IOMART

Interim Results 2027

Iomart Group plc half year results for the six months ended 30 September 2026

Financial highlights.

Total Revenue	Adjusted EBITDA	Adjusted loss before tax	Cash flow from Operations	Adjusted Diluted EPS	Net Debt
£69.0m	£9.0m	£(6.4)m	£3.3m	(5.0)p	£117.2m

- Results are in line with the trading update issued on 19 November 2026.
- Group revenue decreased by 11% to £69.0m (HY'26: £77.7m), reflecting lower recurring revenue following customer churn and reduced non-recurring revenue due to ongoing pressures from higher hardware costs and product availability constraints.
- Adjusted EBITDA of £9.0m (HY'26: £12.9m), reflecting lower revenue and gross margin, partly offset by lower administrative expense.
- Adjusted loss before tax of £6.4m (HY'26: £2.2m loss), reflecting lower EBITDA and higher finance costs, including a £1.0m loss on the modification resulting from RCF refinancing.
- Net debt of £117.2m at 30 September 2026 (31 March 2026: £108.6m), including £105.0m drawn on the Group's £115m Revolving Credit Facility.

Strategic highlights

- Iomart Data Centre Services Limited established as a separate legal entity; bilateral discussions with a potential acquirer regarding the disposal of the data centre business are progressing.
- Churn is now reducing and net order bookings returned to positive in September, following elevated churn into the second quarter.
- Two significant new customers won, in September and after the period end, together representing annual recurring revenue of £2.75m, demonstrating the Group's ability to win larger contracts.
- Microsoft-connected services now represent approximately 30% of Group revenue, reflecting successful strategic repositioning into a high growth segment of the cloud market.
- Continued consolidation of core infrastructure and networks onto the unified Iomart Cloud, reducing technical debt and maintenance overheads.

- Cost savings initiatives underway, targeting a significant reduction in the ongoing cost base by the end of FY28. The result of prior cost saving activity can be seen in the improved Q2 EBITDA performance, with adjusted EBITDA increasing to £5.3m in Q2 from £3.7m in Q1.
- £115m revolving credit facility renewed to 30 June 2028.
- Strengthened leadership and Board, through the appointment of Matt Waymark as CFO in September 2026, and Craig Mackay, Group Chief Operating Officer, post period end.

Outlook

As announced in the trading update on 19 November 2026, the Board continues to expect performance to be weighted towards the second half of the financial year, supported by the return to positive net order bookings in September, reduced churn and the benefit of cost actions already taken. Annual recurring revenue is expected to have grown by the year end, providing a stronger foundation into FY28.

The Board has carried out a strategic review of its business and believes that the disposal of the Data Centres will create a more focused and capital efficient managed services business with significantly reduced debt, giving it the ability to invest in growth to deliver increased long term shareholder value. Bilateral discussions with a potential acquirer are progressing.

Financial Highlights	**HY'27**	HY'26*	FY 2026
Total Revenue (£m)	**69.0**	77.7	154.9
% of recurring revenue[1]	**89%**	86%	86%
Adjusted EBITDA (£m)[2]	**9.0**	12.9	25.6
Adjusted EBIT (£m)[3]	**(0.7)**	2.1	5.2
Adjusted loss before tax (£m)[4]	**(6.4)**	(2.2)	(4.0)
Statutory IFRS loss before tax (£m)	**(9.9)**	(6.7)	(13.6)
Basic earnings per share (p)	**(7.3)**	(4.7)	(8.1)
Adjusted diluted EPS (p)[5]	**(5.0)**	(1.7)	(1.6)
Cash flow from operations £m	**3.3**	8.4	21.9
Net debt (£m)[6]	**117.2**	109.6	108.6
Net debt excluding lease liabilities (£m)	**99.1**	92.4	88.6

* HY'26 results have been restated. Refer to Note 1.

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Iomart Group plc

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Note: Company compiled range is based on known sell-side analyst estimates. The latest known sell-side analyst estimates for the full year ended 31 March 2027 are:

- *Revenue in the range of £148m to £148.7m;*
- *Adjusted EBITDA[(2)] in the range of £25.5m to £25.6m;*
- *Adjusted PBT[(4)] in the range of £(4.2)m to £(4.5)m; and*
- *Net Debt (including IFRS 16 lease liabilities) in the range of £108.6m to £110.9m*

Notes

[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/ Revenue.

[2] Throughout this statement adjusted EBITDA, is earnings before interest, tax, depreciation and amortisation (EBITDA) before share-based payment charges, acquisition costs and exceptional non-recurring costs. Throughout this statement acquisition costs are defined as acquisition related costs and non-recurring acquisition integration costs.

[3] Throughout this statement 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.

[4] Throughout this statement adjusted (loss)/profit before tax is (loss)/profit before tax, amortisation charges on acquired intangible assets, share based payment charges, acquisition costs and exceptional non-recurring costs.

[5] Throughout this statement adjusted diluted earnings per share is earnings per share before amortisation charges on acquired intangible assets, share based payment charges, acquisition costs, exceptional non-recurring costs and the taxation effect of these.

[6] Net debt is the total of bank revolver loan, supplier finance arrangement and lease liabilities, less cash and cash equivalents. Net debt excluding lease liabilities is bank revolver loan and supplier finance arrangement, less cash and cash equivalents.

[7] Gross order bookings represent the annualised value of contracted recurring revenue from new customer wins, renewals and in-term expansions secured during the financial year. This metric reflects order intake measured as the annual recurring revenue value based on contracted commitments and does not represent recognised revenue, which is recorded over time as services are delivered.

[8] Customer churn represents the reduction in annualised recurring revenue from existing customers arising from cancellations, non-renewals and contracted reductions in service scope or pricing. The annualised churn value, as a metric, is reported in the period in which the associated decrease in monthly recurring revenue is first reflected in the reported revenue.

9 Adjusted EBITDA conversion to cash is cash generated from operations before exceptional costs divided by adjusted EBITDA.

Forward looking statements

This interim announcement contains forward-looking statements, which have been made by the Directors in good faith based on the information available to them up to the time of the approval of this report and such information should be treated with caution due to the inherent uncertainties, including both economic and business risk factors, underlying such forward-looking information.

About Iomart Group plc

Iomart Group plc (AIM: IOM) is one of the UK's most accredited providers of secure cloud services, simplifying the complexities of modern technology for businesses, with the majority of Group revenue derived from the UK. Our team of approximately 600 deliver cutting-edge solutions in cloud infrastructure, modern workplace management, and managed security services that enable our customers to innovate, protect, and scale their businesses.

We hold an extensive set of Microsoft credentials, including Azure Expert MSP, Eight Solution Designations, 15 Advanced Specialisations including the new Copilot award and membership in Microsoft's Intelligent Security Association (MISA). As well as being a top-tier Broadcom Pinnacle Partner for VMware Cloud and Elite MSP Partner for Commvault. Which means we can bring the latest technologies in hybrid cloud, data protection, and cyber resiliency to meet the evolving needs of our customers.

For further information about the Group, please visit www.iomart.com

Half Year Statement

Introduction

This half year has been one of focused execution for the Group, as we continued to stabilise our recurring revenue base and position the business for sustainable growth. As highlighted at the time of our FY26 results, we entered the year with a lower recurring revenue base following elevated customer churn and expected performance to be weighted towards the second half.

Our financial performance for the first half of the year, whilst a reduction from the prior year, is consistent with the pre-close trading update issued on 19 November 2026. The period remained challenging, reflecting continued customer churn, which more than offset new order bookings, alongside softer Private Cloud demand, lower hardware resale revenues and a greater proportion of lower-margin services within the revenue mix.

We have responded decisively and are seeing encouraging signs of progress. Churn reduced towards the end of Q2, and September was our strongest trading month of the first half, with net order bookings turning positive. We have secured two significant new customers, in the media & publishing sector in September and the second in the retail sector after the period end, together representing annual recurring revenue of £2.75m and demonstrating our ability to win larger contracts.

The first phase of our cost optimisation programme, delivered in FY26, achieved annualised savings to date of approximately £4m, which are already benefiting the Group's financial results. We continued to optimise our cost base during the first half and will remain focussed on driving additional efficiencies and greater use of automation across the business. Alongside this, we are continuing to simplify the business through infrastructure consolidation and targeted investment in strategic growth areas. While there remains work to do, these actions provide a stronger foundation for improved profitability and sustainable growth.

Following a strategic review of its business, the Board believes that the disposal of the Group's data centre business will create a more focused and capital-efficient managed services business with significantly reduced debt, giving it the ability to invest in growth to deliver increased long-term shareholder value. Bilateral discussions with a potential acquirer are progressing.

Strategy and business model

Strategy

Our vision remains clear and consistent: to establish Iomart as the UK's leading provider of secure hybrid cloud services, trusted by enterprise, mid-market and SME customers for deep technical expertise, strong security capability and consistently high-quality managed services.

Half Year Statement (continued)

Following the separation of our data centre operations into Iomart Data Centre Services Limited, which took place during the period, the Group is now organised into four clearly defined business units, with prior period segment information restated on the same basis, supported by a Group-wide sales and marketing function and centralised finance, procurement, compliance and HR.

