-	_	(55,117)	(55,117)
Currency hedge loss	26	-	-	-	-	-	-	(84)	-	(84)
Currency translation , differences	26	-	-	(31)	-	-	-	-	-	(31)
Total comprehensive income		-	-	(31)	-	-	-	(84)	(55,117)	(55,232)
Dividends – final (paid)	8	_	_	_	_	_	_	_	(3,371)	(3,371)
Dividends – interim (paid)	8	-	-	-	-	-	-	-	(1,464)	(1,464)
Share-based payments	27	-	-	-	-	-	-	-	198	198
Issue of share capital	24	4	-	-	-	-	-	-	-	4
Total transactions with owners		4	-	-	-	-	-	-	(4,637)	(4,633)
Balance at 31 March 2025		1,128	(70)	(10)	1,200	22,500	6,967	(84)	31,901	63,532

The nature of equity in the statement of changes in equity is disclosed in the accounting policies (note 2).



1. GENERAL INFORMATION

Iomart Group plc is a public listed company, limited by shares, listed on the Alternative Investment Market ("AIM"), incorporated and domiciled in the United Kingdom and registered in Scotland under the Companies Act 2006. The address of the registered office is 6 Atlantic Quay, 55 Robertson Street, Glasgow, G2 BJD. The nature of the Group's operations and its principal activities are set out in the Strategic Report and Directors' Report.

The financial statements are presented in UK Pounds Sterling because that is the currency of the primary economic environment in which the Group operates.

2. ACCOUNTING POLICIES

Basis of preparation

The consolidated financial statements have been prepared in accordance with applicable law and UK-adopted international accounting standards. The financial statements have been prepared on the historical cost basis as explained in the accounting policies below.

The measurement bases and principal accounting policies of the Group are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

Impact of climate change on the financial statements and related notes

In preparing the consolidated financial statements, the Directors have considered the impact of climate change. There has been no material impact identified on the financial reporting judgments and estimates. In particular, the Directors considered the impact of climate change in respect of the following areas:

- Assessment of impairment of goodwill, other intangibles and tangible assets
- Going concern and viability disclosures
- Carrying value and useful economic lives of property, plant and equipment
- Preparation of budgets and cash flow forecasts

Whilst there is currently no medium-term impact expected from climate change, the Directors are aware of the ever-changing risks attached to climate change and will regularly assess these risks against judgements and estimates made in preparation of the Group's financial statements.

Audit exemption of subsidiaries

For the year ended 31 March 2025, the following subsidiaries of the Group were entitled to exemption from audit under s479A of the Companies Act 2006.

Subsidiary	Registered #
Accesspoint Group Holdings Limited	09903087
Accesspoint Technologies Limited	05895234
Atech Group Limited	13853095
Atech Holdco Limited	13853261
Base13 IT Limited	06132677
Bytemark Holdings Limited	08150076
Bytemark Limited	04484629
Cloud 365 Services Limited	13238608
Concepta Capital Limited	09727873
Cristie Data Limited	03457111
CWL Systems Limited	09091981
Extrinsica Global Holdings Limited	10748417
Extrinsica Global Limited	07293625
Datanics Limited	09925398
IMEX Technical Services Limited	09855386
Iomart Cloud Services Limited	SC187413
London Data Exchange Limited	07772407
Memset Limited	04504980
Meritum Cloud Services Limited	09356706
Oriium Consulting Limited	06146501
P2 Technologies Limited	06254265
Pav IT Services Limited	02314882
SimpleServers Limited	06813119
Sonassi Limited	07715859

New and revised IFRSs in issue but not yet effective and have not been adopted by the Group

At the date of authorisation of these financial statements, the following standards, interpretations and amendments have been issued but are not yet effective and have no material impact on the Group's financial statements:

- Amendments to IAS 21 Lack of Exchangeability
- IFRS 18 Presentation and Disclosure in Financial Statements
- IFRS 19 Subsidiaries with Public Accountability: Disclosures
- Amendments to IFRS 9 and IFRS 7 Contracts Referencing Nature-dependent Electricity

Amendments to IFRS 9 and IFRS 7 - Amendments to the Classification and Measurement of Financial Instruments. None of these have been adopted early and the Directors do not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the Group in future periods, except as noted below.

IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 replaces IAS 1, carrying forward many of the requirements in IAS 1 unchanged and complementing them with new requirements. In addition, some IAS 1 paragraphs have been moved to IAS 8 and IFRS 7. Furthermore, the IASB has made minor amendments to IAS 7 and IAS 33 Earnings per Share.

IFRS 18 introduces new requirements to:

- present specified categories and defined subtotals in the statement of profit or loss;
- provide disclosures on management-defined performance measures (MPMs) in the notes to the financial statements;
- improve aggregation and disaggregation.

An entity is required to apply IFRS 18 for annual reporting periods beginning on or after 1 January 2027, with earlier application permitted. The amendments to IAS 7 and IAS 33, as well as the revised IAS 8 and IFRS 7, become effective when an entity applies IFRS 18. IFRS 18 requires retrospective application with specific transition provisions.

The Directors of the Company anticipate that the application of these amendments will have an impact on the presentation of the Group's consolidated financial statements in future periods. The Group is currently assessing the impact of IFRS 18 with the assessment of the required changes ongoing.

Adoption of new and revised Standards - amendments to IFRS that are mandatorily effective for the current year.

In the current year, the Group has applied a number of amendments to IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins

on or after 1 January 2024. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements:

- Amendment to IAS 1 Classification of liabilities as Current or Non-Current
- Amendments to IAS 7 and IFRS 7 Supplier Finance Arrangements
- Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
- Amendments to IAS 1: Non-current Liabilities with Covenants
- Annual Improvements to IFRS Accounting Standards
 Volume 11
- Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)

There are no new accounting policies applied in the year ended 31 March 2025 which have had a material effect on these accounts.

Summary of Accounting Policies

Basis of consolidation

The Group financial statements consolidate those of the Company and all of its subsidiary undertakings drawn up to 31 March 2025. Under IFRS 10, control exists when an investor is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. As each of the divisions within the Group are wholly owned subsidiaries, the Group has full control over each of its investees.

Gains on transactions between the Group and its subsidiaries are eliminated. Losses are eliminated on consolidation and the underlying value of the asset transferred is tested for impairment. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Business Combinations

Acquisitions of subsidiaries are accounted for using the acquisition method. The acquisition method involves the recognition at fair value of all identifiable assets and liabilities, including contingent liabilities of the subsidiary, at the acquisition date, regardless of whether or not they were recorded in the financial statements of the subsidiary prior to acquisition. On initial recognition, the assets and liabilities of the subsidiary are included in the statement of financial position at their fair values, which are also used as the bases for subsequent measurement in accordance with the Group accounting policies

Where the Group's assessment of the net fair value of a subsidiary's identifiable assets acquired and liabilities assumed is less than the fair value of the consideration including contingent consideration of the business combination then the excess is treated as goodwill. Where the Group's assessment of the net fair value of a subsidiary's net assets and liabilities exceeds the fair value of the consideration including contingent consideration of the business combination then the excess is recognised through profit or loss immediately.

Where an acquisition involves a potential payment of contingent consideration the estimate of any such payment is based on its fair value. To estimate the fair value an assessment is made as to the amount of contingent consideration which is likely to be paid having regard to the criteria on which any sum due will be calculated and is probability based to reflect the likelihood of different amounts being paid. Where a change is made to the fair value of contingent consideration within the initial measurement period as a result of additional information obtained on facts and circumstances that existed at the acquisition date then this is accounted for as a change in goodwill. Where changes are made to the fair value of contingent consideration as a result of events that occurred after the acquisition date then the adjustment is accounted for as a charge or credit to profit or loss.

Revenue

The Group's revenue recognition policy is in accordance with IFRS 15, Revenue from Contracts with Customers. Revenue is measured at the fair value of the consideration received or receivable for the sale of goods (software and hardware) and services. Revenue is presented net of value-added tax, returns, rebates, and discounts, and after eliminating intra-group sales.

The Group will typically enter multi-element contracts where more than one service is provided such as a private cloud platform combined with an online backup portal, and in such instances the delivery of these multi-element contracts is treated as a single performance obligation. Revenue is then subsequently recognised over the period of service delivery, in line with the benefit to the customer, when the criteria for recognition has been met. Revenue recognised at a point in time predominantly consists of both software and hardware sales in which revenue is recognised at the point in which the customer receives the goods. Revenue recognition policies in our operating segments are as follows:



Cloud Services

This operating segment provides managed cloud computing infrastructure and services including consultancy. Revenue from cloud computing infrastructure and managed services is recognised over time, in accordance with IFRS 15, as services are performed and the customer consumes the benefits. Set-up fees are amortised over the contract term. Consultancy services, billed on a time-and-materials basis, are recognised as services are rendered. Revenue from hardware or software sales, and related installation or training services, is recognised upon completion of delivery and installation. Any unearned revenue that has been billed is recognised as deferred revenue.

Easyspace

This operating segment provides domain name registration and hosting services. Revenue from domain name registration is recognised at the point of registration (point-in-time) for the registration fee, and over time for ongoing services, in accordance with IFRS 15. Revenue from hosting services is recognised evenly over the service period (over-time) after service commencement. Any unearned revenue that has been billed is recognised as deferred revenue.

Atech

Atech's provides public cloud services, security solutions, managed IT services, and related consultancy services. Revenue from Microsoft Office 365 and Azure is recognised over time based on customer usage, these are billed monthly based on usage, and revenue is accrued accordingly. Recurring licence and software revenue (excluding Microsoft) is recognised over the service period. Support services are recognised over time, based on the service agreement. Hardware and software sales are recognised upon delivery (point-intime). Project revenue is recognised over time based on completion. One-off services are recognised upon delivery (point-in-time). Any unearned revenue that has been billed is classified as deferred revenue.

Exceptional costs

The Group defines exceptional items as costs incurred by the Group which relate to quantitative or qualitative material non-recurring costs. These are disclosed separately where it is considered it provides additional useful information to the users of the financial statements.

Interest

Interest is recognised on an accruals basis using the effective interest method.

Other comprehensive expenses

Other comprehensive expenses are stated net of tax.

Intangible assets

Goodwill

Goodwill represents the excess of the consideration of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is tested annually for impairment and carried at cost less accumulated impairment charges. Goodwill is allocated to cashgenerating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. Impairments to goodwill are charged to profit or loss in the period in which they arise.

Intangible assets - acquired customer relationships

Customer relationships are recognised only on acquisition. The fair value is derived based on discounted cash flows from estimated recurring revenue streams. The carrying value is stated at fair value at acquisition less accumulated amortisation and impairment losses. The useful economic life is assessed for each acquisition separately. Amortisation

is charged over the useful life of the relationships in proportion to the estimated future cash flows, a period which is generally between eight and sixteen years.

Intangible assets - acquired brands

Brand value is only recognised on acquisitions. The fair value is determined using the Relief-from-Royalty Method. The carrying value is stated at fair value at acquisition less accumulated amortisation and impairment losses. The useful economic life is assessed for each acquisition separately. Amortisation is charged over the useful life of the relationships in proportion to the estimated future cash flows, a period which is generally between eight and sixteen years.

Intangible assets - development costs

Expenditure on research (or the research phase of an internal project) is recognised as an expense in the period in which it is incurred. Development costs incurred are capitalised when all the following conditions are satisfied:

- completion of the intangible asset is technically feasible so that it will be available for use or sale;
- the Group intends to complete the intangible asset and use or sell it;
- the Group has the ability to use or sell the intangible asset;
- the intangible asset will generate probable future
- economic benefits;
 there are adequate technical, financial and other resources to complete the development and to use or sell the intangible asset, and
- the expenditure attributable to the intangible asset during its development can be measured reliably.

Development costs not meeting the criteria for capitalisation are expensed as incurred. The costs which do meet the criteria range from new product development to the enhancement of existing services such as mail or hosting platforms. The scope of the development team's work continues to evolve as the Group continues to deliver business critical solutions to a growing customer base. Development costs capitalised are amortised on a straight-line basis over the estimated useful life of the asset.

The estimated useful life is deemed to be three years for all developments capitalised. Amortisation charges are recognised through profit or loss in the period in which they are incurred.

Intangible assets - software

Software is recognised at cost on purchase or fair value on acquisition and amortised on a straight-line basis over its useful economic life, which does not generally exceed five years for purchased software or eight years in the case of acquired software.

Acquisition costs

In accordance with IFRS 3 Business Combinations costs incurred on professional fees and attributable internal acquisition costs are not included in the overall cost of the investment in the acquired business. Consequently, these acquisition costs are included as administrative expenses in the consolidated statement of comprehensive income. In addition, the costs associated with integrating the acquired businesses into the Group are also included in this category. The combination of both these types of expenses is also shown in the consolidated statement of comprehensive income as acquisition costs.

Alternative performance measures

In addition to measuring financial performance of the Group based on statutory profit measures, the Group also measures performance based on adjusted EBITDA, adjusted profit before tax and adjusted diluted earnings per share.

Adjusted EBITDA

Adjusted EBITDA is defined as earnings before interest, tax, depreciation and amortisation (EBITDA) before share-based payment charges, acquisition costs, any gains or losses on revaluation of contingent consideration and material non-recurring items. Adjusted EBITDA is a common measure used by investors and analysts to evaluate the operating financial performance of companies, particularly in the sector that the Group operates. This is not a directly comparable measure as adjustments may vary.

The Group considers adjusted EBITDA to be a useful measure of operating performance because it approximates the underlying operating cash flow by eliminating the charges mentioned above. It is not a direct measure of liquidity, which is shown in the consolidated statement of cash flows and needs to be considered in the context of the Group's financial commitments.

Adjusted profit before tax

Adjusted profit before tax is defined as profit before tax adjusted for the following:

- amortisation charges on acquired intangible assets;
- share-based payment charges;
- where bank facilities are restructured during the year any accelerated write off of arrangement fees;

- M&A activity including:
 - o professional fees;
 - o any non-recurring integration costs;
 - any gain or loss on the revaluation of contingent consideration;
 - any interest charge on contingent consideration; and
- Any material non-recurring costs where their removal is necessary for the proper understanding of the underlying profit for the period.

