IOMART

2026

Annual Report & Financial Statements

SC204560

FY26 Highlights

Total Revenue

£154.9m

2025: £143.5m

Adjusted EBITDA

£25.6m

2025: £34.3m

Recurring Revenue %

86%

2025: 89%

Adjusted EBIT

£5.2m

2025: £12.8m

Loss Before Tax

£(13.6)m

2025: £(53.2)m

Adjusted (loss)/ Profit Before Tax

£(4.0)m

2025: £6.5m

Cash Flow from Operations

£21.9m

2025: £27.2m

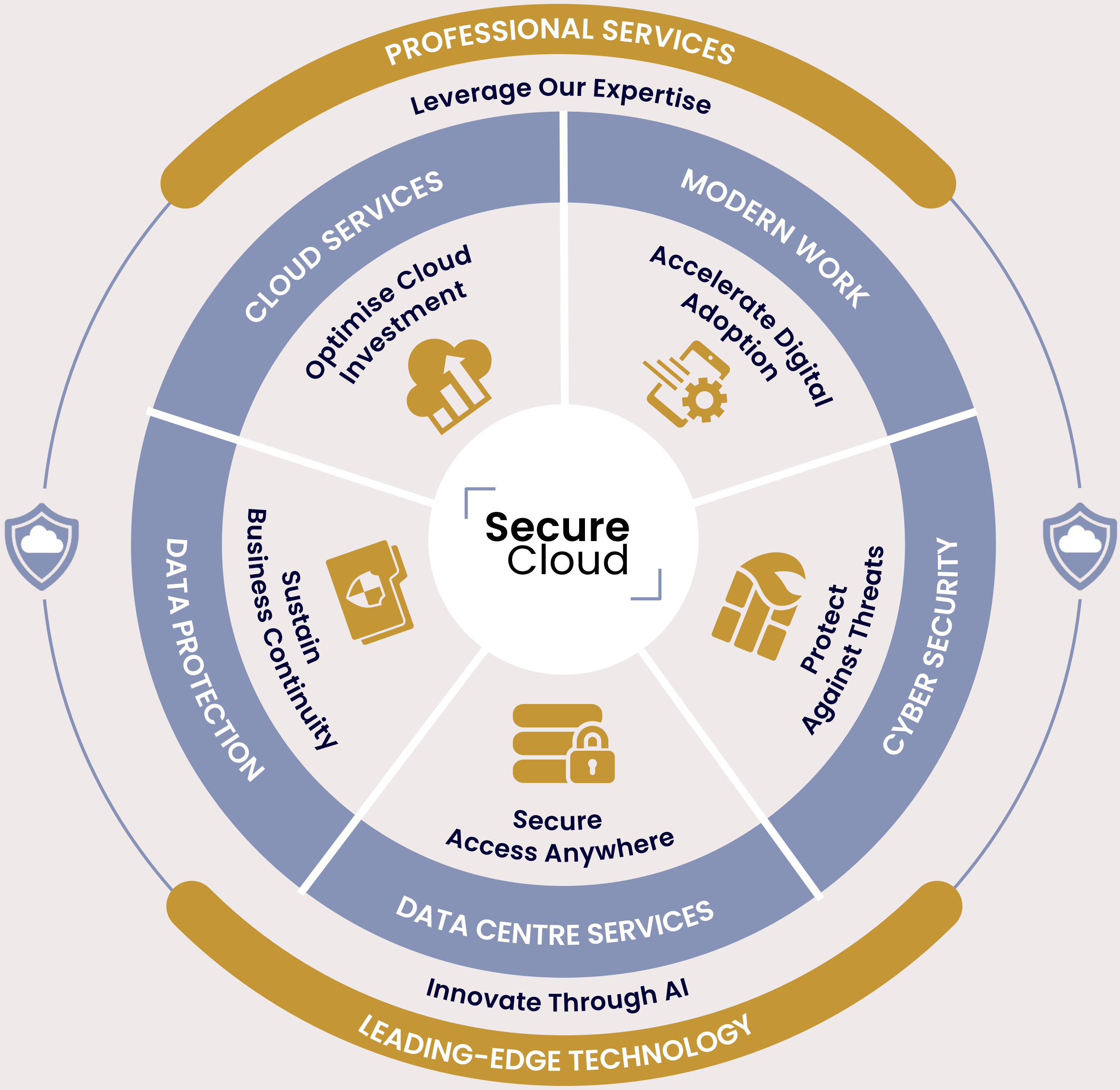
Adjusted Diluted EPS

(1.6)p

2025: 3.4p

Definitions of the Group's alternative performance measures are provided in the supplementary information on page **173**.

One of the UK's Most Accredited Providers of Secure Cloud Services.



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

BROADCOM
PINNACLE PARTNER
VMware Cloud Service Provider (VCSP)
VMWARE

Microsoft Partner | Azure Expert MSP

Commvault
ELITE
MSP PARTNER

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Officers and Professional Advisers

Directors

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

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Company Registration Number

SC204560

Strategic Report

Chairman's Statement

The year ended 31 March 2026 was one of transition for Iomart. The Group underwent a period of leadership evolution, which is continuing, and took decisive steps to redefine its operating model. These actions have the clear objective of strengthening accountability, enhancing operational focus and positioning the business for sustainable, long-term growth. This work is ongoing and we are confident that we will achieve our goals.

Financial Performance

Overall, the results for the year are in line with the market expectations as revised in February 2026. The Group's FY26 trading performance, as previously communicated, was mixed. Financial performance in the first half of the year was broadly in line with expectations, reflecting early benefits from the changes made to the operating model. However, the anticipated acceleration in profitability in the second half did not materialise, primarily due to softer order pipeline and intake and disappointingly elevated levels of customer churn in the final months of the financial year, resulting in second half financial performance broadly in line with that of the first half.

The Group delivered revenue of £154.9m (2025: £143.5m). Excluding recent acquisitions, the existing businesses experienced a revenue decline of 8% year-on-year primarily driven by customer churn in Iomart private cloud managed services alongside the impact of lower opening run-rate.

The Group secured gross order bookings[1] of £20.6m of ARR during the year, compared with £20.0m (excluding Atech contribution) in the prior year. However, this performance was offset by an increase in customer churn[2] which in total amounted to £21.2m in the year (2025: £19.5m). Notably in the final quarter renewal cycle, churn amounted to £8.4m, largely within lower margin Microsoft Modern Work offerings, where competition has intensified, and the last of the Group's legacy high margin back-up platform customers.

This outcome is consistent with the Group's transition away from legacy technologies towards more modern, longer term next-generation platforms and rebuilding growth within higher value cloud and managed service offerings including security and data protection.

1. 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.
2. 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 is recognised in the period in which the associated decrease in monthly recurring revenue is first reflected in reported revenue.

The reduction in our legacy and private cloud revenues, and the evolution of the mix of revenue has had a noticeable negative impact on adjusted EBITDA which decreased to £25.6m (2025: £34.3m), flowing through to an adjusted EBIT of £5.2m (2025: £12.8m) and an adjusted loss before tax of £4.0m (2025: £6.5m profit).

Encouragingly, profitability improved in the second half of the year, with adjusted EBIT margin increasing to 3.99% compared with 2.88% in the first half.

The Board set a clear target at the outset of the year to deliver £4m of annualised cost savings, and I am pleased to report that this target has been achieved. This has resulted in a structurally leaner cost base and improved operating leverage, positioning the Group to benefit as revenue growth momentum builds. A second phase of cost optimisation is being undertaken reflecting the evolving revenue portfolio and the revised business unit structure. This will include the expansion of our Indian offshoring operations and the greater use of AI within the business.

Total net debt increased to £108.6m as of 31 March 2026 (31 March 2025: £101.9m), or £88.6m excluding IFRS 16 lease liability (2025: £83.9m). Following the year-end, on 5 June 2026, the Group's £115m revolving credit facility was extended to 30 June 2028 and covenants were amended to reflect current leverage levels and plans.

The Group's cash generation continued to be strong with an adjusted EBITDA to operating cash flow (before exceptional items) conversion ratio of 96% (2025: 85%). This is a strength of the business and is testament to the Group's largely recurring revenue business model. During the current year we invested £14.6m (2025: £13.8m) in fixed assets and intangible long-term license arrangements and spent £1.9m on non-recurring exceptional items (2025: nil).

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 service.

Over the past year, the Group has taken important steps to sharpen execution of this strategy. A key area of progress has been the introduction of enhanced clarity around business unit ownership and accountability with the decision to formally separate the Group's Data Centre infrastructure operations from the wider services and solutions business units. A separate trading entity within Iomart Group has been established during the first quarter of the new financial year. This change will improve operational focus within each business unit, enhance transparency in performance evaluation and capital allocation.

Delivered **£4m**
of annualised cost savings.

We benefit from deep expertise across private, public and hybrid cloud infrastructures, strengthened relationships with our three core technology partnerships and a comprehensive suite of managed services. In addition, our ongoing transition towards higher value, strategically aligned platforms further underpins our ability to support customers' increasingly complex digital transformation requirements while driving sustainable growth for the Group.

Our Broadcom Pinnacle Partner status, combined with our early investment in a VMware Cloud Foundation (VCF) platform, positions Iomart strongly to address a significant shift in the infrastructure market.

Board Changes

Following the departure of Lucy Dimes, Group CEO, on 29 May 2025, I assumed the role of Executive Chair, supported by a strong executive leadership team and an experienced Board. We have appointed recruitment consultants to progress the search for a new CEO which will commence in earnest once we have completed our strategic reshaping of the business. To add depth to our senior management team, we have appointed Craig MacKay as Group Chief Operating Officer, who joined Iomart in October 2023 and, over the past year, has been serving as Managing Director of the Private Cloud and Datacentre businesses.

In February 2026, it was announced that Scott Cunningham, Chief Financial Officer, will step down from his role to take up a new opportunity outside the IT sector and will leave the business at the end of June 2026. On behalf of the Board and the wider Iomart team, I would like to thank Scott for his significant commitment and contribution over the past seven years and wish him every success in his future role. The process to appoint the successor CFO is progressing positively.

Outlook

The actions undertaken during the year have started the repositioning of Iomart both operationally and strategically. The Group enters the new financial year with a more efficient cost base, with work ongoing in this area, improved cash performance and a clearer framework for accountability and focus on growth.

As outlined earlier, the Group enters FY27 with a lower level of recurring revenue, reflecting elevated churn in the final months of the financial year. As a result, trading performance is expected to be weighted towards the second half, with a softer first half followed by a recovery as the year progresses, based on the Group's growing traction within its target markets, ongoing expansion conversations with existing customers and the full impact of cost saving initiatives undertaken. While this is expected to result in a modest decline in revenue for the full year, the Board expects the benefits of the actions taken on the cost base, together with an increased focus on higher value and strategically aligned services, will support an improved profit profile during the second half of the year, notwithstanding the ongoing macroeconomic backdrop.

Richard Last
Executive Chair

Richard Last.

22 June 2026

Operational Report

While not fully reflected in the financial results, FY26 has been a significant period of operational change and repositioning for the Group. During the year, we enhanced clarity around business unit ownership and accountability, including the decision to formally separate the Group's Data Centre Infrastructure operations from the wider services and solutions businesses.

Compared to twelve months ago, the Group enters the new financial year with a clearer organisational structure, more defined objectives and strengthened leadership. In April 2026, we appointed Craig MacKay as Group Chief Operating Officer, with responsibility for both sales and operations across Iomart Cloud Services and Atech. The Easyspace business will continue to operate independently, with its Managing Director reporting directly to the Board.

A positive feature of the year has been the stability of the well-established Easyspace and RapidSwitch brands (being the main brand within Iomart's Self-Managed Infrastructure) which performed in line with their respective plans. The restoration of operational stability in these businesses provides an important foundation for the Group's broader organic growth ambitions.

We have continued to invest in our core platforms and technology partnerships. Our investment in Broadcom's VMware Cloud Foundation, together with Pinnacle Partner status, positions Iomart strongly in a changing private cloud market. At the same time, the successful re-certification of Microsoft Expert Azure MSP status reinforces our capability to support customers across hybrid and multi-cloud environments.

Sales Momentum

The year represented a pivotal stage in the evolution of the Group's go-to-market model. Following the acquisition of Atech on 1 October 2024, we successfully integrated our marketing, sales, sales operations and pre-sales functions into a single, scaled organisation under the leadership of our Chief Revenue Officer. This unified structure supports the full breadth of our customer base and service portfolio, whilst retaining specialist expertise aligned to our core service practices.

Order bookings for recurring revenue across the Group totalled £20.6 m in ARR (2025: £20.0 m, excluding Atech). Over half of bookings this year were generated from Microsoft solution areas, reflecting the enhanced capability, credibility and customer demand associated with the Atech platform. Performance within our heritage private cloud and data protection portfolio was softer, influenced in part by customer caution arising from disruption in the VMware market following Broadcom's strategic repositioning. Encouragingly, pipeline activity in this area has strengthened in recent months ahead of the April 2027 market-wide deadline imposed for licensing transition and we expect this to support improved momentum through FY27.

Order bookings performance was broadly offset by higher-than-expected customer revenue churn of £21.2m (2025: £19.5m). This reflects ongoing competitive pressure within Microsoft Modern Work licensing, where larger providers continued to exert pricing pressure, together with the loss of the last significant customer on the Group's legacy back-up platform. While this has affected near-term performance, it is consistent with the Group's transition away from legacy technologies and lower-value services.

The focus remains on supporting customers' migration onto more modern platforms and rebuilding growth within higher-value cloud, security and data protection offerings.

Enhanced Portfolio & Technology Partnerships

Over the past 12 months, Atech has secured additional advanced Microsoft specialisations, including Copilot, positioning Iomart among a select group of UK partners. This strengthens our ability to support customers as they adopt new technologies and maximise value from their Microsoft environments.

The last year has seen a period of significant disruption within private cloud infrastructure. Broadcom, with VMware software, are the world's largest technology provider to private cloud virtualisation which underpins private clouds. They have driven hard their strategic focus on standardisation, enterprise-grade private cloud and deeper platform integration. This comes with a significant consolidation of partners. Our Broadcom Pinnacle Partner status, combined with our early investment in a VMware Cloud Foundation (VCF) platform, positions Iomart strongly to address this significant shift in the infrastructure market.

Collectively, these capabilities enable Iomart to support customers across the full spectrum of cloud services, public, private and hybrid, complemented by modern workplace, data protection and cyber security solutions and AI. This breadth of capability underpins our position as a leading UK secure cloud provider.

Operational Excellence & People

During the year, we continued to invest in improving the efficiency and scalability of our operations. This includes ongoing work in systems integration, automation and process standardisation to support a more modern and responsive service organisation.

With the acquisition of Atech we gained a significant asset in the form of an established, highly skilled and motivated team in India. In the last 12 months we have continued to expand the investment in India moving the headcount from 50 in October 2024, when we acquired Atech, to 89 at 31 March 2026. We are also investing in a new expanded office in India. This provides both 24/7 operational resilience and a platform for future scaling.

As previously outlined, we have implemented a series of strategic measures aimed at enhancing operational efficiency and reducing our ongoing cost base. These include workforce optimization, data centre & network efficiency measures and improvements across the supply chain. Collectively, these initiatives have achieved the £4m established at the outset of the year.

Commitment to ESG and Sustainability

The Group remains committed to embedding environmental, social and governance ("ESG") considerations across its operations, recognising their importance in driving long-term value for customers, employees, shareholders and wider stakeholders.

Our people are central to Iomart's long-term success, and we continue to invest in developing the skills needed to support our evolving business. During the year, we delivered a comprehensive programme of training through our learning management system, supporting both technical capability and professional development across the Group. We also strengthened communication and engagement through our company-wide intranet, "The Hive". This continues to improve the flow of information, supporting greater collaboration across teams, and providing a platform for both formal updates and more informal employee engagement. Together, these initiatives support the development of a skilled, engaged workforce, which remains critical to delivering high-quality customer outcomes and sustainable growth.

We are aligned with UK Government net zero ambitions and have committed to achieving Net Zero by 2050, or earlier where feasible. Since 2021, we have procured Renewable Energy Guarantees of Origin ("REGO") certified electricity across our UK data centre estate, significantly reducing our carbon footprint. During the year, we progressed further efficiency initiatives, including the completion of works

on the cooling infrastructure at our Gosport data centre and commencement in the final 2 months of a similar replacement programme at our Glasgow data centre. At both sites these investments are expected to reduce energy consumption for cooling by at least 30%. The Glasgow data centre investment was supported by an environmental grant of £0.3m from the Scottish Government.

Our social agenda has been purpose-led, focussed on how we're giving back to local communities. We established our first-ever charity partnership with Fareshare, the UK's biggest charity fighting hunger and food waste, and we expanded the days allocated to volunteering to local charities which our regional offices have supported. Alongside this we've continued initiatives to broaden access to careers in technology and improve diversity within our workforce.

The Company continues to adopt the Quoted Companies Alliance (QCA) Corporate Governance Code and has aligned with the updated Code.

Our Operational Focus for FY27

The Group's operational priorities for FY27 remain consistent with those set out in the prior year and are centred on driving sustainable, higher-quality growth.

Product Portfolio

We continue to invest in advancing our professional and managed services to drive accelerated growth across our hybrid cloud, modern workplace, data protection, cyber security practices and AI. These collectively form our "Secure Cloud" managed services offering, delivered through Atech, Oriium and Iomart brands. A key area of focus will be strengthening our sales and consultancy capabilities in these higher-value service areas, supported by our strategic technology partnerships and accreditations with Microsoft, Commvault and Broadcom VMware.

Within our data centre operations, we have introduced a more structured and focused approach to our colocation offering, including expansion into High Performance Computing ("HPC") hosting. Early progress has been supported by targeted marketing activity, resulting in initial customer wins and an improved pipeline entering the new financial year.

Similarly, renewed investment in the RapidSwitch self-managed infrastructure ("bare metal") offering has led to a sharper focus on core products, supported by a new dedicated customer success and commercial team. A refreshed product set and updated website have been launched in the first quarter of FY27 to support future growth.

Operational Scalability

We will continue to enhance efficiency and scalability across the Group through greater integration of our operations and increased use of automation. This includes the ongoing standardisation of core systems, with the rollout of unified CRM, quoting, IT service management and billing platforms across the organisation.

In parallel, a cross-functional programme is underway to deploy AI-driven tools to improve responsiveness, enhance service delivery and support scalable growth.

Customer Retention & Growth

A Group-wide Service Delivery Excellence programme has been established under a single leadership structure to drive greater consistency and improved customer outcomes across the Iomart and Atech business units.

Working closely with account management teams, this programme is focused on increasing customer engagement, providing more proactive and value-led advisory services, and strengthening long-term relationships. It will also support the ongoing development of our service portfolio in response to evolving customer needs.

Strategy and Business Model

Purpose and Values

We simplify the complexity of technology by delivering secure, scalable cloud solutions that help organisations grow and innovate with confidence. By building trusted partnerships and focusing on reliability and security, we protect what matters and support our clients' success in a digital-first world. We bring together smart technology and passionate people to create lasting impact. **Our culture is built on trust, innovation, and a relentless drive to deliver results. Our five guiding principles are:**

Purpose
We are committed to doing what is right for our clients, delivering outcomes that matter.

Passion
We turn technology into opportunity, solving problems and unlocking growth.

Pride
We stand behind our work, delivering excellence and building relationships that last.

People
Our team is our strength. We invest in talent, celebrate success, and foster inclusion.

Partnership
We collaborate with clients and technology leaders to drive innovation and deliver measurable value.

Strategy

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

During FY26, we strengthened our operational focus by organising the Group around three clearly defined core business units, each led by dedicated leadership teams. This structure is supported by a group wide sales and marketing function serving both new and existing customers, alongside centralised finance, procurement, compliance and HR functions, ensuring strong governance, efficiency and consistency across the Group. After the year end, the Group further enhanced its operational leadership with the appointment of a Group Chief Operating Officer, providing additional focus and support in the execution of the Group's strategic objectives.

The markets in which we operate continue to demonstrate strong underlying demand for managed services, cloud, security, AI and data led solutions, although competition and pricing pressure remain intense. In response, we are sharpening our focus on those segments and solutions where Iomart has clear competitive differentiation, namely our secure hybrid cloud infrastructure, long standing customer relationships, and our growing Microsoft and cybersecurity capabilities, which we believe present the strongest long term demand and growth opportunities.

Enhancing our Microsoft and cybersecurity capabilities remains a key strategic priority, reflecting strong market demand and significant growth opportunity. At the same time, we are actively rationalising our legacy product portfolio, managing the associated cost base down in line with declining revenues in those areas, and redeploying resource towards higher-growth, higher-margin solutions. Given current balance sheet leverage, our near-term priority is disciplined operational execution and organic growth.

We will continue to monitor the acquisition landscape selectively, but capital allocation in the short term is focused on strengthening the core business and reducing leverage.

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

Protect and Expand Our Core
Our existing customer base represents our most valuable asset. We are focused on deepening those relationships by expanding the managed services and solutions we deliver, improving service quality and retention, and ensuring our hybrid cloud infrastructure continues to meet evolving customer requirements. With long average customer tenures and strong embedded relationships, our priority is to grow revenue per customer and reduce churn through proactive account management and a broadening solutions footprint.

Broaden Our Solutions Portfolio
We are building differentiated capability in the two areas where customer demand is strongest and where Iomart has a clear right to win: **Microsoft solutions** and **cybersecurity**. Our Microsoft practice spans Azure management, Modern Work solutions and AI products enabling customers to maximise their Microsoft investment within a managed, secure environment. Our cybersecurity offering addresses the growing compliance and threat landscape facing SME and mid-market organisations, which are increasingly targeted but often lack in-house expertise. Together, these capabilities position Iomart as a trusted, end-to-end partner for secure hybrid cloud not simply an infrastructure provider. Iomart has a well-established heritage in private cloud infrastructure solutions, underpinned by deep expertise in VMware-based virtualisation platforms and deployment. This capability has become increasingly relevant within our broader solutions portfolio, as recent changes to Broadcom's licensing and partner models drive disruption across the sector.

Balance Sheet Strengthening
The revision to our business model, with clearer business unit segregation, will over time provide greater strategic optionality for the Group. This will support the acceleration of organic initiatives and enhance our ability to deleverage where appropriate.

Business Model

Our business model is centred on the provision of cloud and managed services, delivering the computing power, storage, data protection and security capabilities customers require to operate their businesses effectively.

We have invested in a portfolio of UK data centres, an extensive fibre network and the associated servers, networking and security assets needed to deliver private cloud infrastructure to customers. Alongside this, we also provide public cloud solutions, principally through Microsoft, as part of an integrated mix of infrastructure and services.

Having the skills, credibility and technology partnerships across private cloud, public cloud and on premise environments enables us to deliver the hybrid solutions required by the majority of our customers. Infrastructure, platforms and specialist teams are shared across most revenue streams, supporting both scalability and efficiency.

Customers pay us for the provision of infrastructure and services, with the ability to layer in third party technologies and varying degrees of managed services to meet their specific requirements.

Larger customers typically enter into multi year contracts for complex cloud solutions, which are invoiced and paid monthly. Many smaller customers pay in advance, resulting in deferred revenue, which is recognised over the period of service provision.As a result, a significant proportion of Group revenue is recurring, providing strong visibility and predictability, with advance payments supporting cash generation.

While all activities draw on common infrastructure and platforms, the Group is organised into three operating segments:

Iomart Cloud Services
£89.5m revenue

Atech
£50.1m revenue

Domain & Mass Hosting (Easyspace)
£15.2m revenue

Iomart Cloud Services

Within Cloud Services, offerings are structured across **three core categories,** reflecting solution complexity and service intensity:

Cloud Managed Services

Provides fully managed, complex bespoke designs, resulting in resilient solutions involving differing cloud infrastructures. This cloud infrastructure can be either on-premise, private cloud or public cloud which for us at the moment would be utilising Microsoft Azure or indeed a combination of all three which we term 'hybrid cloud services' as is standard industry nomenclature. This often will be accompanied by our data protection and security offering.

Self-Managed Infrastructure

Provides dedicated, physical, self-service servers to customers. We deliver many thousands of physical servers for our customers using highly automated systems and processes which we continue to develop and improve. Our own regional data centre estate and fibre network position us well to offer such infrastructure as a service.

This element of Iomart cloud services is primarily delivered via our separate market brand, RapidSwitch.