First half highlights

Notable highlights in the first half of the year include:

- **Improved Order Momentum**
  Churn reduced towards the end of the second quarter and net order bookings returned to positive in September, our strongest month of the half.
- **Continued Growth in Microsoft Services**
  Microsoft-connected services now represent approximately 30% of Group revenue, reflecting our successful repositioning, accelerated by Atech, into a high-growth segment of the cloud market. With 15 Advanced Specialisations, including Copilot, Atech remains one of the most accredited Microsoft partners in the UK.
- **Strengthened Leadership and Simplified Structure**
  We strengthened the Board with the appointment of Matt Waymark as Chief Financial Officer in September 2026, and after the period end, Craig Mackay, Group Chief Operating Officer, was appointed to the Board. We also established Iomart Data Centre Services Limited as a separate legal entity, and bilateral discussions with a potential acquirer regarding the disposal of the data centre business are progressing.
- **Infrastructure Consolidation**
  We continued to consolidate our core infrastructure and networks onto the unified Iomart Cloud, reducing technical debt and maintenance overheads.
- **Cost Optimisation and Financing**
  We have continued our programme of cost optimisation during the period, reducing our fixed cost base through the consolidation of facilities, systems and suppliers, and driving efficiency through process automation and continued investment in our team in India. We also renewed our £115m revolving credit facility to 30 June 2028.

Second half priorities

The Board's priorities for the second half of FY27 are to grow recurring revenue, further reduce the Group's fixed cost base and strengthen the balance sheet.

We remain focused on strengthening customer retention and deepening relationships across our customer base. Growth will be supported by our Commvault channel partnerships and Broadcom Pinnacle Partner status, while our ongoing cost optimisation programme continues to drive efficiencies through the consolidation of facilities, systems and suppliers, increased process automation and the further development of our operations in India.

Progressing the proposed disposal of the data centre business, which would be subject to shareholder approval, is a key priority for the second half. A disposal would create a more

focused and capital-efficient managed services business with significantly reduced debt, strengthening the Group's financial position. Together with disciplined working capital management, this will provide greater financial flexibility to invest in future growth opportunities.

These initiatives are expected to enhance the quality of the Group's earnings, strengthen cash generation and position Iomart for sustainable long-term growth.

Financial Review

Revenue

	For the six months ended 30 September		For the year ended 31 March
	2026	2025	2026
	£'000	£'000	£'000
Iomart Cloud Services	26,414	37,901	76,223
Iomart Data Centre Services	6,583	6,603	13,329
Atech	29,293	25,565	50,123
Easyspace	6,664	7,676	15,210
Total revenue	**68,954**	77,745	154,885

Group revenue decreased by 11% to £69.0m (HY'26: £77.7m). Recurring revenue decreased by 9% to £61.0m (HY'26: £67.2m), reflecting the anticipated churn of a number of large customers, as previously disclosed. Recurring revenue nonetheless increased as a proportion of total revenue to 89% (HY'26: 86%), highlighting the continued strength of the Group's recurring revenue model. The Group remains focused on growing its recurring revenue base, with multi-year contracts and advance billing providing strong revenue visibility.

Non-recurring revenue decreased by 25% to £7.9m (HY'26: £10.6m), driven by a continued reduction in hardware product resales and lower demand for third-party solutions, reflecting rising hardware costs, product availability challenges and slower Private Cloud bookings in the first half. This was partly offset by growth in professional services revenue.

Total order bookings during the period amounted to £8.6m of annual recurring revenue ("ARR") (HY'26: £9.6m). This was offset by churn of £11.9m ARR (HY'26: £5.8m), resulting in net churn of £3.3m ARR (HY'26: positive net order bookings of £3.8m ARR). The level of churn experienced during the period was known and anticipated, reflecting larger customer losses, and moderated towards the end of the first half. September was the strongest trading month of the first half, benefiting from lower churn and the signing of a 3 year £1.5m ARR contract.

Adjusted EBITDA

	For the six months ended 30 September		For the year ended 31 March
	2026	2025	2026
	£'000	£'000	£'000
Iomart Cloud Services	(1,319)	2,761	6,488
Iomart Data Centre Services	5,916	6,330	10,598
Atech	2,780	2,581	5,076
Domain and Mass Hosting (Easyspace)	2,945	3,886	7,621
Corporate centre	(1,341)	(2,648)	(4,222)
Total Adjusted EBITDA	**8,981**	12,910	25,561

Adjusted EBITDA[(2)] was £9.0m (HY'26: £12.9m), with adjusted EBITDA margin reducing to 13.0% (HY'26: 16.6%). Gross profit decreased by £5.8m to £29.6m, with gross margin reducing to 43.0% (HY'26: 45.5%). The reduction in profitability reflects the combined impact of lower recurring revenues within the Group's traditional Private Cloud, managed backup and dedicated storage services, together with reduced utilisation across a largely fixed infrastructure cost base. In addition, the evolving revenue mix, particularly the increased weighting towards Microsoft-related services, has in the short term resulted in a lower overall margin profile.

The Group continues to take proactive steps to align its cost base with this changing revenue mix. During the period, adjusted overheads (administrative expenses before depreciation, amortisation and adjusting items) decreased by £1.9m (8.2%) to £20.6m (HY'26: £22.5m), principally reflecting savings delivered through the cost efficiency programme, which has generated over £4.0m of annualised benefits. A further phase of cost optimisation is underway, aligned to the evolving business portfolio and operating structure.

These actions are intended to support margin performance in the near term, while positioning the Group to benefit from improved operating leverage as revenue growth recovers.

Performance improved through the half, with adjusted EBITDA increasing to £5.3m in Q2 from £3.7m in Q1.

Trading review by segment

Iomart Cloud Services

Revenue for Iomart Cloud Services in HY'27 was £26.4m (HY'26: £37.9m), a decrease of £11.5m. Of this reduction, £3.0m reflects the transfer of Microsoft products to Atech.

Excluding this transfer, revenue decreased by £8.5m, principally reflecting previously disclosed customer churn, particularly in private cloud and managed backup, together with lower dedicated server revenue and hardware and software resale.

Excluding Microsoft products, which have transferred to Atech, gross order bookings in Iomart Cloud Services increased by 74% to £3.8m ARR (HY'26: £2.2m ARR). Private Cloud bookings grew by 59% to £3.0m ARR, with booking volumes accelerating during the latter part of the quarter.

Data Management bookings increased to £0.8m ARR (HY'26: £0.3m ARR). Churn reduced to £3.4m ARR (HY'26: £3.7m ARR), with Private Cloud churn broadly flat at £3.2m ARR and Data Management churn reducing to £0.2m ARR (HY'26: £0.6m ARR). As a result, net order bookings were positive at £0.4m ARR (HY'26: (£1.5)m ARR), reflecting lower than expected churn.

Segmental EBITDA (before share-based payments, acquisition costs and central overheads) was a loss of £1.3m (HY'26: profit of £2.8m). The decrease reflects lower revenue and gross profit, which were absorbed across a largely fixed infrastructure cost base. This was partially mitigated by the benefits of ongoing efficiency initiatives.

The following is the disaggregation of Iomart Cloud Services external revenue. Iomart Cloud Services delivers its recurring revenue services from data centres operated by Iomart Data Centre Services, supported by the Group's fibre network infrastructure and associated support teams.

	For the six months ended 30 September		For the year ended 31 March
	2026	2025	2026
Revenue by operating segment	**£'000**	£'000	£'000
Cloud managed services	16,837	26,440	52,647
Self-managed infrastructure	5,556	6,230	12,415
Non-recurring	4,021	5,231	11,161
Total revenue	**26,414**	37,901	76,223

Cloud managed services (recurring revenue)

Revenues in this area reduced by 36% to £16.8m (HY'26: £26.4m). The reduction mainly reflects the transfer of Microsoft products to Atech and a £2.7m (36%) fall in managed backup revenue following customer churn.

Self-managed infrastructure (recurring revenue)

Self-managed infrastructure serves customers who prefer to source compute power and connectivity through dedicated servers, managing these directly.

This segment represents a lower-growth area of the market and is most exposed to migration towards public cloud, given its transactional nature and reliance on customers' own technical capabilities. Revenue in the first half declined by 11% to £5.6m (HY'26: £6.2m), mainly reflecting lower dedicated server revenue.

Non-recurring revenue

Non-recurring revenue declined by 23% to £4.0m (HY'26: £5.2m), reflecting lower hardware and software resale, partly offset by professional services revenue, which doubled to £0.6m. These activities often serve as an entry point for new customers, creating opportunities to expand into higher-value recurring services.

Atech

Atech delivered revenue of £29.3m for the six months ended 30 September 2026 (HY'26: £25.6m), an increase of 15%, supported by the transfer of Microsoft solutions activity from Iomart Cloud Services.

Gross order bookings, including the transferred Microsoft products, were £3.8m ARR (HY'26: £6.6m ARR), including Azure bookings of £2.4m ARR (HY'26: £4.8m ARR) and Modern Work bookings of £1.2m ARR (HY'26: £1.7m ARR).

Churn increased to £6.7m ARR (HY'26: £1.1m ARR), primarily reflecting soft churn from a large financial services cyber security customer, which renewed on a reduced scope, together with lower retention across Azure and Modern Work. Consequently, net order bookings were lower than expected at (£2.9)m ARR (HY'26: £5.5m ARR).

