

IOMART GROUP PLC

CORPORATE GOVERNANCE REPORT 2025

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 transitional 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 (QCA) 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 QCA principles during the year. Compliance with the QCA 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 within the Annual Report (pages 20 to 23), 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

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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 within the Annual Report (page 7) 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 within the Annual Report (pages 33 to 34). The Board has

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concluded that other directorships held by any Board member do not detract from their ability to discharge their responsibilities effectively.

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

Role	Principal responsibilities
Chief Executive Officer	<ul style="list-style-type: none"> -Day-to-day responsibility for the effective management of iomart 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 Environmental, Social and Governance (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 Officer	<ul style="list-style-type: none"> -Overall responsibility for management of the financial risks of the Group -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	<ul style="list-style-type: none"> -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 <p>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</p>

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Non-Executive Director	<ul style="list-style-type: none"> -Provides independent, constructive challenge to Executive Directors -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 Director	<ul style="list-style-type: none"> -Acts as a sounding board for the Chair and, if and when appropriate, serves as an intermediary for other Directors -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. 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,

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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.

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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: Anette Nabavi Other members: Adrian Chamberlain Karyn Lamont	<p>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 include:</p> <ul style="list-style-type: none"> - making recommendations to the Board on the Group's policy on Directors' remuneration and long-term incentive plans (including share option schemes for Directors). - 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. - 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 2024 to 30 May 2025) and then Adrian Chamberlain from 30 May 2025 Other members: Richard Last Adrian Chamberlain Annette Nabavi	<p>The Nomination Committee considers the selection and re-appointment of Directors. Its terms of reference include:</p> <ul style="list-style-type: none"> - 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. <p>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</p>

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Karyn Lamont	<p>these discussions is given to the replacement of the Executive Directors both in unplanned and planned circumstances.</p> <p>In the year ended 31 March 2025, the Nomination Committee was responsible for recommending the appointments of Richard Last, as Non-Executive Chair.</p>
Committee	Committee Responsibilities
<p>AUDIT COMMITTEE</p> <p>Chair:</p> <p>Karyn Lamont</p> <p>Other members:</p> <p>Adrian Chamberlain</p> <p>Annette Nabavi</p>	<p>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:</p> <ul style="list-style-type: none"> - 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. - 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.

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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 iomart 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 iomart 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.
Areas of estimates	Matter Considered and Role of the Audit Committee
Going Concern	<p>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.</p> <p>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 £115 million, £18 million 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.</p> <p>The Committee reviewed internal financial forecasts and the results of stress testing, which incorporated severe but plausible downside scenarios (refer to note 2 Going Concern 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</p>

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	<p>the downside scenarios. The Committee also considered the range of mitigating actions available to management should downside risks materialise.</p> <p>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.</p>
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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 1 April 2024, the external auditors could not place IT controls reliance in their testing of certain areas and performed alternative substantive work.

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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 and 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 within the Annual Report (page 17). 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 Ernst and Young LLP ("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

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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 within the Annual Report (page 21), 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 iomart 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

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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 iomart 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 QCA (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 within the Annual Report (pages 20 to 23). 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 within the Annual Report (pages 9 to 16). The financial statements, included in the Annual Report, 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.

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The Group meets its day-to-day working capital requirements through operational cash flows, cash reserves, a £115 million Revolving Credit Facility ("RCF"), and leasing arrangements (see note 21). As at 31 March 2025, £97 million of the RCF was drawn, primarily to fund historical acquisitions, including the £57 million acquisition of Atech on 1 October 2024. The Group held £13.1 million 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.

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 pre-acquisition 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

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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 iomart 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

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

IOMART GROUP PLC

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- 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.