Non-Recurring Revenue:

This relates primarily to on-premise equipment and software reselling, as well as consultancy and professional services activities. By their nature, the equipment and software reselling activity is lower margin, but we continue to offer it as the vast majority of our customers need us to provide the end-to-end solution of which this is often a critical part. Non-recurring activities often provide an important introduction to the Iomart's broader service capabilities and therefore the opportunity to understand the customer and develop the relationship to a deeper level of recurring service provision.

Atech

Atech is a leading Microsoft Solutions Partner, delivering complex public cloud deployments, modern workplace solutions, digital transformation initiatives and managed security services to mid sized enterprises.

Atech holds one of the strongest sets of Microsoft credentials in the UK, including Azure Expert MSP status, six Microsoft Solution Partner designations, specialist accreditations and membership of Microsoft's Intelligent Security Association (MISA).

During FY26 and into FY27, the Group expects to continue aligning selected activities between Iomart and Atech, where this improves customer outcomes and operational efficiency. This has resulted in the movement of certain customers and related revenues between the divisions.

Domain & Mass Hosting (Easyspace)

The Mass Hosting division provides domain registration and mass hosting services primarily to small and micro business customers.

While the wider market has seen increasing consolidation among large global providers, the Group identified early that aggressive customer acquisition in this segment would require disproportionate marketing investment. As a result, the focus has remained on customer retention, operational efficiency and cash generation. The division continues to be highly profitable and strongly cash generative.

Uniserve: A Future-Ready VMware Platform for a Fast-Moving Business

Uniserve, the UK's largest privately owned logistics provider, operates in a high-pressure environment where system performance and availability are critical to day-to-day operations. In this context, stability and scalability are essential to maintaining service levels and supporting continued growth.

The Challenge

As demand increased, Uniserve began experiencing performance issues within its existing hosting environment, including a rise in critical incidents and limitations in scalability. This created operational risk and prompted a broader review of the organisation's infrastructure strategy.

The Solution

Iomart worked closely with Uniserve to modernise its platform, rebuilding the environment on a VMware-based cloud aligned to VMware Cloud Foundation (VCF). The approach followed a structured methodology, designed to improve performance while supporting long-term flexibility and resilience.

Alongside this, Iomart supported the transition of Uniserve's virtual desktop estate from Citrix to Azure Virtual Desktop, creating a balanced platform that combines VMware stability with future-facing cloud capability.

The Results

The transformation delivered measurable improvements across performance and operational efficiency:

- Throughput improvements of up to 42%
- Reduction in critical (P1) incidents
- Significantly faster processing times for key workloads
- Improved overall stability and reliability
- Reduced total cost of ownership

Strategic Impact

Uniserve now operates on a modern, scalable platform that supports both current operational demands and future growth. The transformation has reduced risk, improved performance, and provided a more flexible foundation for ongoing digital development.

Business and Financial Review

The Group's financial performance for the year reflects a period of transition, as the business continues to reposition its operating model and revenue mix in response to changing market dynamics.

While reported revenue increased following a full year contribution from Atech, underlying performance was impacted by a lower opening recurring revenue position within Iomart Cloud Services and elevated customer churn during the second half. This, combined with softer order intake, weighed on short-term momentum.

Performance across the year was broadly stable between the first and second half, with revenue and adjusted EBITDA at similar levels in each period. While this stability is reassuring, the outcome is nonetheless disappointing as it did not deliver the improvement in performance that had been anticipated in the second half of the year.

Profitability reduced year-on-year, reflecting lower revenues across the legacy private cloud portfolio, reduced utilisation of our infrastructure, and the continued shift towards Microsoft-related services which, while strategically important, carry a lower margin profile as they scale.

Against this backdrop, the Group has maintained strong financial discipline. Targeted cost actions undertaken during the year have delivered a structurally leaner cost base, with further initiatives underway to better align operating costs with the evolving business mix and to enhance scalability through increased use of automation and offshore delivery capability.

These actions are expected to support a recovery in margins and a return to profit growth as revenue stabilises.

Financial Highlights

We use a range of alternative performance measures to track how we are executing against our strategy.

% of Recurring Revenue

86%
(2025: 89%)

% of recurring revenue is defined as Recurring Revenue / Revenue.

Gross Profit Margin

44.2%
(2025: 49.1%)

Gross profit margin % is defined as Gross Profit / Revenue as a %.

Adjusted EBITDA

£25.6m
(2025: £34.3m)

Adjusted EBITDA is earnings before interest, tax, depreciation and amortisation (EBITDA) before share-based payment charges, acquisition costs and exceptional non-recuring costs.

Adjusted EBIT

£5.2m
(2025: £12.8m)

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.

Adjusted EBITDA Margin %

16.5%
(2025: 23.9%)

Adjusted EBITDA margin % is defined as Adjusted EBITDA / Revenue as a %.

Adjusted EBIT Margin %

3.3%
(2025: 8.9%)

Adjusted EBIT margin % is defined as Adjusted EBIT / Revenue as a %.

Adjusted Loss Before Tax Margin

(2.6)%
(2025: 4.5%)

Adjusted loss before tax margin % is defined as adjusted profit/(loss) before tax / Revenue as a %.

Adjusted Loss Before Tax

£(4.0)m
(2025: £6.5m)

Adjusted loss before tax is loss before tax, amortisation charges on acquired intangible assets, share-based payment charges, acquisition costs and exceptional non-recurring costs.

Loss Before Tax Margin %

(8.8)%
(2025: (37%))

Loss before tax margin % is defined as Profit before Tax / Revenue as a %

Cash Flow from Operations

£21.9m
(2025: £27.2m)

Cash flow from operations / Adjusted EBITDA % is defined as cash flow from operations / Adjusted EBITDA as a %.

Net Debt Ratio

4.2x
(2025: 2.7x)

Net debt / Adjusted EBITDA level ratio is defined as Net Debt / Adjusted EBITDA.

Adjusted Diluted Earnings Per Share

1.6p
(2025: 3.4p)

Adjusted diluted earnings per share is earnings per share before amortisation charges on acquired intangible assets, share based payment charges, acquisition costs and exceptional non-recurring costs and the taxation effect of these /weighted average number of ordinary shares - diluted.

Revenue	2026 £'000	Reclassified 2025 £'000
Iomart Cloud Services	89,552	97,059
Atech	50,123	30,188
Domain & Mass Hosting (Easyspace)	15,210	16,213
Total revenue	**154,885**	143,460

[1] see Note 1 for reclassification of historic periods.

Overall Group revenue increased to **£154.9m** (2025: £143.5m), reflecting the inclusion of a full year of Atech revenue compared to six months in the prior year. The Group continues to benefit from a highly recurring revenue model, with **86%** of revenues recurring in nature (2025: 89%), underpinned by multi-year customer contracts and recurring billing structures, providing good forward revenue visibility.

On an organic basis, adjusting for the annualised impact of the Atech acquisition, Group revenue declined by approximately **£9.7m** (8%). This reduction was driven primarily by lower recurring revenues within Iomart Cloud Services.

Adjusted EBITDA	2026 £'000	Reclassified 2025 £'000
Iomart Cloud Services	17,086	27,460
Atech	5,077	3,067
Domain & Mass Hosting (Easyspace)	7,620	8,562
Group overheads	(4,222)	(4,777)
Total adjusted EBITDA	**25,561**	34,312

[1] see Note 1 for reclassification of historic periods.

Adjusted EBITDA decreased to **£25.6m** (2025: £34.3m), reflecting the combined impact of lower recurring revenues within the Group's traditional private cloud and data centre 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 realign its cost base with this changing revenue mix. During the year, cost efficiency initiatives delivered £4m of annualised savings, primarily through optimisation of people-related costs, the Group's largest cost category.

A further phase of cost optimisation is now underway, aligned to the evolving business portfolio and operating structure. This includes the continued expansion of offshore delivery capabilities in India and increased use of automation and AI to improve efficiency and service scalability. These actions are intended to stabilise margin performance in the near term, while positioning the Group to benefit from improved operating leverage as revenue growth recovers.

Financial Review by Segment

Iomart Cloud Services

Iomart Cloud Services revenue was £89.6m, a decrease of £7.5m compared with the prior year. This reduction primarily reflects lower revenues across both cloud managed services (down 8%) and self-managed infrastructure (down 18%).

The principal driver of the year-on-year reduction was a lower recurring revenue run-rate at the start of the year, along with a softer than expected order bookings level. While self-managed infrastructure has been in structural decline for several years, the rate of reduction moderated during the year, with a stabilisation in performance in the second half as we increased focus on the RapidSwitch brand and core product set.

Non-recurring revenue activity strengthened during the second half, resulting in year-on-year growth of £1.2m and contributing to a modest increase in second half revenue of £0.5m compared with the first half.

The following table shows the disaggregation of Iomart Cloud Services revenue.

Iomart Cloud Services	**2026 £'000**	Reclassified 2025 £'000
Cloud Managed Services	65,976	71,869
Self-Managed Infrastructure (SMI)	12,415	15,241
Non-recurring	11,161	9,949
Total revenue	**89,552**	97,059

[1] see Note 1 for reclassification of historic periods.

Iomart Cloud Services continues to utilise a shared data centre and fibre network infrastructure. As noted previously, the Group is progressing plans to more formally separate data centre infrastructure operations from the broader services and solutions activities.

Cloud Managed Services (Recurring Revenue)

Cloud managed services comprise fully managed, bespoke and resilient solutions delivered across private, public and hybrid cloud environments. Reported revenues include approximately £38m of Microsoft-related revenues which are now operationally delivered within Atech; these will be formally reassigned between business units during FY27, depending on customer structures.

Revenues in this area reduced by 8% to £66.0m (2025 reclassified: £71.9m). The underlying reduction from the prior period is a feature of a lower starting monthly recurring value due to churn weighted towards the final months of the FY26.

Self-Managed Infrastructure (Recurring Revenue)

Self-managed infrastructure services customers who prefer to procure and manage compute and connectivity directly. This remains a lower-growth segment of the market and is more exposed to migration towards public cloud.

Revenue reduced to £12.4m (a decrease of £2.8m year-on-year).

However, performance stabilised in the second half, with broadly consistent revenues of £6.2m in both H1 and H2. This represents a positive development following a prolonged period of decline.

Non-Recurring Revenue
Non-recurring revenue increased to £11.2m (2025: £10.0m), driven by higher activity levels in the second half of the year.

This revenue, predominantly hardware and software reselling, typically carries lower margins and therefore has a more limited impact on EBITDA. However, it continues to serve an important strategic role as an entry point for new customer relationships and a pathway to higher-value recurring services.

Iomart Cloud Services segmental EBITDA (before share-based payments, acquisition costs and central overheads) was £17.1m, a decrease of £10.4m. This reflects both the reduction in recurring revenues and the impact of lower utilisation across a largely fixed-cost infrastructure base. Revenue mix remains a feature in the period, with lower margin revenue associated with complex managed cloud services (including greater use of Azure public cloud) increasing, while higher margin self-managed infrastructure revenue decreases alongside lower utilisation of our fixed cost infrastructure. The cost efficiencies already undertaken and our rolling efficiency programme is focussed on this area of the business.

Atech

Atech delivered revenue of £50.1m for the year. During the period, the Group completed the integration of Extrinsica into Atech, consolidating all Microsoft solution delivery under a single management structure. Extrinsica contributed £8.7m of revenue in the prior year. Some customer attrition was experienced prior to the transfer, including a large contract that was not renewed due to credit risk considerations (£0.6m annual value).

Atech has a higher proportion of non-recurring revenue relative to the Group, reflecting a mix of consultancy activity alongside hardware and software reselling, primarily to existing customers. During FY26, reselling activity was lower, representing an approximate £0.8m reduction in annualised revenue, which moderated overall growth in the period alongside softer than expected recurring sales momentum.

Atech's segmental EBITDA (before share-based payments, acquisition costs and central overheads) was £5.1m, representing a margin of 10%, consistent with the prior year (2025: £3.1m, 10%). While cost optimisation efforts in the year were primarily focused on Iomart Cloud Services, the Group sees significant potential to enhance scalability within Atech through increased use of automation and AI over the next 12 months.

The table below shows Atech's revenue split between recurring and non-recurring activities:

Atech	**2026 £'000**	Reclassified 2025 £'000
Recurring	39,045	23,739
Non-recurring	11,078	6,449
Total revenue	**50,123**	30,188

[1] see Note 1 for reclassification of historic periods.

Atech (Recurring Revenue)
Recurring revenue within Atech continued to grow, although performance weakened in the second half due to customer reductions, including M365 renewals and the previously noted non-renewal of a significant Extrinsica contract. Total recurring revenue for the year was £39.0m.

Over half of the Group's total order bookings were generated from Microsoft solution areas, consistent with expectations at the start of the year. The phasing of these wins impacts revenue recognition, while the impact of customer losses, principally in lower-margin activities, had a more immediate effect on reported revenue growth.

The Group continues to take a disciplined approach to contract renewals, particularly in M365 licensing, where pricing pressure has reduced margins to levels that in some situations no longer meet return thresholds. Focus has therefore shifted towards higher-value, differentiated services, including expansion of Security Operations Centre (SOC) capabilities.

Atech (Non-Recurring Revenue)
Non-recurring revenue represented 22% of total Atech revenue and totalled £11.1m (2025: £6.4m). This includes consultancy services, as well as hardware and software reselling activity. The reduction in reselling activity mainly during the first half of the year resulted in an approximate £2m reduction in annualised revenue compared with the prior period.

The largest component of non-recurring activity relates to cyber security consultancy, including a significant engagement with a long-standing financial services customer, which contributed £5.5m of revenue during the year. This engagement has generated repeat business over multiple years, and we expect continued engagement, albeit at a potentially lower level over time.

Domain & Mass Hosting (Easyspace)

The Domain & Mass Hosting segment, which now includes the Sonassi brand alongside Easyspace and Hosting UK, recorded revenue of £15.2m for the year, compared to £16.2m in the prior year (as reclassified), representing a modest decline of 6%. As noted at the half year, this reduction was primarily driven by increased churn within the Sonassi brand, while Easyspace and Hosting UK delivered relatively stable performance.

Segmental EBITDA (before share-based payments, acquisition costs and central overheads) was £7.6m, equivalent to 50.1% of revenue (2025: £8.6m, 52.8%). The inclusion of Sonassi and certain higher-value customer cohorts continues to support a strong margin profile for the segment, notwithstanding the impact of revenue decline during the period.

The global domain name and mass-market hosting sector continues to demonstrate underlying growth. While the market remains highly competitive and concentrated among a small number of large global providers, the Group remains focused on reinvigorating this segment. Our objective is to stabilise performance and return the business to modest growth over time, supported by strong renewal rates across all three brands. Targeted investment is being directed towards Sonassi to improve customer retention and enhance the overall customer experience, with early actions already underway.

Group Overheads

Group overheads, which are not allocated to segments, include the cost of the Board, certain professional fees, all the running costs of the headquarters in Glasgow, and Group led functions such as human resources, marketing, finance and development teams. Group overheads saw a decrease of £0.6m to £4.2m (2025: £4.8m) with no material individual variances on the prior year.

Adjusted EBIT	**2026 £'000**	2025 £'000
Adjusted EBITDA	25,561	34,312
Depreciation	(13,409)	(14,730)
Amortisation (non M&A)	(6,986)	(6,757)
Adjusted EBIT	**5,166**	12,825

The Group's depreciation charge reduced by £1.3m to £13.4m (2025: £14.7m). As a proportion of recurring revenue, depreciation decreased to 10.1% (2025: 11.5%), continuing a multi-year trend of declining capital intensity as the Group evolves its service mix.

Amortisation of non-acquired intangible assets remained broadly stable at £7.0m (2025: £6.8m). This charge continues to be largely driven by amortisation relating to Broadcom VMware software licence arrangements (£3.7m in the current year; 2025: £3.2m), reflecting the predominantly fixed-cost nature of this expense.

Adjusted EBIT decreased by £7.7m to £5.2m (2025: £12.8m), equating to an adjusted EBIT margin of 3.3% (2025: 8.9%). This reduction reflects the lower EBITDA performance outlined above, together with the relatively more fixed nature of depreciation and amortisation charges.

Encouragingly, profitability improved in the second half of the year, with adjusted EBIT margin increasing to 3.9% compared with 2.8% in the first half. The Group remains focused on improving margins through ongoing cost efficiency programmes and by increasing the proportion of higher value-added services within the revenue mix as growth recovers.

Adjusted (loss)/Profit Before Tax

	2026 £'000	2025 £'000
Adjusted EBIT	5,166	12,825
Net Bank & Other Interest	(7,752)	(5,442)
Finance Lease Interest	(1,429)	(928)
Adjusted (Loss)/Profit Before Tax	**(4,015)**	6,455

Total finance costs increased by £2.8m to £9.2m (2025: £6.4m). This reflects the additional funding associated with the Atech acquisition completed on 1 October 2024, as well as increased interest arising from lease liabilities recognised under IFRS 16.

After depreciation, amortisation (excluding amortisation of acquired intangible assets) and finance costs, the Group reported an adjusted loss before tax of £4.0m, compared with an adjusted profit of £6.5m in the prior year. This movement is primarily driven by the reduction in EBITDA and the increase in finance costs during the year. As noted earlier, there has been cost savings secured and these cost optimisations initiatives continue, all designed to support a recovery in margins and a return to profit growth as revenue stabilises.

Statutory IFRS Loss Before Tax

The measure of adjusted loss before tax is a non-statutory measure, which is commonly used to analyse the performance of companies where M&A activity forms a significant part of their activities.

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

	2026 £'000	2025 £'000
Total adjusted loss before tax	**(4,015)**	6,455
Amortisation of acquired intangible assets	(6,950)	(4,902)
Acquisition costs	(480)	(1,674)
Share based payments	36	(198)
Administrative expenses-exceptional non-recurring costs	(2,229)	-
Goodwill impairment	-	(52,900)
IFRS loss before tax	**(13,638)**	(53,219)

The larger adjusting items in the current year are:

- non-cash charges for the amortisation of acquired intangible assets of £7.0m (2025: £4.9m);
- £2.2m of exceptional administrative expenses relating to costs related to the cost efficiency, Integration and change of Chief Executive Officer.

After deducting the charges for the share based payments, the amortisation of acquired intangible assets, acquisition costs and exceptional non-recurring costs, the reported loss before tax is £13.6m (2025: £53.2m loss).

Taxation

There is a tax credit in the year of £4.5m (2025: £1.9m charge), represented by a combination of a credit for deferred taxation in the year of £3.9m (2025: £1.3m charge) and a corporation tax credit in the year of £0.5m (2025: £0.6m charge). The adjusted effective tax rate, after adjusting for share based payments and acquisition costs, is 32.8% (2025: 0.04%).

Loss for the Year

After deducting the tax credit/(charge)from the loss before taxation, the Group has recorded a loss for the year from total operations of £9.2m (2025: £55.1m loss).

Earnings Per Share

Adjusted diluted earnings per share, which is based on (loss)/profit for the year 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 1.6p loss per share (2025: 3.4p profit 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 8.1p loss per share (2025: 49.0p loss per share). The calculation of both adjusted diluted earnings per share and basic earnings per share is included at note 8.

Cash Flow

The Group generated cash from operations (before exceptional items) of £24.1m in the year (2025: £29.3m), representing an adjusted EBITDA to cash conversion ratio of 96% (2025: 85%). This level of conversion is consistent with the Group's long-term average and remains a strength of the business model. Cash payments for corporation tax were £0.3m (2025: £1.9m), and cash outflows relating to exceptional items were £2.2m (2025: £2.1m), resulting in net cash inflow from operating activities of £21.6m (2025: £25.3m).

Net cash outflow from investing activities was £9.8m (2025: £62.2m). The prior year included £51.0m of acquisition related expenditure, which did not recur in the current year. On a like-for-like basis, underlying investment decreased to £9.4m compared with £11.2m in the prior year. Investment in the current year was primarily in property, plant and equipment to support customer service delivery, together with targeted investment across the Group's data centre estate. This included the replacement of the cooling system at the Glasgow data centre, which attracted an environmental grant of £0.3m from the Scottish Government's Scottish Industrial Energy Transformation Fund.

Cash flows from financing activities were less significant than in the prior year, reflecting the absence of acquisition related funding.
In prior year, the cash flow from financing activities was heavily impacted by the Atech acquisition funding items including a £57.0m bank loan drawdown and a £6.2m repayment of debt acquired on acquisition. In the current year there was only £0.5m bank loan drawn to fund the refinancing costs of £0.4m and a final £0.4m of repayment on debt acquired on acquisition. Net cash used in financing activities, excluding any acquisition related items or bank loan related items) was £16.1m (2025: £16.6m). All shares issued in the current year under share options were issued at nominal value. In the current year we repaid £4.2m of lease liabilities (2025: £4.4m) and paid £6.7m (2025: £4.8m) of finance charges. A total of £5.2m (2025: £2.6m) was paid in relation to software license arrangements, principally annual instalments on the Broadcom VMware partnership commitments during the year. No dividend payment was made in the year (2025: £4.8m).

Net Debt

The analysis of the net debt is shown below:	**2026 £'000**	2025 £'000
Bank revolver loan	97,500	97,000
Less: cash and cash equivalents	(8,921)	(13,088)
Bank revolver loan less cash and cash equivalents	**88,579**	83,912
Lease liabilities	20,042	18,006
Net debt	**108,621**	**101,918**

Total net debt was £108.6m as of 31 March 2026 (2025: £101.9m) which includes £20.0m of IFRS 16 lease liability (2025: £18.0m). Excluding IFRS 16 lease liability, net debt levels are 88.6m (2025: £83.9m), representing an increase of £4.7m in the year. The net debt position represents a multiple of 4.2 times our adjusted EBITDA (2025: 2.7 times) or 2.3 times, excluding IFRS 16 lease liabilities.

The Board recognises that, notwithstanding the Group's recurring revenue model and strong operating cash flow conversion, these leverage levels are elevated relative to typical listed company benchmarks. Accordingly, the Group remains focused on a programme of deleveraging, underpinned by disciplined cash management and ongoing operational improvements. In addition, the Board continues to evaluate a range of strategic and operational options to support balance sheet optimisation over time.

Following the year-end, on 5 June 2026, Iomart extended its £115m revolving credit facility to 30 June 2028 and ensured covenants were amended to reflect current leverage levels and plans. At current leverage levels, the bank margin under the RCF is 3.5% (2025: 3.0%) above SONIA, with a margin ratchet mechanism that reduces interest costs as the Group deleverages.

AMFRESH: Strengthening Security, Visibility, and Control

AMFRESH is a global agri-tech organisation operating a complex, 24/7 international supply chain. As the business expanded, it faced increasing cybersecurity risk across a fragmented technology estate, with limited visibility and inconsistent protection across regions.

The Challenge

AMFRESH's security landscape consisted of multiple vendors and tools deployed across different regions, including CrowdStrike, Okta, and Mimecast. This created operational complexity, reduced visibility, and increased costs, making it difficult to manage risk effectively at scale.

The Solution

Atech – part of the Iomart Group – delivered a consolidated, Microsoft-led security transformation. This included the adoption of Microsoft 365 E5 licences, deployment of Microsoft Defender and Microsoft Sentinel, and integration with Atech's 24/7 Security Operations Centre (SOC).

The engagement was supported by Microsoft-funded programmes, enabling rapid implementation while reducing financial and operational risk.

The Results

The transformation delivered measurable improvements across security performance and operational efficiency:

50% reduction in threat detection time

97% of incidents resolved within SLA

40% improvement in Microsoft Secure Score

Enhanced visibility and control across hybrid and multi-cloud environments

Reduced complexity and improved predictability of security spend

Strategic Impact

AMFRESH has moved from a reactive security posture to one defined by visibility, control, and resilience. The organisation now benefits from a unified platform that supports ongoing growth, simplifies operations, and provides a scalable foundation for future innovation, including AI and data governance initiatives.

Principal Risks and Uncertainties

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

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

Risk Management Approach

A risk management framework is in place which sets out the ongoing processes for the identification, assessment and management of risks (both present and future), and for their ongoing monitoring and review. Effective risk management is essential to enable us to deliver on the Group's strategy and to achieve our operational objectives.

The risk management framework sets out our approach to risk management which is designed to support our identification of risks to the business.

Once identified, risks are given a gross score, based on an approved risk scoring matrix, based on the Group's assessment of the likelihood and impact of the risk occurring and impact on the Group's future and resilience. Each risk is assessed with a risk response and is re-assessed and given a net score based on the strength of mitigating controls that are in place. This process is documented in our Group risk register which is reviewed annually by the Audit Committee.

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

Risk Control Assurance

We have strong management controls, including policies and procedures, together with management oversight. We have internal assurance through a detailed review of risks, including operational and commercial risks, and functional oversight and monitoring of risks.