The Group considers adjusted profit before tax to be a useful measure of performance because it eliminates the impact of certain non-recurring items including those associated with acquisitions and other charges commonly excluded from profit before tax by investors and analysts for valuation purposes.

Adjusted diluted earnings per share

Adjusted diluted earnings per share is calculated by taking the adjusted profit before tax as described after deducting an appropriate taxation charge and dividing by the total weighted average number of ordinary shares in issue during the year and adjusting for the dilutive potential ordinary shares relating to share options. The Group considers adjusted diluted earnings per share to be a useful measure of performance for the same reasons as adjusted profit before tax. In addition, it is used as the basis for consideration to the level of dividend payments.

Property, plant and equipment

Property, plant and equipment is stated at cost net of depreciation and any provision for impairment. Leasehold property is included in property, plant and equipment only where it is held under IFRS 16.

Disposal of assets

The gain or loss arising on the disposal of an asset is determined as the difference between the disposal proceeds and the carrying amount of the asset and is recognised in profit or loss.

Depreciation

Depreciation is calculated to write down the cost of all property, plant and equipment to the expected residual value by equal annual instalments over their estimated useful economic lives. All items of plant and equipment have immaterial residual values. The straight-line rates generally applicable are:

Freehold property

Leasehold improvements

Between 6% and 10% per annum

Data centre equipment

Between 6% and 50% per annum

Computer equipment

Between 6% and 50% per annum

Office equipment

Between 10% and 33% per annum

Motor vehicles

25% per annum

Leases

When entering into a new contract, the Group assesses whether it is, or contains, a lease. A lease conveys a right to control the use of an identified asset for a period of time in exchange for consideration.



At the lease commencement date, the Group recognises a right-of-use asset and a corresponding lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability measured at the present value of future lease payments, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease. and any lease payments made in advance of the lease commencement date (net of any incentives received). The Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-The Group use asset or the end of the lease term. assesses the right-of-use asset for impairment under IAS 36 'Impairment of Assets' where such indicators exist.

Lease liabilities are presented on two separate lines in the balance sheet for amounts due within one year and amounts due after more than one year. The lease liability is initially measured at the present value of lease payments that are not paid at the commencement date, discounted at the Group's incremental borrowing rate. Subsequently, the liability will be reduced for payments made and increased for the interest applied and it is remeasured to reflect any reassessment or contract modifications. When the lease liability is remeasured, the corresponding adjustment is reflected in the right of use asset or in the consolidated statement of comprehensive income if the right of use asset is already reduced to zero.

The Group adopts recognition exemptions for short-term leases of twelve months or less and leases of low value where associated costs are expensed to the consolidated statement of comprehensive income.

Impairment testing of goodwill, other intangible assets and property, plant and equipment

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Goodwill is allocated to those cash-generating units that are expected to benefit from synergies of the related business combination and represent the lowest level within the Group at which management monitors goodwill

Goodwill, other individual assets or cash-generating units that include goodwill, and those intangible assets not yet available for use are tested for impairment at least annually. All other individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the assets or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting market conditions less costs to sell, and value in use based on an internal discounted cash flow evaluation. Management estimate expected future cash flows from each cash generating unit and determine a suitable interest rate to calculate the present value of the future cash flows.

Discount factors are determined for each cash generating unit to reflect the underlying risks involved. The future cash flows used in the calculation are based on the Group's latest approved budget.

Impairment losses recognised for cash-generating units, to which goodwill has been allocated, are credited initially to the carrying amount of goodwill. Any remaining impairment loss is charged pro rata to the other assets in the cash generating unit. With the exception of goodwill, all assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist.

Trade and other receivables - lease deposits

Rental and re-instatement deposits for leasehold premises are included in the consolidated statement of financial position as either non-current assets or current assets depending on the length of time to maturity.

Reinstatement costs

The Group has made alterations to properties which it occupies under lease arrangements. These lease arrangements contain provision for reinstatement of the property to its original condition at the Group's cost at the end of the lease should the landlord require that to happen. In respect of property leases which contain such a reinstatement provision the estimated cost of the reinstatement is provided in the financial statements. The discounted value of the expected cost of reinstatement is recorded as a leasehold improvement within property, plant and equipment and is then depreciated over the remaining term of the lease. A matching provision is recognised at the same time which is increased over the period of the lease by way of an interest charge such that the estimated cost of the reinstatement has been fully provided at the end of the lease period.

Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

Taxation

The income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

Current tax is the tax currently payable based on taxable profit for the year and any adjustment to tax payable in respect of prior years. Taxable profit differs from net profit as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible.

The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting date.

A provision is recognised for those matters for which the tax determination is uncertain but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method. Deferred tax liabilities are provided in full and are generally recognised for all taxable temporary differences, with no discounting. Deferred tax assets are recognised to the extent that it is probable that the underlying deductible temporary differences will be able to be offset against future taxable income. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is not provided on the initial recognition of goodwill, nor on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit. Deferred tax on temporary differences associated with shares in subsidiaries is not provided if reversal of these temporary differences can be controlled by the Group and it is probable that reversal will not occur in the foreseeable future. In addition, tax losses available to be carried forward as well as other income tax credits to the Group are assessed for recognition as deferred tax assets. Where current or deferred tax arises from the initial accounting for a business combination, the business combination.

Current and deferred tax assets and liabilities are calculated at tax rates and laws that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted at the balance sheet date.

Deferred tax assets and liabilities arising in the same tax jurisdiction are offset and the Group intends to settle its current tax assets and liabilities on a net basis.

Changes in current and deferred tax assets or liabilities are recognised as a component of tax expense in the statement of comprehensive income, except where they relate to items that are recognised directly in other comprehensive income or equity (such as share-based remuneration) in which case the related deferred tax is also recognised in other comprehensive income or equity accordingly.

Financial instruments

Financial assets and financial liabilities are recognised in the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument. The classification of financial assets is based on the Group's business model for managing the financial asset and the contractual cash flow characteristics associated with the financial asset. Assets that are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest, are measured at amortised cost.

Financial assets

Trade receivables

Trade receivables are amounts due from customers for goods sold and services provided in the ordinary course of business. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. In recognising any provision for impairment, the Group applies the IFRS 9 approach to measuring expected credit losses which uses a lifetime expected loss allowance for all assets held at amortised cost. The Group recognises a loss allowance for all expected credit losses on initial recognition of trade receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and short-term deposits that are readily convertible into known amounts of cash with maturities of three months or less from inception and which are subject to an insignificant risk of changes in value.

Financial liabilities

Trade payables

Trade payables are stated at their nominal value, recognised initially at fair value and subsequently valued at amortised cost.

Borrowings

Borrowings are initially stated at fair value after deduction of any issue costs. The carrying amount is increased by the finance costs in respect of the accounting period and reduced by payments made in the period. Borrowings are subsequently stated at amortised cost, any difference between the periods (net of transaction costs) and the redemption value is recognised through profit or loss over the period of the borrowings using the effective interest method. Where borrowings are repaid early and new loan facilities agreed the terms of each loan facility are compared. Where the terms of the new borrowings are significantly different from those of the previous borrowings, the previous borrowings are treated as extinguished rather than modified as prescribed under IFRS 9.

Foreign currency transactions

Transactions denominated in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the period end are retranslated at the rates ruling at that date.



Any gains or losses arising on assets and liabilities between the date of recording and the date of settlement are treated as gains or losses through profit or loss.

The Group designates certain derivatives as hedging instruments in respect of foreign currency risk in cash flow hedges, including hedges of foreign exchange risk on firm commitments.

At the inception of the hedge relationship, the Group documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk, which is when the hedging relationship meets all of the following hedge effectiveness requirements:

- there is an economic relationship between the hedged item and the hedging instrument;
- the effect of credit risk does not dominate the value changes that result from that economic relationship (The Group does not consider credit risk to be material but will monitor on an ongoing basis); and
- the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

The Group designates the full change in the fair value of a forward contract as the hedging instruments for all of its hedging relationships.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading of cash flow hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in the income statement within administration costs. Amounts accumulated in equity are recycled through the income statement in the period when the hedged item affects profit or loss.

The results and financial position of all Group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of the statement of financial position;
- income and expenses for each income statement are translated at average exchange rates; and
- all resulting exchange differences are recognised as a separate component of equity in the foreign currency translation reserve. There is no taxation impact on such differences.

Dividends

Dividend distributions payable to equity shareholders are included in the financial statements within 'other short-term financial liabilities' when a final dividend is approved in a general meeting. Interim dividend distributions to equity shareholders approved by the Board are not included in the financial statements until paid.

Equity

Equity comprises the following:

- "share capital" represents the nominal value of equity shares;
- "own shares" represents the amount of the Company's own equity shares, plus attributable transaction costs, that is held by the Company within the lomart Group plc Employee Benefit Trust;
- "share premium" represents the excess over nominal value of the fair value of consideration received for equity shares, net of expenses of the share issue;
- "merger reserve" represents the excess over nominal value of the fair value of consideration received for equity shares, net of expenses of the share issue, when ordinary share capital is included in the consideration for business acquisitions;
- "capital redemption reserve" represents set aside reserves in relation to previous redemption of own shares:
- "hedging reserve" represents the gains and losses on the effective portion of a hedging instrument:
- "foreign currency translation reserve" represents all exchange differences on the translation of the results and financial position of Group entities that have a functional currency different from the presentation currency; and
- "retained earnings" represents retained profits and share-based payment reserve.

Employee benefits - pensions

The Group contributes to an auto-enrolment pension scheme and also to a number of personal pension schemes on behalf of Executive Directors and some senior employees. The pension costs charged against operating profit are the contributions payable to the schemes in respect of the accounting period.

Share-based payments

The Group operates equity-settled share-based remuneration plans for its employees. All goods and services received in exchange for the grant of any share-based payment are measured at their fair values. Where employees are rewarded using share-based payments, the fair values of employees' services are determined indirectly by reference to the fair value of the instrument granted to the employee. This fair value is appraised at the grant date and excludes the impact of non-market vesting conditions (for example, profitability and sales growth targets).

All share-based remuneration plans are ultimately recognised as an expense through profit or loss with a corresponding credit to 'retained earnings'.

For share-based payment awards based on market conditions, such as total shareholder return %, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

If vesting periods or other non-market vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest. Estimates are subsequently revised if there is any indication that the number of share-based incentives expected to vest differs from previous estimates, with the exception of any estimates based on a market condition which are not revised. The three main non-market vesting conditions that apply to share options relate to the achievement of annual objectives, continuous employment and achievement of Group results. Any cumulative adjustment prior to vesting is recognised in the current period. No adjustment is made to any expense recognised in prior periods if share-based incentives ultimately exercised are different to that estimated on vesting.

Upon exercise of share-based incentives the proceeds received net of attributable transaction costs are credited to share capital, and where appropriate share premium.

Segmental reporting

The Group provides segmental reporting on a basis consistent with the provision of internal financial information used for decision making purposes by the Chief Operating Decision-Maker. Internal reports are produced on a basis consistent with the accounting policies adopted in the Group's financial statements.

The Group calculates geographical information on the basis of the location of the customer.

Going concern

The Consolidated Financial Statements have been prepared on a going concern basis, which the Directors consider appropriate for the reasons set out below.

The Group meets its day-to-day working capital requirements through operational cash flows, cash reserves, a £115m RCF, and leasing arrangements (see Note 21). As at 31 March 2025, £97m of the RCF was drawn, primarily to fund historical acquisitions, including the £57m acquisition of Atech on 1 October 2024. The Group held £13.1m in cash and cash equivalents at yearend, which is the primary source of funding for day-to-day operations. The RCF was successfully refinanced on 27 June 2025 with a syndicate comprising Royal Bank of Scotland, HSBC, and Clydesdale Bank, extending the facility to 30 June 2027. The revised covenants reflect the Group's current leverage and strategic plans.

The Directors have prepared cash flow forecasts covering a period of at least 12 months from the date of approval of these financial statements (the "going concern assessment period"). These forecasts, which incorporate reasonably possible downside scenarios, demonstrate that the Group and Company is expected to have sufficient liquidity and covenant headroom to meet their obligations as they fall due.

The Group is required to comply with financial covenants for adjusted leverage (reported net debt to adjusted EBITDA) and interest cover (adjusted EBITDA to reported net interest expense and adjusted for certain IFRS 9 interest expenses). Covenants are tested quarterly each year and income statement items are on a last 12 month basis (including pre-acquisition adjusted EBITDA as appropriate). The Directors are satisfied that there is no severe but plausible downside scenario in which the Group would breach its covenants for at least 12 months from the date of approval of these financial statements.

The Directors' forecasts in respect of the going concern assessment period have been built from the Board approved budget for the year ending 31 March 2026, and a forecast for the year ending 31 March 2027, and the going concern assessment takes account of the financial covenant requirements.

The forecasts include a number of assumptions in relation to order intake, renewal and churn rates, cost base reductions and improved electricity pricing which are now fixed via hedging arrangements through FY26 and FY27 at forward rates favourable to those achieved in FY25. Revenue assumptions reflect levels achieved in FY25 plus organic growth in our Microsoft and security practice, underpinned by the enhancement to our skills and credentials from the recent Atech acquisition, and have been adjusted for the accelerated trend seen in customer churn within the self-managed infrastructure product group.

Whilst the Group's trading and cash flow forecasts have been prepared using current trading assumptions, the Directors acknowledge ongoing macroeconomic and operational risks. These risks include, but are not limited to, achieving lower than forecast levels of new order intake, lower than expected customer renewals from larger customers plus evolution of product mix or cost pressures which impact margin quality. In making their going concern assessment in light of these risks, the Directors have also modelled a combined severe but plausible downside scenario when preparing the forecasts.