Atech's segmental EBITDA increased to £2.8m (HY'26: £2.6m), driven by revenue growth, although EBITDA margin reduced to 8.8% (HY'26: 10.1%). During the period, the Group navigated a more challenging market pricing environment for M365 licensing. While we retained and grew revenue in this area, margins were lower overall, with gross margin reducing to 31% (HY'26: 34%). Gross profit nonetheless increased by £0.9m on higher revenue, more than offsetting a £0.7m increase in administrative expenses. Nevertheless, our participation in this market is important, as it establishes customer relationships that enable us to upsell more value-added services. We have also invested in maturing Atech's product function to support scalable growth and expanded our Security Operations Centre (SOC), strengthening our capabilities in cyber security. The table below shows Atech's external revenue split between recurring and non-recurring activities:

	For the six months ended 30 September		For the year ended 31 March
	2026	2025	2026
Revenue by operating segment	**£'000**	£'000	£'000
Recurring	24,577	20,221	39,045
Non-recurring	4,716	5,344	11,078
Total revenue	**29,293**	25,565	50,123

Atech (recurring revenue)

Recurring revenue within Atech grew by £4.4m (22%) to £24.6m for the six-month period. Growth was driven by a combined increase in Microsoft Azure and Microsoft 365 licensing.

Atech (non-recurring revenue)

Atech non-recurring revenue was £4.7m (HY'26: £5.3m), representing 16% of total Atech revenue. Cyber security consultancy and hardware and software reselling now contribute broadly equal shares. Cyber consultancy revenue was lower, principally reflecting a reduced scope of work on renewal with a long-standing financial services client, which contributed £2.0m (HY'26: £3.0m). Reselling revenue was broadly stable year on year, and professional services revenue remained at a similar level to the prior period.

Domain and Mass Hosting (Easyspace)

Domain and Mass Hosting revenue was £6.7m (HY'26: £7.7m), a decrease of 13%. The core domain and mass hosting business remained relatively stable, with revenue declining by 5%. The overall reduction was principally driven by increased customer churn in shared hosting and dedicated server services, alongside lower eCommerce hosting revenue within Sonassi.

Segmental EBITDA was £2.9m (HY'26: £3.9m), representing a margin on total segment revenue of 42% (HY'26: 51%). The decrease was primarily driven by lower revenue and higher internal hosting charges. This was partially offset by lower domain costs, supported by favourable US dollar exchange rates, and ongoing overhead cost reductions.

The domain and mass-market hosting market continues to grow, underpinned by the ongoing importance of an online presence for small and micro businesses. Our priority remains the stabilisation of the segment and a return to modest growth over time, supported by strong renewal rates across our brands. During the period, we continued to invest in customer retention and service enhancements, particularly within Sonassi, to strengthen long-term performance.

Iomart Data Centre Services

Iomart Data Centre Services, which operates the Group's data centre estate, is reported as a separate segment for the first time following the separation of the data centre operations into a separate legal entity during the period. To aid comparison, the prior period has been restated as if the separation had been in place throughout HY'26. Revenue from external colocation customers was £6.6m (HY'26: £6.6m). Including £7.6m (HY'26: £7.1m) of internal recharges to other Group segments for data centre services, total segment revenue was £14.2m (HY'26: £13.7m). Gross margin on total segment revenue was 59.4% (HY'26: 64.1%), reflecting a £0.8m increase in cost of sales. Segment EBITDA was £5.9m (HY'26: £6.3m), representing an EBITDA margin of 41.6% (HY'26: 46.1%), and adjusted EBIT was £4.3m (HY'26: £4.7m).

Gross order bookings increased by 21% to £1.0m ARR (HY'26: £0.8m ARR), exceeding expectations. Churn increased to £1.9m ARR (HY'26: £0.9m ARR), resulting in lower than expected net order bookings of (£0.8)m ARR (HY'26: (£0.1)m ARR).

Corporate Centre

Group overheads, which are not allocated to segments, include the costs of the Board, certain professional fees, the Glasgow head office and Group functions such as HR, Marketing, Finance and Development. Group overheads decreased by £1.3m to £1.3m (HY'26: £2.6m), reflecting improvements in cost allocation methodologies and intercompany recharge processes, which reduced the level of costs borne by the Group parent.

Adjusted EBIT

	For the six months ended 30 September		For the year ended 31 March
	2026	2025 Restated	2026
	£'000	£'000	£'000
Adjusted EBITDA	8,981	12,910	25,561
Depreciation	(6,365)	(7,109)	(13,409)
Amortisation (non M&A)	(3,351)	(3,545)	(6,986)
Adjusted EBIT	**(735)**	2,256	5,166

The Group depreciation charge of £6.4m (HY'26: £7.1m) fell by £0.7m in the period. Depreciation charge as a percentage of recurring revenue is 10.4% (HY'26: 10.6%). This is the fifth 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 of £3.4m (HY'26: £3.5m) includes £1.8m (HY'26: £1.8m) in relation to the Broadcom VMware software license arrangements.

The Group's adjusted EBIT decreased by £2.9m to (£0.7)m (HY'26: £2.1m) which in adjusted EBIT margin terms translates to (1.1%) (HY'26: 2.8%).

Adjusted (loss)/profit before tax

	For the six months ended 30 September		For the year ended 31 March
	2026	2025 Restated	2026
	£'000	£'000	£'000
Adjusted EBIT	**(735)**	2,256	5,166
Net bank & other interest	(5,147)	(3,734)	(7,752)
Finance lease interest	(527)	(594)	(1,429)
Adjusted loss before tax	**(6,409)**	(2,072)	(4,015)

Net finance costs increased by £1.3m to £5.7m (HY'26 Restated: £4.3m), reflecting both a higher net debt position and a £1.0m non-cash charge arising from the modification of the Group's borrowing facilities.

As a result, adjusted loss before tax increased to £6.4m (HY'26 Restated: £2.1m loss), reflecting lower adjusted EBITDA and increased finance costs.

Statutory IFRS (loss)/profit before tax

A reconciliation of adjusted profit before tax to Statutory IFRS loss before tax is shown below:

	For the six months ended 30 September		For the year ended 31 March
	2026	2025 Restated	2026
	£'000	£'000	£'000
Total adjusted loss before tax	**(6,409)**	(2,072)	(4,015)
Amortisation of acquired intangible assets	(1,548)	(2,442)	(6,950)
Acquisition costs	-	(367)	(480)
Share based payments	(64)	(77)	36
Administrative expenses - exceptional non-recurring costs	(1,887)	(1,722)	(2,229)
IFRS loss before tax	**(9,908)**	(6,680)	(13,638)

The larger adjusting items in the current period are:

- Exceptional administrative expenses of £1.9m (HY'26 Restated: £1.7m) primarily relate to costs associated with strategic corporate programmes (£0.8m), non-recurring people costs (£0.3m) and foreign exchange loss in relation to the Group's hedging arrangements (£0.3m), with the remaining balance relating to other project related costs.
- Non-cash charges for the amortisation of acquired intangible assets totalling £1.5m (HY'26: £2.3m) representing a decrease of £0.8m in comparison to HY'26. The reduction primarily reflects certain intangible assets becoming fully amortised, together with the impairment of acquired customer relationship intangibles at 31 March 2026.
- After deducting the charges for share based payments, the amortisation of acquired intangible assets, acquisition costs and exceptional non-recurring costs, the reported loss before tax is £9.9m (HY'26 Restated: £6.7m loss).

Taxation and loss for the period

There is a tax credit in the period of £1.6m (HY'26: £1.4m credit), representing £1.6m (HY'26 £0.8m) movement for deferred taxation in the period. There is no current tax charge in the period (HY'26: £0.6m credit). After accounting for the tax credit/(charge) from the loss before tax, the Group has recorded a loss for the period from total operations of £8.3m (HY'26 Restated: £5.3m loss).

Earnings per share

Adjusted diluted earnings per share, which is based on loss for the period attributed to ordinary shareholders before share based payment charges, amortisation of acquired intangible assets, acquisition costs, non-recurring exceptional administrative expenses and the tax effect of these items, was a loss of 5.0p per share (HY'26 Restated: 1.7p loss per share). The measure of adjusted diluted earnings per share as described above is a non-statutory measure that is commonly used to analyse the performance of companies where M&A activity forms a significant part of their activities.

Basic earnings per share from continuing operations was 7.3p loss per share (HY'26 Restated: 4.7p loss per share). The calculation of both adjusted diluted earnings per share and basic earnings per share is included at Note 5.

Cash flow

The Group generated cash from operations (before exceptional costs) in the period of £4.9m (HY'26: £9.7m), representing an adjusted EBITDA conversion to cash ratio[9] in the period of 55% (HY'26: 75%). Cash payments for corporation tax in the period were £nil (HY'26: £0.3m) and during the period, the Group received a tax refund of £0.5m (HY'26: £nil). Cash payments associated with exceptional items were £1.3m (HY'26: £1.4m), resulting in positive net cash flow from operating activities in the period of £3.8m (HY'26: £8.0m).

Expenditure on investing activities of £3.4m (HY'26: £5.5m) was incurred in the period. £2.2m (HY'26: £3.6m) was incurred on the acquisition of property, plant and equipment, principally to provide specific services to our customers, £1.2m (HY'26: £1.5m) incurred in respect of development costs. In the prior period, the Group made a £0.4m payment in respect of contingent consideration relating to CWL Systems Limited, a historic acquisition within Atech Support Limited.