The Board and Executive team review the Group's financial and operational performance through comprehensive financial reporting processes including monthly reporting of financial performance compared to budget, forecasts and the prior year and monitoring of key performance indicators related to various risks of the business.

In addition, the Group has historically obtained independent assurance through its internal audit programme led by Ernst & Young LLP ("EY"), with the internal audit plan approved by the Audit Committee. During FY26, the internal audit programme with EY has been paused in order to give senior management time to focus on the business transformation plans. The Audit Committee has continued to review the progress of agreed actions from the previous work undertaken and is satisfied that the Group's internal control environment has been maintained during this period. A revised internal audit plan is expected to be agreed with EY during FY27.

Principal Risks and Uncertainties

Through the above process, potential material risks and uncertainties remain similar to the prior year, with the addition of a new Financing and Liquidity risk reflecting the Group's required refinancing activity. These most significant risks identified are as follows:

Data and Cyber Security

There has been a significant increase in cyber and data related crime in recent years, and the security of customer, commercial and personal data represents both a reputational and financial risk to the Group. Managed service providers such as Iomart represent particularly high value targets given the breadth of customer data and infrastructure they support, and the threat landscape continues to evolve in both sophistication and frequency.

The Group continues to invest in physical and information security systems and to promote a culture that embeds security across all operations. The Group continues to enhance its security portfolio to support customers in addressing the evolving threat landscape they face. Ongoing focus is placed on strengthening internal processes, security awareness and training to ensure the delivery of reliable and trusted solutions. The Group maintains ISO 27001 certification, providing a robust framework for information security management, and during FY26 secured the Cyber Essentials Plus certificate for the first time. The Group also maintains specific insurance cover in respect of cyber related crime. In addition, customer contracts and associated schedules clearly define the respective roles and responsibilities of each party in relation to data security and data protection.

Competition and Product Portfolio

The Group operates in a competitive and fluid marketplace. While the Directors believe the Group benefits from clear strengths and competitive advantages, some competitors are significantly larger and are therefore able to offer similar services at lower prices or to bring new product offerings to market with enhanced features. As a result, competitive pressures could materially adversely impact the scale of the Group's revenues and profitability.

To mitigate this risk, the Group maintains a broad customer base, with no single customer accounting for more than 4% of annual revenue. The Group continues to focus on building deep and long-standing customer relationships, developing tailored and value-adding solutions and delivering high levels of service performance while remaining cost-competitive.

The Group's largest customer is a retained client for security consultancy services. As revenues from this customer are typically derived from annually agreed scopes of work rather than long-term contractual commitments, they are inherently less certain. The loss of this customer could have an adverse impact on non-recurring revenues of around £4.5m and may also disproportionately affect profitability due to the relatively higher margin nature of these services.

Investment in product and service development remains a key focus. The Group's development teams continually enhance and extend the existing service portfolio, to assess emerging technologies and market opportunities.

Continued investment in product management and product marketing capabilities, has strengthened the Group's product led approach.

The Group has further expanded its strategic partnerships function and embedded enhanced governance to ensure optimal commercial terms, pricing and innovation are achieved through key vendor alliances. This has helped ensure the Group's product portfolio remains relevant, differentiated and aligned to customer demand, while improving speed to market for new and enhanced offerings.

During FY26, management has remained focused on stabilising and improving customer retention, particularly in areas previously affected by elevated churn. The acquisition of Atech in October 2024 provided customers with a clearer pathway to adopt public cloud and advanced security solutions and strengthened the Group's credentials and technical capabilities in these markets.

In addition, ongoing investment in customer service and process optimisation has improved service delivery consistency and customer experience. Collectively, these actions support the mitigation of competitive risk and underpin the Group's strategy to drive sustainable growth and profitability.

Staff

The Group's success is dependent on the continued availability, retention and effective deployment of appropriately skilled and experienced employees, including a relatively small number of senior personnel. A failure to maintain appropriate staffing levels, or the loss of key personnel without suitable succession, could adversely impact service quality, operational resilience and financial performance.

To mitigate this risk, the Group seeks to attract and retain talent by offering a challenging and rewarding working environment, supported by competitive and innovative reward structures and a strong commitment to training and professional development.

The Group's ability to recruit and deploy employees across multiple locations also provides operational flexibility, helping to manage resource pressures and reduce dependency on individual roles or teams.

Financing and Liquidity

The Group is exposed to risks arising from its financing arrangements, including the availability of sufficient liquidity to meet operational and investment requirements and ongoing compliance with financial covenants. A breach of covenants, or a material deterioration in trading performance or liquidity, could restrict the Group's operational and strategic flexibility and impact its ability to execute its growth strategy.

Subsequent to the year end, on 5 June 2026 the Group amended and extended its £115m Revolving Credit Facility to June 2028 with its existing lending syndicate. The Group monitors covenant compliance and liquidity headroom on a regular basis, with covenant compliance reported to the Banks quarterly.

Growth Management

The Group's strategy of delivering growth through a combination of organic expansion and acquisitions increases the risk that organisational structures, systems and resources fail to scale in line with business requirements. If the Group does not evolve its operating model, governance, or capability base at an appropriate pace, this could result in operational inefficiencies, management stretch, disruption to service delivery and, ultimately, a deterioration in financial performance. In addition, there is a risk that acquired businesses are not effectively integrated, leading to delays in realising expected synergies, increased costs or cultural misalignment. Management mitigates these risks through the annual strategy and budget review process, which identifies required organisational and resource changes, and by implementing detailed integration and migration plans for each acquisition to support effective and timely integration into the Group's operations.

Data Centre Operation
Any downtime across our data centres would have an immediate impact on our ability to deliver the service levels expected by customers. Failure to meet these service requirements could adversely affect the Group's financial performance through customer attrition and reputational damage.

The Group mitigates this risk through ongoing investment in preventative maintenance and a comprehensive lifecycle replacement programme, helping to ensure the continued effective operation of our data centres. In addition, we actively monitor and adopt innovations and emerging technologies within the sector to enhance operational efficiency and effectiveness, in line with our ISO 50001 energy management system and our obligations under the CRC Energy Efficiency Scheme.

Network
The Group provides an essential service to a broad and diverse client base, many of whom rely on these services to support their primary internet presence. The Group's ability to deliver services to customers is dependent on the continued availability and resilience of its fibre network, which connects the data centre estate. Any failure of the network, or material reduction in service levels, could have an adverse impact on customers and may result in reputational damage, customer attrition and difficulties in customer acquisition. To mitigate this risk, the Group has implemented a highly resilient network architecture across its data centre estate, designed with diversity and no single points of failure, thereby minimising the likelihood and potential impact of network disruption.

Inflationary Pressure
Inflationary pressure continues to be a key risk for the Group. The largest cost base is people costs, which are managed centrally through annual salary awards and regular reviews of staff benefits packages. Other significant costs include software licences, access to public cloud infrastructure, data centre costs (including electricity) and connectivity. The Group undertakes reviews of its cost base and engages proactively with customers and suppliers where inflationary impacts are identified. In addition, the Group's pricing model is regularly reviewed to ensure that contracts are priced appropriately to mitigate inflation risk.

The Group has a proactive energy procurement strategy, administered by its energy consultants, Schneider Electric, and currently has fixed-price electricity arrangements in place covering FY27.

Key suppliers and partners
The Group is reliant on a number of key third party suppliers for the continued operation of its business, most notably providers of electricity, public cloud infrastructure, software, bandwidth and server equipment. A failure, interruption or deterioration in service or material revision to partnership frameworks by any of these suppliers could adversely affect the Group's ability to deliver services to customers, potentially impacting financial performance, service levels and reputation.

This risk is mitigated through the use of reputable suppliers selected through a robust procurement process, active relationship management, and, where feasible, maintaining multiple sources of supply. In addition, the Group seeks to reduce reliance on single points of failure, including the use of alternative power sources for electricity.

The Group's key technology vendors include Microsoft and Broadcom. As global providers, these suppliers have the ability to implement changes to commercial terms and conditions that may impact the wider market. While this exposure is inherent to operating as a managed service provider, the Group seeks to mitigate concentration risk over time by maintaining a diversified product portfolio, although reliance on these key vendors remains in the near term.

Of particular significance is the Group's Broadcom Pinnacle Partner status, which underpins its ability to deliver VMware Cloud Foundation solutions and positions it competitively in the private cloud market. Pinnacle status is awarded by Broadcom based on revenue thresholds, technical accreditations and compliance with programme requirements. A loss of, or downgrade from this status could reduce the Group's ability to access certain products, pricing tiers and go-to-market support, potentially affecting its competitive positioning and revenue in private cloud services. The Group mitigates this risk through ongoing investment in its Broadcom-accredited technical capability, active engagement with Broadcom's partner programme, and by maintaining the commercial and compliance standards required to retain Pinnacle status.

Environmental Impact

The Board considers two principal areas of environmental risk. The first relates to the direct and indirect environmental impacts arising from the Group's activities, including emissions and the overall sustainability of its sites, people, products and processes. As customers increasingly seek to reduce their own environmental impact, the Board recognises that demand for the Group's services is evolving and the Group has a responsibility to minimise the environmental impact of its operations and to support customers in achieving their sustainability objectives.

The second area of focus is the potential impact of external environmental factors on the Group and its customers. This includes changing environmental conditions and the risk of environmental events or disasters that could affect the Group's ability to maintain service continuity and to keep its customers, sites and workforce safe.

During the year, the Group established a dedicated environmental working group to support the ESG committee. The work undertaken and the conclusions reached in relation to this risk are set out on pages 42 to 53.

The Group holds ISO 14001 certification (currently applicable to HQ operations), providing a structured framework for managing environmental responsibilities and demonstrating commitment to reducing the Group's environmental impact.

Acquisitions

Given no acquisitions arose in the last 18 months and the absence of any active acquisition programme, this risk is less elevated than in the past. However, the risk is retained on two bases. First, the integration of the Atech acquisition, completed in October 2024, remains ongoing, with the Group continuing to align systems, processes and commercial operations across the combined business. A failure to complete this integration effectively could result in delays in realising expected synergies, increased costs or operational disruption. Second, the longer-term strategy is likely to see M&A featuring as a complement to our organic growth ambitions, and the risk framework for managing future acquisitions remains in place accordingly.

Stakeholder Engagement

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

S172 Factor	Relevant Disclosures
a. The likely consequence of any decision in the long-term	Our Strategy and Business Model: **pages 14 to 16**
b. The interests of the Group’s employees	Stakeholder Engagement: **pages 36 to 39** Diversity, Equity and Inclusion: **pages 70 to 71** Ensuring the safety and wellbeing of our people: Directors Report **page 82**
c. The need to foster the Group’s business relationships with suppliers, customers and others	Stakeholder Engagement: **pages 36 to 39** Directors Report: **pages 80 to 83** Modern Slavery Statement: **page 70**
d. The impact of the Group’s operations on the community and the environment	Stakeholder Engagement: **pages 36 to 39** Streamlined Energy and Carbon Reporting (SECR) reporting: **page 51**
e. The desire of the Group to maintain a reputation for high standards of business conduct	Corporate Governance Statement: **pages 54 to 72** Whistleblowing policy: **page 70**
f. The need to act fairly between members of the Company	Stakeholder Engagement: **page 36 to 39**

How the Board Keeps Section 172 on its Agenda

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

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

The Board and Directors recognise that they are expected to take into account the interests of stakeholders whilst prioritising the long-term success of the Group.

This can mean that the interests of certain stakeholder groups in the short-term may need to be balanced against such long-term success.

We set out on **pages 38 and 39** why effective engagement is important with each stakeholder and the principal methods of engagement. In all cases, the level of engagement informs the Board, both in relation to stakeholder concerns and the likely impact on decision-making. We set out the key Board decisions taken in the year ended 31 March 2025 and the stakeholder groups impacted by those decisions on **pages 40 and 41.**

Why Effective Engagement is Important	How We Engage
Stakeholder Group - Shareholders	
Long-term strategic plans and growth for the business require strong relations with shareholders to ensure that the interests of our investors are aligned with the Company's strategic direction and purpose. We ensure that we provide open and transparent information to the market to allow investors, both existing and potential, to make effective and informed investment decisions.	• Annual report and financial statements and half year results. • Results materials and presentations. • Investor Roadshows following interim and year end results announcements. • Trading updates. • Stock exchange announcements, regulatory news service ("RNS") and press announcements with anonymised feedback provided by our brokers. • Annual General Meeting. • Chair and CFO engagement with significant shareholders. • Dedicated investor section on Group's website.
Stakeholder Group - Employees	
People are at the heart of everything we do and we recognise the key to our success is led by our employees. To deliver our strategic plans, we need to attract, develop, reward and retain valuable talent. Our culture defines the behaviours we all hold ourselves to account on and helps drive our strategy of building a high performing team.	• Regular townhalls with Executive team to help bring employees up to date with latest strategy and performance and allow for Q&A. • Employee engagement surveys with results presented to the Board. • Learning management system to support training requirements. • Access to independent whistleblowing process. • Senior management and Board visits to different locations. • Chief People Officer invited to engage with the Board and the Chair of the Remuneration Committee on areas including recruitment and retention and succession planning. • HR team send regular communication to engage with employees on health and wellbeing with invitations to regular webinars. • Regular communications providing updates on activity and news in the Group. • The Board receives regular HR updates covering employee KPIs and updates on employee matters which drives a positive connection to the wider employee base. • Company wide intranet which provides communications channels in a modern way to our employees. • For more information on how we engage with employees, see **page 82.**

Stakeholder Group - Customers

Understanding the varying needs and challenges of our customers is critical to the Group's success and to ensuring we grow through organic and new customers. We engage with our customers to ensure we continue to enhance and develop our product portfolio to meet their needs.

- Chief Revenue Officer is invited to engage with the Board on a regular basis to provide updates on performance to drive operational priorities to deliver a high-quality customer experience.
- We ensure that our customers have the opportunity to speak to their support team, account manager or a member of senior management throughout each stage of their customer journey.
- Regular service reviews to address feedback from customers.
- We host stands at key technology events and run our own private events to connect with existing and prospective customers.

For more information on how we engage with customers, **see page 82.**

Stakeholder Group - Key suppliers and partners

To support our business model and strategy, we require an efficient and effective supply chain. Suppliers are critical to the products and service we provide to our customers including the development of our product portfolio and new products, competitive pricing and service delivery. The Group has a number of key strategic partners that we engage with to support delivery of our business in a number of key areas including IT infrastructure and communication products and services, software, provision of power and our landlords on leased property.

- Regular open and honest two-way interaction with suppliers.
- Senior executives engage with a number of key strategic partners and key vendor alliances to ensure we monitor the quality of our suppliers to optimise operational efficiency, ensure we receive the best level of service and continue to contract on favourable terms to support the business.
- We have specific product and vendor management in place for our strategic partners being Microsoft, Broadcom and Commvault who undertake regular updates, both informal and informal, as part of the partnership programmes of these technology partners.
- The Board approves all key supplier contracts above certain thresholds in accordance with the Company's delegation of authority limits.

For more information on how we engage with suppliers, **see page 82.**

Stakeholder Group - Environment

The Group recognises the environmental impact arising from our business activities and is committed to minimising the impact we have on the environment to secure the long-term future of the Group. The Group operates a number of data centres throughout the UK and we operate our data centres in a way intended to reduce the impact on our local environment, including the usage of energy and greenhouse gas emissions.

- The Board considers and approves capital investments that support the Group's reduction in carbon emissions from our data centres.
- The Board receive regular management reports on energy performance and outputs of our data centres to demonstrate our commitment to Energy Saving Opportunities Scheme ("ESOS") and Streamlined Energy and Carbon Reporting ("SECR").
- The Board also receive updates on compliance with ISO standards, environmental and energy efficiency management policies and updates on improvement activities.

Key Board Decisions in the Year

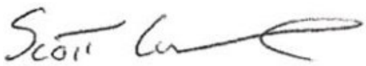
The following table covers the key decisions made during the year and the stakeholder group(s) impacted by these decisions.

Key Decisions Made	Key Stakeholder Group Impacted
Key Impact - Long-term Strategy and Performance of the Group	
The Board undertook its annual strategic review, considering the Group's long term direction, financial performance and evolving market dynamics. This included a focus on the Group's strategic priorities, operational performance and leadership structure. In March 2026, the Board approved the FY27 budget and five year plan, reflecting the Group's strategy to strengthen its core business, maintain cost discipline and focus on sustainable, long term growth. In doing so, the Board considered the impact of market conditions, customer trends, supplier dynamics and cost efficiency initiatives. The Board considered the implications of these decisions for all key stakeholders, ensuring an appropriate balance between investment, operational performance and long term value creation.	• Shareholders • Employees • Customers • Suppliers • Environment
Key Impact - Financing and Capital Spend	
The Board maintained a disciplined approach to capital allocation, with a focus on strengthening the Group's financial position and supporting long term resilience. During the year, the Board approved the refinancing of the Group's £115m revolving credit facility and continued to oversee capital investment in core infrastructure. Liquidity management remained a key focus, including short term funding requirements. In light of the Group's financial position and strategic priorities, the Board determined that no dividend would be paid for FY26. These decisions were made with regard to the interests of shareholders and other stakeholders, balancing financial flexibility with long term sustainability.	• Shareholders • Customers • Suppliers • Environment
Key Impact - Operating Model and Organisational Change	
The Board approved a revised operating model, aligning the Group around three core business units with clear accountability for performance and delivery, supported by centralised functions. This included the decision to formally separate the group's Data centre infrastructure operations. During the year, the Board also oversaw the implementation of cost optimisation initiatives and embedded cost discipline across the business, consistent with its strategic focus on improving efficiency and resilience. The Board carefully considered the impact of these changes on employees and organisational stability, recognising the importance of maintaining engagement, capability and continuity across the business.	• Shareholders • Employees • Customers • Suppliers

Key impact - Data Centre Estate Strategy

The Board evaluated strategic options for the Group's data centre estate, including consolidation activities and structural changes to enhance focus and accountability. During the year, the Board approved the establishment of a separate subsidiary to manage data centre infrastructure assets, supporting improved operational clarity and positioning the Group to maximise long term value from its infrastructure platform. This is being actioned in the first half of FY27.	• Shareholders • Employees • Customers • Environment

The Strategic Report on **pages 6 to 17** has been approved by the Board and is signed on its behalf:



Scott Cunningham
Chief Financial Officer

22 June 2026

Sustainability Report

We seek to minimise the environmental impact of our operations, and we are committed to reducing our greenhouse gas ("GHG") emissions. Consistent with prior periods, we are pleased to report that we remain aligned with the UK Government climate targets and remain committed to achieving Net Zero emissions by 2050, and earlier if possible. Through a combination of renewable electricity procurement and operational efficiencies, we continue to report that our Scope 1 & 2 total carbon emissions have reduced by over 99% since our benchmark year of FY2021.

Climate Risks and Opportunities

We recognise the importance of understanding and managing the risks and opportunities presented by climate change and are preparing climate-related financial disclosures in accordance with The Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022 (CFD). These disclosures apply to the entire Group.

Our climate-related risks and opportunities have historically been identified and assessed within our enterprise-wide risk management framework. During this financial year, we engaged a third-party consultancy to conduct a climate scenario analysis of potential physical climate-related risks across different time horizons and scenarios, in line with the CFD requirements. This work identified certain climate-related risks that may be material to the business. Alongside our initial work on transition risks, further work is needed to refine our understanding of the materiality of these climate-related risks, quantify potential financial implications, and embed the outputs into our risk management, governance and strategic planning processes.

Accordingly, the CFD disclosures required under section 414CB paragraph 2(e), (f), (g) and (h) have been omitted for the current financial year, as the analysis required to provide meaningful and reliable disclosures remains in progress. Over the coming financial year, we will continue to develop this work, with a view to integrating our most material climate related risks into business strategy and supporting the development of appropriate metrics, targets and management actions.

Governance

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

- During the financial year, the Group operated an ESG Steering Committee, which supports the CEO in overseeing all climate related risks and opportunities, including both physical and transition climate related matters, alongside broader environmental, social and governance considerations. The Data Centre Director works with third party consultants engaged by the Group to support the identification and assessment of climate related risks, energy management and the development of the Group's climate and sustainability strategy.
- The ESG Steering Committee is chaired by the Chief Financial Officer and consists of senior representatives from across the Group, including the Chief People Officer, Chief Operating Officer and is also attended by the Chair of the Audit Committee. The Committee meets quarterly to consider matters arising during the period, including climate related

risks, opportunities and initiatives, and to identify future work programmes. Relevant updates are communicated to the Board, via the Audit Committee, on a bi annual basis. The Committee met three times during the financial year.

- In line with its Terms of Reference, the ESG Steering Committee has oversight of ESG related matters, including responsibility for the oversight and coordination of all climate related topics relevant to the Group, both current and emerging.
- The Audit Committee supports the CEO in overseeing the identification and assessment of principal risks to the business, including climate related risks, and in ensuring appropriate actions are taken to support business continuity and long term resilience. The Committee reviews risks assessed as potentially material and ensures these are communicated to the Board.
- The Audit Committee oversees how climate-related risks are evaluated within the Group's risk management framework and risk register. The Committee meets quarterly and, as part of the Group's formal risk management process, assesses the impact of key risks, including climate-related threats, on the Group's operations. An updated Group Risk Register is presented to the Board annually.

Whilst climate related risks and opportunities are not currently considered as a standalone agenda item at Committee or Board level meetings, climate related matters are addressed through existing governance, risk management and performance reporting processes. As the scope and maturity of the Group's work in relation to climate related risks and opportunities, net zero and broader sustainability objectives develop, the Board expects to receive more frequent and more specific climate related updates.

Risk Management

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

Building on our desk-based risk workshop complete in FY 25, we completed a qualitative physical climate scenario analysis this year, facilitated by third-party experts (the results can be found in Table 1 below). The results from this workshop and analysis form the basis of a climate-related risk management framework going forward, which is managed by the Group's ESG Steering Committee.

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

Strategy

Building on the qualitative workshop undertaken in 2025 that explored our exposure to physical and transition risks, in 2026, we conducted a climate scenario analysis, which assessed physical climate-related risks relevant to our business in further detail. Our assessment considered exposure to physical climate hazards and, at a high level, their potential risk impacts across our sites in the UK, US and India.

Physical risks were assessed under low- and high-carbon climate scenarios[1], across three time horizons: short-, medium-, and long-term[2], covering the 28 physical hazards under the EU taxonomy. The following five groups of physical climate related risks (Table 1) were identified as potentially material for our business:

- Temperature-related hazards (including heat stress, changing temperatures and cold wave/frost),
- Water Stress and Drought,
- Strong winds (including storms and hurricanes/cyclones/typhoons),
- Precipitation and Flooding (including variable precipitation, pluvial flooding and heavy precipitation),
- Wildfires

Despite not using evaporative cooling systems in our data centres, water stress may still be a potentially material risk, according to our latest analysis. However, we have not yet undertaken an in-depth assessment of the vulnerabilities of our sites across our portfolio against these key risks at this stage. Therefore, further work is needed to refine this materiality assessment to align with our internal risk matrix and better understand potential financial and/or operational impacts if these risks were to materialise.

In 2025, we assessed transition climate-related risks (Table 2) and opportunities (Table 3) across relevant regions across our portfolio, covering market, regulatory, reputational and technological factors. The assessment considered short-, medium- and long-term time horizons, and assessed the potential relevance of climate-related issues to our operations, strategic planning and business continuity. It considered how risks and opportunities may evolve under a business-as-usual scenario[3] and a scenario aligned with 1.5°C Paris Agreement[4], where the latter was considered more significant in the short and medium term. The key transition risks identified as most relevant to us include:

- Technological changes,
- Energy costs,
- Reporting obligations, and
- Stakeholder expectations.

We plan to undertake further transition climate scenario analysis over the coming years to assess the materiality of these risks based on likelihood and impact across the same scenarios and time horizons as the physical risks. The findings from both the physical and transition risk assessments will continue to be incorporated into our strategic planning, operations and business continuity processes.

Metrics and Targets

As we continue to build our understanding of material climate-related risks and opportunities, we plan to develop metrics and targets over the coming years to support their monitoring and management.