The downside scenario assumes economic downturn in FY26, primarily impacting recurring new order intake. In this scenario, recurring monthly order intake is forecast to reduce by 10% compared to base case budget. Over the last three years we have seen order bookings growth and high achievement of order booking targets. An additional and potentially more impactful factor that can impact the revenue and gross margin assumptions is the level of customer churn.



Going concern (continued)

Whilst known, near-term customer cancellations have been modelled, coupled with an underlying level of customer cancellations based on historic trends, there remains a risk that unexpected, medium to large customer cancellations could occur in the near-term. The Group is protected contractually to a large extent within the managed services area of the business with notice periods and cancellation clauses, however a residual risk remains. An additional level of customer cancellations has therefore been modelled each quarter in the downside scenario to reflect this risk with 20% higher absolute annualised customer revenue churn assumed from the lomart managed services area. Nonrecurring revenue which includes reselling of hardware and software plus consultancy services could be subject to reduced investment levels from customers more so on consultancy services which are likely to be more discretionary in nature. In our downside scenario we have assumed certain repeating consultancy services may not continue at the current level and this represents around 25% of total non-recurring revenue on an annualised basis. In addition, the downside scenario also assumes the new business obtained does not achieve the gross margin planned, with a 10% reduction to the planned gross margin achievement across all new recurring revenue modelled.

Power prices are 100% fixed (at current volumes) through to March 2027. As result, this reduces risk on our largest variable cost outside of people costs and software licencing. However there remains a risk that periods of sustained higher summer temperatures, considering the impacts of wider climate-related factors, could increase energy usage at sites. A 5% increase in forecasted usage has been modelled across a period of three months over the summer to reflect this risk.

Given external market analysis indicates an expectation that interest rates have stabilised and some reductions in SONIA rates are to be expected, no sensitivity on interest rates has been included in the plausible downside scenario. Both the base case and severe but plausible downside forecast scenarios assumes no payment of dividends. The Directors will continue to monitor this in relation to leverage levels and appropriate allocation of capital.

In addition to the base case and severe but plausible downside forecasts, the Directors have modelled an overlay scenario to recognise the mitigation available to the Directors in the event some of the downside scenarios materialise. Such actions, which could mitigate both earnings and leveraging levels, include but are not limited to, the rephasing of discretionary capital expenditure, potential strategic reassessment of certain assets, reduction in people related costs including discretionary bonus payments and expenditure investments plus further management of discretionary cost areas such as marketing, training and trayel.

Even under the downside scenario, the Group is forecast to maintain sufficient liquidity and comply with all financial covenants without requiring mitigating actions.

Accordingly, and in line with the FRC guidance, the Directors have a reasonable expectation that the Group and Company have adequate resources to continue in operational existence for the foreseeable future and for a period of at least 12 months from the date of approval of these financial statements. In performing their analysis, the Directors have not identified any material uncertainties that may cast significant doubt on the Group's ability to continue as a going concern.

Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements in accordance with IFRS requires the Directors to make critical accounting estimates and judgements that affect the amounts reported in the financial statements and accompanying notes. The estimates and assumptions that have a significant risk of causing material adjustment to the carrying value of assets and liabilities within the next financial year are discussed below:

Judgements

The Group do not consider that there are any critical accounting judgements in the preparation of the financial statements.

Estimates

Goodwill impairment assessment: the Group tests annually whether Goodwill has suffered any impairment. This requires an estimation of the recoverable amount of the applicable cash generating unit to which the Goodwill relate. Estimating the recoverable amount requires the Group to make an estimate of the expected future cash flows from the specific cash generating unit using certain key assumptions including growth rates and a discount rate. These assumptions resulted in a material £52.9m impairment charge being recognised in the current year. See Note 13.

3. SEGMENTAL ANALYSIS

The Chief Operating Decision–Maker has been identified as the CEO of the Company. As at 31 March 2025, the Group has three operating segments and the CEO reviews the Group's internal reporting which recognises these three segments in order to assess performance and to allocate resources. The Group has determined its reportable segments are also its operating segments based on these reports.

The Group currently has three operating and reportable segments being Easyspace, Cloud Services and Atech.

- Easyspace this segment provides a range of shared hosting and domain registration services to micro and SME companies.
- Cloud Services this segment provides managed cloud computing facilities and services, through a network of owned data centres, to the larger SME and corporate markets.
- Atech this segment is a Microsoft Solutions Partner and delivers multi-platform solutions, digital transformation and specialised managed security services to mid-sized enterprises. This is a new segment given the acquisition in the year.

Information regarding the operation of the reportable segments is included below. The CEO assesses the performance of the operating segments based on revenue and a measure of earnings before interest, tax, depreciation and amortisation (EBITDA) before any allocation of Group overheads, charges for share-based payments, costs associated with acquisitions, any gain or loss on revaluation of contingent consideration and material non-recurring items. This segment EBITDA is used to measure performance as the CEO believes that such information is the most relevant in evaluating the results of the segment.

The Group's EBITDA for the year has been calculated after deducting Group overheads from the EBITDA of the three segments as reported internally. Group overheads include the cost of the Board, all the costs of running the premises in Glasgow, the Group marketing, human resource, finance and design functions and legal and professional fees.

The segment information is prepared using accounting policies consistent with those of the Group as a whole.

The assets and liabilities of the Group are not reviewed by the Chief Operating Decision–Maker on a segment basis. Therefore, none of the Group's assets and liabilities are segmental assets and liabilities and are all unallocated for segmental disclosure purposes. For that reason, the Group has not disclosed details of segmental assets and liabilities.

All segments are continuing operations. No customer accounts for 10% or more of external revenues. Intersegment transactions are accounted for using an armslength commercial basis.

Operating Segments

Revenue by Operating Segment

2025 £′000	2024 £'000
Easyspace 11,999	12,471
Iomart Cloud Services 109,998	114,578
Atech 21,463	
Total 143,460 12	27,049
lomart Cloud Services revenue can be disaggregated as follows:	further
£′000	£′000
Iomart Cloud Managed Services 76,363	75,212
Self-Managed Infrastructure 23,686	28,429
Non-Recurring Revenue 9,949	10,937
Total 109,998 1	14,578

The nature of these three offerings are explained within the Chief Financial Officer report on page 14 and 15.

Recurring and Non-recurring Revenue

The amount of recurring and non-recurring revenue recognised during the year can be summarised as follows:

	2025	2024
	£′000	£′000
Recurring – over time	127,569	116,112
Non-Recurring - point in time	15,891	10,937
Total	143,460	127,049

Geographical Information

In presenting the consolidated information on a geographical basis, revenue is based on the geographical location of customers. There is no single country where revenues are individually material other than the United Kingdom. The United Kingdom is the place of domicile of the parent company, lomart Group plc.

Analysis of Revenue by Destination

	2025 £′000	2024 £'000
United Kingdom	126,272	107,864
Rest of the World	17,188	19,185
Total	143,460	127,049



Profit by Operating Segment

	2025					2024	
	Adjusted EBITDA £'000	Depreciation, amortisation, acquisition costs, share-based payments and exceptional non-recurring costs	Impairment charge £'000	Operating profit/(loss) £'000	Adjusted EBITDA £′000	Depreciation, amortisation, acquisition, acquisition costs, share- based payments and exceptional non-recurring costs £'000	Operating profit/(loss) £'000
Easyspace	5,671	(461)	-	5,210	6,161	(570)	5,591
Iomart Cloud Services*	30,207	(24,131)	(52,900)	(46,824)	36,729	(22,141)	14,588
Atech	3,211	(1,797)	-	1,414	-	-	-
Group overheads	(4,777)	-	-	(4,777)	(5,162)	-	(5,162)
Administrative expenses – exceptional non-recurring cost	-	-	-	-	-	(462)	(462)
Acquisition costs	-	(1,674)	-	(1,674)	-	(1,010)	(1,010)
Share-based payments	-	(198)	-	(198)	-	(517)	(517)
Subtotal	34,312	(28,261)	(52,900)	(46,849)	37,728	(24,700)	13,028
Group interest and tax	-	-	-	(8,268)	_	-	(6,587)
(Loss)/profit for the year			·	(55,117)			6,441

Group overheads, acquisition costs, share-based payments, interest and tax are not allocated to segments.

4. OPERATING PROFIT

Operating profit is stated after charging/(crediting) the following:

	£′000	£′000
Staff costs (note 5) excluding development costs capitalised (note 13)	31,335	26,421
Depreciation of property, plant and equipment:		
Owned assets - property, plant and equipment	10,953	11,782
Owned assets – closure of offices included in non-recurring acquisition integration costs (note 16)	40	49
• Right-of-use assets (note 23)	3,799	3,933
Short-term and low value lease expense (note 23)	1,830	1,711
Amortisation of intangibles:		
Acquired intangible assets (note 13)	4,902	4,226
Other intangible assets (note 13)	6,662	2,485
• Right-of-use assets (note 23)	95	285
Exceptional goodwill impairment charge (note 13)	52,900	-
Bad debt expense	644	810
Net foreign exchange (gain)/loss	(76)	94
Exceptional costs	39	-

Included within administrative expenses are fees paid to the Group's auditor's as follows:

Auditor's remuneration	2025 £′000	2024 £′000
Audit services:		
• Fees payable for the audit of the consolidation and the parent company financial statements	314	190
Fees payable for audit of subsidiaries, pursuant to legislation – UK	240	170
Fees payable for audit of subsidiaries, pursuant to legislation – International	-	-
Total audit services fees	554	360
Non-audit services		
Interim Review	38	35
Covenant compliance certification	4	3
Total non-audit services fees	42	38
Total Auditor's remuneration	596	398

^{*} The lomart Cloud Services combined depreciation & amortisation charge of £24,131,000 consists of £14,580,000 and £9,551,000 of depreciation & amortisation respectively (March 2024: £22,141,000 combined charge consisting of £15,759,000 and £6,382,000 of depreciation & amortisation respectively).

5. INFORMATION REGARDING EMPLOYEES AND DIRECTORS

The average number of persons (including all Directors) employed by the Group during the year was as follows:

	2025 £′000	2024 £′000
Technical	430	332
Sales and Marketing	96	95
Administration	58	64
Total	584	490

Staff costs of the Group during the year in respect of employees and all Directors were:

	2025 £′000	2024 £′000
Wages and salaries	29,470	25,056
Social security costs	3,785	2,451
Pension costs	789	575
Share-based payments (note 27)	198	517
Total	34,242	28,599

The Group operates a stakeholder defined contribution pension scheme and also contributes to a number of personal pension schemes on behalf of executive Directors and some senior employees. In the case of executive Directors, details of the pension arrangements are given within the Report of the Board to the Members on Directors' Remuneration on pages 49 to 54. In the case of senior employees, pension contributions to individuals' personal pension arrangements are payable by the Group at a rate equal to the contribution made by the senior employee subject to a maximum employer contribution of 5% of basic salary.

The renumeration of the Directors are as follows:

	2025	2024
	£′000	£′000
Director's emoluments		
Aggregate emoluments	1,014	1,683

Emoluments payable to the highest paid Director are as follows:

	2025 £′000	2024 £′000
Aggregate emoluments	412	591

During the year the Company made personal pension contributions to personal pension schemes or paid a pension allowance to two of the Directors (2024: three) of £63,000 (2024: £60,415).

The aggregate amount of gains during the year realised by serving Directors, on the exercise of share options, which have vested in prior periods was £279,726 (2024: nil).

The share-based credit in relation to Directors, who served during the year, was £52,000 (2024: charge of £311,000).

The detailed numerical analysis of Directors' remuneration and share options is included in the Report of the Board to the Members on Directors' Remuneration on pages 49 to 54.

6. ACQUISITION COSTS AND ADMINISTRATIVE EXPENSES - EXCEPTIONAL NON-RECURRING COSTS

	2025 £′000	2024 £'000
Professional fees	866	537
Non-recurring acquisition integration costs	808	473
Total acquisition costs	1,674	1,010
	2025 £′000	2024 £'000
Administrative expenses – exceptional non-recurring costs	-	462

Professional fees of £866,000 (2024: £537,000) relate to fees incurred in relation to the acquisition of Kookaburra Topco Limited, the holding company of Atech Support Limited, in the year.

In prior year, the Group incurred £462,000 of administrative expenses – exceptional non-recurring costs in relation to the change of Chief Executive Officer during September 2023 which were considered to be material in nature and size.

7. FINANCE COSTS (NET)

	2025 £'000	2024 £′000
Finance income:		
Bank interest receivable	155	64
Finance incomes	155	64
Finance costs:		
Bank loan	(5,168)	(3,366)
Interest on lease liabilities (note 23)	(928)	(854)
Other interest charges	(429)	(131)
Finance costs	(6,525)	(4,351)
Net finance costs	(6,370)	(4,287)

8. DIVIDENDS PAID ON SHARES CLASSED AS EQUITY

Group & Company only	2025 Pence per share	2025 £′000	2024 Pence per share	2024 £′000
Paid during the year:				
Final dividend (proposed	in the pric	r year)		
Equity dividends on ordinary shares	3.00p	3,371	3.50p	3,922
Interim dividend Equity dividends on ordinary shares	1.31p	1,464	1.94p	2,177
Total dividend paid in cash		4,835		6,099

The Directors have recommended no final dividend for the year ended 31 March 2025 (2024: 3.0p per share).