During the first half of the year, net cash used in financing activities was £1.2m (HY'26: £10.5m). The Group repaid £2.4m of lease liabilities (HY'26: £2.0m) and incurred net finance costs of £4.3m (HY'26: £3.4m). These outflows were partially offset by a £7.5m drawdown under the Group's revolving credit facility ("RCF") (HY'26: £0.5m), leaving £10.0m undrawn at the period end.

In addition, £1.2m was repaid under the supplier finance arrangement, while payments relating to software licence arrangements totalled £0.7m (HY'26: £5.2m), as the annual software licence cost was financed through a one-year instalment plan rather than paid in full upfront. As a result, the Group closed the period with cash of £8.1m (HY'26: £5.1m). No dividend payment was made in the period (HY'26: £nil).

Net Debt

The analysis of the net debt is shown below:

	At 30 September		At 31 March
	2026	2025	2026
	£'000	£'000	£'000
Bank revolver loan	105,000	97,500	97,500
Supplier finance arrangement	2,274	-	-
Less: cash and cash equivalents	(8,143)	(5,088)	(8,921)
Net borrowings excluding lease liabilities	**99,131**	92,412	88,579
Lease liabilities	18,095	17,233	20,042
Total Net Debt	**117,226**	109,645	108,621

Net debt at 30 September 2026 was £117.2 m (HY'26: £109.6 m), including £18.1 m of lease liabilities (HY'26: £17.2 m). Excluding lease liabilities, net debt was £99.1 m (HY'26: £92.4 m), representing an increase of £6.7 m compared with 30 September 2025. On a rolling twelve-month basis, net debt equated to 5.4x adjusted EBITDA, or 4.6x adjusted EBITDA excluding IFRS 16 lease liabilities.

The supplier finance arrangement is disclosed in Note 10.

In June 2026, the Group amended and extended its £115m Revolving Credit Facility (RCF) with its existing lending syndicate through to June 2028. The facility provides long-term funding certainty and contains covenants focused on debt cover and interest cover, reflecting the Group's current leverage profile. At current leverage levels, the applicable margin is 3.5% above SONIA, with a ratchet mechanism that reduces borrowing costs as leverage decreases.

The Board and management team remain focused on reducing leverage through disciplined cash management, operational efficiencies and continued optimisation of the Group's cost base.

Board appointments

On 14 September 2026, Matt Waymark joined the Group as Chief Financial Officer and was appointed to the Board. Matt brings extensive experience in financial leadership, business transformation and strategic execution. His appointment supports the Group's focus on improving operational performance, delivering cost efficiencies and positioning the business for sustainable growth.

On 19 November 2026, after the period end, Craig Mackay, Group Chief Operating Officer, was appointed to the Board as a Director with immediate effect. Craig's appointment further strengthens the Board and brings direct operational leadership to its deliberations as the Group focuses on improving operational performance and executing its second half priorities.

Outlook

As announced in the trading update on 19 November 2026, the Board continues to expect performance to be weighted towards the second half of the financial year, supported by the return to positive net order bookings in September, reduced churn and the benefit of cost actions already taken. ARR is expected to have grown by the year end, providing a stronger foundation into FY28.

The Board has carried out a strategic review of its business and believes that the disposal of the data centre business will create a more focused and capital-efficient managed services business with significantly reduced debt, giving it the ability to invest in growth to deliver increased long-term shareholder value. Bilateral discussions with a potential acquirer are progressing. Any transaction would be subject to shareholder approval.

A disposal would also allow management to focus fully on the Group's core cloud, security and managed services businesses.

The Group's priorities are clear: growing organically by expanding recurring revenue from new and existing customers; driving efficiencies by reducing the fixed cost base and automating processes; and strengthening cash generation. Combined with a leaner operating model and a strengthened leadership team, the Board remains confident in the Group's ability to deliver sustainable, profitable growth and improved shareholder returns over the medium term.

Condensed Consolidated Statement of Comprehensive Income

(unaudited)

		For the six months ended		For the year ended
	Note	30 September 2026 £'000	30 September 2025 Restated[1] £'000	31 March 2026 £'000
Revenue	2	68,954	77,745	154,885
Cost of sales		(39,324)	(42,336)	(86,355)
Gross profit		**29,630**	**35,409**	**68,530**
Administrative expenses	3	(33,864)	(37,761)	(72,987)
Operating loss		**(4,234)**	**(2,352)**	**(4,457)**
Net finance costs	4	(5,674)	(4,328)	(9,181)
Loss before taxation		**(9,908)**	**(6,680)**	**(13,638)**
Taxation credit	6	1,618	1,404	4,470
Loss for the financial period/year		**(8,290)**	**(5,276)**	**(9,168)**
Other comprehensive income				
Items that may be reclassified to profit or loss:				
Exchange differences on translating foreign operations		5	(49)	(24)
Fair value gains/(losses) on cashflow hedges		127	(92)	(101)
Other comprehensive expense for the period/year		**132**	**(141)**	**(125)**
Total comprehensive loss for the period/year		**(8,158)**	**(5,417)**	**(9,293)**
Basic and diluted earnings per share				
Basic loss per share (p)	5	(7.3)	(4.7)	(8.1)
Diluted loss per share (p)	5	(7.3)	(4.7)	(8.1)

[1] Comparative information for the six months ended 30 September 2025 has been restated as described in Note 1. The net impact of the restatement was an increased loss before taxation of £0.2m.

Condensed Consolidated Statement of Financial Position (unaudited)

	Note	As at 30 September 2026 £'000	As at 31 March 2026 Restated[i] £'000
ASSETS			
Non-current assets			
Goodwill and intangible assets	**7**	128,547	132,232
Trade and other receivables		111	111
Property, plant and equipment	**8**	54,003	58,243
		182,661	**190,586**
Current assets			
Cash and cash equivalents	**9**	8,143	8,921
Trade and other receivables		33,134	38,730
Current tax asset		1,825	2,150
		43,102	**49,801**
Total assets		**225,763**	**240,387**
LIABILITIES			
Non-current liabilities			
Trade and other payables		(10,632)	(10,220)
Lease liabilities	**11**	(14,765)	(16,182)
Non-current borrowings	**10**	(105,000)	(97,500)
Provisions		(2,304)	(2,219)
Deferred tax liability		(4,529)	(6,146)
		(137,230)	(132,267)
Current liabilities			
Trade and other payables		(37,001)	(50,238)
Short-term borrowings	**10**	(2,274)	-
Lease liabilities	**11**	(3,330)	(3,860)
		(42,605)	(54,098)
Total liabilities		**(179,835)**	(186,365)
Net assets		**45,928**	54,022
EQUITY			
Share capital		1,137	1,137
Own shares		(70)	(70)
Capital redemption reserve		1,200	1,200
Share premium		22,500	22,500
Other reserves		6,925	6,729
Retained earnings		14,236	22,526
Total equity		**45,928**	54,022

[i] The comparative balance sheet at 31 March 2026 has been restated as described in Note 1. The restatement reduced retained earnings at 31 March 2026 by £0.2m, with a corresponding credit in deferred revenue.

The accompanying notes form part of these condensed consolidated interim financial statements.

Condensed consolidated statement of Changes in Equity (unaudited)

	Share capital	Own shares EBT	Capital redemption reserve	Share premium account	Other Reserves[1]	Retained earnings	Total
	£000	£000	£000	£000	£000	£000	£000
Balance at 1 April 2026	**1,137**	**(70)**	**1,200**	**22,500**	**6,729**	**22,526**	**54,022**
Loss for the period	-	-	-	-	-	(8,290)	**(8,290)**
Exchange differences	-	-	-	-	5	-	**5**
Fair value (gains)/losses on cashflow hedges	-	-	-	-	127	-	**127**
Total comprehensive income	-	-	-	-	132	(8,290)	**(8,158)**
Share based payments	-	-	-	-	64	-	**64**
Total transactions with owners	-	-	-	-	64	-	**64**
Balance at 30 September 2026	**1,137**	**(70)**	**1,200**	**22,500**	**6,925**	**14,236**	**45,928**

[1] Other reserves comprises the merger reserve £6,967k, share based payment reserve £45k, the hedge reserve (£58k) and the foreign currency translation reserve (£29k). Refer to Note 1 for details regarding the opening retained earnings prior year restatement.

	Share capital	Own shares EBT	Capital redemption reserve	Share premium account	Other[1] Reserves	Retained earnings	Total
	£000	£000	£000	£000	£000	£000	£000
Balance at 31 March 2025 (Restated)	1,128	(70)	1,200	22,500	6,900	31,684	63,342
Loss for the period	-	-	-	-	-	(5,276)	(5,276)
Exchange differences	-	-	-	-	(49)	-	(49)
Fair value (gains)/losses on cashflow hedges	-	-	-	-	(92)	-	(92)
Total comprehensive income	-	-	-	-	(141)	(5,276)	(5,417)
Share based payments	-	-	-	-	77	-	77
Exercised employee share based payments	-	-	-	-	(2)	2	-
Issue of share capital	2	-	-	-	-	-	2
Total transactions with owners	2	-	-	-	75	2	79
Balance at 30 September 2025 (Restated)	1,130	(70)	1,200	22,500	6,834	26,410	58,004

1 Other reserves comprises the merger reserve £6,967k, hedge reserve (£176)k, share based payment reserve £103k and the foreign currency translation reserve (£60)k.