Beyond our commitment to achieving Net Zero by 2050 and having reduced its Scope 1 and Scope 2 emissions by over 99% since its FY2021 baseline, we have established operational targets to manage relevant climate related risks, including a data centre power usage effectiveness (PUE) target of 1.55, supporting improved energy efficiency and reduced exposure to energy related transition risks. In the short term, we are progressing work overseen by the Environmental Working Group, including completing a structured Scope 3 gap analysis to identify and prioritise material value chain emission categories. This work will inform the assessment of the feasibility of setting absolute Scope 1, Scope 2 and material Scope 3 Science Based emissions reduction targets, the definition of interim absolute reduction milestones to 2050, and the evaluation of relevant emissions intensity metrics aligned to the Group's operations.

The proactive management of GHG emissions remains central to our operations. We aim to improve the energy efficiency of our operations and maintain compliance with ISO 50001:2018 as the basis for our energy management arrangements.

In support of this, we are committed to:

- Setting objectives for reducing energy consumption and maintaining an energy efficiency programme, managing energy usage at its related business premises,
- Complying with applicable environmental regulations,
- Improving the power usage effectiveness across our data centres,
- Providing training, encouraging employee involvement in energy efficiency improvement initiatives, and
- Participating in the Energy Savings Opportunity Scheme and complying with Streamlined Energy and Carbon Reporting regulations.

1. aligned with IPCC3 (Intergovernmental Panel on Climate Change) SSP1-2.6 and SSP5-8.5;
2. short-term: 2025-2040, medium-term: 2041 to 2060, long-term: 2081 to 2100;
3. aligned with Current Policies in NGFS;
4. aligned with Net Zero 2050 in NGFS scenarios.

Table 1:

List of potentially material climate-related physical risks identified at the Group level, based on physical climate risk assessment. Indicative risk ratings are unmitigated ratings for the medium-term under a high carbon scenario, which was identified as the most relevant time horizon and scenario.

Potential Operational Impact	Risk Rating (Unmitigated)	Business Strategic Response and Resilience
Physical Acute, Precipitation and Flooding, and Strong Winds (storms)		
• Damage to building, equipment and downtime • No access to routes to and from sites and impact on employee homes • Damage to infrastructure • Increased insurance premiums and potential for reduced availability of insurance on assets in high-risk locations • Early retirement of existing assets (e.g., damage to property and assets in "high-risk" locations) • Possibility of short-circuits, causing serious damage, fires, or small-scale explosions • Water and moisture damage to insulation, corrosion, cable, and equipment failure	**Medium** (precipitation and flooding) **Medium-high** (storms)	**Existing Response:** • Sites or data centres in coastal areas are situated on elevated ground or staff can work from home if necessary • Local flood barriers and water management plans in place • Investment in electrical, cooling and generator capacities for data centres • Contracted a third party to undertake a physical climate scenario analysis of all sites. The necessary frequency of assessment was defined. **Planned Response:** Contracted a third party to undertake Ambition to contract a third party to review current mitigation measures in place and consider new ones. Explore whether the Group's suppliers are vulnerable to flooding, to identify the magnitude of the risk across the business and consider appropriate mitigation actions to ensure preparedness.
Physical acute, High Temperatures		
• Overheating of systems and physical damage to facilities • No power supply or temporary loss, causing harm to customers and data centres' overload • Heat stress impacts workers' productivity • No access to transport infrastructure	**High**	**Existing Response:** • Dual power supply and resilience. Ensuring dual/diverse power feeds, backup generators, and uninterruptible power supply (UPS) to maintain continuity during outages. • Cooling systems used to maintain optimal operating temperatures.
Physical Acute (Drought) and **Physical Chronic** (Water Stress)		
• Potential change in water permits may impact water costs • Potential disruption to water availability for potable uses, impacting the ability to work	**Medium-high**	**Existing Response:** • Data centres are not water-cooled, which may limit water requirements at these sites • Employees can work from home if offices are disrupted.

Potential Operational Impact	Risk Rating (unmitigated)	Business Strategic Response and Resilience
Physical Acute (Wildfire)		
• Power supply disruption • Smoke and particulate contamination • Physical access to sites and staff safety	**Medium**	**Existing Response:** • Staff can work from home if necessary • Investment in electrical, cooling and generator capacities for data centres • Contracted a third party to undertake a physical climate scenario analysis of all sites. The necessary frequency of assessment was defined.

Table 2:

List of potentially material climate-related transition risks identified at the Group level, based on internal stakeholder engagement & workshop held in 2025.

Potential Operational Impact	Risk Rating (unmitigated)	Business Strategic Response and Resilience
Transition Technology, Technology Changes		
• Replace existing assets ahead of their economic lifespan with new low-carbon technology • Increased costs associated with replacing assets and R&D costs • Accelerated asset replacement, increased capital and R&D costs, and operational change driven by evolving low carbon technology regulations.	**High**	**Planned Response:** • Carry out horizon scanning to stay ahead of any technology changes and government regulations related to eco-friendly equipment. • Aim to assign this responsibility to the relevant staff members (e.g., ESG Committee) and have processes and budget in place to update equipment and other technology as required.
Transition Market, Energy Costs		
• Increased costs if hedging utility rates at the wrong time, while seeking protection against volatility • Increased cost of service/utilities, leading to customers and/or profitability being impacted	**High**	**Existing response:** • Keep in place existing mitigating options concerning volatility in energy supply and taxes, particularly the current hedging strategy, passing on increased costs to customers. This risk is well mitigated for now due to hedging.
Transition, Policy and Legal, Reporting Obligations		
• Increased operating costs to respond to reporting requirements (e.g., higher compliance costs, including consultancy fees and internal resources)	**Low**	**Planned Response:** • Assign resources to improve current ESG programmes and research opportunities to reduce energy use from data centres. • Work with third-party specialists to stay up to date on any new or proposed regulations.

• Non-compliance could lead to litigation and reputational damage		• To contract a third party to conduct a transition climate scenario analysis.
Transition, Reputation, Stakeholders' Expectations		
• Reduced revenue from decreased demand for goods/services • Reduced revenue from negative impacts on workforce management and planning (e.g., employee attraction and retention)	**Low**	**Planned Response:** • Assign resources to improve current ESG programmes and research opportunities to reduce energy use from data centres. • Work with third-party specialists to stay up to date on any new or proposed regulations. • To contract a third party to conduct a transition climate scenario analysis.

Table 3:

List of potentially relevant climate-related opportunities at the Group level, based on the internal stakeholder engagement & workshop in 2025.

Potential Operational Impact	Indicative Opportunity Rating	Business Strategic Response and Resilience
Resilience: Integrate physical risk exposure into business continuity planning to ensure Iomart develops adaptive capacity to respond to climate change.		
• Immediate expenses for developing an adaptive strategy • Increased reliability of supply chain and ability to operate under various conditions (long-term) • Increased revenue through new products and services related to ensuring resiliency (long-term) • Preventing potential significant IT costs incurred from extreme weather events. Reduced costs in that instance, with a business continuity plan in place and reduced impact on employees (long-term)	**Medium**	**Existing Response:** • Workshop undertaken with third-party experts to understand physical and transition risks. • We publish climate related disclosures annually as part of our Annual Report, aligned with TCFD/CFD expectations, to communicate our progress and approach to stakeholders **Planned Response:** • Building on the climate scenario analysis results, the ambition is to revisit the business continuity plan documentation, Group Risk Register and Load and Capacity Management Planning with physical risk considerations

Resource efficiency: Incorporate low-carbon technologies into Iomart's direct operations and its supply chains.

• Improved reputation and competitor advantage through demand for lower emissions products and services • Decreased operating costs with enhanced process efficiencies, reduced energy consumption and lower energy costs (long-term), but high capital costs to adopt new technologies (short-term) • Reduced exposure to future fossil fuel price increases • Bolster operational resilience of sites vulnerable to flooding and water stress	**High**	**Existing Response:** The viability of three strategies to improve energy and water efficiency is under current evaluation: • Switch to more sustainable types of fuel, such as white diesel or Hydrotreated Vegetable Oil (HVO) fuel for back-up generators. • Integrate a circular economy approach to IT legacy kits from customers, which could be recycled and gathered at a single IT asset disposal site. • Optimise short suppliers' shipments by analysing recurrent journeys and combining them. **Planned Response:** • Continue exploring innovations that may enable future data centres to support the grid, such as utilising battery storage capacity or providing waste heat. • Explore geographical locations of the data centres, as some can benefit from average grid carbon intensities lower than others, hence providing cloud and colocation clients the opportunity to reduce their energy impact significantly.

Energy source and Products & Services: Explore technology solutions or lower-emission sources of energy as a protection against volatility in energy supply.

• Increase generator capacities and on-site renewables • Returns on investment in low-emission technology • Reduced operational costs	**Medium**	**Planned Response:** • Explore technology based mitigations to energy supply and cost volatility, such as on site generation, storage and energy efficiency improvements.

Markets: Access new markets and customers and maintain existing reputation.

• Opportunity to access new markets and customers • Improved reputation leading eventually to increased revenue.	**Medium**	**Planned Response:** • Exploring opportunities to engage on sustainability matters with Iomart's customers, top suppliers, and staff to anticipate their expectations and ensure that the Group understands the changing market demands and offers any changes to its services accordingly. This can be through events tailored to specific sectors and engaging with customers to understand their needs

Greenhouse Gas (GHG) Emissions Inventory

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

Details of Iomart's methodology, energy consumption used to calculate emissions and its progress from the baseline year can be found on the next page.

Table 4:

Iomart Group PLC Emissions & SECR Compliance Report

GHG emissions and energy use data for the period	2020-21 Baseline Year UK	2024-25 Comparison reporting Year UK	**2025-26 Current reporting Year UK**
Emissions from activities which the company owns or controls, including combustion of fuel & operation of facilities (Scope 1) / tCO_2e	-	8	21
Emissions from the purchase of electricity, heat, steam, and cooling purchased for own use (Scope 2, location-based) / tCO_2e	13,504	9,744	7,606
Emissions from the purchase of electricity, heat, steam, and cooling purchased for own use (Scope 2, market-based) / tCO_2e	13,504	-	-
Emissions from business travel in rental cars or employee-owned vehicles, where the company is responsible for purchasing fuel	4	38	72
Total gross Scope 1 & Scope 2 emissions [location-based] / tCO_2e	13,504	9,752	7,627
Total gross Scope 1 & Scope 2 emissions [market-based] / tCO_2e	**13,504**	**8**	**21**
Total gross Scope 1, Scope 2 [location-based] & Scope 3 emissions / tCO_2e	13,508	9,790	7,700
Total gross Scope 1, Scope 2 [market-based] & Scope 3 emissions / tCO_2e	**13,508**	**46**	**94**
Energy consumption used to calculate the above emissions / kWh	57,956,041	47,264,798	43,384,336
Recurring Revenue [£'000]	100,211	127,569	133,648
Intensity ratio: tCO_2e (gross Scope 1 + 2) per £'000 revenue [location-based]	0.13	0.08	0.06
Intensity ratio: tCO_2e (gross Scope 1 + 2) per £'000 revenue [market-based]	**0.13**	**0.0001**	**0.0002**
Intensity ratio: tCO_2e (gross Scope 1, 2, 3) per £'000 revenue [location-based]	0.13	0.08	0.06
Intensity ratio: tCO_2e (gross Scope 1, 2, 3) per £'000 revenue [market-based]	**0.13**	**0.0004**	**0.0007**

Methodology

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

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

The data detailed in this table (Table 4) represent emissions and energy use for which Iomart is responsible and covers the following:

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

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

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

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

Last year, the Board approved a £1.3m replacement of a cooling system in a major data centre, alongside other critical assets in key data centres, to support carbon reduction as we work towards carbon neutrality. In addition, our solar panel installation at the Maidenhead data centre, completed in May 2024, generated 408,323 kWh of clean energy between completion and March 2026. During the year ending 31 March 2026, a total of 245,738 kWh of clean energy was produced.

To support our climate-related targets and transition, we have implemented a range of energy efficiency and emissions reduction initiatives, including:

- ongoing solar panels and LED lighting programmes,
- replacing cooling systems with ones that are modern, efficient and utilise free cooling,
- Implementing an Integrated Management System (IMS) and procuring REGOs, aligned with ISO 14001:2015 and ISO 50001:2018 standards,
- procuring renewable electricity across their UK data centre estate in 2021,
- investing in a new fleet of vehicles to reduce fleet emissions; and
- rolling out improved airflow management within our datacentres, increasing efficiency of cooling.

These are the measures currently identified, and we will continue to review and enhance them as needed.

Corporate Governance

Board of Directors

Richard Last, Executive Chair
Date of Appointment: June 2024 appointed as Non-Executive Chair, May 2025 appointed Executive Chair

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

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

External Appointments: Non-Executive Chair of chair of Tribal Group plc and Non-Executive Director at Corero Network Security plc. He holds a number of appointments in private companies.

Scott Cunningham, Chief Financial Officer
Date of Appointment: September 2018

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

Karyn Lamont, Non-Executive Director
Date of Appointment: February 2019

Committee Membership: Audit (Chair), Remuneration and Nomination

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

External Appointments: Karyn is a Non-Executive Director, and Audit Committee Chair of Scottish Building Society, North American Income Trust plc, Scottish American Investment Trust plc and Golden Charter Trust Limited.

Annette Nabavi, Non-Executive Director
Date of Appointment: May 2023

Committee Membership: Remuneration (Chair), Audit and Nomination

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

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

Adrian Chamberlain, Senior Independent Non-Executive Director
Date of Appointment: June 2023

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

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

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

Angus MacSween, Non-Executive Director
Date of Appointment: March 2000, appointed as Non-Executive Director in October 2020

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

Corporate Governance Report

On behalf of the Board, I am pleased to present our Corporate Governance Report for the year ended 31 March 2026.

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 year, there were a number of changes to the Board. Lucy Dimes stepped down from the Group on 29 May 2025, at which point I assumed the role of Executive Chair on a transitional basis. In February 2026, Scott Cunningham, CFO, also notified the Board of his intention to step down and will leave the business at the end of June 2026.

Following these changes, I have taken on the role of Executive Chair on a transitional basis. Processes to recruit both a permanent Chief Executive Officer and Chief Financial Officer are underway. I am supported by a strong Executive Leadership Team and an experienced Board, and we remain committed to maintaining high standards of governance while restoring a clear separation between the roles of Chair and CEO.

Stakeholder Engagement

Engaging effectively with our stakeholders is critical to the Group's long-term success. As Chair, I am responsible for leading the Board in a way that promotes the interests of all stakeholders and ensures the integrity and effectiveness of the Board's work. As detailed in our Stakeholder Engagement Report (pages 36 to 41), 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

22 June 2026

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.

Principle	Where addressed in this Annual Report
1. Establish a purpose, values and strategy	Iomart's strategy centres on transitioning from a legacy infrastructure provider to a high-growth managed cloud and Microsoft services business. The Atech acquisition accelerated this repositioning, bringing Microsoft Azure, Modern Work and Security capabilities. The three-segment model (Iomart Cloud Services, Atech, Easyspace) reflects distinct market positions and customer bases, each with dedicated leadership. Long term value is driven by growing recurring revenue, expanding margins in higher-value managed services and disciplined cost management. Strategy and Business Model **(p.14)**; Chairman's Statement **(p.6)**
2. Seek to understand and meet stakeholder needs and expectations	The Board engages with shareholders through the AGM, results presentations and one-to-one meetings with institutional investors. The Executive Chair and CFO are the primary contacts for investor relations. Feedback from investor meetings is reported to the Board and informs strategic priorities. The Company publishes half-year and full-year results, trading updates and regulatory announcements via RNS Stakeholder Engagement **(p.36)**; Section 172 Statement **(p.37)**
3. Take into account wider stakeholder and social responsibilities	Key stakeholder groups include employees, customers, suppliers and the communities in which the Group operates data centres. Employee engagement is conducted through regular all-hands communications and the annual employee survey. The Group's environmental responsibilities include energy efficiency initiatives across its data centre estate and monitoring of its carbon footprint. A cost efficiency programme delivered £4m in annualised savings during the year. Sustainability Report **(p.42)**; Stakeholder Engagement **(p.36)**
4. Embed effective risk management	The Board maintains a Group risk register reviewed at least annually. Principal risks are identified, assessed for likelihood and impact, and mitigating controls are documented. The Audit Committee oversees the risk management framework and receives reports from management. Key risks in the current year include customer churn in legacy services, cybersecurity threats, integration of Atech and the Group's leverage position following the acquisition. Principal Risks and Uncertainties **(p.31)**; **Note 15 Risk Management**

5.	Maintain the board as a well-functioning, balanced team led by the Chair	The Board comprises the Executive Chair, Chief Financial Officer and three independent Non-Executive Directors. Following the departure of the CEO during the year, Richard Last assumed the Executive Chair role on an interim basis, with enhanced support provided by the CFO and Executive Committee. The Board continues to benefit from the experience of Angus MacSween who, while not considered independent, provides valuable insight and continuity, particularly during the current period of change. The Board meets a minimum of nine times per year formally, with additional meetings as required. Attendance records are set out in the Corporate Governance Report. Corporate Governance Report – Board composition and meetings **(p.57)**
6.	Ensure directors have the necessary up-to-date experience, skills and capabilities	The Board's collective experience spans cloud technology, financial services, corporate finance, public markets and operational management, as set out in the Directors' biographies. Composition is reviewed regularly to ensure an appropriate balance of skills and experience. Non-Executive Directors receive ongoing training on relevant governance and regulatory developments. Board of Directors biographies **(p.54)**; Corporate Governance Report **(p.57)**
7.	Evaluate board performance based on clear and relevant objectives	A formal Board evaluation is conducted annually. In the current year this was conducted internally by the SID, assessing Board composition, information flows, meeting effectiveness and Committee performance. Actions arising are tracked by the Company Secretary. Corporate Governance Report – Board evaluation **(p.64)**
8.	Promote a culture based on ethical values and behaviours	The Group's values underpin how the business operates across all three segments. The Code of Conduct applies to all employees and covers conflicts of interest, anti-bribery, data protection and whistleblowing. The whistleblowing policy provides a confidential channel for employees to raise concerns, reported to the Audit Committee. The Board receives updates on culture and conduct through the HR function and people metrics. Corporate Governance Report **(p.57)**;

9. Maintain governance structures and processes that are fit for purpose	The Board maintains a formal schedule of Matters Reserved for its own decision making, which sets out those decisions that require full Board approval and cannot be delegated. This includes approval of strategic plans, annual budgets, material acquisitions and disposals, significant capital expenditure, changes to the Group's capital structure, and the approval of the Annual Report and financial statements. The schedule is reviewed annually to ensure it remains appropriate to the size and complexity of the Group. Beyond those matters reserved for the Board, authority is delegated to three Committees, Audit, Remuneration and Nomination, each operating under formal terms of reference that are reviewed and approved annually. The division of responsibilities between the Executive Chair and the Chief Financial Officer is clearly documented, ensuring no single individual has unfettered decision making authority. The Company Secretary advises the Board on governance matters and ensures compliance with regulatory requirements. AIM Rule 26 disclosures are maintained and updated on the Company's website. Corporate Governance Report – Board committees, Audit, Remuneration and Nomination Committee reports **(p.65)**
10. Communicate how the company is governed and is performing	The annual report sets out a full account of Board activity, Committee reports and Directors' remuneration. The Company complies with the QCA Code and explains any areas of non-compliance on a comply-or-explain basis. The Corporate Governance Statement, Directors' Report and Remuneration Report are published on the Company's website alongside AIM Rule 26 disclosures. Shareholders may contact the Board directly via the Company Secretary. Chairman's Statement **(p.6);** Business and financial review **(p.18);** Annual Report and Financial Statements generally; RNS announcements

The Board

Role of the Board

The Board's principal role is to provide effective leadership of the Group and establish and align the Group's values, strategic plans and culture. The strategic report describes the business model on page 14 and explains the basis on which the Group generates value and outlines the long-term strategy of the Group.

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

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

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

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

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

Board Structure and Division of Responsibilities

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

Board biographies of all Board members giving details of their experience and other directorships are included on pages 54 to 56. The Board has 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:

Job Role	Principal Responsibilities
Chief Executive Officer	• 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	• 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
Non -Executive Chair	• Leads the Board and sets the tone, promoting a culture of open and honest debate at Board meetings and upholds high standards of governance • Sets the Board's agenda and chairs Board meetings to encourage constructive challenge of the Executive Directors • Facilitates effective communication between Executive and Non-Executive Directors and encourages contribution and discussion • Ensures all Directors receive sufficient and relevant information prior to meetings to allow independent judgement and effective challenge of Board decision making • Works closely with the Chief Executive Officer on key strategic decisions • Maintains and supports communication channels with shareholders as appropriate The above Non-Executive Chair principal responsibilities are combined with the principal responsibilities of the Chief Executive Officer for an interim period until a successor Chief Executive Officer is appointed and in relation to which enhanced support is provided by the Chief Financial Officer and the Group's Executive Committee
Non-Executive Director	• 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	• 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 role of 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 10 months of FY26, Richard Last has performed the role of Executive Chair, however, where appropriate the Senior Independent Director was involved for any areas where there was potential conflict of interest. The position of Executive Chair is a transitional arrangement only.

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 and on 29 May 2025 moved to Executive Chair to support the Executive team during the period of recruitment and appointment of a new Chief Executive Officer.

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

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

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

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

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

Recommendations from the FY26 board evaluation process were: (i) improvements to the quality and focus of board papers; and (ii) ways to improve debate and challenge amongst Board members, which was discussed by the Board at the February 2026 meeting with the Executive Chair actively seeking feedback from Directors on how to improve Board performance.

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 to be critical, taking into 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.

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:** Annette Nabavi **Other members:** Adrian Chamberlain Karyn Lamont	The Remuneration Committee oversees the Group's remuneration policy, strategy and implementation and is responsible for reviewing and making recommendations to the Board on the total remuneration packages of the Executive Directors which includes: • 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:** 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 Karyn Lamont	The Nomination Committee considers the selection and re-appointment of Directors. Its terms of reference include: • reviewing the structure and composition of the Board; • identifying and nominating for approval candidates to fill Board vacancies; • evaluating the balance of skills, knowledge, experience and diversity of the Board; • reviewing results of the Board performance evaluation process; and • reporting to the Board on all matters within its duties and responsibilities. Part of the Nomination Committee's remit is to consider succession planning for both the board and other senior executives. This is considered at Nomination Committee meetings as part of an ongoing process, involving the Chief Executive Officer and Chief People Officer reporting back to the Nomination Committee on an annual basis (or more frequently where relevant). Specific focus in these discussions is given to the replacement of the Executive Directors both in unplanned and planned circumstances. In the year ended 31 March 2026, the Nomination Committee was responsible for recommending the appointments of Richard Last, as Non-Executive Chair as a transitional arrangement.

AUDIT COMMITTEE

Chair:

Karyn Lamont

Other members:

Adrian Chamberlain

Annette Nabavi

The Audit Committee 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, performance, business model and strategy. In addition, the Committee continued to oversee the risk management and internal control systems. The Audit Committee's terms of reference include reviewing and monitoring:

- interim and annual reports, including consideration of the appropriateness of accounting policies and material assumptions and estimates adopted by management;
- developments in accounting and reporting requirements;
- the external auditor's plan and scope for the year end audit of the Group and its subsidiaries and reviewing the audit findings;
- internal auditor's annual plan and individual audits terms of reference, reviewing the internal audit reports and recommendations and status of outstanding actions. In addition, the Audit Committee carries out an annual assessment of the effectiveness of the outsourced internal audit function in the overall context of the Group's risk management programme; During the year there has been no internal audit activity;
- 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 whistleblowing. For more details on the Group's whistleblowing policy, see page 70.