9. TAXATION		
	2025 £′000	2024 £′000
Corporation Tax:		
Tax charge for the year	(1,024)	(2,536)
Adjustment relating to prior years	414	(130)
Total current taxation charge	(610)	(2,666)
Deferred Tax:		
Origination and reversal of temporary differences	24	387
Adjustment relating to prior years	(1,312)	(21)
Total deferred taxation credit/(charge)	(1,288)	366
Total taxation charge	(1,898)	(2,300)

The adjustment relating to prior years are amendments recognised on the finalisation of annual taxation computations. The differences between the total taxation charge shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax are as follows:

	2025 £′000	2024 £'000
(Loss)/Profit before tax	(53,219)	8,741
Tax (credit)/charge @ 25% (2024: 25%)	(13,305)	2,185
Expenses disallowed for tax purposes R&D expenditure credits	13,505 6	135 -
Adjustments in current tax relating to prior years	(414)	130
Tax effect of different statutory tax rates of overseas jurisdictions	42	(7)
Tax effect of share-based remuneration	574	(207)
Movement in deferred tax related to property, plant and equipment	203	43
Income not taxable for tax purposes	(90)	-
Movement in deferred tax not recognised	65	-
Movement in deferred tax relating to prior years	1,312	21
Total taxation charge for the year	1,898	2,300

The weighted average applicable tax rate for the year ended 31 March 2025 was 25% (2024: 25%). The effective rate of tax for the year, based on the taxation charge for the year as a percentage of the (loss)/profit before tax is (0.04)% (2024: 26%). The effective rate of tax is heavily distorted by the large number of non-taxable charges in the year, especially the goodwill non-cash impairment, plus the impact of the prior year adjustments, making the effective tax in the current year somewhat redundant as a disclosed metric. As a predominately UK business our underlying tax rate does mirror the headline corporation tax rates.

Deferred tax assets and liabilities at 31 March 2025 have been calculated based on the rate of 25% enacted at the reporting date (2024: 25%).

10. DEFERRED TAX

The Group recognised deferred tax assets/(liabilities) as follows:

	2025 £'000	2024 £'000
Share-based remuneration	197	891
Capital allowances temporary differences	(3,177)	(1,687)
Deferred tax on development costs	(1,224)	(720)
Deferred tax on customer relationships	(5,955)	(3,286)
Deferred tax on intangible software	(35)	(82)
Brought forward tax losses	107	-
Other short-term timing differences	3	-
Deferred tax liability	(10,084)	(4,884)

At the year end, the Group had £2.9m (2024: £2.4m) of brought forward tax losses. Of this amount only £0.4m has recognised to have a deferred tax value (2024: £nil). This amount is expected to be recoverable by the group in future years. The movement in the deferred tax account during the year was (see table below):

Table: Movement in the deferred tax account	Share-based remuneration £'000	Capital allowances temporary differences £'000	Development costs £'000	Other short term timing differences £'000	Customer relationships £'000	Intangible software £'000	Brought forward tax losses £'000	Total £'000
Balance at 31 March 2023	638	(319)	(648)	-	(2,762)	(130)	-	(3,221)
Acquired on acquisition of subsidiary	-	(578)	-	-	(1,451)	-	-	(2,029)
Movement relating to prior year	-	(21)	-	-	-	-	-	(21)
Credited/(charged) to statement of comprehensive income	253	(769)	(72)	-	927	48	-	387
Balance at 1 April 2024	891	(1,687)	(720)		(3,286)	(82)	-	(4,884)
Acquired on acquisition of subsidiary	-	(21)	-	-	(3,891)	-	-	(3,912)
Movement relating to prior year	-	(963)	(349)	-	-		-	(1,312)
Credited/(charged) to statement of comprehensive income	(694)	(506)	(155)	3	1,222	47	107	24
Balance at 31 March 2025	197	(3,177)	(1,224)	3	(5,955)	(35)	107	(10,084)

The deferred tax asset in relation to share-based remuneration arises from the anticipated future tax relief on the exercise of share options. The deferred tax on capital allowances temporary differences arises mainly from plant and equipment in the Cloud Services segment where the tax written down value varies from the net book value.

The deferred tax on development costs arose from development expenditure on which tax relief was received in advance of the amortisation charge. The deferred tax on customer relationships and intangible software arises from permanent differences on acquired intangible assets

The deferred tax asset in relation to the brought forward tax losses relates to recoverable tax losses which are seen as having high probability of recovery against future tax profits of the Group.

11. ACQUISITIONS

Atech Group Limited

On 1 October 2024, the Group acquired the entire issued share capital of Kookaburra Topco Limited, the holding company of Atech Support Limited and other subsidiaries ("Atech"). The acquisition was a significant strategic milestone, substantially enhancing the Group's scale, credibility, and capabilities, particularly in Microsoft Azure, modern work and cyber security solutions, which are central to our future strategic focus. Atech is one of the UK's most highly accredited Microsoft Solution Partners.

During the current year, the Group incurred £866,000 of third-party acquisition related costs in respect of this acquisition as detailed in exceptional acquisition costs in note 6. These expenses are included in administrative expenses in the Group's consolidated statement of comprehensive income and in cash flow from operating activities for the period ended 31 March 2025.

The following table summarises the consideration to acquire Atech, the amounts of identified assets acquired, and liabilities assumed at the acquisition date.

	£′000
Recognised amounts of net assets acquired, and liabilities assumed:	
Cash and cash equivalents	3,403
Trade receivables	6,072
Other receivables, prepayments and accrued income	3,600
Property, plant and equipment	447
Intangible assets	15,588
Borrowings	(6,244)
Provisions	(84)
Trade and other payables	(12,563)
Lease liabilities	(256)
Corporation tax	(201)
Deferred considerations from historic acquisitions	(784)
Deferred tax liability	(3,912)
Identifiable net assets	5,066
Goodwill	46,615
Total consideration	51,681
Satisfied by:	
Cash – paid on acquisitions	51,681

The acquisition of Atech was completed using a "locked box completion" mechanism, on a no cash, no debt, and normalised working capital basis.

51,681

Total consideration to be transferred

The cash paid on the acquisition was £51,681,000 to the previous shareholders, £6,244,000 of debt repayments and £187,000 of stamp duty.

The goodwill arising on the acquisition of Atech is attributable to the premium payable for a pre-existing, rapidly growing, Microsoft Solutions Partner, delivering complex, multi-platform solutions, digital transformation and specialised managed security services to mid-sized enterprises, together with the benefits to the Group in merging the business with its existing infrastructure and the anticipated future revenue synergies from the combination. The goodwill is not expected to be deductible for tax purposes.

Included in intangible assets is the fair value included in respect of the acquired customer relationships intangible asset of £13,770,000. To estimate the fair value of the customer relationships intangible asset, a discounted cash flow method, specifically the income approach, was used with reference to the directors' estimates of the level of revenue, which will be generated from them. A pre-tax discount rate of 11.49% was used for the valuation. Customer relationships are being amortised over an estimated useful life of 16 years.

Included within intangible assets is the Atech brand, recognised at a fair value of £1,794,000 as at the acquisition date. The fair value was determined using the Relief-from-Royalty Method, a valuation technique commonly accepted for brand and trademark assets. This method estimates the value of the brand by reference to the hypothetical royalty payments that would be avoided through ownership of the brand, rather than licensing it from a third party. The valuation was based on the directors' forecast of future revenues attributable to the brand, an appropriate notional royalty rate applied to those revenues and a pre-tax discount rate of 11.5%. The brand is being amortised on a straight-line basis over its estimated useful life of 16 years.

Atech earned revenue of £21,463,000 and generated profit, before allocation of group overheads, exceptional items and tax, of £3,179,000 in the period since acquisition.

If Atech had been part of the lomart Group from 1 April 2024, revenue earned for the twelve-month period for lomart would have been £40,138,000 and profit before tax would have been £1,760,000 for the year ended 31 March 2025. This profit includes exceptional items, interest expense and costs associated with the previous ownership structure which aggregates to £3,980,000.



12. EARNINGS PER ORDINARY SHARE

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, after deducting any own shares held in Treasury and held by the Employee Benefit Trust. 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, after deducting any own shares, and adjusting for the dilutive potential ordinary shares relating to share options.

	2025 £′000	2024 £′000
(Loss)/profit for the financial year and basic earnings attributed to ordinary shareholders	(55,117)	6,441
Weighted average number of ordinary shares:		
Called up, allotted and fully paid at start of year	112,342	110,422
Own shares held by Employee Benefit Trust	(141)	(141)
Issued share capital in the year	244	1,39
Weighted average number of ordinary shares – basic	112,445	111,672
Dilutive impact of share options	1,128	2,710
Weighted average number of ordinary shares – diluted	113,573	114,382
Basic (loss)/earnings per share	(49.0p)	5.8p
Diluted (loss)/earnings per share	(49.0p)	5.6p
Adjusted (loss)/earnings per share:	2025 £′000	2024 £′000
(Loss)/profit for the financial year and basic (loss)/earnings attributed to ordinary shareholders	(55,117)	6,44
- Amortisation of acquired intangible assets	4,902	4,226
Amortisation of acquired intangible assetsAcquisition costs	4,902 1,674	
,		1,010
- Acquisition costs		1,010
- Acquisition costs - Administrative expenses – exceptional non-recurring costs	1,674	1,010
- Acquisition costs - Administrative expenses – exceptional non-recurring costs - Share-based payments	1,674 - 198	1,010 462 517
 Acquisition costs Administrative expenses – exceptional non-recurring costs Share-based payments Exceptional goodwill impairment charge 	1,674 - 198 52,900	4,226 1,010 462 517 - (1,421)
 Acquisition costs Administrative expenses – exceptional non-recurring costs Share-based payments Exceptional goodwill impairment charge Tax impact of adjusted items 	1,674 - 198 52,900 (734)	1,010 462 517 - (1,421)

13. INTANGIBLE ASSETS

	Goodwill £′000	Development costs £'000	Acquired customer relationships £'000	Acquired brand £'000	Software £'000	Beneficial contracts £'000	Domain names & IP addresses	Total £′000
Cost								
At 31 March 2023	99,950	15,302	61,809	-	11,028	86	336	188,511
Acquired on acquisition of subsidiary	9,871	1,055	5,803	-	97	-	-	16,826
Additions	-	-	-	-	113	-	-	113
Disposals	-	(112)	-	-	-	-	-	(112)
Currency translation differences	-	-	(16)	-	(12)	-	-	(28)
Development cost capitalised	-	2,178	-	-	-	-	-	2,178
At 31 March 2024	109,821	18,423	67,596	-	11,226	86	336	207,488
Acquired on acquisition of subsidiary	46,615	-	13,770	1,794	24	-	-	62,203
Additions	-	-	-	-	18,711	-	_	18,711
Disposals	-	-	-	-	-	-	-	-
Currency translation differences	-	-	(20)	-	(15)	-	2	(33)
Development cost capitalised	-	2,907	-	-	-	-	_	2,907
At 31 March 2025	156,436	21,330	81,346	1,794	29,946	86	338	291,276
Accumulated amortisation:								
At 31 March 2023	-	(12,600)	(53,325)	-	(9,274)	(77)	(304)	(75,580)
Disposals	-	112	_	-	_	-	-	112
Charge for the year	-	(1,892)	(4,226)	-	(864)	(6)	(8)	(6,996)
Currency translation differences			14	_	14			28
At 31 March 2024		(14,380)	(57,537)	_	(10,124)	(83)	(312)	(82,436)
Disposals	_	_	_	_	_	_	-	_
Charge for the year	-	(2,219)	(4,828)	(74)	(4,527)	(3)	(8)	(11,659)
Impairment charge	(52,900)	_	_	` _	_	-	-	(52,900)
Currency translation differences	_	-	21	-	3	-	-	24
At 31 March 2025	(52,900)	(16,599)	(62,344)	(74)	(14,648)	(86)	(320)	(146,971)
Carrying amount: At 31 March 2025	103,536	4.731	19.002	1.720	15.298	_	18	144,305
At 31 Midicil 2023	103,530	4,/31	19,002	1,720	13,230		10	144,305
At 31 March 2024	109,821	4,043	10,059	_	1,102	3	24	125,052

Of the total additions in the year of £18,711,000 (2024: £113,000), no amounts related to leases under IFRS 16 (note 23) (2024: £nil). There were £16,065,000 amounts included in trade payables at the year end (2024: £nil). As a result, the total cash outflow in relation to these additions was £2,646,000 (2024: £114,000) of which £87,000 is disclosed within investing activities and £2,559,000 is disclosed within financing activities. The latter cash flow classification is due to the long term, multi year commercial arrangements with the technology providers.

Included within customer relationships are the following significant net book values: £9.2m in relation to the acquisition of Atech Group Limited with a remaining useful life of 16 years, £2.8m in relation to the acquisition of Extrinsica Global Holdings Limited and £1.2m in relation to the acquisition of Accesspoint Group Holdings Limited both with a remaining useful life of 6 years, £1.9m in relation to the acquisition of Concepta Capital Limited with a remaining useful life of 5 years, £0.3m in relation to the acquisitions of Memset Limited with a remaining useful life of 3 years, Bytemark Limited with a net book value of £0.1m and LDeX Group Limited of £0.3 both with a remaining useful life of 2 years, Sonassi Limited of £0.2m with a remaining useful life of 2 years.

Goodwill, as allocated to individual CGU, was reviewed for impairment in accordance with IAS 36 "Impairment of Assets". An impairment charge £52,900,000 (2024: £nil) arose in relation to the Iomart Cloud Services CGU as a result of this review. The impairment charge within the Iomart Cloud Services CGU reflects both the strategic shift away from low growth, heritage product areas and the accelerated customer churn in certain areas of this CGU.

The carrying value of goodwill by each CGU is as follows:

Cash Generating Units	2025 £′000	2024 £′000
Easyspace	26,685	26,685
Iomart Cloud Services	30,236	83,136
Atech	46,615	-
Total	103,536	109,821



13. INTANGIBLE ASSETS (CONTINUED)

The recoverable amount of a CGU is determined based on value-in-use calculations. These calculations use post-tax cash flow projections based on financial budgets approved by the Board covering a five-year period. These projections are the result of detailed planning and assume similar levels of organic growth as the Group has experienced in the previous years.

The growth rates and margins used to extrapolate estimated future performance continue to be based on past growth performance adjusted downwards to take into account the additional risk associated with customer renewal levels. The growth rate does not exceed the long-term average growth rate for the business in which the CGU operates. The growth rates used to estimate future performance beyond the periods covered by the annual and strategic planning processes do not exceed the long-term average growth rates for similar products.