Refer to Note 1 for details regarding the opening retained earnings prior year restatement.

Condensed consolidated statement of Changes in Equity (unaudited) (continued)

	Share capital £000	Own shares EBT £000	Capital redemption reserve £000	Share premium account £000	Other[1] Reserves £000	Retained earnings £000	Total £000
Balance at 1 April 2025 (Restated)	1,128	(70)	1,200	22,500	6,900	31,684	63,342
Loss for the period	-	-	-	-	-	(9,168)	(9,168)
Exchange differences	-	-	-	-	(24)	-	(24)
Fair value (gains)/losses on cashflow hedges	-	-	-	-	(101)	-	(101)
Total comprehensive income	-	-	-	-	(125)	(9,168)	(9,293)
Share based payments	-	-	-	-	(36)	-	(36)
Exercised employee share based payments	-	-	-	-	(10)	10	-
Issue of share capital	9	-	-	-	-	-	9
Total transactions with owners	9	-	-	-	(46)	10	(27)
Balance at 31 March 2026 (Restated)	1,137	(70)	1,200	22,500	6,729	22,526	54,022

[1]Other reserves comprises the merger reserve £6,967k, hedge reserve (£185)k, share based payment reserve (£19)k and the foreign currency translation reserve (£34)k.

Refer to Note 1 for details regarding the opening retained earnings prior year restatement.

Condensed Consolidated Statement of Cash Flows(unaudited)

	Note	For the six months ended 30 September 2026 £000	For the six months ended 30 September 2025 Restated[1] £000	For the year ended 31 March 2026 £000
Cashflows from operating activities:				
Loss before tax		**(9,908)**	**(6,680)**	**(13,638)**
Non-cash and other movements in operating assets and liabilities included in profit before tax:				
Net finance costs	**4**	5,674	4,328	9,181
Depreciation costs	**8**	6,365	7,109	13,409
Amortisation of intangible assets	**7**	4,899	5,987	13,936
Share based payments	**3**	64	77	(36)
Research and development tax credit		(239)	(267)	(390)
Unrealised Foreign exchange loss/(gain)		20	(12)	(12)
Other non-cash items		17	94	-
Exceptional items	**3**	250	673	671
Movement in trade receivables		5,596	(1,346)	(2,106)
Movement in trade payables		(9,434)	(1,605)	871
Cash flow from operating activities		**3,304**	**8,358**	**21,886**
Net corporation tax refunded/(paid)		516	(342)	(275)
Net cash flow from operating activities		**3,820**	**8,016**	**21,611**
Cash flow from investing activities				
Purchase of property, plant and equipment	**8**	(2,224)	(3,635)	(6,971)
Capitalisation of development costs	**7**	(1,214)	(1,505)	(2,442)
Payment of contingent consideration[2]		-	(364)	(364)
Net cash used in investing activities		**(3,438)**	**(5,504)**	**(9,777)**
Cash flow from financing activities				
Issue of shares		-	2	9
Drawdown of bank loans	**9**	7,500	500	500
Refinancing costs		-	(405)	(405)
Lease interest payments	**9**	(527)	(594)	(1,429)
Lease capital repayments	**9**	(1,947)	(1,443)	(2,772)
Repayments under supplier finance arrangement	**9**	(1,168)	-	-
Payments for long-term licence agreements		(726)	(5,171)	(5,171)
Finance costs paid	**9**	(4,292)	(3,401)	(6,733)
Net cash used in financing activities		**(1,160)**	**(10,512)**	**(16,001)**
Net decrease in cash and cash equivalents		**(778)**	**(8,000)**	**(4,167)**
Cash and cash equivalents at the beginning of the period		**8,921**	**13,088**	**13,088**
Cash and cash equivalents at the end of the period		**8,143**	**5,088**	**8,921**

[1] Comparative information for the six months ended 30 September 2025 has been restated as described in Note 1.

[2] In the comparative period, the payment of contingent consideration of £0.4m has been reclassified from financing activities to investing activities to reflect its nature as consideration for an acquisition. The payment, made in April 2025, related to the historic acquisition of CWL Systems Limited by Atech Support Limited. There was no such payment in the current period.

Notes to the condensed financial statements

1. Basis of preparation

The condensed consolidated financial statements for the six months ended 30 September 2026 comprise the consolidated financial statements of Iomart Group plc ('the Company') and its subsidiaries (collectively 'the Group').

The condensed consolidated financial statements do not include all the information and disclosures required in the Group's annual consolidated financial statements and do not constitute statutory accounts within the meaning of section 434 of the Companies Act 2006. The comparative figures for the year ended 31 March 2026 have been extracted from the Company's statutory accounts for that financial year, which have been reported on by the Company's auditor and delivered to the Registrar of Companies. The auditor's report on those accounts was unqualified, did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying the report, and did not contain a statement under section 498(2) or (3) of the Companies Act 2006. The financial information for the six months ended 30 September 2026 and 30 September 2025 is unaudited.

The accounting policies and estimation techniques applied in the condensed consolidated financial statements are consistent with those applied in Group financial statements for the year ended 31 March 2026. The provisions of IAS 34 'Interim Financial Reporting' have not been applied in full.

The condensed consolidated financial statements are stated in thousands of pounds sterling, which is the Group's presentation currency.

Prior period restatements

Accelerated Finance Costs and Exceptional Expenses

During the six months ended 30 September 2025, the Group amended the terms of its revolving credit facility. At 30 September 2025, the amendment was accounted for as a substantial modification with £319k of unamortised arrangement fees written off within finance costs.

At 31 March 2026, management reassessed the accounting treatment and concluded that the amendment should have been accounted for in accordance with the IFRS 9 modification requirements, resulting in a £209,000 net debit to the IFRS Statutory profit. The comparative information for the six months ended 30 September 2025 has been restated accordingly. The annual financial statements for the year ended 31 March 2026 applied the correct treatment and are unaffected.

In addition, Acquisition costs and exceptional administrative expenses have been reclassified for HY'26 to better reflect the underlying nature of these costs and distinguish M&A-related expenditure from operational cost-saving initiatives.

Notes to the condensed financial statements (continued)

Prior period restatements (continued)

The effects of the restatement and reclassification noted above on the prior year is as follows:

For the six month period ended 30 September 2025	Original presentation	Reclassification	Restatement	Revised presentation
Net Finance costs	(4,647)	-	319	(4,328)
Acquisition costs	-	(367)	-	(367)
Non-recurring administrative expenses	(1,561)	367	(528)	(1,722)
	(6,208)	-	**(209)**	**(6,417)**

Deferred Revenue and Retained Earnings

Management identified that Group revenue for the year ended 31 March 2023 had been overstated by £190k due to adjustments recorded in subsidiary statutory accounts after completion of the Group reporting process not being reflected within the consolidation.

The error has been corrected retrospectively by restating opening balances at 1 April 2025, the start of the earliest period presented. It has no effect on the income statement or loss per share for any period presented.

The effects of the restatement noted above on the 31 March 2025 Balance sheet is as follows:

For the year ended 31 March 2025	Original presentation	Restatement	Revised presentation
Retained earnings	31,874	(190)	31,684

Going concern

The Directors have assessed the Group's ability to continue as a going concern for the period to 31 December 2027, being at least twelve months from the date of approval of these condensed consolidated financial statements.

At 30 September 2026, the Group had net debt of £117.2m (31 March 2026: £108.6m), including £105.0m drawn under its £115m revolving credit facility, which matures on 30 June 2028. Although the Group complied with all covenant requirements during the period, current forecasts indicate that leverage at 31 December 2026 is expected to exceed the maximum level permitted under the facility's leverage covenant.

The Directors' assessment assumes that the Group obtains a waiver of the 31 December 2026 covenant test, completes the proposed sale of its data centre business and secures revised financing arrangements following completion. Should completion be delayed beyond 31 March 2027, a further covenant waiver may also be required. Bilateral discussions with a potential acquirer are progressing; however, the proposed disposal remains subject to definitive agreements, shareholder approval and completion conditions.

The Directors have considered a range of forecasts, including severe but plausible downside scenarios, and identified a number of mitigating actions available to the Group, including implementation of the cost reduction programme, reduction of discretionary capital expenditure, alternative options for the data centre business and, if required, an equity raising.

The Directors believe that the covenant waivers, proposed disposal and refinancing can be successfully completed and have therefore concluded that it is appropriate to prepare the condensed consolidated financial statements on a going concern basis. However, these matters are not wholly within the Group's control and represent conditions which indicate the existence of a material uncertainty that may cast significant doubt upon the Group's ability to continue as a going concern. If the necessary covenant waivers are not obtained, or the proposed disposal and refinancing do not proceed broadly as envisaged, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

Accordingly, a material uncertainty exists that may cast significant doubt on the Group's

ability to continue as a going concern. The condensed consolidated financial statements do not include any adjustments that would result if the Group were unable to continue as a going concern.