Significant areas considered by the Audit Committee in relation to the 2026 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 2026. 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 no impairment was recorded in respect of the Group's Cash Generating Units (CGU's) or group on CGUs.
Carrying value of investments in subsidiaries	The Audit Committee considered the carrying value of investments in subsidiaries at 31 March 2026. 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 £4.4m impairment of the carrying value of Extrinsica Global Holdings Limited was recorded.
Revenue recognition	The Audit Committee reviewed the Group's revenue recognition policies and the application of IFRS 15 to key revenue streams. The Committee considered the judgements made by management in determining performance obligations, the timing of revenue recognition, and the assessment of whether the Group acts as principal or agent in certain arrangements. The Committee reviewed the underlying analysis and supporting evidence, and challenged management on the key assumptions and judgements applied. The Committee is satisfied that the accounting treatment adopted is appropriate and consistent with the requirements of IFRS 15. The Committee also reviewed the clarity and adequacy of the related disclosures in the financial statements.
Going Concern	The Audit Committee has reviewed management's assessment of the Group's ability to continue as a going concern, including the underlying financial forecasts and supporting models, in the context of the Group's FY26 financial performance and compliance with banking covenants. This assessment covers a period of at least 12 months from the date of approval of the financial statements. The Committee noted the successful refinancing of the Group's revolving credit facility ("RCF") subsequent to the year end, on 5 June 2026. The revised facility, provided by a syndicate comprising Royal Bank of Scotland plc, HSBC UK Bank plc and Nationwide Building Society (trading as Virgin Money), has a total commitment of £115m and matures on 30 June 2028. The facility provides appropriate headroom relative to current borrowings and includes financial covenants aligned to the Group's leverage profile and strategic plans. The Committee reviewed the Group's base case forecasts and the results of stress testing, including severe but plausible downside scenarios (refer to Note 1 for further detail). The assumptions underpinning these scenarios were assessed and considered appropriate in the context of the current trading environment. The Committee also considered the principal risks and uncertainties facing the Group and the range of mitigating actions available to management in the event that downside risks materialise. The Committee recognises that ongoing compliance with banking covenants is a key consideration in the going concern assessment. Based on its review, the Committee concluded that it is appropriate to adopt the going concern basis of accounting in preparing the financial statements. The Committee is satisfied that the related disclosures are transparent and robust, and that there are no material uncertainties regarding the Group's ability to continue as a going concern.

As appropriate, representatives of the external and internal auditors also attend Audit Committee meetings. The Committee did not require the attendance of internal audit during the year. The Chair of the Committee also meets separately with senior management, the external auditors and internal auditors.

Grant Thornton UK LLP were appointed as the Group's external auditors for the year ended 31 March 2026, following a formal competitive tender process conducted by the Audit Committee during FY26. The tender process was initiated following the decision to put the external audit out to competitive tender. The Committee invited proposals from a shortlist of firms, which were evaluated against criteria including audit quality, sector expertise, proposed team, approach to key audit risks and fee competitiveness. Following presentations from each firm, the Audit Committee recommended the appointment of Grant Thornton UK LLP to the Board, which approved the recommendation.

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. Grant Thornton UK 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 Grant Thornton UK 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 2026, the only non-audit services performed by Grant Thornton related to the tax compliance and covenant compliance certification which are permitted services. Given the appointment of Grant Thornton during the year consideration was taken on all services provided and tax provision services were ceased as a result.

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

Figures in brackets indicate the maximum number of meetings in 2025/2026 for which the individual was a Board or Committee member. Committee	Board	Remuneration Committee	Audit Committee	Nomination Committee
Richard Last Chair	9(9)	-	-	2(3)
Lucy Dimes Chief Executive Officer	1(1)	-	-	-
Scott Cunningham Chief Financial Officer	9(9)	-	-	-
Karyn Lamont Non-Executive Director	9(9)	5(5)	4(4)	3(3)
Angus MacSween Non-Executive Director	9(9)	-	-	-
Annette Nabavi Non-Executive Director	9(9)	5(5)	4(4)	3(3)
Adrian Chamberlain Non-Executive Director	9(9)	5(5)	4(4)	3(3)

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

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

Risk Management and Internal Control

The approach to risk management and the principal risks of the Group are set out on pages 31 to 35. 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.

Relations With Shareholders

Communication with shareholders is given high priority by the Board. As noted in our Stakeholder Engagement report on page 36, 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.

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 2026, retained our commitment to ensuring we comply with the minimum living wage guidance.

Re-Election

In line with the QCA (Quoted Companies Alliance) code and the Company's Articles of Association all members of the Board, other than Scott Cunningham who is leaving the business before the Annual General Meeting, will be subject to annual re-election at the Annual General Meeting.

Going Concern

The Directors have assessed whether it is appropriate to prepare the financial statements on a going concern basis, covering a period of at least 12 months from the date of approval of the financial statements on 22 June 2026.

Subsequent to the year end, on 5 June 2026, the Group successfully amended and extended its £115m revolving credit facility to 30 June 2028 with its existing lending syndicate of The Royal Bank of Scotland plc, HSBC UK Bank plc and Nationwide Building Society (trading as Virgin Money). The revised facility includes financial covenants aligned to the Group's current leverage profile, incorporating leverage and interest cover ratio tests that have been negotiated with reference to the Group's base case financial plan and assessment of downside risk. The facility provides headroom above current drawn levels of £97.5m, with £17.5m of undrawn capacity.

In undertaking this assessment, the Directors reviewed detailed cash flow forecasts and covenant compliance projections for the going concern period. The base case reflects the Board-approved FY27 budget and five-year plan, with recurring revenue assumptions underpinned by the Group's high proportion of contracted revenue and improved management of customer churn. The Directors also considered a series of downside stress scenarios applied simultaneously and without mitigation, representing a severe but plausible outcome. Even under these stressed conditions, the Group maintains covenant compliance throughout the going concern assessment period. The Directors have further identified a range of mitigating actions that are within management's control and assessed as highly deliverable, which serve to provide additional headroom above the base case and downside scenarios modelled.

The Directors are satisfied that the Group has adequate resources to continue in operational existence for the foreseeable future and that the going concern basis of accounting remains appropriate. No material uncertainties have been identified that cast significant doubt on the Group's ability to continue as a going concern for a period of at least 12 months from the date of approval of these financial statements. Further detail on the going concern assessment, including the assumptions underpinning the forecasts and the results of stress testing, is provided in Note 1 to the consolidated financial statements.

Post Balance Sheet Events

Post year end the Group's £115m Revolving Credit Facility was successfully amended and extended to June 2028 with its existing lending syndicate. The facility includes financial covenants aligned to the Group's current leverage profile and incorporates a margin ratchet mechanism, whereby interest costs reduce as leverage decreases (see Note 24).

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:

- 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.

Report on Remuneration

Directors' Remuneration Report

On behalf of the Board, I am pleased to present the Directors' Remuneration Report for the year ended 31 March 2026 which sets out our Directors' Remuneration Policy and provides details of amounts earned by Directors in respect of the year ended 31 March 2026. In framing its Remuneration Policy, the Remuneration Committee has adopted the Quoted Companies Alliance ("QCA") Remuneration Code for Small and Mid-sized Quoted Companies to ensure that our Remuneration Policy both reflects our strategy and is aligned with the QCA Remuneration code and shareholders' interests.

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

Remuneration Committee

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

The Committee has formal terms of reference which can be found in the investor section of the Group's website, which are reviewed and approved annually by the Board. The Committee makes recommendations to the Board, within its terms of reference, on the remuneration and other benefits, including bonuses and share options, of the Executive Directors. It also reviews and provides comments on the Group's overall approach to staff remuneration and reviews any equity related payments.

The Committee met Five times during the current year. The attendance record for those meetings is included in our Corporate Governance Report on page 69.

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

Remuneration of Executive Directors

Summary of the Directors' Remuneration Policy

Purpose and link to strategy	Operation	Performance measures
Base Salary		
Base salaries for the Executive Directors are designed to reflect the responsibilities and the skill, knowledge and experience of the individual required to achieve the long-term aims of the business	• Base salaries are reviewed annually. Where appropriate the Remuneration Committee considers independent expert advice when setting the level of reward packages. • Base Salaries may be increased annually recognising general company increases as part of annual merit awards. • The Executive Directors do not receive Directors' fees.	**N/a**
Benefits		
We aim to provide basic benefit packages to our Executives to complement basic salary	• The Executive Directors are entitled to life insurance cover, death in service benefits and to participate in the Group's Private Medical Insurance scheme. These benefits are consistent with other managers in the business. • The Group operates a Sharesave scheme from time to time for all employees and Executive Directors are invited to participate.	**N/a**
Pension		
The pension arrangements ensure an appropriate level of retirement benefit.	• The Company may make contributions towards an individual's personal pension arrangements or pay an equivalent cash allowance. • The maximum contribution or allowance payable by the Company is 10% of basic salary.	**N/a**

Annual Bonus		
We offer an annual cash bonus to Executive Directors designed to drive performance against annual targets	• The maximum annual bonus opportunity is 110% of base salary. • 75% of the maximum bonus will be paid if financial and personal targets are met. The maximum bonus will only be paid for performance well in excess of target. • If consensus numbers are not achieved no bonus is paid against the financial elements of the bonus.	The level of Executive Directors' discretionary bonus payments is determined by two financial measures and agreed personal objectives. The financial measures include adjusted EBITDA and revenue. Targets are set by the Committee at the beginning of each year. The Committee has the discretion to vary targets and weightings from year to year. The Committee has additional overriding discretion to adjust the formulaic outcome of the bonus scheme if deemed appropriate.
Performance Share Plan (LTIP)		
The Group operates a Long Term Incentive Plan also called the Performance Share Plan for Executive Directors and managers to reward, retain and incentivise those individuals who have made a major contribution to the Group and will continue to play a key role in helping the Group achieve its long-term objectives and the creation of shareholder value in the future.	• Awards are normally granted in the form of nominal cost options. • Share options awarded will normally vest after the third anniversary of the date of grant. • Participants have 10 years from award to exercise. • The Plan Rules contain, amongst other conditions, malus and clawback provisions and a limitation to ensure that new shares issued, when aggregated with all other employee share awards, must not exceed 15% of issued share capital over any ten-year period. • However, the committee has informally agreed to restrict this to 10% of issued share capital to reduce share holder dilution.	The maximum award under the performance share plan for Executive Directors is 150% of base salary. Awards are normally granted in the form of nominal cost options. The vesting of options is subject to the achievement of performance conditions. Normally, vesting is also subject to continued employment. Performance conditions based on share price hurdles. Each year the Committee assesses what performance conditions and associated weightings it considers appropriate in supporting the Company's strategy and longer-term objectives. The Committee has overriding discretion to adjust the formulaic outcome of the LTIP if deemed appropriate.
All Employee Share Scheme		
The Group has established a share save scheme for all employees. The maximum monthly saving amount allowed under the scheme is £500 per month. The current scheme runs until March 2027. No new scheme has been put in place.	• The Directors can participate in any company wide share save schemes which may be available, from time to time, to the whole company.	**N/a**

Service Contracts

Executive Director Scott Cunningham is engaged under a service contract which requires 6 months notice period.

Non-Executive Directors have a 3 month notice period with the exception of Angus MacSween and Karyn Lamont, who both have a 6 month notice period. Richard Last, Non-Executive Chair, has a 6 month notice period. This has been extended to 12 months during the period that Richard Last is fulfilling the role of Executive Chair.

Implementation of the Remuneration Policy: for the Year Ending 31 March 2026

The Executives' base salaries were both increased by 3%, effective from 1 April 2025. Base salaries from 1 April 2025 were therefore CEO (£381,000) and CFO (£267,000).

Since Lucy Dimes' resignation in May 2025, Richard Last, the Company's Non-Executive Chairman, has taken the position of Executive Chair. His Chairman's fee was therefore increased to £250,000 to compensate for the additional time and responsibilities inherent in this role.

Annual Cash Bonus

Following an assessment of performance against the financial and personal objectives set for the cash bonus, the CFO and Executive chair were not awarded an annual cash bonus for the year ended 31 March 2026.

Following approval by the Committee Scott Cunningham received a special cash bonus of £50,000 on 25 July 2025 for his work in securing the new bank financing.

LTIP

The Group operates a Long Term Incentive Plan (the "Performance Share Plan" or "PSP") for Executive Directors and senior managers to reward, retain and incentivise those individuals who made a major contribution to the Group and will continue to play a key role in helping Group achieve its long-term objectives and the creation of shareholder value in the future.

Performance Share Plan Awards (LTIPS) were granted to Scott Cunningham and Richard Last. Similar LTIP awards were also made to a number of key senior managers as part of the Company's restructuring plan. These awards are based on the achievement of specific share price hurdles, they have been granted as nominal cost options with a 3 year vest and are subject to the Rules of the PSP.

Implementation of the Remuneration Policy: for the Year ending 31 March 2027

Base Salary

Salaries for FY27 would normally be reviewed in Q4 FY26. However, since Lucy Dimes, CEO resigned on 29th May 2025 and has not yet been replaced, and Scott Cunningham has resigned and is due to leave the company in June 2026, no Executive salary reviews have been carried out this year. Salary levels for replacement CEO and CFO will be determined as part of the recruitment process.

Annual Bonus Scheme

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

LTIP

The Committee concluded that, following the share option grant in October 2025, no further share option awards would be made, reflecting its current remuneration approach.

Directors' Remuneration for the Year Ended 31 March 2026

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

	Salary or fees £'000	Bonus £'000	Benefits £'000	Pension allowance £'000	**Year ended 31 March '26 Total £'000**	Year ended 31 March '25 Total £'000
Executive Directors						
Lucy Dimes[1]	64	-	1	6	71	412
Scott Cunningham	268	50	2	27	347	325
Richard Last	226	-	-	-	226	81
Non-Executive Directors						
Karyn Lamont	50	-	-	-	50	49
Angus MacSween	45		6		51	49
Annette Nabavi	50	-	-	-	50	49
Adrian Chamberlain	50	-	-	-	50	49

1 Lucy Dimes left the Company on 29 May 2025. In addition to the above salary paid there was exceptional costs of £0.5m for payment in lieu of notice and an additional ex gratia payment of £43k.

Chair and Non-Executive Directors Fees

The fees paid to the Non-Executive Directors are determined by the Board. Non-Executive Directors were paid £45,000 per annum for Board Director duties with additional fees of £5,000 per annum paid to the Audit and Remuneration Committee Chairs and the Senior Independent Non-Executive Director to reflect the additional time required to fulfil these roles. Effective from 1 April 2026, all Non-Executive Director fees were increased by 3%.

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

The Non-Executive Chair received an annual fee of £100,000, which increased to £103,000 in April 2025. However, on taking on the role of Executive Chair, this fee was increased on 30 May 2025 to £250,000 to cover the additional time and responsibilities inherent in the extended role.

Directors' Interests in Shares

The Directors holding office at 31 March 2026 held beneficial interests in the issued share capital of the Company as shown in the following table:

	Number of ordinary shares	
Name of director	**At 31 March 2026**	At 1 April 2025
Angus MacSween[1]	18,198,834	17,473,909
Scott Cunningham	246,228	246,228
Karyn Lamont[2]	60,000	7,000
Annette Nabavi	5,500	5,500
Richard Last	50,000	50,000

1 On 26 September, Angus MacSween purchased 114,474 shares and on 2 October 2025, Angus MacSween exercised 610,451 share options and retained them all in shares taking his total shareholding to 18,198,834 shares.

2 On 3rd October 2025, Karyn Lamont purchased 53,000 ordinary shares of 1p each at a price of 18.05p increasing her shareholding to 60,000 shares

Share Price

The market price of the Company's shares at the end of the financial year was 11.8p (2025: 31p) and the range of prices during the year was between 11.45p (2025: 31.0p) and 31.9p (2025: 147.0p).

Directors' Interests in Share Options (this information has been audited)

The interests of the Directors at 31 March 2026 in options over the ordinary shares of the Company were as follows:

Name of director	At 1 April 2025	Exercised	Granted	Lapsed	**At 31 March 2026**	Exercise price	Date of grant	Date from which exercisable	Expiry Date
Lucy Dimes[1] Executive Director	612,583	-	-	(612,583)	-	1p	06/11/2023	06/11/2026	06/11/2033
	15,458	-	-	(15,458)	-	120.0p	15/02/2024	01/03/2027	31/08/2027
	423,664	-	-	(423,664)	-	1p	07/05/2024	07/05/2027	07/05/2034
	1,051,705	-	-	(1,051,705)	-				
Scott Cunningham, Executive Director	14,062	-	-	(14,062)	-	128.0p	01/03/2022	01/03/2025	01/09/2025
	189,600	-	-	(189,600)	-	1p	20/04/2023	20/04/2026	20/04/2033
	297,710	-	-	(297,710)	-	1p	07/05/2024	07/05/2027	07/05/2034
		-	1,000,000	(1,000,000)	-	1p	24/10/2025	24/10/2028	24/10/2035
	501,372	-	1,000,000	(1,501,372)	-				
Angus MacSween, Non-Executive Director	175,575	(175,575)	-	-	-	1p	28/08/2015	28/08/2018	28/08/2028
	134,281	(134,281)	-	-	-	1p	01/04/2016	01/04/2019	01/04/2026
	129,848	(129,848)	-	-	-	1p	12/04/2017	12/04/2020	12/04/2027
	72,142	(72,142)	-	-	-	1p	04/04/2018	04/04/2021	04/04/2028
	57,710	(57,710)	-	-	-	1p	09/05/2019	09/05/2022	09/05/2029
	40,895	(40,895)	-	-	-	1p	06/04/2020	06/04/2023	06/04/2030
	610,451	(610,451)	-	-	-				
Richard Last Executive Director	-	-	500,000	-	500,000	1p	24/10/2025	24/10/2028	24/10/2035

During the year Scott Cunningham exercised nil unapproved share options (2025: 124,053) and realised no gain (2025: £157,547). Angus MacSween exercised 610,451 (2025: 117,480) unapproved options of 1p and realised a gain of £103,166 (2025: £122,179).

During the year options over 1,500,000 ordinary shares (2025: 721,374) were granted to Directors under the unapproved share option performance share plan with an average exercise price of 1.0p per share (2025: 1.0p per share). No options over ordinary shares (2025: Nil) were granted to Directors under the sharesave scheme in the current year (2025: Nil). Scott Cunningham's 1,501,372 options over ordinary shares under the unapproved scheme lapsed in the year (2025: 127,980). Lucy Dimes 1,051,705 options over ordinary shares under the unapproved scheme lapsed (2025: Nil). No options were exercised under the sharesave scheme during the year (2025: nil).

Approved by the Board:

Annette Nabavi

Chair, Remuneration Committee

22 June 2026

Directors Report

The Directors' present their annual report on the affairs of the Group, together with the financial statements and auditor's report, for the year ended 31 March 2026.

Principal Activity

The principal activity of the Group is the provision of managed cloud services. The Group's principal subsidiary undertakings are listed in Note 25 to the financial statements. The Group's registered number is SC204560.

Financial Risk Management Objectives and Policies

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

At 31 March 2026, the Group has access to a £115m revolving credit facility which has a maturity date of 30 June 2027. The effective interest rate for the revolving credit facility in the current year was 6.25% (2025: 6.90%). Subsequent to the year-end on 5 June 2026, this facility was amended and extended taking a revised expiry date to 30 June 2028. This new RCF has a borrowing cost at the Group's current leverage levels of 3.5% margin over SONIA. The new RCF incurs a non-utilisation fee of 35% of the bank margin. The RCF provides the Group with additional liquidity which will be used for general business purposes and to fund investments, in accordance with the Group's three-year strategic plan. The directors are of the opinion that the Group can operate within the bank facility and comply with its banking covenants.

The Group has net debt at 31 March 2026 of £108.6m (2025: £101.9m). Net debt comprises lease liabilities totalling £20.0m (2025: £18.0m), the bank facility loan of £97.5m (2025: £97.0m) and cash and cash equivalents of £8.9m (2025: £13.1m).

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

The Group has exposure to movements in the exchange rate of the US dollar as certain domain name purchases and licences are transacted in this currency. To protect elements of our cash flows against the level of exchange rate risk, the Group entered into forward exchange contracts to hedge foreign exchange exposures arising on the forecast payments during the year. At 31 March 2026 there are 4 outstanding forex currency contracts which have a cumulative gross value of USD 13.4m (2025: USD 16.5m). The majority of transactions of the parent company and the UK subsidiaries are in UK sterling and, with the exception of forward foreign exchange contracts, the Group does not use derivative instruments. Additional information on risk management is included in Note 15.

Dividend

The Directors do not recommend a final dividend for the year ended 31 March 2026 (2025: nil).

Research and Development

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

Future Developments

The Group's business review and activities, together with the factors likely to affect its future development, performance and position are set out in the strategic report on **pages 6 to 17**.

Events Which Have Occurred Since The End Of The Financial Year

Since the year end, the Group has refinanced its banking facilities, entering into a new £115m revolving credit facility with its existing banking group on 5 June 2026. The new facility provides the Group with appropriate financial flexibility to support its operational requirements and strategic objectives over the medium term. Further details are provided in Note 24 to the financial statements.

Directors and their Interests

The present membership of the Board at the date of this report is set out on **pages 54 to 56**, the Directors who served during the year, and up to the date of this report, are listed below:

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

In line with the QCA (Quoted Companies Alliance) code and the Company's Articles of association, at this year's Annual General Meeting, all members of the Board will be subject to re-election.

Details of Directors' interests in the Group's shares are set out in the Report of the Board to the Members on Directors' Remuneration on **pages 73 to 79.**

Insurance for Directors and Officers

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

Donations

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

Substantial Shareholdings

At 30 April 2026 the following interests in 3% or more of the issued ordinary share capital, excluding shares held by the Iomart Group plc Employee Benefit Trust, had been notified to the Company:

Shareholder	Shares	Percentage held
Gresham House	33,266,158	29.25%
Angus MacSween	18,198,834	16.00%
Hargreaves Lansdowne	7,473,646	6.57%
Schroders	6,784,723	5.97%
Octopus investments	6,725,631	5.91%
Interactive investor	5,518,691	4.85%

Employees

The Group seeks to ensure that employee policies and processes are aligned with the Company's core values and promote the long-term strategy of the Group. The Group regularly communicates with all staff providing information on developments within the Group including updates on the Group's strategy through Group wide announcements and all employee calls. We have a policy of encouraging training through our learning management system. Further information on how the Board engages with employees and how the Board have had regard to employees on the principal decisions during the year is included in the Stakeholder Engagement report on **page 36**.

People are at the heart of our core values and we continuously strive to build a diverse and inclusive environment where our employees feel valued. Our employment policies in respect of equal opportunities, disabled employees and diversity are disclosed on **pages 70 to 71**.

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

Customers and Suppliers

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

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

Additionally, we recognise the importance to the Group and our suppliers of complying with all payment terms and we report on a half-yearly basis on our payment practices, policies and performances in line with the Reporting on Payment Practices and Performance Regulations 2017. Information on our engagement with customers and suppliers and our regard to these stakeholders on the principal decisions taken by the Group during the financial year is included in the Stakeholder Engagement report on **page 39**.

Environment

The Group's sustainability reporting, including Energy and Carbon reporting, is on **pages 42 to 53**.

Independent Auditor and Disclosure of Information to Auditor

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

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

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

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

Approved and signed by the Board

Julie Brown
Company Secretary

22 June 2026

Directors Responsibilities Statement

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

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

In Preparing the Parent Company Financial Statements, the Directors are Required to:

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

In Preparing the Group Financial Statements, International Accounting Standard[1] Requires that Directors:

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

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

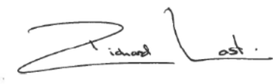
The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Responsibility Statement

We confirm that to the best of our knowledge:

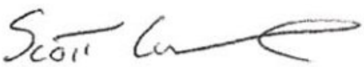
- the financial statements, prepared in accordance with the relevant financial reporting framework, give a true and fair view of the assets, liabilities, financial position and profit or loss of the company and the undertakings included in the consolidation taken as a whole;
- the strategic report includes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

This responsibility statement was approved by the Board of Directors on 22 June 2026 and is signed on its behalf by:



Richard Last
Executive Chair

22 June 2026



Scott Cunningham
Chief Financial Officer

22 June 2026

Financial Statements

Independent Auditor's Report to the Members of Iomart Group plc

Opinion

Our Opinion on the Financial Statements is Unmodified

We have audited the financial statements of Iomart Group plc (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 31 March 2026 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Consolidated Statement of Changes in Equity, the Consolidated Statement of Cash Flows, Notes to the Consolidated Financial Statements, the Company Statement of Financial Position, the Company Statement of Changes in Equity and Notes to the Company Financial Statements, including material accounting policy information. The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and UK-adopted international accounting standards. The financial reporting framework that has been applied in the preparation of the Parent Company financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 'Reduced Disclosure Framework' (United Kingdom Generally Accepted Accounting Practice).

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 March 2026 and of the Group's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the Parent Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the Group and the Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions Relating to Going Concern

We are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Group or the Parent Company to cease to continue as a going concern.

A description of our evaluation of management's assessment of the ability to continue to adopt the going concern basis of accounting, and the key observations arising with respect to that evaluation is included in the Key Audit Matters section of our report.