In determining the value-in-use, the estimated post-tax future cash flows are discounted to their present value using a post-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Management continue to apply the judgement at 31 March 2025 that there are three distinct CGUs within the Group, namely Cloud Services, Easyspace and Atech which have been derived with due consideration to IAS 36. The assumptions used for the CGU included within the impairment reviews are as follows:

	Atech	Easys	space	lomart cloud services	
	31 March 2025	31 March 2025	31 March 2024	31 March 2025	31 March 2024
Discount rate (pre tax)	14,8%	14.8%	14.9%	14.8%	14.9%
Discount rate (post-tax)	11.1%	11.1%	11.2%	11.1%	11.2%
5 year average EBITDA growth	29%	-2%	-3%	0%	5%
Future perpetuity rate	2.5%	0.0%	0.0%	2.5%	2.5%
Initial period for which cash flows are estimated (years)	5	5	5	5	5

The perpetual growth rate adopted for each CGU is consistent with the market that each entity operates in for real growth. Whilst the lomart Cloud Services CGU has been impacted by customer churn in some legacy product areas, we continue to see growth in our order bookings from both new and existing customers which supports the adoption of a perpetual growth rate in this area.

Plausible downside sensitivities have been considered as part of the impairment analysis, with specific sensitivities applied to both the discount rate and forecast EBITDA cash flow projections within the Iomart Cloud Services CGU. A range of reasonably possible downside sensitivities have been applied being an increase in the discount rate to 11.75% discount rate and a reduction in the forecast EBITDA cash flows of 10%. A reasonably possible increase in the discount rate to 11.75% would result in an additional impairment charge of £6.8m, a reasonably possible 10% reduction in the forecast EBITDA would result in an additional impairment charge of £13.1m and in combination these downsides would result in an additional impairment charge of £19.8m.

Easyspace has a strong track record of achieving cash flow projections whilst Atech has also performed in line with expectations post-acquisition, as a result management consider the most plausible downside to be in respect of the discount rate. Both CGUs continue to have headroom in excess of the respective carrying amount when a discount rate of 11.75% is applied.

All amortisation and impairment charges are included in the depreciation, amortisation and impairment of non-financial assets classification, which is disclosed as administrative expenses in the statement of comprehensive income

14. TRADE AND OTHER RECEIVABLES - NON-CURRENT

Non-current trade and other receivables relate to rent deposits on leases of £111,000 (2024: £111,000) and are due to be repaid at the end of the lease which, at the earliest, is June 2035.

The Group is due to receive interest on the lease deposits at the prevailing market rate and therefore they have not been discounted.

15. SUBSIDIARIES

The following are main subsidiaries and have all been consolidated in the Group financial statements:

	Country of Registration & Operation	Activity	Owned by the company %	Owned by the subsidiary undertakings %
Accesspoint Group Holdings Limited	England	Non-trading	100	-
Accesspoint Technologies Limited	England	Managed hosting services	-	100
Add3 Limited	England	Non-trading	-	100
Atech Group Limited	England	Non-trading	100	-
Atech Holdco Limited	England	Non-trading	-	100
Atech Support Limited	England	Microsoft MSP and security	-	100
Base 13 IT Limited	England	Supply of software and support	-	100
Bytemark Holdings Limited	England	Non-trading	100	-
Bytemark Limited	England	Non-trading	100	-
Cloud 365 Services Limited	England	Non trading	-	100
CloudZen 365 Services Limited	India	IT Support services	-	100
Concepta Capital Limited	England	Non-trading	100	-
Cristie Data Limited	England	Data storage, backup & virtualisation solutions	100	-
CWL Systems Limited	England	Sale of software and support services	-	100
Datanics Limited	England	Non-trading	-	100
Dediserve Limited	ROI	Managed hosting services	100	-
Easyspace Limited	England	Domain and hosting	100	-
Extrinsica Global Limited	England	Managed hosting services	-	100
Extrinsica Global Holdings Limited	England	Non-trading	100	-
IMEX Technical Services Limited	England	Supply of software and services	-	100
Iomart Cloud Inc	USA	Managed hosting services	100	-
Iomart Cloud Services Limited	Scotland	Non-trading	100	-
Iomart Managed Services Limited	Scotland	Managed hosting services	100	-
LDeX Connect Limited	England	Non-trading	100	-
LDeX Group Limited	England	Non-trading	100	-
London Data Exchange Limited	England	Non-trading	100	-
Memset Limited	England	Non-trading	100	-
Meritum Cloud Services Limited	England	Sale of software and support services	-	100
Oriium Consulting Limited	England	Data backup, DR and managed services	-	100
P2 Technologies Limited	England	Reseller of IT hardware, software and services	-	100
PAV IT Services Limited	England	Reseller of IT hardware, software and services	-	100
SimpleServers Limited	England	Non-trading	100	-
Sonassi Limited	England	Non-trading	100	-
Systems Up Limited	England	Non-trading	100	-
Rapidswitch Limited	England	Dormant	100	-
United Communications Limited	England	Non-trading	100	

All subsidiaries with a country of registration in England have a registered office of 3rd Floor, 11-21 Paul Street, London, EC2A 4JU.

All subsidiaries with a country of registration in Scotland have a registered office of 6 Atlantic Quay, 55 Robertson Street, Glasgow, G2 8JD.

The registered office of Dediserve Limited is 13-18 City Quay, Dublin 2.

The registered office of Iomart Cloud Inc is Miracle Mile Plaza, 601 21st Street, Suite 300, Vero Beach, FL 32960.

The registered office of CloudZen 365 Services Limited is 4th floor, Binori b square 3, Sindhubhavan Marg, Friends Avenue, Bodakdev, Ahmedabad Gujarat 380015, India.

All of the above subsidiaries are wholly owned by Iomart Group plc or one of its subsidiary companies and operate in the country of registration. The Group controls 100% of the ordinary share capital of each subsidiary.

Backup Technology Limited, Iomart Datacentres Limited, Iomart Limited, Melbourne Server Hosting Limited, Netintelligence Limited, Redstation Limited and Serverspace Limited were dissolved in the year.

Add3 Limited, LDex Group Limited and United Communications Limited were dissolved post year end.



16. PROPERTY, PLANT AND EQUIPMENT

	Freehold property £'000		Data centre equipment	equipment	equipment	vehicles	Total
Cost:							
At 31 March 2023	8,236	41,516	31,843	121,238	2,986	46	205,865
Acquired on acquisition of subsidiary	-	16		345	25	-	300
Additions in the year	-	6,316	,	5,876	83	_	,
Disposals in the year	-	(2,129)	-	-	-	(5)	(2,134)
Currency translation differences	-	(49)	-	(167)	-	-	(216)
At 31 March 2024	8,236	45,670	34,467	127,292	3,094	89	218,848
Acquired on acquisition of subsidiary	-	357	-	12	78	-	447
Additions in the year	-	3,171	2,326	4,814	78	-	10,389
Disposals in the year	-	(312)	(1,630)	(72)	(217)	(4)	(2,235)
Currency translation differences	-	(72)	-	(181)	-	-	(253)
At 31 March 2025	8,236	48,814	35,163	131,865	3,033	85	227,196
Accumulated depreciation:							
At 31 March 2023	(1,295)	(20,951)	(18,711)	(97,403)	(2,520)	(26)	(140,906)
Charge for the year	(238)	(4,984)	(1,591)	(8,754)	(184)	(13)	(15,764)
Disposals in the year	-	1,117	-	-	-	5	1,122
Currency translation differences	-	41	-	151	-	-	192
At 31 March 2024	(1,533)	(24,777)	(20,302)	(106,006)	(2,704)	(34)	(155,356)
Charge for the year	(237)	(4,880)	(1,665)	(7,808)	(187)	(15)	(14,792)
Disposals in the year	-	312	1,630	72	215	4	2,233
Currency translation differences	-	58	-	176	-	-	234
At 31 March 2025	(1,770)	(29,287)	(20,337)	(113,566)	(2,676)	(45)	(167,681)
Carrying amount: At 31 March 2025	6,466	19,527	14,826	18,299	357	40	59,515
At 31 March 2024	·	·	, , , , , , , , , , , , , , , , , , ,	•		55	<u>, </u>
At 31 Multil 2024	6,703	20,893	14,100	21,280	390	55	63,492

Depreciation charge in the current year is comprised of £14,730,000 as disclosed in the statement of comprehensive income and £62,000 of accelerated depreciation in respect of the closure of offices in the current year, as included in non-recurring administrative costs.

During the year there were additions of £nil (2024: £231,000) in respect of reinstatement provisions (note 22) and additions of £3,080,000 (2024: £4,270,000) in respect of leases under IFRS 16 (note 23). Of the total remaining additions in the year of £7,309,000 (2024: £10,446,000), £552,000 (2024: £1,247,000) was included in trade payables as unpaid invoices at the year-end resulting in a net increase of £943,000 (2024: net decrease of £933,000) in trade payables. Consequently, the consolidated statement of cash flows discloses a figure of £8,252,000 (2024: £9,513,000) as the cash outflow in respect of property, plant and equipment additions in the year.

See note 23 for movements in the year relating to right-of-use assets under IFRS 16 as included in the above table.

17. TRADE AND OTHER RECEIVABLES - CURRENT

	2025 £′000	2024 £′000
Trade receivables	18,747	14,065
Less: expected credit loss	(464)	(423)
Trade receivables (net)	18,283	13,642
Other receivables	671	502
Prepayments	15,210	10,480
Accrued income	2,669	1,836
Trade and other receivables	36,833	26,460

The Directors consider that the carrying amount of trade and other receivables is approximately equal to their fair value.

The Group applies the simplified approach to providing for expected credit losses prescribed, which permits the use of lifetime expected loss provision for all trade receivables. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of economic conditions at the reporting date.

The following table details the risk profile of trade receivables based on the Group's provision matrix. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished between the Group's different customer segments.

Risk profile category (ageing)	2025 £′000	ECL rate %	2025 ECL allowance £'000	2024 £′000	ECL rate %	2024 ECL allowance £'000
Current	10,545	1.02%	(107)	5,919	1.64%	(97)
0-30 days	4,720	1.61%	(76)	3,634	2.30%	(84)
30-60 days	1,045	4.09%	(43)	1,193	3.64%	(43)
60-90 days	541	6.86%	(37)	197	5.19%	(10)
Over 90 days	1,896	10.59%	(201)	3,122	6.90%	(189)
Total	18,747		(464)	14,065		(423)

To consider the total exposure to credit risks, the Group uses figures net of VAT. At 31 March 2025, £10,544,000 (2024: £5,919,000) of net trade receivables were fully performing. Net trade receivables of £7,845,000 (2024: £7,723,000) were past due. The credit quality of financial assets that are not past due can be assessed by reference to the historical performance. Trade receivables consist of a large number of customers in various industries and geographical areas. The Group is not exposed to any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics.



18. CASH AND CASH EQUIVALENTS

Cash and cash equivalents	13,088	15,755
Cash at bank and in hand	13,088	15,755
	£′000	£′000
	2025	2024

The credit risk on cash and cash equivalents is considered to be negligible because the counter parties are largely UK banking institutions. The effective interest rate earned on short-term deposits was 0% (2024 0%).

19. TRADE AND OTHER PAYABLES

	2025 £′000	2024 £′000
Trade payables	(22,286)	(12,163)
Other taxation and social security	(2,471)	(2,538)
Accruals	(8,685)	(8,437)
Deferred income	(13,315)	(11,536)
Other creditors	(1,255)	(1,054)
Trade and other payables - current	(48,012)	(35,728)

The carrying amount of trade and other payables approximates to their fair value. Current trade payables and accruals are non-interest bearing and generally mature within three months.

Trade and other payables – non-current	(15,210)	(2,834)
Other creditors	(246)	_
Deferred income	(3,055)	(2,834)
Trade payables	(11,909)	-
	2025 £′000	2024 £'000

Non-current deferred income in the year predominantly relates to support contracts that span over one year.

Revenue of £11,536,000 (2024: £12,117,000) recognised in the current year was included in deferred income at 31 March 2024 (2024: 31 March 2023).

The future annual payments for intangible software assets acquired via industry standard, multi-year, licence arrangements from technology providers are included in current and non-current trade payables above. At 31 March 2025, the total value is £17,372,000; split £5,463,000 current and £11,909,000 non-current.

The largest element relates to the Broadcom 5 year commitment entered into at the start of FY25 such that all of the non-current element will be paid between two and five years.

20. CONTINGENT CONSIDERATION DUE ON ACQUISITIONS

	2025 £′000	2024 £′000
Contingent consideration due on acquisitions within one year:		
Extrinsica Global Holdings Limited	-	(180)
Accesspoint Group Holdings Limited	-	(1,900)
CWL Systems Limited	(364)	_
Total contingent consideration due on acquisitions	(364)	(2,080)

Contingent consideration recognised in the prior year on Extrinsica Global Holdings Limited of £180,000 and Accesspoint Group Holdings Limited of £1,900,000, was paid during the year. This along with £420,000 of deferred consideration associated with a historic Atech acquisition, represents the £2,500,000 included in the consolidated statement of cash flows.

CWL Systems Limited was a historic acquisition of Atech Support Limited. The amount of £364,000 was paid subsequent to the year end in April 2025.

All deferred consideration liabilities inherited from the Atech acquisition were funded by the previous owners via the SPA mechanism.

21. BORROWINGS

	2025 £′000	2024 £′000
Current:	=	
Lease liabilities (note 23)	(2,874)	(2,509)
Current borrowings	(2,874)	(2,509)
Non-current:		
Lease liabilities (note 23)	(15,132)	(15,582)
Bank loans	(97,000)	(40,000)
Total non-current borrowings	(112,132)	(55,582)
Total borrowings	(115,006)	(58,091)

The carrying amount of borrowings approximates to their fair value.

At the start of the year there was £40.0m (2024: £34.4m) outstanding on the revolving credit facility and drawdowns of £57.0m (2024: £7.6m) were made from the facility during the year. Repayments totalling £nil (2024: £2.0m) were made in the year resulting in a balance outstanding at the end of the year of £97.0m (2024: £40.0m).