Significant judgements

In addition to the significant judgements and key sources of estimation uncertainty set out in the Group's Annual Report and Financial Statements for the year ended 31 March 2026, the Directors consider the following to be a significant judgement in preparing these condensed consolidated financial statements.

Classification as held for sale: IFRS 5 'Non-current Assets Held for Sale and Discontinued Operations' requires a non-current asset or disposal group to be classified as held for sale when its carrying amount will be recovered principally through a sale transaction rather than through continuing use, it is available for immediate sale in its present condition and its sale is highly probable. Determining whether these criteria are met at the reporting date requires judgement, in particular whether a sale is highly probable, meaning significantly more likely than probable. In making this assessment, the Directors consider whether the appropriate level of management is committed to a plan to sell, whether the sale is expected to complete within one year, the status of negotiations and of any approvals required, including shareholder approval, and whether it is unlikely that significant changes will be made to the plan or that it will be withdrawn. The data centre business was transferred into Iomart Data Centre Services Limited on 31 August 2026 and was available for immediate sale in its present condition from that date. However, at 30 September 2026 the key commercial terms of the proposed sale, including the structure of the consideration and the purchase price adjustment mechanism, had not been agreed, no binding agreement had been signed, and neither the Board nor shareholders had approved a transaction on agreed terms.

The Directors therefore concluded that the sale was not highly probable at that date, and that the criteria for classification as held for sale were not met for the data centre business or any other asset or disposal group of the Group.

Accordingly, no assets or liabilities have been classified as held for sale and no operations have been presented as discontinued.

2. Operating segments

The Group's operating segments are defined and presented in accordance with IFRS 8: Operating Segments, based on the internal management reporting structure and financial information reviewed by the Chief Operating Decision Maker (CODM), identified as the Chief Executive Officer. The Group's primary reporting format is by business unit.

Following the separation of the Group's data centre operations into a separate legal entity, the financial information reviewed by the CODM has been revised and Iomart Data Centre Services is now presented as a separate operating segment. In accordance with IFRS 8, segment information for the comparative periods has been restated on a consistent basis.

The Group's operating segments are:

Iomart Cloud Services

Provider of managed cloud hosting, private and hybrid cloud, backup and disaster recovery, connectivity and managed IT services, mainly to larger SME and corporate customers. Services are delivered from UK data centres operated by the Iomart Data Centre Services.

Iomart Data Centre Services

Owns and operates the Group's estate of UK data centres. Revenue comes from colocation, power, space and connectivity services to third-party customers, and from intersegment colocation charges to the Group's other operating segments.

Atech

Leading Microsoft Solution Partner, delivering complex, public cloud deployments, modern workplace solutions, digital transformation and specialised managed services to mid-sized enterprises.

Domain and Mass Hosting (Easyspace)

Our domain and mass hosting division delivering domain name registration and mass hosting services primarily to small and micro businesses.

Notes to the condensed financial statements (continued)

2. Operating segments (continued)

Revenue by operating segment

	For the six months ended 30 September		For the year ended 31 March
	2026	2025 Reclassified	2026 Reclassified
Revenue by operating segment	**£'000**	£'000	£'000
Iomart Cloud Services	26,414	37,901	76,223
Iomart Data Centre Services	6,583	6,603	13,329
Atech	29,293	25,565	50,123
Easyspace	6,664	7,676	15,210
Total revenue	**68,954**	77,745	154,885

Iomart revenue can be further disaggregated as follows:

	For the six months ended 30 September		For the year ended 31 March
	2026	2025 Reclassified	2026 Reclassified
Iomart disaggregated revenue	**£'000**	£'000	£'000
Cloud managed services	16,837	26,440	52,647
Self-managed infrastructure	5,556	6,230	12,415
Non-recurring	4,021	5,231	11,161
Total revenue	**26,414**	37,901	76,223

Recurring and Non-Recurring Revenue

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

	For the six months ended 30 September		For the year ended 31 March
	2026	2025	2026
	£'000	£'000	£'000
Recurring	61,026	67,189	133,648
Non-recurring	7,928	10,556	21,237
Total revenue	**68,954**	**77,745**	154,885

Geographical Information

In presenting the consolidated information on a geographical basis, revenue is based on the geographical location of customers. The United Kingdom is the place of domicile of the parent company, Iomart Group plc. No individual country other than the United Kingdom contributes a material amount of revenue; therefore revenue from outside the United Kingdom has been shown as from Rest of the World.

Notes to the condensed financial statements (continued)

2. Operating segments (continued)

	For the six months ended 30 September		For the year ended 31 March
	2026	2025	2026
	£'000	£'000	£'000
United Kingdom	61,149	71,662	140,917
Rest of world	7,805	6,083	13,968
	68,954	77,745	154,885

Profit by operating segment

For the six months ended 30 September 2026 **£'000**	Iomart Cloud Services	Iomart Data Centre Services	Atech	Domain & Mass hosting (Easyspace)	Corporate centre	**Total**
Recurring revenue	23,419	14,219	26,397	6,987	(9,996)	61,026
Non-recurring revenue	4,021	-	5,133	30	(1,256)	7,928
Total revenue	**27,440**	**14,219**	**31,530**	**7,017**	**(11,252)**	**68,954**
Cost of sales	(19,668)	(5,779)	(21,875)	(3,206)	11,204	(39,324)
Administrative expenses	(9,091)	(2,524)	(6,875)	(866)	(1,293)	(20,649)
Group overheads						-
Adjusted EBITDA	**(1,319)**	**5,916**	**2,780**	**2,945**	**(1,341)**	**8,981**
Depreciation	(4,468)	(1,661)	(182)	(54)	-	(6,365)
Amortisation other intangibles	(3,095)	-	(72)	(184)	-	(3,351)
Total adjusted EBIT	**(8,882)**	**4,255**	**2,526**	**2,707**	**(1,341)**	(735)
Finance costs					(5,674)	(5,674)
Share based payments					(64)	(64)
Acquisition costs					-	-
Exceptionals					(1,887)	(1,887)
Amortisation acquired intangibles					(1,548)	(1,548)
Statutory IFRS profit/(loss) before tax						**(9,908)**

Notes to the condensed financial statements (continued)

2. Operating segments (continued)

For the six months ended 30 September 2025 £'000	Iomart Cloud Services	Iomart Data Centre Services	Atech	Domain & Mass hosting (Easyspace)	Corporate centre	Total
Recurring revenue	34,581	13,742	19,768	7,649	(8,551)	67,189
Non-recurring revenue	5,231	-	5,797	25	(497)	10,556
Total revenue	**39,812**	**13,742**	**25,565**	**7,674**	**(9,048)**	**77,745**
Cost of sales	(26,962)	(4,939)	(16,776)	(2,707)	9,048	(42,336)
Administrative expenses	(10,089)	(2,473)	(6,208)	(1,081)	-	(19,851)
Group overheads					(2,648)	(2,648)
Adjusted EBITDA	2,761	6,330	2,581	3,886	(2,648)	12,910
Depreciation	(5,263)	(1,638)	(146)	(62)	-	(7,109)
Amortisation other intangibles	(3,182)	-	(146)	(172)	(157)	(3,657)
Total adjusted EBIT	(5,684)	4,692	2,289	3,652	(2,805)	2,144
Finance costs					(4,328)	(4,328)
Share based payments					(77)	(77)
Acquisition costs					(367)	(367)
Exceptionals					(1,722)	(1,722)
Amortisation acquired intangibles					(2,330)	(2,330)
Statutory IFRS profit/(loss) before tax						(6,680)

Notes to the condensed financial statements (continued)

2. Operating segments (continued)

For the year ended 31 March 2026 £'000	Iomart Cloud Services	Iomart Data Centre Services	Atech	Domain & Mass hosting (Easyspace)	Corporate centre	Total
Recurring revenue	67,230	27,607	41,145	14,976	(17,310)	133,648
Non-recurring revenue	11,161	-	11,077	235	(1,236)	21,237
Total revenue	**78,391**	**27,607**	**52,222**	**15,211**	**(18,546)**	**154,885**
Cost of sales	(51,682)	(12,063)	(35,365)	(5,790)	18,545	(86,355)
Administrative expenses	(20,221)	(4,946)	(11,781)	(1,800)		(38,748)
Group overheads					(4,222)	(4,222)
Adjusted EBITDA	6,488	10,598	5,076	7,621	(4,223)	25,561
Depreciation	(9,712)	(3,347)	(249)	(101)	-	(13,409)
Amortisation other intangibles	(6,283)	0	(313)	(313)	(77)	(6,986)
Total adjusted EBIT	(9,507)	7,251	4,514	7,207	(4,299)	5,166
Finance costs					(9,181)	(9,181)
Share based payments					36	36
Acquisition costs					(480)	(480)
Non-recurring administrative expenses					(2,229)	(2,229)
Amortisation-acquired intangible assets					(6,950)	(6,950)
IFRS loss before tax						(13,638)

Notes to the condensed financial statements (continued)

3. Administrative and other expenses

	Note	For the six months ended 30 September 2026 £'000	2025 £'000	For the year ended 31 March 2026 £'000
Staff costs		15,565	17,296	33,033
Depreciation	**8**	6,365	7,109	13,409
Amortisation other intangible assets	**7**	3,351	3,545	6,986
Amortisation acquired intangible assets	**7**	1,548	2,442	6,950
Non-recurring administrative expenses		1,887	1,722	2,229
Acquisition related costs		-	367	480
Audit, Legal & Professional fees		912	1,184	1,797
IT costs		834	853	1,669
Property related costs		832	818	1,454
Other Costs		1,096	877	1,869
Sales & Marketing		380	491	973
Bad debt		333	260	895
Travel Expenses		369	383	796
Business insurance		328	337	483
Share based payments		64	77	(36)
Total administrative and other expenses		**33,864**	**37,761**	**72,987**

Administrative expenses include acquisition related costs as well as other exceptional non-recurring administrative items. These are presented in the table below:

	For the six months ended 30 September 2026 £'000	2025 Restated[1] £'000	For the year ended 31 March 2026 £'000
Professional fees	-	367	480
Non-recurring acquisition integration costs	-	-	-
Total Acquisition costs	**-**	**367**	**480**
Exceptional non-recurring people costs	273	1,194	1,226
Exceptional non-recurring costs	1,614	528	1,003
Total non-recurring administrative expenses	**1,887**	**1,722**	**2,229**

[1] Comparative information for the six months ended 30 September 2025 has been restated as described in Note 1.