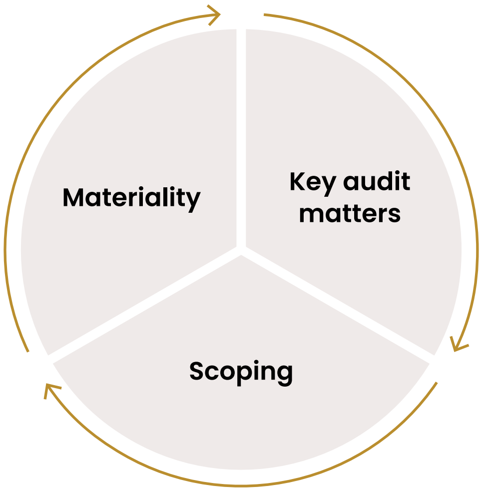
In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

Our Approach to the Audit

Grant Thornton



Overview of our audit approach

Overall materiality: £1,544,000

Group: £1,544,000, which represents 1% of the Group's Revenue.

Parent Company: £772,000, which represents 0.42% of the Parent Company's Total Assets.

Key audit matters were identified as:

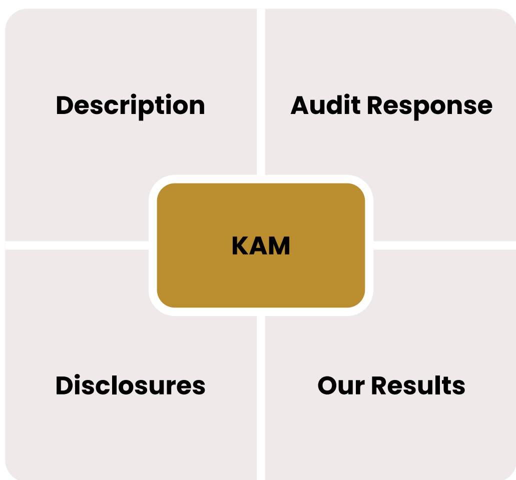
- Valuation of Goodwill (Group) and Investment in subsidiary undertakings (Parent Company) (same as previous year)
- Revenue Recognition (new in the year)
- Going Concern (same as previous year)

The auditor's report for the year ended 31 March 2025 included one key audit matter that has not been reported as a key audit matter in our current year's report, which relates to a prior year business combination.

We have performed audit procedures on the entire financial information (full scope audit) on three components covering 67% of Group revenue. In addition, we have performed audits of one or more account balances, classes of transactions including specified, risk focused audit procedures (specific scope procedures) for four further components covering 13% of revenue. Analytical procedures at group level (analytical procedures) on the remaining components of the group.

Key Audit Matters

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



In the graph below, we have presented the key audit matters and significant risks relevant to the audit. This is not a complete list of all risks identified by our audit.

Key Audit Matter – Group and Parent Company	How Our Scope Addressed the Matter – Group
Valuation of Goodwill (Group) and Investment in Subsidiary Undertakings (Parent Company) We identified the valuation of goodwill and investment in subsidiary undertakings (Parent Company) as one of the most significant assessed risks of material misstatement due to fraud and error. The Group holds £103.5m (2025: £103.5m) of goodwill on the Group consolidated balance sheet and the Parent Company holds £154.6m (2025: £158.9m) of investments in subsidiary undertakings. In accordance with IAS 36 'Impairment of Assets', goodwill is tested for impairment at least annually by comparing the carrying value of the CGU to its recoverable amount. The parent company investments are tested for impairment where an indicator of impairment is identified. Management's assessment of the recoverable amount involves significant judgement and estimation, including the determination of the appropriate cash generating units ('CGUs') at which to test for impairment, preparation of medium-term cash flow forecasts based on the Group's Board-approved five-year plan, the selection of an appropriate discount rate and the application of long-term growth assumptions. The Group continues to be impacted by challenging market conditions, customer attrition and in Iomart Cloud Services CGU low levels of headroom given the prior year impairment charge of £52.9m. As a result of the level of estimation uncertainty inherent within the impairment methodology and calculation, together with the magnitude of the carrying values, we identified the valuation of goodwill and investment in subsidiary undertakings (Parent Company) as a key audit matter.	In responding to the key audit matter, we performed the following audit procedures: • evaluated the design and implementation of relevant controls around managements impairment and recoverability assessment; • critically assessed the appropriateness of management's assessment of the identification of CGUs and the level of their aggregation; • obtained and tested the mathematical accuracy of management's model and the key assumptions used to prepare that model and the associated board-approved five-year plan; • challenged management's assumptions applied within the forecasts and corroborated those assumptions to internal evidence and external market data, where available, to support their validity; • engaged our internal valuation experts to assess the appropriateness of the discount rate and long-term growth rate applied by benchmarking those assumptions to external data; • evaluated the reliability of management's forecasting by comparing historical budgets to actual results; • assessed the allocation of corporate assets and shared costs to individual CGUs and considered whether the methodology applied was reasonable and consistent with IAS 36; • performed sensitivity analysis on the key assumptions employed by management so as to assess the robustness of the value-in-use calculations; and • checked the disclosures in the financial statements, assessed whether they were complete, accurate and provided a balanced view of the judgements, assumptions and sensitivities involved.
Relevant Disclosures in the Annual Report	**Our Results**
• **Financial statements:** Note 1.4 Judgements in applying accounting policies and sources of estimation uncertainty; Note 10, Intangible Assets • **Matter Considered and Role of the Audit Committee:** Impairment of goodwill; carrying value of Investments in subsidiaries	Based on our audit procedures, we are satisfied that no material misstatements were identified in respect of the valuation of goodwill and investment in subsidiary undertakings (Parent Company).

Key Audit Matter – Group and Parent Company	How Our Scope Addressed the Matter – Group
Revenue Recognition	
We identified revenue recognition as one of the most significant assessed risks of material misstatement due to fraud and error. The Group has reported revenue of £154.9m (2025: £143.5m). Under ISA (UK) 240 there is a rebuttable presumed risk that revenue may be misstated due to the improper recognition of revenue. Specifically, we pinpointed the significant risk of fraud and error in revenue recognition to two areas: • the incorrect recognition and presentation of revenue in light of the requirements of IFRS 15 'Contracts with customers' • Occurrence of unusual revenue transactions that do not follow the expected transaction flow for the Group.	In responding to the key audit matter, we performed the following audit procedures: **For all pinpointed areas of risk** • gained an understanding of the Group's various revenue streams and their nature through direct discussion with management and the review of customer contracts; and • evaluated the end-to-end process from revenue recognition to receivables and cash collection by conducting a walkthrough test to assess the design and implementation effectiveness of relevant controls.
Risk of incorrect recognition and presentation of revenue The Group's revenue is generated across multiple streams and services and therefore requires the application of management judgement in identifying performance obligations, determining transaction prices and assessing the timing of revenue recognition under the requirements of IFRS 15. The Group also exercises judgement in assessing whether it acts as principal or agent across its product and service offerings. The determination of whether the Group acts as a principal or agent for each of its revenue streams is complex and requires a detailed assessment of the Group's control of the product, license or service, the degree to which the Group customises or modifies the product, licence and service and the degree to which it may integrate each product, licence or service with others. We therefore identified revenue recognition as a key audit matter.	**For the risk of incorrect recognition and presentation of revenue** • obtained and critically assessed management's assessment of the application of IFRS 15 to its various revenue streams and evaluated the appropriateness of the Group's revenue recognition policies; • considered and challenged the methodologies and judgements applied in determining whether revenue transactions are recognised on a principal (gross) or agent (net) basis, together with the associated timing of revenue recognition. Where available, we checked management's assessment to underlying documentation, for example customer contracts and licence agreements; and • tested a sample of licence and service revenue transactions throughout the year to assess whether the Group controls the underlying product. We corroborated the nature of each transaction by agreeing the sample to supporting documentation (such as customer and supplier contracts), to enable us to assess whether the revenue had been appropriately recognised and presented.

Key Audit Matter – Group and Parent Company	How Our Scope Addressed the Matter – Group
The occurrence of unusual revenue transactions that do not follow the expected transaction flow for the Group While the majority of the Group's revenue streams follow a consistent and predictable pattern, we identified an increased risk in respect of transactions that fall outside the expected revenue posting pattern ("revenue outliers"). These revenue outliers represent unusual account posting combinations and carry a higher risk of misstatement due to fraud. Unusual account posting combinations have been defined as those impacting revenue, but where the corresponding accounting entry goes to accounts other than cash, accounts receivable, VAT, or a limited number of other related accounts.	**For the risk that occurrence of unusual revenue transactions that do not follow the expected transaction flow for the Group:** • Used audit data analytics techniques to identify potentially unusual transactions within revenue. We analysed the account combinations of every transaction which impacted revenue or receivables during the period; • Selected transactions that were outside our expectation and enquired with management to understand why they had occurred, and agreed to supporting information, to assess whether they were appropriate transactions; • Supported the audit data analytics by testing the design, implementation and operating effectiveness of bank reconciliation controls; and • Substantively tested revenue by agreeing a sample of revenue transactions to supporting evidence such as invoice, remittance, cash receipt and proof of delivery or service to support the Group's entitlement to recognise revenue.
Relevant Disclosures in the Annual Report	**Our Results**
• **Financial statements:** Note 1.4 Judgements in applying accounting policies and sources of estimation uncertainty; Note 1.5 Accounting policies, Note 2.3,2.4 - Revenue. • **Matter Considered and Role of the Audit Committee:** Revenue Recognition	Based on our audit procedures, we concluded that revenue has been appropriately recognised and presented in accordance with IFRS 15 and that we did not identify evidence of material misstatements in relation to the occurrence of revenue outliers.
Going Concern	
We identified going concern as one of the most significant assessed risks of material misstatement due to fraud and error. The Group's ability to continue as a going concern was as a key audit matter due to difficult trading conditions and the Group's reliance on a Revolving Credit Facility (RCF) that was originally due to expire in July 2027. Subsequent to year end, this was extended to 30 June 2028.	In responding to the key audit matter, we performed the following audit procedures: • performed a walkthrough of management's going concern process, including reviewing process documentation and control activities, to understand how the going concern assessment is performed; • obtained and assessed management's going concern assessment and supporting information, including cash flow forecasts, sensitivity analysis and reverse stress testing;

Key Audit Matter – Group and Parent Company	How Our Scope Addressed the Matter – Group
Under the going concern basis of accounting, the financial statements are prepared on the assumption that the Group will continue its operations for the foreseeable future. Management is required to assess the Group's ability to continue as a going concern for a period of at least twelve months from the date of approval of the financial statements. This matter requires significant auditor attention as the assessment involved management judgement in forecasting future cash flows and assessing the Group's ability to comply with the terms of its financing arrangements, including the availability of the RCF within and beyond the assessment period. In accordance with ISA (UK) 570 'Going Concern', we were required to consider whether the existence and forthcoming expiry of the RCF indicated a material uncertainty that could cast significant doubt on the Group's ability to continue as a going concern.	• obtained the RCF renewal documentation and evaluated compliance with covenants under the terms stipulated within the new RCF facility; • evaluated the results of management's reverse stress testing to assess the point at which covenants or liquidity would fail and evaluated whether such scenarios were plausible; • assessed the appropriateness of the assumptions and the relevance and reliability of the data underpinning management's going concern assessment; • considered the inherent risks associated with the group's and the parent company's business model including effects arising from macro-economic uncertainties such as challenging market conditions, we assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect the group's and the parent company's financial resources or ability to continue operations over the going concern period; • assessed the adequacy of going concern disclosures, including consideration of any front-end disclosures required for governance purposes; • assessed the completeness and accuracy of disclosures relating to material uncertainties by reference to board minutes, public information, and through enquiries with management and those charged with governance. In addition, we considered whether management and those charged with governance were aware of any events or conditions beyond the period covered by the going concern assessment that may cast significant doubt on the entity's ability to continue as a going concern; and • obtained written representations regarding management's plans for future actions and the feasibility of those plans.
Relevant Disclosures in the Annual Report	**Our Results**
• **Financial statements:** Note 1.2, Going Concern • **Matter Considered and Role of the Audit Committee:** Going Concern	Based on our audit work, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our Application of Materiality

We apply the concept of materiality both in planning and performing the audit, and in evaluating the effect of identified misstatements on the audit and of uncorrected misstatements, if any, on the financial statements and in forming the opinion in the auditor's report.

Materiality was determined as follows:

Materiality measure	Group	Parent Company
Materiality for financial statements as a whole	We define materiality as the magnitude of misstatement in the financial statements that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of these financial statements. We use materiality in determining the nature, timing and extent of our audit work.	
Materiality threshold	£1,544,000 (2025: £1,000,000), which represents 1% of Revenue.	£772,000 (2025: £800,000), which represents 0.42% of Total Assets.
Significant judgements made by auditor in determining materiality	In determining materiality, we made the following significant judgements: • Total revenue was considered to be the most appropriate benchmark, as it is a key performance measure for the Group, is less volatile than profit-based metrics and its relative stability and relevance during the Group's strategic transition and is widely used by stakeholders to assess financial performance; • The measurement of 1% of revenue is, in our view, appropriate given the stability of the benchmark, its industry comparability. Materiality for the current year is higher than the level that was determined for the year ended 31 March 2025.	In determining materiality, we made the following significant judgements: • Total Assets were the most appropriate benchmark for the Parent Company, as this benchmark most accurately reflects the nature of the Parent Company's activities and financial position; and • The measurement of 0.42% of total assets is, in our view, appropriate given user expectations and industry benchmarking. Materiality for the current year is lower than the level that was determined for the year ended 31 March 2025.

<table>
<tr><th>Materiality measure</th><th>Group</th><th>Parent Company</th></tr>
<tr><td>Performance materiality used to drive the extent of our testing</td><td colspan="2">We set performance materiality at an amount less than materiality for the financial statements as a whole to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole.</td></tr>
<tr><td>Performance Materiality threshold</td><td>£926,000 (2025: £600,000), which is 60% (2025: 60%) of financial statement materiality.</td><td>£463,000 (2025: £480,000) which is 60% (2025: 60%) of financial statement materiality.</td></tr>
<tr><td>Significant judgements made by auditor in determining performance materiality</td><td>The range of component performance materialities used across the Group was £463,000 to £648,000.

In determining performance materiality, we made the following significant judgements:
• We considered control deficiencies previously reported by the predecessor auditor and the potential impact on the current period's audit when performing our risk assessment procedures; and
• Our understanding of the entity obtained during the performance of risk assessment procedures

In determining component performance materiality and component materiality, we made the following significant judgements:

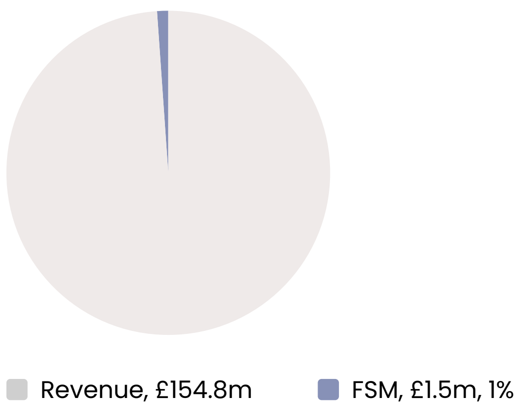
For each component in scope for our Group audit, we allocated a performance materiality that is less than our overall Group performance materiality.</td><td>Parent Company component performance materiality has been capped at an amount less than Group performance materiality for Group audit purposes.

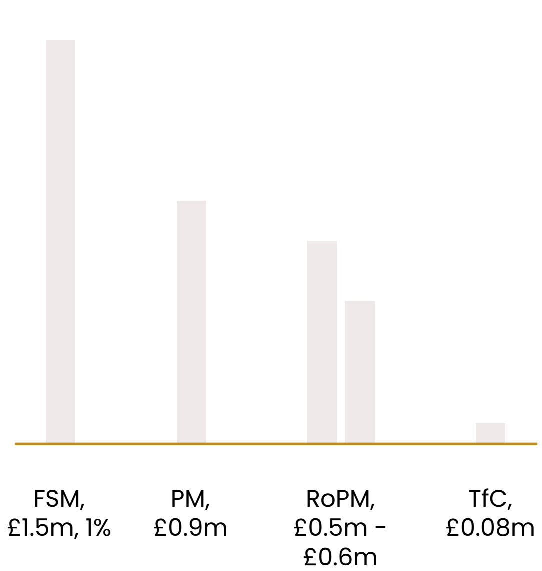
In determining performance materiality, we made the following significant judgements:
• We considered control deficiencies previously reported by the predecessor auditor and the potential impact on the current period's audit when performing our risk assessment procedures; and
• Our understanding of the entity obtained during the performance of risk assessment procedures</td></tr>
<tr><td>Specific materiality</td><td colspan="2">We determine specific materiality for one or more particular classes of transactions, account balances or disclosures for which misstatements of lesser amounts than materiality for the financial statements as a whole could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.</td></tr>
<tr><td>Specific materiality</td><td>We determined a lower level of specific materiality for the following areas:
• Related Party Transactions; and
• Directors' Remuneration</td><td>We determined a lower level of specific materiality for the following areas:
• Related Party Transactions; and
• Directors' Remuneration</td></tr>
</table>

Materiality measure	Group	Parent Company
Communication of misstatements to the audit committee	We determine a threshold for reporting unadjusted differences to the audit committee.	
Threshold for communication	£77,000 (2025: £50,000), which represents 5% of financial statement materiality, and misstatements below that threshold that, in our view, warrant reporting on qualitative grounds.	£38,000 (2025: £50,000), which represents 5% of financial statement materiality, and misstatements below that threshold that, in our view, warrant reporting on qualitative grounds.

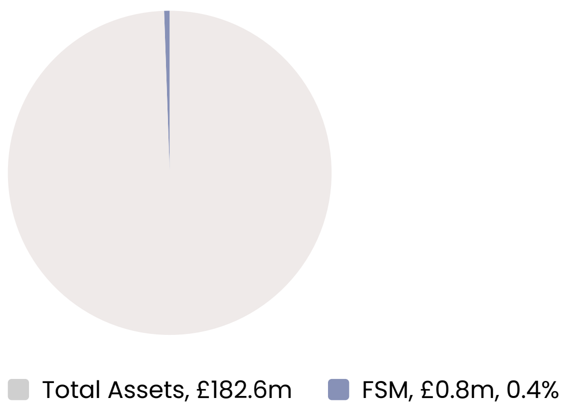
The graph below illustrates how performance materiality and the range of component performance materiality interacts with our overall materiality and the threshold for communication to the audit committee

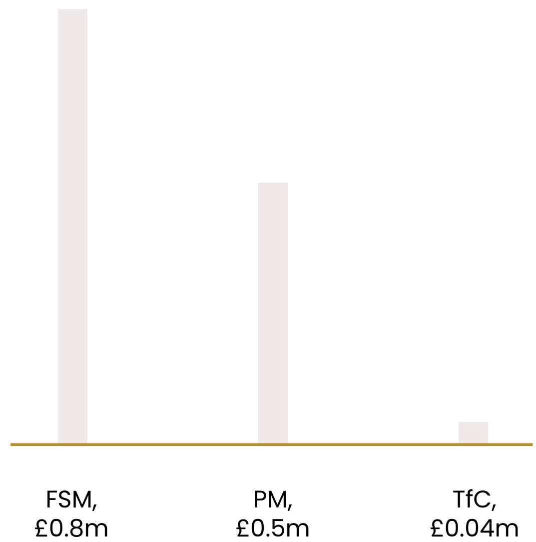
Overall Materiality - Group





Overall Materiality - Parent





FSM: Financial statement materiality, **PM:** Performance materiality, **RoPM:** range of performance materiality at 3 components, **TfC:** Threshold for communication to the audit committee

An Overview of the Scope of Our Audit

We performed a risk-based audit that requires an understanding of the Group's and the Parent Company's business and in particular matters related to:

Understanding the Group, its components, their environments, and its system of internal control including common controls

We obtained an understanding of the group and its components, their environment, and its system of internal control, noting that financial reporting processes of each component operate separately but within a centralised team within the group finance function which performs consolidation and associated control activities. We also considered the impact of centralised processes relevant to financial reporting, including the use of shared systems across the Group, in our assessment of the risk of material misstatement at the Group level.

Identifying components at which to perform audit procedures

We have determined the components at which to perform further audit procedures by considering:

- components that individually include a risk of material misstatement to the Group financial statements due to their nature or circumstances;
- components requiring further audit procedures because of the nature and size of their assets, liabilities and transactions, making them financially significant to one or more scoped areas; and
- components selected to obtain sufficient appropriate audit evidence over significant classes of transactions, account balances and disclosures, or to incorporate an element of unpredictability into our audit approach.

Type of work to be performed on financial information of Parent and other components (including how it addressed the key audit matters)

In order to address the audit risks identified during our planning procedures, the group auditor determined that the following audit procedures were necessary:

- Full-scope audits on the financial information of Iomart Group plc (Parent Company), Iomart Managed Services Limited (the main trading entity) and Atech Support Limited. The full-scope audits performed, including work over consolidation adjustments, addressed all identified key audit matters, significant risks, and areas of audit focus. Together, these components contribute 67% of Group revenue and therefore represent the Group's most financially significant components.
- Specific-scope procedures on Oriium Consulting, focused on revenue and deferred income; Easyspace focused on other tax and social security; Atech Holdco Limited - focused on cash; and Iomart Hosting TA RapidSwitch - focused on cash, revenue, deferred income, trade receivables, other tax and social security and cost of sales.
- Analytical procedures over the remaining components within the group. These components are individually and collectively immaterial, and analytical review procedures were determined to provide sufficient appropriate audit evidence in the context of the overall group audit risk assessment.

Performance of our audit

In order to address the audit risks identified during our planning procedures, we determined that a combination of full-scope, specific-scope and analytical procedures across the Group's components was necessary to obtain sufficient appropriate audit evidence.

Full-scope audit procedures covered 68% of Group revenue, 69% of total assets and 68% of profit before tax (on an absolute basis). Specific scope procedures contributed to 13% of revenue, 0.2% of total assets and 12% of profit before tax (on an absolute basis).

Where components were subject to specific scope audit procedures, those procedures may not have addressed significant account balance within the component. In such cases, we performed additional procedures on selected balances which, in our judgement as group auditor, had the greatest potential impact on the Group financial statements, having regard to risk, size and coverage.

The components within the scope of further audit procedures accounted for the following percentages of the Group's results, including the key audit matters identified:

Audit approach	No. of components	% coverage total assets	% coverage revenue	% coverage PBT (on absolute basis)
Full-scope audit	3*	80%	68%	69%
Specific scope procedures	4	0.2%	13%	12%
Analytical procedures	46	19.8%	19%	19%
Total	**53**	**100%**	**100%**	**100%**

*Including consolidation adjustments

Communications with component auditors

As all audit work within scope across the Group was performed directly by the group auditor, no component auditors were engaged in respect of any components.

Other Information

The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Our Opinion on Other Matters Prescribed by the Companies Act 2006 is Unmodified

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

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

Matter on Which We Are Required to Report Under the Companies Act 2006

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

Matters on Which We Are Required to Report by Exception

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

As explained more fully in the directors' responsibilities statement set out on **pages 84 to 85**, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Group and determined the most significant to be the Companies Act 2006; UK-adopted international accounting standards, FRS 101 'Reduced Disclosure Framework'; the AIM listing rules; and UK tax legislation.
- We understood how the Group complies with these frameworks by making enquiries of senior management and those charged with governance; attending Audit Committee meetings; obtaining an understanding of entity level controls, considering the influence of the control environment and reviewing Group policies and procedures relating to compliance. We assessed the susceptibility of the Group's financial statements to material misstatement due to fraud, consulting with our forensic specialists to inform this assessment. We also examined the Group's risk register, considered senior management's processes for identifying, managing and responding to fraud risks including the internal whistleblowing processes, and reviewed relevant correspondence where available.
- Our assessment of the Group's compliance with laws and regulations was integrated into our audit procedures on relevant financial statement line items. As the engagement team performed all component work directly, this assessment was carried out centrally across all Group entities. We obtained an understanding of the Group's controls over compliance and performed substantive procedures designed to detect non compliance that could materially affect the financial statements.

Audit procedures performed by the engagement team included:

- Enquiring of management, the finance team, and those charged with governance about fraud risks relevant to the Group, including risks arising from the operating model, performance pressures and the control environment. This included enquiries outside the finance team, such as with department heads, the payroll team, the billing team and the human resources department, to identify fraud risks relating to operational processes, payroll, whistle blowing processes, forecasting, and revenue recognition;
- Assessing the design and implementation of controls relevant to preventing and detecting fraud, including understanding the Group's internal controls over journal entries, revenue recording and non routine adjustments;
- Identifying and testing journal entries using data driven risk profiling, and journals indicative of potential management override;
- Performing audit data analytics to identify transactions outside the expected revenue posting pattern which may indicate fraudulent transactions or inappropriate revenue recognition;
- Running specific keyword searches across the journal entry population, including keywords linked to related parties, legal disputes, or indicators of concealment, to assess whether any entries required further investigation;

- Checking samples of legal and professional fees to identify potential indicators of undisclosed litigation, regulatory matters or unusual arrangements that could signal non compliance or fraud;
- Assessing disclosures within the Annual Report, including principal and emerging risks, to evaluate whether such disclosures were consistent with our knowledge obtained during the audit; and
- Challenging key management judgements and estimates, including those relating to valuation of goodwill and investment in subsidiary undertakings and revenue recognition.