At the year end, the Group had access to a £125m revolving credit facility that matures on 30 June 2026, which also benefited from a £50m Accordion Facility. The revolving credit facility has a borrowing cost at the Group's current leverage levels of 2.5% (2024: 1.8%) margin over SONIA. The revolving credit facility incurs a non-utilisation fee of 35% of the bank margin. The effective interest rate for the revolving credit facility in the current year was 6.90% (2024: 6.85%).

Given the terms of the revolving credit facility and the ability for any drawdowns made to be extended beyond 31 March 2026 at the discretion of the Group, the total amount outstanding has been classified as non-current.

The obligations under the revolving credit facility are repayable as follows:

	2025 2024					
Group and Company only	Capital £'000	Interest £'000			Interest £′000	
Due within one year	-	(1,681)	(1,681)	-	(698)	(698)
Due within two to five years	(97,000)	-	(97,000)	(40,000)	-	(40,000)
	(97,000)	(1,681)	(98, 681)	(40,000)	(698)	(40,698)

As noted within note 32 the revolving credit facility was refinanced on 27 June 2025 and replaced by a new RCF which extends to 30 June 2027.

The new RCF provides the Group with additional liquidity which will be used for general business purposes and to fund investments, in accordance with the Group's three-year strategic plan. The Directors are of the opinion that the Group can operate within the facility and comply with its bank covenants.



21. BORROWINGS (CONTINUED)

Analysis of change in net debt	Cash and cash equivalents £'000	Bank Ioans £'000	Lease liabilities £'000	Total liabilities £'000	Total net debt £'000
At 31 March 2023	13,818	(34,400)	(19,180)	(53,580)	(39,762)
Acquired on acquisition of subsidiary	-	(3,728)	-	(3,977)	(3,977)
Repayment of debt acquired on acquisition	-	3,728	-	3,728	3,728
Additions to lease liabilities	-	-	(4,148)	(4,148)	(4,148)
Disposals from lease liabilities	-	-	1,063	1,063	1,063
Drawdown of bank loans	-	(7,600)	-	(7,600)	(7,600)
Repayment of bank loans	-	2,000	-	2,000	2,000
Bank loan interest charged	-	3,062	-	3,062	3,062
Bank loan interest paid	-	(3,062)	-	(3,062)	(3,062)
Currency translation	-	-	11	11	11
Cash and cash equivalent cash inflow	1,937	-	-	-	1,937
Lease liabilities cash outflow*	-	-	4,163	4,163	4,163
At 31 March 2024	15,755	(40,000)	(18,091)	(58,091)	(42,336)
A construction of an experience of a chart disconnection	0.400	(0.044)		(0.044)	(0.041)
Acquired on acquisition of subsidiary	3,403	(6,244)	1	(6,244)	(2,841)
Repayment of debt acquired on acquisition	-	6,244	(0.000)	6,244	6,244
Additions to lease liabilities	-	-	(3,336)	(3,336)	(3,336)
Disposals from lease liabilities	-	(== 000)	-	(57,000)	(57,000)
Drawdown of bank loans	-	(57,000)	-	(57,000)	(57,000)
Repayment of bank loans	-	_	-		_
Bank loan interest charged	-	4,968	-	4,968	4,968
Bank loan interest paid	-	(4,968)	-	(4,968)	(4,968)
Currency translation	-	-	(3)	(3)	(3)
Cash and cash equivalent cash outflow	(6,070)	-	-	-	(6,070)
Lease liabilities cash outflow*	-	-	3,424	3,424	3,424
At 31 March 2025	13,088	(97,000)	(18,006)	(115,006)	(101,918)

^{*} Lease liabilities cash outflow in the year is reconciled as £4,352k payments to lease provider as disclosed in the consolidated cash flow statement netted with lease interest of £928k.

22. PROVISIONS

The Group has made provisions for the reinstatement of certain leasehold properties and after initial measurement, any subsequent adjustments to reinstatement provisions will be recorded against the original amount included in leasehold improvements with a corresponding adjustment to future depreciation charges. The utilisation of the reinstatement provision is in line with the end of the various leasehold properties lease terms to which the provisions relate, the furthest of which ends in June 2035.

Total non-current provisions	(2,486)	(3,052)
Reinstatement provision	(2,486)	(3,052)
Non-current:		-
	£′000	£′000
	2025	2024

The movement in the reinstatement provision during the year was as follows:

	2025 £′000	2024 £′000
Balance at the start of the year	(3,052)	(2,755)
Acquisition of subsidiary	(84)	(70)
Decrease/(increase) in provision	757	(231)
Provision utilised	25	135
Unwinding of discount	(132)	(131)
	(2,486)	(3,052)

23. LEASES

The Group leases assets including buildings, fibre contracts, colocation and software contracts. Information about leases for which the Group is a lessee is presented below:

Right-of-use assets	Leasehold Property £'000	equipment £′000	Software £'000	Total £'000
Balance at 31 March 2024	15,915	1,327	95	17,337
Additions	587	2,493	-	3,080
Acquired on acquisition of subsidiary	256	-	-	256
Disposals	_	-	-	-
Currency translation differences	7	(10)	-	(3)
Depreciation and amortisation	(2,122)	(1,677)	(95)	(3,894)
Balance at 31 March 2025	14,643	2,133	-	16,776

The right-of-use assets in relation to leasehold property and data centre equipment are disclosed as non-current assets and are disclosed within property, plant and equipment (note 16). The right-of-use assets in relation to software are disclosed as non-current assets and are disclosed within intangibles (note 13).

Lease liabilities

Lease liabilities are presented in the consolidated statement of financial position within borrowings as follows:

	2025 £′000	2024 £′000
Current:		
Lease liabilities (note 21)	(2,874)	(2,509)
Non-current:		
Lease liabilities (note 21)	(15,132)	(15,582)
Total lease liabilities	(18,006)	(18,091)

The largest area of liability relates to physical land building of the data centre estate, plus the office locations.

The maturity analysis of undiscounted lease liabilities are shown in the table below:	2025 £′000	2024 £′000
Amounts payable under leases:		
Within one year	(3,699)	(3,332)
Between two to five years	(10,416)	(9,294)
After more five years	(7,389)	(9,477)
	(21,504)	(22,103)
Add: future interest	3,498	4,012
Total lease liabilities	(18,006)	(18,901)

The Group has elected not to recognise a lease liability for short-term leases (leases with an expected term of 12 months or less) or for leases of low value assets. Payments made under such leases are expensed on a straight-line basis. During the year, in relation to leases under IFRS 16, the Group recognised the following amounts in the consolidated statement of comprehensive income:

	2025 £′000	2024 £′000
Short-term and low value lease expense	(1,830)	(1,711)
Depreciation charge	(3,799)	(3,933)
Amortisation charge	(95)	(285)
Interest expense	(928)	(854)
Total lease liabilities	(6,652)	(6,783)
Amounts recognised in the consolidated statement of cash flows:	2025 £′000	2024 £'000
Amounts payable under leases:		
Short-term and low value lease expense	(1,830)	(1,711)
Payments under lease liabilities within cash flows from financing activities	(4,352)	(5,017)
	(6,182)	(6,728)

Payments under lease liabilities within cash flows in the year is represented by £3,424k (2024 £4,163k) of cash payments for the principal portion and £928k (2024 £854k) for the interest portion of the lease liability.



		ITAL

Group and Company only	Ordinary shares	of 1p each
	Number of shares	£′000
At 31 March 2024 and 2025	200,000,000	2,000
Called up, allotted and fully paid		
At 31 March 2023	110,563,105	1,106
Share capital issued in the year	215,876	2
Share capital issued for acquisition	1,562,500	16
At 31 March 2024	112,341,481	1,124
Share capital issued in the year	422,369	4
At 31 March 2025	112,763,850	1,128

During the year, 422,369 (2024: 215,876) ordinary shares were issued for a total consideration of £4,224 (2024: £7,119), resulting in a premium over the nominal value of £nil (2024: £4,961).

At 31 March 2025 the Company held 140,773 shares (2024: 140,773) as own shares in the Iomart Group plc Employee Benefit Trust ("EBT") which were accounted for in the Own Shares EBT reserve and had a nominal value of £1,408 (2024: £1,408) and a market value of £43,640 (2024: £204,684). This represents 0.1% (2024: 0.1%) of the issued share capital as at 31 March 2025 excluding own shares.

The share capital of lomart Group plc consists of ordinary shares with a par value of 1p. All shares, excluding the shares held by the Company in treasury and the shares held by the EBT, are equally eligible to receive dividends and represent one vote at the shareholders' meetings of lomart Group plc. All shares issued at 31 March 2025 are fully paid.

25. OWN SHARES

Group and company only	Own shares EBT £'000	Own shares Total £'000
Authorised		
At 31 March 2025 and 2024	(70)	(70)

At 31 March 2025 the Company held 140,773 shares (2024: 140,773) in the EBT with a carrying value of £69,982 (2024: £69,982) which were accounted for in the Own Shares EBT reserve.

26. HEDGE RESERVE

The hedge reserve of £84,000 (2024: £nil) recognises the effective portion of changes in the fair value of the hedging instruments associated with four forward USD currency contracts.

27. SHARE-BASED PAYMENTS

The Group operated the following share-based payment employee share option schemes during the current and prior year; a SAYE sharesave scheme and a number of unapproved schemes. All schemes are settled in equity only and are summarised below.

	Vesting period	Maximum term	Performance criteria	Required to remain in employment
Unapproved schemes	Up to 3 years from grant	10 years after date of grant	As set by Remuneration Committee	Yes
Sharesave scheme	3 years from grant	6 months after vesting period	No	Yes

The performance criteria as set by the Remuneration Committee are based on the achievement of annual objectives, continuous employment and performance of the Group.

As disclosed in note 5, a share-based payment charge of £198,000 (2024: £517,000) has been recognised in the statement of comprehensive income during the year in relation to the above schemes. The fair value of the employee services received is valued indirectly by valuing the options granted using the Black-Scholes option pricing model, which worked on the following assumptions for the options granted in the current year:

Grant date	07 May 2024	12 September 2024	22 October 2024	15 November 2024
Vesting date	31 March 2027	31 March 2025	31 March 2027	31 March 2026
Share price at grant date (p)	1.25	1.13	0.90	1.06
Volatility (%)	67.7%	67.2%	66.64%	69.4%
Dividend yield (%)	3. 95%	4.37%	5.49%	4.66%
Number of employees holding options	2	11	1	6
Expected life (years)	3	3	3	3
Option/award life (years)	10	10	10	10
Risk free rate (%)	4. 09%	4.09%	4.15%	4.45%
Expectations of meeting performance criteria	50%	17%	40%	30%
Fair value at grant date (p)	1.10	1.00	0.75	0.91
Exercise price per share (p)	1.00	1.00	1.00	1.00

i) Expected volatility was determined at the date of grant from historic volatility, adjusted for events that were not considered to be reflective of the volatility of the share price going forward; and

The movement in options during the year in respect of the Company's ordinary shares of 1p each under the various share option schemes are as follows:

	20	25	2024		
	Weighted		Weighted		
	average		average		
		Number of share	exercise price	Number of	
	per share (p)	options	per share (p)	share options	
Outstanding at start of year	24.45	3,699,074	24.59	2,718,914	
Granted	1.00	2,136,252	19.71	2,039,904	
Forfeited	69.02	(888,103)	21.74	(711,705)	
Lapsed	1.00	(447,668)	1.00	(132,163)	
Exercised	1.00	(422,369)	3.30	(215,876)	
Outstanding at end of year	7.27	4,077,186	24.45	3,699,074	
Exercisable at end of year	3.05	1,056,458	1.00	1,226,803	

During the year, options over 422,369 ordinary shares (2024: 215,876) were exercised and the average market price at the exercise dates was 114.07p (2024: 157.92p).

Options over 2,136,252 ordinary shares (2024: 1,719,236) were granted under the unapproved share option scheme with an average exercise price of 1.0p (2024: 1.0p) and nil options over ordinary shares (2024: 320,668) were granted under the sharesave scheme with an average exercise price of nil (2024: 120.0p).

Options over 852,699 ordinary shares (2024: 751,554) were forfeited or lapsed under the unapproved share option scheme with an average exercise price of 1.0p (2024: 1.0p) and 483,072 options over 483,072 (2024: 92,314) were forfeited or lapsed under the sharesave scheme with an average exercise price of 126.1p (2024: 164.0p).

ii) Risk free rate was calculated based on the average Bank of England zero coupon yields



27. SHARE-BASED PAYMENTS (CONTINUED)

A summary of share options that were outstanding and exercisable at the year end are as follows:

		Share	options – outsta		Share options – exercisable			
	Range of exercise prices per share (p)	Outstanding shares	Weighted average exercise price per share (p)	Weighted average remaining contractual life (years)	Outstanding shares	Weighted average exercise price per share (p)	Weighted average remaining contractual life (years)	
Unapproved schemes	1.0 - 1.0	3,856,917	1.0	7.2	1,039,444	1.0	2.3	
Sharesave scheme	120.0 - 128.0	220,269	120.6	1.8	17,014	128.0	0.0	
As at 31 March 2025		4,077,186	7.3	6.9	1,056,458	3.0	2.2	
Unapproved schemes	1.0 – 1.0	2,995,733	1.0	6.6	1,226,803	1.0	2.9	
Sharesave scheme	120.0 - 128.0	703,341	124.40	1.8	-	-	-	
As at 31 March 2024		3,699,074	24.5	5.7	1,226,803	1.0	2.9	

28. RELATED PARTY TRANSACTIONS

Dividends paid to key management during the year are as follows:

	2025 £′000	2024 £′000
Angus MacSween	749	925
Other Directors*	12	9
Total dividends paid to Directors	761	934

^{*}Dividends paid to Scott Cunningham of £10,612 (2024: £6,646), Karyn Lamont of £302 (2024: £381), Annette Nabavi of £72 (2024: £nil), Richard Last of £655 (2024: £nil), Reece Donovan of £nil (2024: £2,003) and Richard Masters of £nil (2024: £408) include amounts in respect of spouses' shareholding.