Notes to the condensed financial statements (continued)

3. Administrative and other expenses (Continued)

Exceptional administrative expenses of £1.9m were recognised in the current year, comprising £1.6m of expenditure associated with corporate programmes and £0.3m relating to cost efficiency programmes, integration activities and other non-recurring strategic initiatives.

4. Net Finance costs

	For the six months ended 30 September		For the year ended 31 March
	2026	2025	2026
	£'000	£'000	£'000
Finance income:			
Bank interest received	**31**	8	9
Finance costs:			
Bank loan	(3,795)	(3,497)	(7,319)
Interest on lease liabilities	(527)	(594)	(1,429)
Loss modification on borrowings	(1,044)	-	-
Other interest charges	(339)	(245)	(442)
	(5,705)	(4,336)	(9,190)
Net finance costs[i]	**(5,674)**	(4,328)	(9,181)

[i]Net finance costs for the six months ended 30 September 2025 have been restated following a review of the application of IFRS 9 Financial Instruments. Further details are provided in Note 1.

5. Earnings per 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 shares 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 adjusting for the dilutive potential ordinary shares relating to share options.

Notes to the condensed financial statements (continued)

The calculations of earnings per share are based on the following results:

	For the six months ended 30 September		For the year ended 31 March
	2026	2025 Restated	2026
	£'000	£'000	£'000
Loss for the period/year and basic earnings attributed to ordinary shareholders	**(8,290)**	(5,276)	(9,168)
Weighted average number of ordinary shares:			
Called up, allotted and fully paid at start of period	113,729	112,764	112,764
Shares held by Employee Benefit Trust	(141)	(141)	(141)
Issued share capital in the period	-	62	504
Weighted average number of ordinary shares – basic	**113,588**	112,685	113,127
Dilutive impact of share options	179	1,190	2,694
Weighted average number of ordinary shares – diluted	**113,767**	113,875	115,821
Basic earnings per share (p)	(7.3)	(4.7)	(8.1)
Diluted earnings per share (p)	(7.3)	(4.7)	(8.1)

Iomart Group plc assess the performance of the Group by adjusting earnings per share, calculated in accordance with IAS 33, to exclude certain non-trading items. The calculation of the earnings per ordinary share on a basis which excludes such items is based on the following adjusted earnings:

	For the six months ended 30 September		**For the year ended 31 March**
	2026	2025 Restated	2026
	£'000	£'000	£'000
Loss for the financial period and basic earnings attributed to ordinary shareholders	**(8,290)**	(5,276)	(9,168)
Amortisation of acquired intangible assets	1,548	2,442	6,950
Acquisition costs	-	367	480
Non-recurring exceptional administrative expenses	1,887	1,722	2,229
Share based payments	64	77	(36)
Tax impact of adjusting items	(843)	(1,152)	(2,286)
Adjusted loss for the financial period/year and adjusted basic earnings attributed to ordinary shareholders	**(5,634)**	(1,820)	(1,831)
Adjusted basic earnings per share (p)	(5.0)	(1.6)	(1.6)
Adjusted diluted earnings per share (p)	(5.0)	(1.6)	(1.6)

Notes to the condensed financial statements (continued)

6. Taxation

	6 months to 30 September 2026	6 months to 30 September 2025	Year to 31 March 2026
	£'000	£'000	£'000
Corporation Tax:			
Tax credit/(charge) for the period/year	-	572	(75)
Adjustment relating to prior years	-	-	607
Total current taxation credit	**-**	572	532
Deferred Tax:			
Origination and reversal of temporary differences	1,618	832	2,814
Adjustment relating to prior periods	-	-	1,124
Total deferred taxation credit	**1,618**	832	3,938
Total taxation credit for the period/year	**1,618**	1,404	4,470

Notes to the condensed financial statements (continued)

7. Intangible assets

	Goodwill £'000	Development costs[i] £'000	Acquired customer relationships £'000	Acquired Brand £'000	Software £'000	Acquired beneficial contract £'000	Domain names & IP addresses £'000	Total £'000
Cost:								
At 1 April 2025	**156,436**	**21,330**	**81,346**	**1,794**	**29,946**	**86**	**338**	**291,276**
Additions	-	1,505	-	-	-	-	-	1,505
Foreign exchange differences	-	-	(28)	-	(21)	-	-	(49)
At 30 September 2025	**156,436**	**22,835**	**81,318**	**1,794**	**29,925**	**86**	**338**	**292,732**
Additions	-	937	-	-	-	-	-	937
Foreign exchange differences	-	-	15	-	11	-	-	26
At 31 March 2026	**156,436**	**23,772**	**81,333**	**1,794**	**29,936**	**86**	**338**	**293,695**
Additions[i]	-	1,214	-	-	-	-	-	1,214
Disposals	-	-	(5)	-	(4)	-	-	(9)
At 30 September 2026	**156,436**	**24,986**	**81,328**	**1,794**	**29,932**	**86**	**338**	**294,900**
Accumulated amortisation:								
At 1 April 2025	**(52,900)**	**(16,599)**	**(62,344)**	**(74)**	**(14,648)**	**(86)**	**(320)**	**(146,971)**
Amortisation Charge	-	(1,368)	(2,294)	(148)	(2,173)	-	(4)	(5,987)
Foreign exchange differences	-	-	28	-	21	-	-	49
At 30 September 2025	**(52,900)**	**(17,967)**	**(64,610)**	**(222)**	**(16,800)**	**(86)**	**(324)**	**(152,909)**
Amortisation Charge	-	(1,307)	(4,434)	(74)	(2,128)	-	(6)	(7,949)
Foreign exchange differences	-	-	(16)	-	(10)	-	-	(26)
Acquisition adjustment	-	(579)	-	-	-	-	-	(579)
At 31 March 2026	**(52,900)**	**(19,853)**	**(69,060)**	**(296)**	**(18,938)**	**(86)**	**(330)**	**(161,462)**
Amortisation Charge	-	(1,276)	(1,477)	(71)	(2,071)	-	(4)	(4,899)
Disposals	-	-	5	-	4	-	-	9
At 30 September 2026	**(52,900)**	**(21,129)**	**(70,532)**	**(367)**	**(21,005)**	**(86)**	**(334)**	**(166,353)**
Carrying amount:								
At 30 September 2026	**103,536**	**3,857**	**10,796**	**1,427**	**8,927**	**-**	**4**	**128,547**
At 31 March 2026	**103,536**	**3,919**	**12,273**	**1,498**	**10,998**	**-**	**8**	**132,232**

[i]Additions in the period of £1.2m (HY'26: £1.5m) relate entirely to capitalised development costs, reflecting the Group's continued investment in innovation. Further information on the Group's development projects is provided in Note 10 to the Annual Report and Financial Statements for the year ended 31 March 2026.

Notes to the condensed financial statements (continued)