These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.

As part of the engagement partner's assessment of the engagement team's collective competence and capabilities, they considered the team's understanding of, and practical experience with, audit engagements of a similar nature and complexity through appropriate training and participation. They also evaluated the team's knowledge of the industry in which the Group and the Parent Company operate, as well as the team's understanding of the legal and regulatory requirements relevant to the audit. Specialist support was engaged where required, including for tax and valuation matters.

We communicated relevant laws, regulations and potential fraud risks to all members of the engagement team, including internal specialists, and maintained heightened alertness to indicators of non compliance throughout the audit.

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

Use of Our Report

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

Jonathan Maile BSc (Hons) FCA
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants

Glasgow
22 June 2026

Consolidated Statement of Comprehensive Income

For the Year Ended 31 March 2026

	Notes	**2026 £'000**	2025 £'000
Revenue	2	154,885	143,460
Cost of sales		(86,355)	(72,997)
Gross profit		68,530	70,463
Administrative & other expenses	3	(72,987)	(117,312)
Operating loss		(4,457)	(46,849)
Analysed as:			
Adjusted EBITDA		**25,561**	34,312
Share-based payments		36	(198)
Acquisition costs	3	(480)	(1,674)
Non-Recurring administrative expenses	3	(2,229)	-
Depreciation	11	(13,409)	(14,730)
Amortisation-acquired intangible assets		(6,950)	(4,902)
Amortisation-other intangible assets		(6,986)	(6,757)
Goodwill impairment charge	10	-	(52,900)
Net Finance costs	6	(9,181)	(6,370)
Loss before taxation		**(13,638)**	(53,219)
Taxation credit/(charge)	7	4,470	(1,898)
Loss for the year from continuing operations		**(9,168)**	(55,117)
Other comprehensive income			
Exchange differences on translating foreign operations		(24)	(31)
Fair value gains on cashflow hedges		(101)	(84)
Other comprehensive expense for the year		**(125)**	(115)
Total comprehensive loss for the year attributable to equity holders of the parent		**(9,293)**	(55,232)
Basic and diluted earnings per share			
Basic loss per share (p)	8	(8.1)p	(49.0)p
Diluted loss per share (p)	8	(8.1)p	(49.0)p

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

Consolidated Statement of Financial Position

As at 31 March 2026

	Notes	2026 £'000	2025 £'000
Assets			
Non-current assets			
Goodwill and intangible assets	10	132,232	144,305
Trade and other receivables	12	111	111
Property, plant and equipment	11	58,243	59,515
		190,586	203,931
Current assets			
Cash and cash equivalents		8,921	13,088
Trade and other receivables	12	38,730	36,833
Current tax asset		2,150	842
		49,801	50,763
Total assets		**240,387**	254,694
Liabilities			
Non-current liabilities			
Trade and other payables	13	(10,220)	(15,210)
Lease liabilities	17	(16,182)	(15,132)
Non-current borrowings	16	(97,500)	(97,000)
Provisions	18	(2,219)	(2,486)
Deferred tax liability	7	(6,146)	(10,084)
		(132,267)	(139,912)
Current liabilities			
Contingent consideration		-	(364)
Trade and other payables	13	(50,048)	(48,012)
Lease liabilities	17	(3,860)	(2,874)
		(53,908)	(51,250)
Total liabilities		**(186,175)**	(191,162)
Net assets		**54,212**	63,532
Equity			
Share capital	19	1,137	1,128
Own shares	20	(70)	(70)
Capital redemption reserve		1,200	1,200
Share premium		22,500	22,500
Other reserves	21	6,729	6,900
Retained earnings		22,716	31,874
Total equity		**54,212**	63,532

The following notes on pages 106 to 160 are an integral part of these consolidated financial statements. These financial statements were approved and authorised for issue by the Board of Directors on 22 June 2026, and signed on its behalf.

Scott Cu

Scott Cunningham
Director and Chief Finance Officer

Consolidated Statement of Changes in Equity

	Share capital £'000	Own shares EBT £'000	Capital redemption reserve £'000	Share premium account £'000	Other Reserves[1] £'000	Retained earnings £'000	Total £'000
Balance at 1 April 2025	1,128	(70)	1,200	22,500	6,900	31,874	63,532
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	**1,137**	**(70)**	**1,200**	**22,500**	**6,729**	**22,716**	**54,212**

	Share capital £'000	Own shares EBT £'000	Capital redemption reserve £'000	Share premium account £'000	Other Reserves[1] £'000	Retained earnings £'000	Total £'000
Balance at 1 April 2024	1,124	(70)	1,200	22,500	6,821	91,822	123,397
Loss for the period	-	-	-	-	-	(55,117)	(55,117)
Exchange differences	-	-	-	-	(31)	-	(31)
Fair value (gains)/losses on cashflow hedges	-	-	-	-	(84)	-	(84)
Total comprehensive income	-	-	-	-	(115)	(55,117)	(55,232)
Dividends paid	-	-	-	-	-	(4,835)	(4,835)
Share based payments	-	-	-	-	198	-	198
Exercised employee share based payments	-	-	-	-	(4)	4	-
Issue of share capital	4	-	-	-	-	-	4
Total transactions with owners	4	-	-	-	194	(4,831)	(4,633)
Balance at 31 March 2025	1,128	(70)	1,200	22,500	6,900	31,874	63,532

[1] Further breakdown of other reserves is included in **Note 21.**

Consolidated Statement of Cash Flows

For the Year Ended 31 March 2026

	Notes	**2026 £'000**	2025 £'000
Cashflows from operating activities:			
Loss before tax		(13,638)	(53,219)
Non-cash and other movements in operating assets and liabilities included in profit before tax:			
Net finance costs		9,181	6,370
Depreciation costs		13,409	14,792
Amortisation of intangible assets		13,936	11,659
Goodwill Impairment[1]		-	52,900
Share based payments		(36)	198
Research and development tax credit		(390)	(532)
Unrealised Foreign exchange (gain)/loss		(12)	(76)
Non-cash Exceptional costs		-	(39)
Exceptional items - operating cash flow impact		671	(361)
Movement in trade receivables		(2,106)	419
Movement in trade payables		871	(4,899)
Cash flow from operating activities		**21,886**	27,212
Taxation paid		(275)	(1,866)
Net cash flow from operating activities		**21,611**	25,346
Cash flow from investing activities			
Purchase of property, plant and equipment	11	(6,971)	(8,252)
Capitalisation of development costs	10	(2,442)	(2,907)
Purchase of intangible assets		-	(87)
Payment for subsidiary acquisitions, net of cash acquired		-	(48,465)
Payment of contingent consideration		(364)	(2,500)
Net cash used in investing activities		**(9,777)**	(62,211)
Cash flow from financing activities			
Issue of shares		9	4
Drawdown of bank loans		500	57,000
Refinancing costs		(405)	-
Lease interest payments		(1,429)	(928)
Lease capital repayments		(2,772)	(3,424)
Payments for long-term licence agreements		(5,171)	(2,559)
Repayment of debt acquired on acquisition		-	(6,244)
Finance costs paid		(6,733)	(4,816)
Dividends paid		-	(4,835)
Net cash (used in)/From financing activities		**(16,001)**	34,198
Net decrease in cash and cash equivalents		**(4,167)**	(2,667)
Cash and cash equivalents at the beginning of the period		13,088	15,755
Cash and cash equivalents at the end of the year		**8,921**	13,088

Notes to the Consolidated Financial Statements

1. Basis of Preparation and Accounting Policies

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

The consolidated financial statements for the year ended 31 March 2026 comprise the financial statements of Iomart Group plc (the 'Company') and its subsidiaries (together, the 'Group'). The consolidated financial statements have been prepared in accordance with UK-adopted international accounting standards and the applicable requirements of the Companies Act 2006.

The financial statements have been prepared on a historical cost basis, except where otherwise stated in the accounting policies set out below.

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

1.1 Reclassification of Prior Period Information

Following the changes to business units as outlined in Note 2 the tables below show the reclassifications applied to each business unit to arrive at the revised segmentation disclosures for the historic periods.

For the Year Ended 31 March 2025	Original presentation	Reclassification	Revised presentation
Iomart Cloud Services	109,998	(12,939)	97,059
Atech	21,463	8,725	30,188
Domain & Mass Hosting (Easyspace)	11,999	4,214	16,213
Total Revenue	**143,460**	**-**	**143,460**
Iomart disaggregated Revenue:			
Cloud managed services	76,363	(4,494)	71,869
Self-managed infrastructure	23,686	(8,445)	15,241
Non-recurring	9,949	-	9,949
Total Iomart revenue	**109,998**	**(12,939)**	**97,059**

Adjusted EBITDA- Historic Periods Reclassification

For the Year Ended 31 March 2025	Original presentation £'000	Reclassification £'000	Revised presentation £'000
Iomart Cloud Services	30,207	(2,747)	27,460
Atech	3,211	(144)	3,067
Domain & Mass Hosting (Easyspace)	5,671	2,891	8,562
Adjusted EBITDA	**39,089**	**-**	**39,089**

In the current year, the Group has separately presented lease liabilities on the face of the consolidated statement of financial position. In the prior year, lease liabilities were presented as a component of borrowings. The prior year comparatives have been restated to reflect this change in presentation. This reclassification has no impact on the Group's previously reported net assets, profit or loss, or cash flows.

The effect of the restatement on the prior year balance sheet is as follows:

For the Year Ended 31 March 2025	Original presentation £'000	Reclassification £'000	Revised presentation £'000
Borrowings- non-current	(112,132)	15,132	(97,000)
Borrowings- current	(2,874)	2,874	-
Lease liabilities -non-current	-	(15,132)	(15,132)
Lease Liabilities - Current	-	(2,874)	(2,874)
Total Borrowings	**(115,006)**	**-**	**(115,006)**

1.2 Going Concern

The Directors have assessed the Group's ability to continue as a going concern for a period of at least 12 months from the date of approval of these financial statements, being 22 June 2026. This assessment has been conducted in accordance with the Financial Reporting Council's guidance on the Going Concern Basis of Accounting and Related Reporting (February 2025).

Banking Facility

Subsequent to the year end, on 5 June 2026, the Group successfully amended and extended its £115m revolving credit facility to 30 June 2028 with its existing banking syndicate of The Royal Bank of Scotland plc, HSBC UK Bank plc and Nationwide Building Society (trading as Virgin Money). At 31 March 2026, the facility was drawn £97.5m, leaving £17.5m undrawn. The facility is subject to two financial covenants tested quarterly: a leverage ratio (net debt to adjusted EBITDA, on a last-twelve-months basis) and an interest cover ratio (adjusted EBITDA to net interest, on a last-twelve-months basis). The covenant ratios have been set to reflect the Group's current leverage position and financial plans, with covenant ratios being flexed to recognise the expected quarterly forecast variability and trends but at all times retain a constant level of headroom against the base case forecasts.

Base Case Forecasts

The Directors have prepared detailed forecasts for the going concern period based on the Board-approved FY27 budget and relevant quarters of the five-year plan. Key assumptions underpinning the base case forecast include:

- a reduction in overall customer churn levels, as a percentage of the opening recurring revenue, from 18% in FY26 to 16% in FY27, supported by specific account-level review of the renewal profile and stabilisation within the Group's Self-Managed Infrastructure brands;
- revenue growth in strategically prioritised areas including Cloud managed services, Microsoft solutions, Cyber Security and Data Management, partially offset by some decline in legacy self-managed infrastructure;
- given the lower level of recurring revenue as the Group enters FY27, a modest decline in total revenue, recovering to growth in FY28, consistent with the Board's view of the current trading trajectory; and
- power costs fully hedged until 31 March 2027.

The base case demonstrates covenant compliance across all quarterly test dates and a stable liquidity position throughout the going concern period.

Stress Testing

The Directors have subjected the base case to a series of downside stress scenarios, which have been quantified and applied simultaneously without any management intervention, other than the automatic reduction in bonus costs that would follow a material budget shortfall.

The scenarios tested include:

- lower recurring revenue, reflecting an increase in customer churn or lower new order bookings;
- margin compression, reflecting pricing pressure or higher cost of delivery;
- higher interest costs, reflecting the risk of an increase in SONIA interest rates; and
- higher capital expenditure outflows and adverse working capital movements.

Under the accumulated downside scenario, the Group's covenant headroom reduces but the Group remains covenant compliant throughout the going concern assessment period.

Mitigation Actions

The Directors have identified a range of mitigation actions that are within management's control and have been assessed as having a high likelihood of delivery.

These include:

- targeted headcount reductions;
- reduction in discretionary spend areas such as marketing expenditure, (internal travel and other flexible operating expenditure;
- deferral or rescheduling of non-committed capital expenditure; and
- finance leasing of eligible capital assets.

When these mitigation actions are applied to the stress scenario, covenant headroom and liquidity are strengthened materially throughout the going concern period.

Reverse Stress Test
The Directors have also performed a reverse stress test to identify the level of downside required to result in a breach of the leverage covenant. The analysis demonstrates that revenue would need to fall by more than 25% relative to the base case forecast (assuming base case EBITDA margins are maintained), or EBITDA margins would need to deteriorate by approximately 5 percentage points of revenue from the base case forecast, for a covenant breach to occur.

The Directors consider either scenario to be remote, given the recurring nature of the Group's revenue, the granularity of the customer base, and the relatively predictable and partially variable cost base.

Conclusion
Having considered the base case forecasts, the results of the stress test and reverse stress test, the availability of mitigation actions, and the principal risks and uncertainties facing the Group, the Directors have a reasonable expectation that the Group and Company have adequate resources to continue in operational existence for the foreseeable future and for a period of at least 12 months from the date of approval of these financial statements. In performing their analysis, the Directors have not identified any material uncertainties that may cast significant doubt on the Group's ability to continue as a going concern. Accordingly, the Directors consider it appropriate to continue to adopt the going concern basis of accounting in preparing these financial statements.

1.3 New Accounting Pronouncements

1.3.1 New accounting pronouncements adopted by the Group

The Group has adopted the following amendments to standards which became effective from 1 January 2025:

- Lack of Exchangeability (Amendments to IAS 21) issued in August 2023.
- Classification of Liabilities (IAS 1)
- Non current Liabilities with Covenants (IAS 1)
- Supplier Finance Arrangements (IAS 7 & IFRS 7)
- Sale or Contribution of Assets (IFRS 10 & IAS 28)
- Lease Liability in a Sale & Leaseback (IFRS 16)

The above amendment does not have a material effect on these consolidated financial statements.

1.3.2 New accounting pronouncements not yet effective

The following standards have been issued which are effective for periods beginning on or after 1 January 2027:

IFRS 18 Presentation and Disclosure in Financial Statements (IFRS 18) – Issued in April 2024 (endorsed by the UK Endorsement Board) and effective from 1 January 2027. IFRS 18 will replace IAS 1 Presentation of Financial Statements and introduces new requirements around:

- specified categories and subtotals to be used in the statement of profit or loss;
- specific disclosures for management defined performance measures (MPMs); and
- enhanced requirements for the location, aggregation and disaggregation of financial information.

Under IFRS 18, an entity must classify all income and expenses within the statement of profit or loss into one of five categories:

- operating
- investing
- financing
- income taxes
- discontinued operations

Entities will also be required to present the following subtotals:

- operating profit or loss
- profit or loss before financing and income taxes
- profit or loss

IFRS 18 introduces the concept of management defined performance measures (MPMs), which are measures derived from the statement of profit or loss that management uses publicly to communicate its view of an entity's financial performance. For the Group, this is expected to include adjusted operating profit. IFRS 18 requires all MPMs to be disclosed together in a single note, including explanation of how each measure is calculated and a reconciliation to the most comparable IFRS defined subtotal.

IFRS 18 also provides detailed guidance on the required location of information within the primary financial statements and notes. Aggregation and disaggregation must be performed based on clearly defined similar and dissimilar characteristics.

The adoption of IFRS 18 will have a significant impact on the presentation of the Group's income statement and may affect disclosures on alternative performance. It is currently expected that adjusted operating profit before tax will qualify as an MPM.

The Group is currently assessing the impact of IFRS 18 with the assessment of the required changes ongoing.

IFRS 19 Subsidiaries without Public Accountability: Disclosures (IFRS 19) – Issued in May 2024 and effective from 1 January 2027 (subject to UK endorsement).

IFRS 19 allows eligible subsidiaries to apply reduced disclosure requirements while still applying the full recognition, measurement and presentation requirements of IFRS Accounting Standards. This standard will not impact these consolidated financial statements.

Other amendments
The following amendments have been issued and endorsed by the UK Endorsement Board but are not yet effective:

- Amendments to the classification and measurement of financial instruments (Amendments to IFRS 9 and IFRS 7) Issued in May 2024 and effective from 1 January 2026
- Annual Improvements to IFRS Accounting Standards — Volume 11 Issued in July 2024 and effective from 1 January 2026

These amendments are not expected to have a material impact on the Group.

1.4 Judgements In Applying Accounting Policies and Sources Of Estimation Uncertainty

The application of IFRS 15 requires management to exercise judgement in areas that have a material effect on the timing and amount of revenue recognised. The most significant judgements relate to principal versus agent assessments in relation to revenue recognition.

Principal versus agent:
Microsoft CSP arrangements

A key area of judgement is whether the Group acts as principal or agent in its Microsoft Cloud Solution Provider ("CSP") arrangements, which generate significant revenue across the Group of £36m. This assessment is inherently subjective and has a material impact on whether revenue is reported on a gross or net basis.

In making this judgement, management evaluates whether the Group controls the specified good or service before it is transferred to the customer, considering indicators such as primary responsibility for fulfilment, exposure to cost risk and discretion in pricing. As these indicators could indicate both a principal or agency arrangement, they require careful interpretation, with the conclusion based on the overall balance of indicators, the substance of the arrangement and represent a significant judgement under IFRS 15.

Microsoft Azure (consumption-based)

The Group acts as principal in its Azure CSP arrangements. Customers contract directly with the Group, which is responsible for onboarding, provisioning, billing and ongoing service delivery, including substantive support. The Group provides a combined service of access to Microsoft Azure and ongoing support, which is not distinct within the contract and is delivered as a single stand-ready service. In assessing principal versus agent, the Group has determined that it controls the overall service prior to transfer, supported by its responsibility for the customer relationship and service delivery, pricing discretion and it's role in managing the underlying hosting solution. Accordingly, revenue is recognised on a gross basis over time over the life of the contract, with amounts payable to Microsoft recognised within cost of sales.

Microsoft 365 (seat-based licences)

The Group acts as principal in Microsoft 365 CSP arrangements. It is responsible for provisioning, billing and ongoing support, and sets customer pricing. The Group provides an integrated licence and support service that is not distinct within the contract and is delivered as a single stand-ready service. Based on its responsibility for service delivery, customer relationship and pricing, the Group controls the service prior to transfer and therefore recognises revenue on a gross basis over time over the life of the contract, with amounts payable to Microsoft recognised within cost of sales.

Managed Microsoft services

Where Microsoft services are integrated into a broader managed service offering, the Group acts as principal. This is supported by the significant integration of third-party services with the Group's own capabilities to deliver a combined service outcome to the customer. Revenue is recognised over time over the service period.

Principal versus agent: third-party resale

The Group also resells third-party hardware and software, with principal versus agent classification requiring judgement on a contract-by-contract basis. Where the Group controls the goods or services before transfer, sets pricing and is responsible for fulfilment, it acts as principal and recognises revenue on a gross basis at the point of delivery.

Identification of performance obligations

The Group's contracts often bundle multiple goods and services, particularly within managed cloud and hybrid cloud offerings. Management assesses whether these represent a single integrated performance obligation or separate distinct obligations.

Where services are highly interdependent and delivered as a combined solution, they are treated as a single stand-ready obligation satisfied over time. Where distinct goods or services are identifiable (for example, consultancy or migration services), they are accounted for separately, with the transaction price allocated based on stand-alone selling prices.

Timing of revenue recognition: set-up and onboarding fees

Contracts may include non-recurring fees for set-up, onboarding or migration services. Judgement is required to determine whether these activities transfer a distinct good or service. Where they do not, the fees are treated as advance consideration for the ongoing service and recognised over the contract term.

Domain registration and hosting contracts

Domain registration and hosting services are typically billed in advance on annual or multi-year terms. Revenue is recognised over the service period as the Group satisfies its stand-ready obligation.

Management exercises judgement in determining the appropriate recognition period where contract length differs from expected customer behaviour.

1.4.2 Sources of estimation uncertainty

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities.

A key source of estimation uncertainty relates to the impairment assessment of goodwill. The Group performs an annual impairment review, or more frequently where indicators of impairment exist, which requires an estimate of the recoverable amount of the cash generating units ("CGUs") to which goodwill has been allocated.

The recoverable amount is determined using value in use calculations, which are based on estimated future cash flows. These calculations involve significant estimation uncertainty, particularly in respect of assumptions such as forecast revenue growth, operating margins and the discount rate applied.

Based on the assessment performed during the year, the recoverable amount of each CGU or Group of CGUs exceeded its carrying value and no impairment charge has been recognised. Further details of the key assumptions applied are provided in Note 10.

The carrying value of goodwill at 31 March 2026 is £103.5m. Sensitivities in respect of the key assumptions applied in the impairment assessment, including the discount rate and forecast cash flows, are disclosed in Note 10, which forms an integral part of this disclosure.

1.5 Accounting Policies

1.5.1 Basis of consolidation

The Group financial statements consolidate those of the Company and its subsidiary undertakings, all of which are prepared to 31 March 2026. Under IFRS 10, control exists when an investor is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. As each of the subsidiaries within the Group are wholly owned subsidiaries, the Group has full control over each of its investees. Gains on transactions between the Group and its subsidiaries are eliminated.

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

1.5.2 Business combinations

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

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

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

1.5.3 Revenue

Revenue is recognised in accordance with IFRS 15 Revenue from Contracts with Customers and represents amounts receivable for goods and services provided in the ordinary course of business, net of VAT, discounts, rebates and intra-group transactions.

Performance obligations

The Group's contracts often include multiple goods and services. Management assesses whether these are distinct or represent a single integrated service.

Where services are highly interdependent and delivered as a combined solution, they are accounted for as a single stand-ready performance obligation and recognised over time. Where distinct performance obligations are identified, the transaction price is allocated on a relative stand-alone selling price basis, using observable prices where available or estimated where necessary.

Set-up, onboarding, configuration and migration activities that do not transfer a distinct good or service are not treated as separate performance obligations and are recognised over the contract term.

Revenue streams

Cloud managed services
Cloud managed services comprise fully managed private, hybrid and public cloud solutions delivered under recurring contracts. These arrangements include multiple interdependent components, which are accounted for as a single integrated performance obligation. Revenue is recognised over time as the Group provides continuous service availability. Amounts billed in advance are recognised as contract liabilities and released over the service period.

Self-managed infrastructure
Revenue from dedicated server and colocation services is recognised over time as customers consume access to infrastructure capacity. These arrangements represent stand-ready obligations to provide access to services rather than leases, as customers do not control an identified asset. Amounts invoiced in advance are deferred and recognised over the service period.

Microsoft CSP and managed services
Revenue from Microsoft Azure, Microsoft 365 and related managed services is recognised over the period in which services are consumed or licences are provided. Azure revenue is recognised based on usage, while Microsoft 365 subscriptions are recognised over the licence term.

Management applies judgement in determining that the Group acts as principal in these arrangements, as it controls the services before transfer, sets pricing and is responsible for fulfilment (see Note 1.4). Accordingly, revenue is recognised on a gross basis over time, with related supplier costs recorded within cost of sales.

Managed service elements are distinct from the underlying licences where separately identifiable and are recognised over time as services are delivered.

Professional services
Consultancy, cyber security and migration services are assessed as distinct where separately identifiable from recurring managed services. Revenue is recognised over time as services are delivered, typically based on progress towards completion. Where services represent discrete deliverables, revenue may be recognised at a point in time.

Hardware and software
Hardware revenue is recognised at the point control transfers to the customer, typically on delivery. Software licence revenue is recognised either at a point in time or over time depending on whether the licence represents a right to use or a right to access.