Compensation paid to key management (only Directors are deemed to fall into this category) during the year was as follows:

	2025 £′000	2024 £'000
Salaries and other short-term employee benefits	1,099	1,221
Administrative expenses – exceptional non-recurring costs*	-	402
Pension	63	60
	1,162	1,683

^{*}Administrative expenses – exceptional non-recurring costs in the prior year relate to the change in CEO.

Directors' bonuses, as disclosed in the Directors Remuneration Report on pages 49 to 54 were paid post year end.

The share-based payment credit in respect of Directors in the year was £52,000 (2024: charge £311,000).

29. CONTINGENCIES AND COMMITMENTS

(a) Contingencies

There are no contingent assets or contingent liabilities as at 31 March 2025 (2024: nil).

(b) Commitments

Capital expenditure on property, plant and equipment committed by the Group at 31 March 2025 was £855,010 (2024: £1,283,171).

30. RISK MANAGEMENT

The Group finances its operations by raising finance through equity, bank borrowings and leases. No speculative treasury transactions are undertaken, however, the Group does from time to time enter into forward foreign exchange contracts to hedge currency exposures. Financial assets and liabilities include those assets and liabilities of a financial nature, namely cash, short-term receivables/payables and borrowings.

The carrying amounts of financial assets presented in the statement of financial position relate to the following measurement categories as defined in IFRS 9:

	£'000
2025	
Non-current:	
Trade and other receivables	111
Current:	
Trade receivables	18,283
Accrued income	2,669
Cash and cash equivalents	13,088
Other receivables	671
Total for category	34,822
2024	
Non-current:	
Trade and other receivables	111
Current:	
Trade receivables	13,642
Accrued income	1,836
Cash and cash equivalents	15,755
Other receivables	502
Total for category	31,846
	·

Fair value hierarchies 1 to 3 are based on the degree to which fair value is observable.

- Level 1: quoted process (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly (i.e. on prices) or indirectly (i.e. derived from prices)
- Level 3: inputs for the asset or liability that are not based on observable market data

All financial instruments at fair value sit within level 2 of the fair value hierarchy.

The carrying amounts of financial liabilities presented in the statement of financial position relate to the following measurement categories as defined in IFRS 9:

	Financial liabilities measured at fair value	Financial liabilities measured at amortised cost	Total
	£′000	£′000	£′000
2025			
Non-current:			
Trade payables	-	(11,909)	(11,909)
Lease liabilities	-	(15,132)	(15,132)
Bank loans	. .	(97,000)	(97,000)
Derivative liabilities	(246)	-	(246)
Current:			
Trade payables	-	(22,286)	(22,286)
Accruals	-	(8,685)	(8,685)
Lease liabilities	, .	(2,874)	(2,874)
Derivative liabilities	(60)	-	(60)
Total for category	(306)	(157,886)	(158,192)
2024			
Non-current:			
Trade payables	-	-	-
Lease liabilities	-	(15,582)	(15,582)
Bank loans	=	(40,000)	(40,000)
Current:			
Trade payables	-	(12,163)	(12,163)
Accruals	=	(8,437)	(8,437)
Lease liabilities	<u> </u>	(2,509)	(2,509)
Total for category	<u>-</u>	(78,691)	(78,691)



30. RISK MANAGEMENT (CONTINUED)

Changes in liabilities arising from finance activities are detailed below;

2025	1 April 2024 £'000	Financing cash flows £'000	Interest £000	Additions £'000	Acquired on acquisition £'000	Disposals £'000	31 March 2025 £'000
Bank Loans	(40,000)	(57,000)	_	_	_	_	(97,000)
Long-term intangible asset licence agreements	-	2,559	(723)	(19,208)	-	-	(17,372)
Lease Liabilities	(18,091)	4,352	(931)	(3,080)	(256)	-	(18,006)
Total liabilities from financing activities	(58,091)	(50,089)	(1,654)	(22,288)	(256)	-	(132,378)

	1 April 2023 £′000	Financing cash flows £'000	Interest £000	Additions £'000	Acquired on acquisition £'000	Disposals £'000	31 March 2024 £'000
2024							
Bank Loans	(34,400)	(5,600)	-	_	-	_	(40,000)
Lease Liabilities	(19,180)	5,017	(843)	(4,148)	-	1,063	(18,091)
Total liabilities from financing activities	(53,580)	(583)	(843)	(4,148)	-	1,063	(58,091)

During the year the Group has entered into a forward foreign exchange contract to mitigate foreign exchange risk in the income statement associated with the financial liability recognised in relation to the Broadcom licensing agreement, which are USD-denominated. The carrying amount of the derivative liability associated with this contract is disclosed within trade and other payables in the statement of financial position.

Derivative financial liabilities	2025 £′000	2024 £'000
Current:		
Foreign currency forward contracts	(60)	-
Non-current:		
Foreign currency forward contracts	(246)	-
Total for category	(306)	-

The following table details the foreign currency forward contracts outstanding at the end of the reporting period, as well as information regarding their related hedged items. Foreign currency forward contract liabilities are presented in "Trade and other payables" within the statement of financial position. All of the currency forward contracts are designated as cash flow hedges.

lomart Managed Services Limited (and the consolidated lomart Group Plc) is exposed to fluctuations in the foreign currency exchange rate (i.e. GBP/USD) arising on the USD liability associated with the multi-year licensing commitment. The hedging instruments, being foreign exchange forward contracts, are also exposed to fluctuations in the GBP/USD foreign exchange rate. As a result, an economic relationship exists between the hedged item and the hedging instrument. Directionally, the exposure to USD on the hedging instrument is in the opposite direction to the exposure to USD on the liability. In addition to the above, critical terms (i.e., currencies, amounts, payment dates, etc) of the hedging instrument and hedged item match.

The hedge ratio is 1:1, based on the notional of the hedging instrument and hedged item. The source of hedge ineffectiveness is the associated credit risk.

The cumulative amount of gains and losses on effective hedging instruments are held within the "Hedge reserve". Such gains or losses are recorded gross of any tax effect. In relation to such hedging instruments a loss of £84,000 has been recorded in the profit and loss for the year within other comprehensive expenses.

	Average exchange rates		Notional value: Foreign currency		Notional value: Local currency		Carrying amount of the hedging instruments liabilities	
Buy USD	2025	2024	2025 \$′000	2024 \$'000	2025 £′000	2024 £′000	2025 £′000	2024 £′000
Within 12 months	1.2671	-	4,061	-	3,204	-	(60)	-
Over 12 months	1.2632	-	12,483	-	9,883	-	(246)	-
							(306)	-

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. The fair value of the forward foreign exchange contracts is determined using forward exchange rates at the date of the statement of financial position, with the resulting value discounted accordingly as relevant.

Liquidity risk

Liquidity risk includes the risk that as a result of its operational liquidity requirements, the Group will not have sufficient funds to settle a transaction on the due date. The Group manages liquidity risk by maintaining adequate cash reserves, banking facilities, and by considering medium and future requirements by continuously monitoring forecast and actual cash flows. The Group considers the maturity profiles of its financial assets and liabilities.

The following table shows the timing of cash outflow relating to financial liabilities;

	Within one year £'000	Within two to five years £'000	More than five years £'000	Total £'000	Carrying amount £'000
2025					
Trade payables	(48,028)	(15,210)	-	(63,238)	(63,238)
Contingent and deferred consideration	(364)	-	-	(364)	(364)
Lease Liabilities	(3,699)	(10,416)	(7,389)	(21,504)	(18,006)
Bank Loans	-	(97,000)	-	(97,000)	(97,000)
Total for category	(52,914)	(122,626)	(7,389)	(182,106)	(178,608)
	Within one	Within two to	More than five		Carrvina

	Within one	Within two to	More than five		Carrying
	year £'000	five years £'000	years £'000	Total £'000	amount £'000
2024					
Trade payables	(35,728)	(2,834)	-	(38,652)	(38,562)
Contingent and deferred consideration	(2,080)	-	-	(2,080)	(2,080)
Lease Liabilities	(3,332)	(9,294)	(9,477)	(22,103)	(18,091)
Bank Loans	-	(40,000)	-	(40,000)	(40,000)
Total for category	(41,140)	(52,128)	(9,477)	(102,745)	(98,733)

The Group seeks to manage financial risk to ensure sufficient liquidity is available to meet foreseeable needs and to invest cash safely and profitably. In note 21, the contractual maturity analysis of the Group's revolving credit facility of £97.0m (2024: £40.0m) is shown. The Group has £28m (2024: £60m) available to drawdown on the £125m (2024: £100m) revolving credit facility and reviews its cash flow requirements on a monthly basis. The Group was in compliance with all covenants under its banking facility arrangements throughout the reporting period.

Interest rates

The interest rate on the Group's cash at bank is determined by reference to the base rate and the interest rate on the Group's revolving credit loan facilities, which is based on SONIA plus a margin. For the year ended 31 March 2025, if interest

rates on the revolving credit facility at that date had been 50 basis points higher/lower, with all other variables held constant, there would have been an immaterial change in the post-tax profit for the year (2024: immaterial impact on post-tax profit).

Currency risk

During the year the Group made payments totalling US\$16.1m (2024: US\$12.6m) and EUR€1.0m (2024: EUR€1.0m) to acquire domain names for its Easyspace segment and licences for its Cloud Services segment. In addition, the Group received US\$6.2m (2024: US\$5.1m) and EUR€1.0m (2024: EUR€1.5m) from Cloud Services customers billed in foreign currency. During the year, the Group entered into forward exchange contracts to hedge its net exposure to the US Dollar arising on these purchases but at the year end the Group had no outstanding forward contracts in place in relation to these items (2024: none). As noted earlier in the current year the Group also entered into forward foreign exchange contracts associated with the financial liability on long-term licensing agreements which are USD denominated.

Capital risk

The capital structure of the Group consists of net debt, which includes borrowings (note 21) and cash and cash equivalents, and equity attributable to owners of the parent, comprising issued share capital (note 24), other reserves and retained earnings.



30. RISK MANAGEMENT (CONTINUED)

The Group seeks to maintain a level of gross cash which the Board considers to be adequate for the size of the Group's operations. Consequently, the Group makes use of both banking facilities and lease arrangements to help fund the acquisition of companies and capital expenditure in order to maintain that level of gross cash. The Group's current policy is to pay interim and final dividends depending on the level of adjusted diluted earnings per share.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial losses to the Group. The Group provides standard credit terms (normally 30 days) to some of its customers which has resulted in trade receivables of £18,283,000 (2024: £13,642,000) which are stated net of applicable provisions and which represent the total amount exposed to credit risk. The Group manages trade receivable balances vigilantly and takes prompt action on overdue accounts. The Group establishes a credit policy under which each new customer is analysed individually for creditworthiness before the contract, payment and delivery terms and conditions are offered. The Group review includes financial statements and credit agency information. On an ongoing basis, management reviews the debt ageing, together with the payment history and third-party credit references where appropriate. The lease deposits of £111,000 (2024: £111,000) are held in escrow accounts with the landlord's main UK bankers. The Group's cash at bank £13,088,000 (2024: £15,755,000) is held within clearing banks in the UK, Republic of Ireland and United States of America with good credit ratings. The Group writes off a trade receivable when there is information that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceeding. None of the trade receivables that have been written off are subject to enforcement activities. Financial assets are written off when there is no reasonable expectation of recovering the contractual cash flows. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

In respect of trade receivables, lease deposits and cash at bank the Directors consider the risk of exposure to credit is minimal due to the reasons given above.

31. ULTIMATE CONTROLLING PARTY

The Directors have assessed that there is no ultimate controlling party.

32. POST BALANCE SHEET EVENTS

Directorate Change

On 29 May 2025, Lucy Dimes stood down as Chief Executive Officer and left the company. Richard Last, Non-Executive Chair, became Executive Chair.

Refinancing

On 27 June 2025, a new RCF, totalling £115m, has been secured from a syndicate comprising The Royal Bank of Scotland plc, HSBC UK Bank plc, and Clydesdale Bank plc (trading as Virgin Money). The facility extends to 30 June 2027 and includes financial covenants, limited to debt cover and interest cover, which are aligned with the Group's current leverage position and strategic objectives.

At current leverage levels, the bank margin under the new RCF is 3.0% above SONIA. The RCF includes a margin ratchet mechanism, enabling reduced interest costs as the Group deleverages.

STATEMENT OF FINANCIAL POSITION

As at 31 March 2025	Note	2025 £′000	2024 As restated* £'000
ASSETS			
Non-current assets			
Investments	3	158,876	176,015
Trade and other receivables	4	21,022	3,982
Deferred tax	5	304	891
		180,202	180,888
Current assets			
Trade and other receivables	4	3,579	2,750
Cash and cash equivalents		6,290	9,610
		9,869	12,360
Total assets		190,071	193,248
LIABILITIES Non-current liabilities			
Non-current borrowings		(97,000)	(40,000)
		(97,000)	(40,000)
Current liabilities			
Trade and other payables	6	(20,349)	(27,243)
		(20,349)	(27,243)
Total liabilities		(117,349)	(67,243)
Net Assets		72,722	126,005
EQUITY			
Called up share capital		1,128	1,124
Own shares		(70)	(70)
Capital redemption reserve		1,200	1,200
Share premium account		22,500	22,500
Merger reserve		6,967	6,967
Retained earnings		40,997	94,284
Total Equity		72,722	126,005

^{*} Details of restatement are disclosed in note 2.

As permitted by section 408(3) of the Companies Act 2006, no profit and loss account of the company is presented. The loss for the financial year of the Company was (£48,650,000) (2024: profit £10,769,000).

These financial statements were approved by the Board of Directors and authorised for issue on 24 July 2025.