8. Property, plant and equipment

	Freehold property £000	Right of use assets[i] £000	Property improvements £000	Datacentre equipment £000	Computer equipment £000	Office equipment £000	Motor vehicles £000	Total £000
Cost:								
1 April 2025	**8,236**	**35,754**	**20,444**	**27,779**	**131,865**	**3,033**	**85**	**227,196**
Additions in the period	-	1,124	206	1,623	1,785	20	-	4,759
Disposals in the period	-	(958)	-	-	-	-	-	(958)
Currency translation differences	-	31	-	-	(33)	-	-	(2)
At 30 September 2025	**8,236**	**35,951**	**20,650**	**29,402**	**133,617**	**3,053**	**85**	**230,995**
Additions in the period	19	4,138	70	1,481	1,997	26	-	7,730
Disposals in the period	-	(1,685)	(180)	-	-	-	-	(1,865)
Currency translation differences	-	(288)	-	-	84	-	-	(204)
Onerous lease impairment	-	(31)	-	-	-	-	-	(31)
At 31 March 2026	**8,255**	**38,085**	**20,540**	**30,883**	**135,698**	**3,079**	**85**	**236,625**
Additions in the period	-	-	147	1,384	673	20	-	2,224
Disposals in the period	-	(2,462)	(1)	(2,325)	(94)	(131)	-	(5,013)
Derecognition of assets	-	-	-	(172)	-	-	-	(172)
Currency translation differences	-	27	-	-	57	-	-	84
At 30 September 2026	**8,255**	**35,650**	**20,686**	**29,770**	**136,334**	**2,968**	**85**	**233,748**
Accumulated depreciation:								
At 31 March 2025	**(1,770)**	**(19,145)**	**(10,827)**	**(19,652)**	**(113,566)**	**(2,676)**	**(45)**	**(167,681)**
Disposals in the period	-	672	-	-	-	-	-	672
Currency translation differences	-	94	-	-	26	-	-	120
Charge for the period	(115)	(1,888)	(713)	(942)	(3,369)	(75)	(7)	(7,109)
At 30 September 2025	**(1,885)**	**(20,267)**	**(11,540)**	**(20,594)**	**(116,909)**	**(2,751)**	**(52)**	**(173,998)**
Disposals in the period	-	1,803	180	-	-	-	-	1,983
Currency translation differences	-	12	6	-	(85)	-	-	(67)
Charge for the period	(175)	(1,787)	(269)	(990)	(3,016)	(55)	(8)	(6,300)
At 31 March 2026	**(2,060)**	**(20,239)**	**(11,623)**	**(21,584)**	**(120,010)**	**(2,806)**	**(60)**	**(178,382)**
Disposals in the period	-	2,462	1	2,325	94	131	-	5,013
Derecognition of assets	-	-	-	68	-	-	-	68
Currency translation differences	-	(20)	-	-	(59)	-	-	(79)
Charge for the period	(216)	(1,938)	(144)	(1,340)	(2,684)	(35)	(8)	(6,365)
At 30 September 2026	**(2,276)**	**(19,735)**	**(11,766)**	**(20,531)**	**(122,659)**	**(2,710)**	**(68)**	**(179,745)**
Carrying amounts:								
At 30 September 2026	**5,979**	**15,915**	**8,920**	**9,239**	**13,675**	**258**	**17**	**54,003**
At 31 March 2026	6,195	17,846	8,917	9,299	15,688	273	25	58,243

[i]At 30 September 2026, the net book value of Right of use assets primarily consists of Leasehold property £14,403k, DC Equipment £1,458k and Motor vehicles £54k. Depreciation charges associated with these assets were £1,514k, £417k and £7k respectively.

Notes to the condensed financial statements (continued)

9. Analysis of change in net debt

Analysis of change in net debt	Cash and cash equivalents £000	Supplier finance arrangement[i] £000	Bank Loans £000	IFRS 16 Leases £000	Total Net Cash/(Debt) £000
At 1 April 2025	13,088	-	(97,000)	(18,006)	(101,918)
Drawdown of bank loan	-	-	(500)	-	(500)
Cash and cash equivalents cash in/(out)flow	(8,000)	-	-	-	(8,000)
Bank loan interest charged	-	-	(3,401)	-	(3,401)
Bank loan interest paid	-	-	3,401	-	3,401
Additions to lease liabilities	-	-	-	(1,124)	(1,124)
Disposal to lease liabilities	-	-	-	452	452
Currency translation	-	-	-	2	2
Lease interest accretion	-	-	-	(594)	(594)
Lease interest paid	-	-	-	594	594
Lease payments capital payments	-	-	-	1,443	1,443
At 30 September 2025	**5,088**	**-**	**(97,500)**	**(17,233)**	**(109,645)**
Cash and cash equivalents cash in/(out)flow	3,833	-	-	-	3,833
Bank loan interest charged	-	-	(3,332)	-	(3,332)
Bank loan interest paid	-	-	3,332	-	3,332
Additions to lease liabilities	-	-	-	(4,138)	(4,138)
Disposal to lease liabilities	-	-	-	(6)	(6)
Currency translation	-	-	-	6	6
Lease interest accretion	-	-	-	(835)	(835)
Lease interest paid	-	-	-	835	835
Lease payments capital payments	-	-	-	1,329	1,329
At 1 April 2026	**8,921**	**-**	**(97,500)**	**(20,042)**	**(108,621)**
Drawdown of bank loan	-	-	(7,500)	-	(7,500)
Supplier finance arrangement (non-cash)	-	(3,346)	-	-	(3,346)
Repayment of supplier finance arrangement[i]	-	1,089	-	-	1,089
Supplier finance arrangement interest paid[i]	-	79	-	-	79
Supplier finance arrangement interest charged	-	(96)	-	-	(96)
Cash and cash equivalents cash outflow	(778)	-	-	-	(778)
Currency translation	-	-	-	71	71
Bank loan interest charged	-	-	(4,292)	-	(4,292)
Bank loan interest paid	-	-	4,292	-	4,292
Lease interest accretion	-	-	-	(527)	(527)
Lease interest paid	-	-	-	527	527
Lease payments capital payments	-	-	-	1,876	1,876
At 30 September 2026	**8,143**	**(2,274)**	**(105,000)**	**(18,095)**	**(117,226)**

[i]Repayment of supplier finance arrangement (£1,089k) and supplier finance arrangement interest paid (£79k) together equal the £1,168k of instalments paid under the supplier finance arrangement, shown as 'Repayments under supplier finance arrangement' within financing activities in the condensed consolidated statement of cash flows.

Bank loan interest charged is presented equal to bank loan interest paid in the period, as interest accruals are included within trade and other payables rather than net debt. The bank loan balance within net debt therefore reflects the principal amount drawn.

Notes to the condensed financial statements (continued)

10. Borrowings

	30 September 2026 £'000	30 September 2025 £'000	31 March 2026 £'000
Current:			
Supplier finance arrangement	(2,274)	-	-
Current borrowings	(2,274)	-	-
Non-current:			
Bank loans - Capital	(105,000)	(97,500)	(97,500)
Total non-current borrowings	**(105,000)**	(97,500)	(97,500)
Total borrowings	**(107,274)**	(97,500)	(97,500)

The carrying amount of borrowings approximates to their fair value.

On 5 June 2026 the Group amended and extended its revolving credit facility. The amendment was assessed as a non-substantial modification under IFRS 9. The carrying amount was remeasured to the present value of the revised cash flows, discounted at the original effective interest rate. This gave a non-cash loss of £1.0m, recognised in finance costs. Fees are deducted from the carrying amount and amortised using the effective interest rate. Bank loans are presented in the table above at the principal amount drawn of £105.0m at 30 September 2026.

During the period, the Group entered into a supplier finance arrangement to fund the FY27 annual licence payment to Broadcom. Under the arrangement, the supplier settled the Group's obligation to Broadcom and the Group repays the supplier in 12 equal monthly instalments of £0.3m from 1 June 2026 to 1 May 2027. The advance of £3.3m bears total finance charges of £0.2m over the term, equivalent to an effective interest rate of approximately 9.9% per annum. As the arrangement extends payment terms beyond those normally available from the supplier, the liability is presented within short-term borrowings and included in net debt. At 30 September 2026, the carrying amount of the liability was £2.3m (31 March 2026: £nil), with the remaining eight instalments due between 1 October 2026 and 1 May 2027. The initial recognition of the liability was a non-cash transaction and is therefore excluded from the condensed consolidated statement of cash flows; repayments are presented within financing activities.

11. Lease Liabilities

The Group leases a range of assets, including buildings, colocation arrangements, datacentre equipment, fibre and vehicles. Details of leases where the Group is the lessee are presented below:

Lease liabilities

The maturity analysis of lease liabilities is shown in the table below:

	30 September 2026 £'000	30 September 2025 £'000	31 March 2026 £'000
Lease liabilities (current)	(3,330)	(2,682)	(3,860)
Lease liabilities (non-current)	(14,765)	(14,551)	(16,182)
Total lease liabilities	**(18,095)**	(17,233)	(20,042)

The maturity analysis of undiscounted lease liabilities is shown in the table below:

	30 September 2026 £000	30 September 2025 £000	31 March 2026 £000
Amounts payable under leases:			
Within one year	(4,210)	(3,462)	(4,848)
Between two to five years	(10,048)	(9,873)	(11,125)
After more than five years	(7,277)	(7,341)	(8,214)
	(21,535)	(20,676)	(24,187)
Add: effect of discounting	3,440	3,443	4,145
Total lease liabilities	**(18,095)**	(17,233)	(20,042)

12. Post balance sheet events

Issue of Share Options

On 24 October 2026, the Company granted 1,000,000 share options under its Unapproved Share Option scheme to the CFO. The options have an exercise price of £0.01 per share and are subject to performance and service conditions, with 700,000 options vesting on 24 October 2028 and the remaining 300,000 options vesting on 24 October 2029.

Appointment of Director

On 19 November 2026, the Group appointed Craig Mackay, Group Chief Operating Officer, as a Director of the Board with immediate effect.

Sale of data centre business

Since the period end, bilateral discussions with a potential acquirer regarding the sale of the Group's data centre business have continued to progress. The data centre business is held in Iomart Data Centre Services Limited and comprises the Iomart Data Centre Services operating segment (Note 2). Any transaction would be subject to shareholder approval. As the criteria for classification as held for sale under IFRS 5 were not met at 30 September 2026, the data centre business has not been presented as held for sale in these condensed financial statements.

13. Availability of Interim

The Company's Interim Report for the six months ended 30 September 2026 is available to view on the Company's website (www.iomart.com).



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