Signed on behalf of the Board of Directors

Scott Cunningham

Scott Con

Director and Chief Financial Officer

Iomart Group plc – Company Number: SC204560



PARENT COMPANY FINANCIAL STATEMENTS 2025

STATEMENT OF CHANGES IN EQUITY

Year ended 31 March 2025

	Note	Share capital £'000	Own shares EBT £'000	Capital redemption reserve £'000	Share premium account £'000	Merger reserve £'000	Retained earnings £'000	Total £′000
Balance at 31 March 2023		1,106	(70)	1,200	22,495	4,983	89,097	118,811
Profit for the year		-	-	-	-	-	10,769	10,769
Total comprehensive income		-	-	-	-	-	10,769	10,769
Dividends – final (paid)		-	-	-	-	-	(3,922)	(3,922)
Dividends – interim (paid)		-	-	-	-	-	(2,177)	(2,177)
Share-based payments	8	-	-	-	-	-	517	517
Issue of share capital		18	-	-	5	1,984	-	2,007
Total transactions with owners		18	-	-	5	1,984	(5,582)	(3,575)
Balance at 31 March 2024		1,124	(70)	1,200	22,500	6,967	94,284	126,005
(Loss) for the year		-	-	-	-	-	(48,650)	(48,650)
Total comprehensive income		-	-	-	-	-	(48,650)	(48,650)
Dividends – final (paid)		-	-	-	-	-	(3,371)	(3,371)
Dividends – interim (paid)		-	-	-	-	-	(1,464)	(1,464)
Share-based payments	8	-	-	-	-	-	198	198
Issue of share capital		4	-	-	-	-	-	4
Total transactions with owners		4	-	-	-	-	(4,637)	(4,633)
Balance at 31 March 2025		1,128	(70)	1,200	22,500	6,967	40,997	72,722

The nature of equity in the statement of changes in equity is disclosed in the accounting policies (note 2). The following notes form part of the financial statements.

1. COMPANY INFORMATION

Iomart Group plc is a public listed company, limited by shares, listed on the Alternative Investment Market ("AIM"), incorporated and domiciled in the United Kingdom under the Companies Act 2006 and registered in Scotland. The address of the registered office is 6 Atlantic Quay, 55 Robertson Street, Glasgow, G2 8JD. The nature of the Company's operations and its principal activity is that of a holding company.

2. ACCOUNTING POLICIES

Statement of compliance

These separate financial statements of the Company are presented as required by the Companies Act 2006. The financial statements have been prepared on the historical cost basis and on a going concern basis as described below. The financial statements are presented in Sterling (\mathfrak{L}) .

The Company meets the definition of a qualifying entity under Financial Reporting Standard 101 (FRS 101) 'Reduced Disclosure Framework" issued by the Financial Reporting Council (FRC). Accordingly, these financial statements have been prepared in accordance with FRS 101.

Disclosure exemptions adopted

In preparing these financial statements the Company has taken advantage of all disclosure exemptions conferred by FRS 101. Therefore, these financial statements do not include:

- A statement of cash flows and related notes.
- Disclosure of key management personnel compensation.
- Certain disclosures in relation to share based payments.
- Disclosures in relation to impairment of assets.
- The effect of future accounting standards not adopted.
- The requirements of IFRS 7 Financial Instruments: Disclosures.
- The requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement.
- The requirements of paragraphs 10(d), 10(f), 16, 38A to 38D, 40A to 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements.

Where relevant, equivalent disclosures in respect of borrowings, called up share capital, own shares, merger reserve and dividends paid on shares classed as equity have been given in the consolidated financial statements. The principal accounting policies adopted are the same as those set out in note 2 to the consolidated financial statements on pages 75 to 83. These policies have all been applied consistently throughout the year unless otherwise stated.

Investments

Investments in subsidiaries are carried at cost less impairment which is based on the fair value at acquisition. Investments are reviewed for impairment whenever events or changes in circumstances indicate the carrying values may not be recoverable.

If any such indication exists and where the carrying amounts exceed the estimated recoverable amount, the assets or cash generating units are written down to their recoverable amount.

As part of the acquisition strategy of the Company, the trade and net assets of subsidiary undertakings at or shortly after acquisition may be transferred at book value to fellow subsidiaries. Where a trade is hived across to a fellow subsidiary undertaking, the cost of the investment in the original subsidiary, which then becomes a non-trading subsidiary, is added to the cost of the investment in the entity to which the trade has been hived. On an annual basis, in order to accurately assess any potential impairment of investments, the carrying value of the investment in all companies transferred is considered together against the future cash flows and net asset position of those companies which received the trade and net assets.

Dividends

Dividend distributions payable to equity shareholders are included in the financial statements within 'other short-term financial liabilities' when a final dividend is approved in a general meeting. Interim dividend distributions to equity shareholders approved by the Board are not included in the financial statements until paid.

Going Concern

The Group going concern disclosure is on page 82 and 83. The Group has an undrawn revolving credit facility of £28.0m at 31 March 2025 (2024: £60.0m). After making enquiries, the Directors have a reasonable expectation that the Company will be able to meet its financial obligations and has adequate resources to continue in operational existence for the foreseeable future (being a period extending at least twelve months from the date of approval of these financial statements). For this reason, they continue to adopt the going concern basis in preparing the financial statements.

Key judgements and sources of estimation uncertainty

The preparation of financial statements in accordance with IFRS requires the Directors to make critical accounting estimates and judgements that affect the amounts reported in the financial statements and accompanying notes. The estimates and assumptions that have a significant risk of causing material adjustment to the carrying value of assets and liabilities within the next financial year are discussed below:

Judgements

The Group do not consider that there are any critical accounting judgements in the preparation of the financial statements.

Estimates

Recoverable value of investments: the Company tests annually whether the carrying value of investments has suffered any impairment. This requires the Company to make an estimate of the expected future cash flows from each investment using certain key assumptions including growth rates and a discount rate. These assumptions resulted in a material £56.6m impairment charge being recognised in the current year. See note 3.



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2. ACCOUNTING POLICIES (CONTINUED)

Prior year balance restatement

The prior year intercompany balances were recorded as notional debtors and creditors from all brand transactions with subsidiaries rather than accurately reflecting the balances that actually existed for the legal entity. As at 31 March 2024, the amounts owed by subsidiary undertaking was £40,094,000 and has been restated to £4,661,000 and as at 31 March 2024, the amounts owed to subsidiary undertaking was £57,660,000. And has been restated to £22,227,000. This did not change overall net assets.

In addition, the Company previously presented intercompany receivable balances within current assets, as amounts due are repayable on demand, however this did not reflect the expected profile of cashflows. In order to reflect this, these have been presented as non-current in the year ended 31 March 2025 and the statement of financial position at 31 March 2024 has been updated to disclose the balances which have been assessed as non-current, of £3.982,000 (see note 4 and note 6).

3. INVESTMENTS HELD AS FIXED ASSETS

	Shares in subsidiary undertakings £'000
Cost	
At 1 April 2024	182,684
Additions	39,360
Share-based payments (note 8)	115
Cost at 31 March 2025	222,159
Impairment	
At 1 April 2024	(6,669)
Impairment charge	(56,614)
Impairment at 31 March 2025	(63,283)
Net book value of investments at 31 March 2025	158,876
Net book value of Investments at 31 March 2024	176,015

All of the above investments are unlisted.

The impairment charge of £56.6m in the year relates the carrying value of the investment in lomart Managed Services Limited. The recoverable amount of each investment has been calculated in a consistent manner to the goodwill impairment review as detailed in note 13 of the consolidated financial statements. These calculations use post-tax cash flow projections based on financial budgets approved by the Board covering a five year period. These projections are the result of detailed planning and assume similar levels of organic growth as the Group has experienced in the previous years. A post tax discount rate of 11.1% was adopted when assessing the investments for impairment (2024: 11.2%).

The rationale for the £56.6m investment impairment charge is largely consistent with the £52.9m goodwill impairment charge recognised in the consolidated financial statements, noting that there is a consistency between the cash flow projections adopted in both the lomart Managed Services legal entity and lomart Cloud Services CGU.

As previously referenced, the impairment recognised reflects the strategic shift away from low growth, heritage product areas and the accelerated customer churn in certain areas of this investment.

Plausible downside sensitivities have been considered as part of the impairment analysis, with specific sensitivities applied to both the discount rate and forecast EBITDA cash flow projections within the lomart Managed Services Ltd investment. A range reasonably possible downside sensitivities have been applied being an increase in the discount rate to 11.75% discount rate and reduction in the forecast EBITDA cash flows of 10%. A reasonably possible increase in the discount rate to 11.75% would result in an additional impairment charge of £9.3m, a reasonably possible 10% reduction in the forecast EBITDA would result in an additional impairment charge of £7.1m and in combination these downsides would result in an additional impairment charge of £15.5m.

Management consider the most plausible downside to be in respect of the discount rate for every other parent company investment. Each of these investments continues to have headroom in excess of the respective carrying amount when a discount rate of 11.75% is applied.

The £3.7m additional impairment recognised on the carrying value of investments in comparison to goodwill is driven by the underlying carrying values assessed, whilst also impacted by more recent acquisitions where no impairment has been recognised.

Details of subsidiary undertakings are included in note 15 of the Group financial statements.

4. TRADE AND OTHER RECEIVABLES

	2025 £'000	2024 As restated* £′000
Non-current trade and other receivables		
Amounts owed by subsidiary undertakings	21,022	3.982
	21,022	3,982
Current trade and other receivables Prepayments Other debtors Corporation Tax Other taxation & social security Amounts owed by subsidiary	1,006 314 1,243 429 587	1,176 18 - 877 679
undertakings	3,579	2,750

^{*} Details of restatement are disclosed in note 2.

Amounts owed by subsidiary undertakings are repayable on demand and carry no interest.

5. DEFERRED TAX

The Company had recognised deferred tax assets as follows:

	2025	2024
	£′000	£′000
Share-based remuneration	197	891
Brought forward losses	107	-
	304	891
The movement in the deferred tax account during the year was:		
Balance brought forward	891	638
Profit and loss account movement arising during the year	(587)	253

The deferred tax asset in relation to share-based remuneration arises from the anticipated future tax relief on the exercise of share options.

The deferred tax asset in relation to the brought forward tax losses relates to recoverable tax losses which are seen as having high probability of recovery against future tax profits of the Group.

	2025 2′000	2024 As restated* £'000
Trade creditors	(239)	(134)
Other creditors	(359)	(49)
Accruals (1	,034)	(1,439)
Current income tax	-	(1,314)
Contingent consideration due on acquisitions	-	(2,080)
Amounts owed to subsidiary undertakings (18	8,717)	(22,227)
(20,	,349)	(27,243)

^{*} Details of restatement are disclosed in note 2.

Amounts owed to subsidiary undertakings are repayable on demand and carry no interest.

7. RISK MANAGEMENT

During the year the Company has entered into a forward foreign exchange, contract on behalf of another group entity who wishes to hedge the foreign exchange exposure, to mitigate foreign exchange risk in the income statement associated with the financial liability recognised in relation to a long-term licensing agreement, which is USD-denominated.

The details concerning the external foreign exchange contract and the related financial liability in relation to a long-term licence agreement are disclosed in note 19 of the Group's financial statements on page 97.

The carrying amount of the derivative liability associated with this contract is disclosed within trade and other payables in the statement of financial position.

Derivative financial liabilities: Third party	2025 £'000	2024 £′000
Current:		
Foreign currency forward contracts	(60)	-
Non-current:		
Foreign currency forward contracts	(246)	-
Total for category	(306)	

The carrying amount of the equal and opposite intercompany derivative asset, which has the exact same terms as the external foreign exchange contracts, is as follows:

Derivative financial assets: intercompany party	2025 £′000	2024 £′000
Current:		
Foreign currency forward contracts	60	-
Non-current:		
Foreign currency forward contracts	246	_
Total for category	306	-

The asset is held in other debtors and the liability is held in other creditors in the Company.

The above equal and opposite financial liabilities and financial assets concerning foreign currency forward contracts ensures there is no income statement impact for the Company.

The following table details the foreign currency forward contracts outstanding at the end of the reporting period, as well as information regarding their related hedged items. Foreign currency forward contract liabilities are presented in "Trade and other payables" within the statement of financial position.

	Aver excho	ange	Notic val Fore curre	ue: ign	Notic value: curre	Local	Carry amou the he instrur liabil	int of dging nents
Buy USD	2025	2024	2025 \$'000	2024 \$'000	2025 £′000	2024 £′000	2025 £′000	2024 £'000
Within 12 months	1.2671	-	4,061	-	3,204	-	(60)	-
Over 12 months	1.2632	-	12,483	-	9,883	-	(246)	-
							(306)	-

8. SHARE-BASED PAYMENTS

For details of share-based payment awards and fair values see note 27 to the Group financial statements. The Company financial statements recognise the charge for share-based payments for the year of £198,000 (2024: £517,000) by:

- Itaking the recharge in relation to directors of the parent company through the parent company statement of comprehensive income £83,000 (2024: £345,000),
- recording an increase to its investment in subsidiaries for the amounts attributable to employees of subsidiaries and recording a corresponding entry to retained earnings of £115,000 (2024: £172,000).



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9. INFORMATION REGARDING PARENT COMPANY EMPLOYEES

All staff costs within the Company in the current year relate to recharges from other Group entities.

	£′000	£′000
Staff costs of the Company during the year in respect of employees and Directors were:		
Wages and salaries	1,833	2,122
Social security costs	38	304
Pension costs	29	72
Share-based payments	83	345
	1,983	2,842

The company operates a stakeholder pension scheme and also contributes to a number of personal pension schemes on behalf of executive Directors and some senior employees. In the case of executive Directors, details of the pension arrangements are given within the Report of the Board to the Members on Directors' Remuneration on pages 49 to 54. In the case of senior employees, pension contributions to individuals' personal pension arrangements are payable by the Group at a rate equal to the contribution made by the senior employee subject to a maximum employer contribution of 5% of basic salary. Details of Directors' emoluments are disclosed within note 5 of the Group financial statements.

10. RELATED PARTY TRANSACTIONS

As permitted by FRS 101 related party transactions with wholly owned members of the Group have not been disclosed. Related party transactions regarding remuneration and dividends paid to key management (only Directors are deemed to fall into this category) of the Company have been disclosed in note 28 of the Group financial statements.

11. ULTIMATE CONTROLLING PARTY

The Directors have assessed that there is no ultimate controlling party.





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