Judgement is applied in determining whether the Group acts as principal or agent in these arrangements. Where the Group controls the goods before transfer, revenue is recognised gross; otherwise, only the margin is recognised (see Note 1.4).

Domain registration and hosting
Revenue from hosting services is recognised over the contract term as the Group provides continuous access to services. Domain registration revenue is recognised at the point in time the registration or renewal is completed.

The hosting arrangements represent stand-ready services over the contract term rather than separate deliverables. Amounts invoiced in advance are recognised as contract liabilities and released over time. Renewal options priced at market rates do not give rise to a separate performance obligation.

Variable consideration, contract modifications and renewals

Revenue may include variable amounts such as usage-based charges and service credits. These are recognised to the extent it is highly probable that a significant reversal will not occur. Usage-based revenue is recognised as incurred.

Contract modifications are accounted for either as separate contracts or as adjustments to existing contracts depending on their nature. Changes in licence volumes are treated prospectively.

Contract costs

Incremental costs of obtaining a contract, primarily sales commissions, are capitalised where recoverable and amortised over the expected customer relationship period. Costs are expensed as incurred where the amortisation period is one year or less.

Contract balances

Amounts invoiced in advance are recognised as contract liabilities and released to revenue as services are delivered. Revenue recognised in advance of billing is recorded as contract assets. These balances are assessed for impairment where appropriate.

1.5.4 Expenses

Expenses are recognised in the Consolidated Statement of Comprehensive Income when a decrease in future economic benefits related to a reduction in an asset or an increase in a liability has arisen, and the expense can be measured reliably.

Operating costs are presented on a functional basis and include the cost of services provided, employee related expenses, depreciation, amortisation, and other administrative expenses incurred in the ordinary course of business.

1.5.4.1 Exceptional- Non-recurring

The Group presents adjusted performance measures to provide users of the financial statements with additional insight into the underlying trading performance of the business. In doing so, certain items are excluded from reported results and are categorised as either adjusting items or exceptional items.

Adjusting items comprise recurring non-cash or acquisition-related charges that are excluded from adjusted results to improve comparability between reporting periods. These typically include amortisation of acquired intangible assets, share-based payment charges, and costs associated with acquisitions.

Exceptional items are material items of income or expense that are non-recurring in nature, arise from events or transactions outside the ordinary course of business, and are not considered reflective of the Group's underlying trading performance. The classification of such items as exceptional requires judgement and is applied consistently from period to period. Exceptional items include restructuring costs, impairments of goodwill or other assets, costs associated with significant strategic transactions, and other material one-off items.

1.5.5 Interest

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

1.5.6 Taxation

Current tax

Current tax is the tax currently payable based on taxable profit for the year and any adjustment to tax payable in respect of prior years. Taxable profit differs from net profit as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting date.

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

Deferred tax

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

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

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

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

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

1.5.7 Intangible assets

Goodwill

Goodwill represents the excess of the consideration of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is tested annually for impairment and carried at cost less accumulated impairment charges.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. Impairments to goodwill are charged to profit or loss in the period in which they arise.

Intangible assets – acquired customer relationships.

Customer relationships are recognised only on acquisition. The fair value is derived based on discounted cash flows from estimated recurring revenue streams. The carrying value is stated at fair value at acquisition less accumulated amortisation and impairment losses. The useful economic life is assessed for each acquisition separately. Amortisation is charged over the useful life of the relationships in proportion to the estimated future cash flows, a period which is generally between eight and sixteen years.

Intangible assets – acquired brands

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

Intangible assets – development costs

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

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

Development costs not meeting the criteria for capitalisation are expensed as incurred. The costs which do meet the criteria range from new product development to the enhancement of existing services such as mail or hosting platforms. The scope of the development team's work continues to evolve as the Group continues to deliver business critical solutions to a growing customer base. Development costs capitalised are amortised on a straight-line basis over the estimated useful life of the asset. The estimated useful life is deemed to be three years for all developments capitalised. Amortisation charges are recognised through profit or loss in the period in which they are incurred.

Intangible assets – software

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

1.5.8 Property, Plant and Equipment

Property, plant and equipment is stated at cost net of depreciation and any provision for impairment. Leasehold property is included in property, plant and equipment only where it is held under IFRS 16. The gain or loss arising on the disposal of an asset is determined as the difference between the disposal proceeds and the carrying amount of the asset and is recognised in profit or loss.

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

Freehold property	Between 2.00% and 3.33% per annum
Leasehold improvements	Between 6% and 10% per annum
Data centre equipment	Between 6% and 50% per annum
Computer equipment	Between 6% and 50% per annum
Office equipment	Between 10% and 33% per annum
Motor vehicles	25% per annum

1.5.9 Leases

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

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

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

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

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

Reinstatement Costs
The Group has made alterations to properties which it occupies under lease arrangements. These lease arrangements contain provision for reinstatement of the property to its original condition at the Group's cost at the end of the lease should the landlord require that to happen. In respect of property leases which contain such a reinstatement provision the estimated cost of the reinstatement is provided in the financial statements. The discounted value of the expected cost of reinstatement is recorded as a leasehold improvement within property, plant and equipment and is then depreciated over the remaining term of the lease.

The reinstatement provision is initially measured at the present value of expected costs and is subsequently increased to reflect the unwinding of the discount, recognised as a finance cost in profit or loss, in accordance with IAS 37.

1.5.10 Impairment

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

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

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

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

1.5.11 Financial Instruments

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

Financial Assets - Trade Receivables

Trade receivables are amounts due from customers for goods sold and services provided in the ordinary course of business.

Trade receivables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

In recognising any provision for impairment, the Group applies the IFRS 9 approach to measuring expected credit losses which uses a lifetime expected loss allowance for all assets held at amortised cost. The Group recognises a loss allowance for all expected credit losses on initial recognition of trade receivables.

Cash and cash equivalents

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

Financial Liabilities - Trade Payables

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

Borrowings

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

1.5.12 Foreign Currency

Transactions denominated in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the period end are retranslated at the rates ruling at that date. Any gains or losses arising on assets and liabilities between the date of recording and the date of settlement are treated as gains or losses through profit or loss.

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

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

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

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

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

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

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

1.5.13 Provisions

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

1.5.14 Share Capital and Share Premium

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Shares are classified as equity when their terms do not create an obligation to transfer assets. The nominal value of shares issued is recorded in share capital. Where the consideration received from the issue or sale of existing shares exceeds the nominal value recorded in share capital, the difference is recorded in share premium. Share premium is recorded net of share issue costs.

1.5.15 Treasury Shares

Own shares comprise the cost of the Company's own shares held by the Iomart Group plc Employee Benefit Trust, including any directly attributable transaction costs. These shares are deducted from equity.

1.5.16 Merger Reserve

Merger reserve arises where the Company issues ordinary shares as part of the consideration for business combinations and reflects the excess over nominal value of the fair value of those shares issued.

1.5.17 Capital Redemption Reserve

Capital redemption reserve represents amounts transferred in respect of the redemption of the Company's own shares, in accordance with statutory requirements.

1.5.18 Hedging Reserve

Hedging reserve captures the cumulative gains and losses recognised on the effective portion of hedging instruments designated in cash flow hedge relationships.

1.5.19 Foreign Currency Translation Reserve

Foreign currency translation reserve comprises the cumulative exchange differences arising on translation of the financial statements of foreign operations into the Group's presentation currency.

1.5.20 Retained Earnings

Retained earnings represent accumulated profits and losses, together with the cumulative impact of share based payment charges recognised in equity.

1.5.21 Dividends

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

1.5.22 Pensions

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

1.5.23 Share Based Payments

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

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

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

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

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

2. Segmental Analysis

2.1 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 or equivalent senior officer.

The Group's primary reporting format is by business unit. Reporting of assets and liabilities by reportable segment has not been included below, as this is not information that is provided to key decision makers on a regular basis.

The CEO assesses the performance of the operating segments based on revenue and adjusted EBITDA.

The Group's reportable segments are as follows:

Iomart Cloud Services
Provider of managed cloud hosting, colocation, and connectivity services through owned UK data centres. Delivers private and hybrid cloud solutions, backup and disaster recovery, and managed IT services primarily to the larger SME and corporate market. The segment includes the Oriium and RapidSwitch brands.

Atech
Leading Microsoft Solution Partner, delivering complex public cloud deployments, modern workplace solutions, digital transformation and specialised managed services to mid-sized enterprises. Atech is the Group's centre of excellence for Microsoft (Azure, Modern Work and AI) and managed security services.

Domain & Mass Hosting (Easyspace)
Delivers domain name registration and mass hosting services primarily to small and micro businesses, operating under the Easyspace, Hosting UK and Sonassi brands.

Corporate Centre
Includes central corporate costs and debt costs which are not allocated to the three operating segments.

During the year the Group revised its operating segments to align with an updated business unit structure. The prior year comparatives have been restated to reflect two reclassifications:

- **Sonassi transferred from Iomart Cloud Services to Domain & Mass Hosting (Easyspace)**
  The Sonassi brand, which specialises in eCommerce hosting, was integrated with Easyspace and Hosting UK to form a unified domain and hosting business. Certain additional customer cohorts from legacy Iomart self-managed infrastructure brands were also migrated to Hosting UK as part of this consolidation.
- **Extrinsica transferred from Iomart Cloud Services to Atech**
  Extrinsica's operations were consolidated into Atech to bring all Microsoft solution delivery under a single management structure, reflecting Atech's role as the Group's dedicated Microsoft and security practice.

The reclassifications are detailed in Note 1. The net effect of these reclassifications on Iomart Cloud Services revenue for the year ended 31 March 2025 was a reduction of £12.9m, with corresponding increases of £4.2m in Domain & Mass Hosting and £8.7m in Atech. There is no impact on total Group revenue or profit.

2.2 Adjusted EBITDA

Adjusted EBITDA is a non-GAAP alternative performance measure used by management to assess operating performance and allocate resources. It is defined as earnings before interest, tax, depreciation and amortisation, adjusted to exclude share-based payment charges, acquisition-related costs, gains or losses on the revaluation of contingent consideration, foreign exchange gains and losses on FX forward contracts and the associated foreign exchange movements on related liabilities, and other material non-recurring items. A full definition and reconciliation to the most directly reconcilable IFRS measure is provided in the supplementary information at S.1.

All segments are continuing operations. No customer accounts for 10% or more of external revenues. Inter-segment transactions are accounted for using an arms-length commercial basis. Such inter-segment transactions are not material to the reported segment results and no amounts have been separately presented.

2.3 Revenue by Operating Segment	**2026 £'000**	2025* £'000
Iomart Cloud Services	89,552	97,059
Atech	50,123	30,188
Domain & Mass Hosting (Easyspace)	15,210	16,213
Total revenue	**154,885**	143,460

*Reclassification of historic periods is detailed in note 1.

Iomart cloud services revenue can be further disaggregated as follows:	**2026 £'000**	2025* £'000
Cloud managed services	65,976	71,869
Self-managed infrastructure (SMI)	12,415	15,241
Non-recurring	11,161	9,949
Total revenue	**89,552**	97,059

*Reclassification of historic periods is detailed in note 1.

2.4 Recurring and Non-Recurring Revenue

Revenue is disaggregated between recurring and non recurring revenue, reflecting the nature and timing of revenue streams. Recurring revenue represents contracted or repeat service revenues, while non recurring revenue includes hardware sales and project-based services. The Group considers this to be the most meaningful disaggregation of its revenue for users of the financial statements, reflecting the different economic characteristics, cash flow uncertainty profiles and demand drivers associated with each category.

The classification of revenue as recurring or non-recurring requires judgement. Recurring revenue includes contracted monthly and annual service fees, domain renewals and managed service retainers where there is a reasonable expectation of continuation. Non-recurring revenue includes hardware resale, one-off project and implementation fees, and professional services engagements that are not expected to repeat on a regular basis. Where contracts contain both recurring and non-recurring elements, revenue is allocated between categories based on the nature of each performance obligation.

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

	2026 £'000	2025 £'000
Recurring	133,648	127,569
Non-recurring	21,237	15,891
Total revenue	**154,885**	143,460

2.5 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.

	2026 £'000	2025 £'000
United Kingdom	140,917	126,272
Rest of world	13,968	17,188
	154,885	143,460

2.6 Profit by Operating Segments

Segment performance is measured based on adjusted EBITDA, as this metric is used by the Chief Operating Decision Maker ("CODM") to assess performance and allocate resources across the Group.

The IFRS measure of loss before tax is the primary measure of Group profitability. Adjusted EBITDA is presented as a supplementary measure to assist users in understanding underlying operating performance, and should be read in conjunction with the IFRS loss before tax shown in the reconciliation below:

For the year ended 31 March 2026	Iomart Cloud Services	Atech	Domain & Mass hosting (Easyspace)	Corporate centre	Total
Recurring revenue	80,559	41,145	14,976	(3,032)	133,648
Non-recurring	11,161	11,077	235	(1,236)	21,237
Total revenue	**91,720**	**52,222**	**15,211**	**(4,268)**	**154,885**
Cost of sales	(49,467)	(35,365)	(5,790)	4,267	(86,355)
Administrative expenses	(25,166)	(11,781)	(1,800)	-	(38,747)
Group overheads				(4,222)	(4,222)
Adjusted EBITDA	**17,087**	**5,076**	**7,621**	**(4,223)**	**25,561**
Depreciation	(13,059)	(249)	(101)	-	(13,409)
Amortisation other intangibles	(6,283)	(313)	(313)	(77)	(6,986)
Total adjusted EBIT	**(2,255)**	**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 of acquired intangibles				(6,950)	(6,950)
IFRS loss before tax					**(13,638)**

For the year ended 31 March 2025	Iomart Cloud Services	Atech	Domain & Mass hosting (Easyspace)	Corporate centre	Total
Recurring revenue	88,967	23,739	16,103	(1,240)	127,569
Non-recurring	10,051	6,449	110	(718)	15,891
Total revenue	**99,018**	**30,188**	**16,213**	**(1,958)**	**143,460**
Cost of sales	(50,114)	(19,590)	(5,251)	1,958	(72,997)
Administrative expenses	(21,444)	(7,530)	(2,400)	-	(31,374)
Group overheads				(4,777)	(4,777)
Adjusted EBITDA	**27,460**	**3,067**	**8,562**	**(4,777)**	**34,312**
Depreciation	(14,522)	(132)	(76)		(14,730)
Amortisation other intangibles	(5,945)	(288)	(350)	(174)	(6,757)
Total adjusted EBIT	**6,993**	**2,647**	**8,136**	**(4,951)**	**12,825**
Finance costs				(6,370)	(6,370)
Share based payments				(198)	(198)
Acquisition costs				(1,674)	(1,674)
Goodwill impairment charges				(52,900)	(52,900)
Amortisation of acquired intangibles				(4,902)	(4,902)
IFRS loss before tax					**(53,219)**

3. Administrative and Other Expenses

	Notes	**2026 £'000**	2025 £'000
Staff costs	4	33,033	26,927
Depreciation costs	11	13,409	14,730
Amortisation other intangible assets	10	6,985	6,757
Amortisation acquired intangible assets	10	6,950	4,902
Acquisition costs*		480	1,674
Non-recurring administrative expenses**		2,229	-
Audit, legal & professional fees		1,797	1,535
IT costs		1,669	1,144
Property related costs		1,454	1,484
Other costs		1,870	2,141
Sales & marketing costs		973	1,013
Impairment of trade receivables		895	644
Travel expenses		796	781
Insurance costs		483	482
Share based payments		(36)	198
Goodwill impairment charge	10	-	52,900
Total administrative and other expenses		**72,987**	117,312

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

	2026 £'000	2025 £'000
Professional fees	480	866
Other administrative expenses*	-	808
Total acquisition costs*	**480**	1,674
Exceptional non-recurring people costs	1,226	-
Exceptional non-recurring costs	1,003	-
Total non-recurring administrative expenses**	**2,229**	-

In the current year, the Group incurred exceptional non-recurring administrative expenses of £2.2m (2025: £nil), comprising the following: £0.5m in connection with the departure of the Chief Executive Officer; and £1.2m relating to cost efficiency programmes, integration activity and other non recurring corporate initiatives.

Prior year costs comprise of professional fees of £0.9m relating to fees incurred following the acquisition of the Atech business on 1 October 2024. The remaining £0.8m related to other costs incurred as part of the integration of the acquisition.

The aggregate tax effect of the non-recurring items and acquisition costs recognised in the year is £0.2m (2025: £0.4m), recognised within the income tax charge for the year.

4. Staff Costs

The average number of staff employed by the Group during the year was:

	2026	2025
Technical	485	430
Sales & marketing	91	96
Administration	58	58
	634	584

The following table shows the staff costs and specific other employee related costs:

	2026 £'000	2025 £'000
Wages and salaries	34,222	29,470
Social security costs	4,114	3,785
Share-based payments (note 22)	(36)	198
Pension costs	968	789
Capitalised development costs (note 10)	(2,442)	(2,907)
	36,826	31,335

Total staff costs differ from the amounts disclosed in Note 3, as a portion of these costs have been recognised within cost of sales.

Total compensation payments of £0.5m were paid to Lucy Dimes on leaving the company on 29 May 2025 and is included in the highest paid Director Disclosure. This comprised a payment in lieu of notice of £0.5m and an ex-gratia payment of £43k. These costs have been treated as exceptional in the year as per Note 3.

The Group operates a stakeholder defined contribution pension scheme and also contributes to a number of personal pension schemes on behalf of executive Directors and some senior employees. In the case of executive Directors, details of the pension arrangements are given within Remuneration report 73 to 79. In the case of senior employees, pension contributions to individuals' personal pension arrangements are payable by the Group at a rate equal to the contribution made by the senior employee subject to a maximum employer contribution of 5% of basic salary.

Directors remuneration are as follows:	**2026 £'000**	2025 £'000
Directors emoluments		
Aggregate emoluments	1,416	1,014

The highest paid directors emoluments was as follows:	**2026 £'000**	2025 £'000
Highest paid Director		
Aggregate emoluments	538	412

During the year the Company paid a pension allowance to the one Director (2025: two) of £26k (2025: £63k).

The aggregate amount of gains during the year realised by serving Directors, on the exercise of share options, which have vested in prior periods was £0.1m (2025: £0.3m).

The share-based payment charge in relation to active Directors was £13.5k (2025: £52k).

No share options were exercised by the highest paid Director during the year (2025: nil), and no gains were realised (2025: nil).

The detailed numerical analysis of Directors' remuneration and share options is included in the Report of the Board to the Members on Directors' Remuneration on pages 73 to 79.

5. Fees Payable to the Auditor

	2026 £'000	2025 £'000
Audit services:		
Fees payable for the audit of the consolidation & parent company	301	314
Fees payable for audit of subsidiaries – UK	66	240
Total audit services fees	**367**	554
Interim Review	-	38
Taxation services	169	-
Secretarial services	1	-
Covenant compliance certification	-	4
Total non-audit services fees	**170**	42
Total Auditor's remuneration	**537**	596

6. Net Finance Costs

	2026 £'000	2025 £'000
Finance income		
Bank interest received	9	155
	9	155
Finance expenses:		
Bank loan	(7,319)	(5,168)
Interest on lease liabilities	(1,429)	(928)
Other interest charges	(442)	(429)
	(9,190)	(6,525)
Net finance cost	**(9,181)**	(6,370)

7. Taxation

7.1 Tax Credit/(charge) to the Consolidated Income Statement

	2026 £'000	2025 £'000
Corporation Tax:		
Tax credit for the year	(75)	(1,024)
Adjustment relating to prior years	607	414
Total current taxation charge	**532**	(610)
Deferred Tax:		
Origination and reversal of temporary differences	2,814	24
Adjustment relating to prior years	1,124	(1,312)
Total deferred taxation credit/(charge)	**3,938**	(1,288)
Total taxation credit/(charge) for the year	**4,470**	(1,898)

The adjustment relating to prior years are amendments recognised on the finalisation of annual taxation computations.

7.2 Tax Reconciliation

The differences between the total taxation charge shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax are as follows:

	2026 £'000	2025 £'000
Loss before tax	**(13,638)**	(53,219)
Tax credit @ 25% (2025: 25%)	(3,410)	(13,305)
Expenses disallowed for tax purposes	226	13,505
R&D expenditure credits	-	6
Adjustments in current tax relating to prior years	(607)	(414)
Tax effect of different statutory tax rates of overseas jurisdictions	1	42
Tax effect of share-based remuneration	120	574
Fixed asset differences disallowed for tax purposes	249	203
Income not taxable for tax purposes	3	(90)
Movement in deferred tax not recognised	72	65
Movement in deferred tax relating to prior years	(1,124)	1,312
Total taxation (credit)/charge for the year	**(4,470)**	1,898

The weighted average applicable tax rate for the year ended 31 March 2026 was 25% (2025: 25%). The effective rate of tax for the year, based on the taxation charge for the year as a percentage of the loss before tax is 32.8% (2025: (0.04)%).

The effective tax rate in the prior year was significantly distorted by a large number of non-taxable charges, most notably the non-cash goodwill impairment, together with prior year adjustments. While the current year effective rate continues to be influenced by non-taxable items and movements in deferred tax not recognised, the overall distortion is less pronounced than in the prior year. As a predominantly UK-based business, the underlying tax rate broadly aligns with the headline UK corporation tax rate.

Deferred tax assets and liabilities at 31 March 2026 have been calculated based on the 25% rate enacted at the reporting date (2025: 25%).

7.3 Deferred Tax

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

	2026 £'000	2025 £'000
Share-based remuneration	30	197
Capital allowances temporary differences	(3,728)	(3,177)
Deferred tax on development costs	(887)	(1,224)
Deferred tax on customer relationships	(3,444)	(5,955)
Deferred tax on intangible software	(16)	(35)
Brought forward tax losses	1,085	107
Other short-term timing differences	814	3
Deferred tax liability	**(6,146)**	(10,084)

At the year end, the Group had £4.3m (2025: £2.9m) of brought forward tax losses. Of this amount £4.3m has recognised as having a deferred tax value (2025: £0.4m). The Group considers this amount recoverable against future taxable profits.

	Share-based remuneration £'000	Capital allowances temporary differences £'000	Development costs £'000	Other short term timing differences £'000	Acquired Customer relationships & Brand £'000	Intangible software £'000	Brought forward tax losses£'000	Total £'000
Balance at 31 March 2024	891	(1,687)	(720)	-	(3,286)	(82)	-	(4,884)
Acquired on acquisition of subsidiary	-	(21)	-	-	(3,891)	-	-	(3,912)
Movement relating to prior year	-	(963)	(349)	-	-	-	-	(1,312)
Credited/(charged) to statement of comprehensive income	(694)	(506)	(155)	3	1,222	47	107	24
Balance at 1 April 2025	197	(3,177)	(1,224)	3	(5,955)	(35)	107	(10,084)
Movement relating to prior year	-	111	339	7	774	-	(107)	1,124
Credited/(charged) to statement of comprehensive income	(167)	(662)	(2)	804	1,737	19	1,085	2,814
Balance at 31 March 2026	**30**	**(3,728)**	**(887)**	**814**	**(3,444)**	**(16)**	**1,085**	**(6,146)**

8. 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.

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

	2026 £'000	2025 £'000
Loss for the year and basic earnings attributed to ordinary shareholders	**(9,168)**	(55,117)
Weighted average number of ordinary shares:		
Called up, allotted and fully paid at start of period	112,764	112,342
Shares held by Employee Benefit Trust	(141)	(141)
Issued share capital in the period	504	244
Weighted average number of ordinary shares – basic	**113,127**	112,445
Dilutive impact of share options	2,694	1,128
Weighted average number of ordinary shares – diluted	**115,821**	113,573
Basic loss per share (p)	(8.1)	(49.0)
Diluted loss per share (p)	(8.1)	(49.0)

As the Group reported a loss for the year, the share options outstanding are anti-dilutive and have therefore been excluded from the diluted loss per share calculation. Accordingly, diluted loss per share equals basic loss per share.

Iomart Group plc assesses 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:

	2026 £'000	2025 £'000
Loss for the year and basic earnings attributed to ordinary shareholders	**(9,168)**	(55,117)
Amortisation of acquired intangible assets	6,950	4,902
Acquisition costs	480	1,674
Exceptional administrative expenses	2,229	-
Share based payments	(36)	198
Exceptional goodwill impairment charge		52,900
Tax impact of adjusting items	(2,286)	(734)
Adjusted loss for the financial year and adjusted basic earnings attributed to ordinary shareholders	**(1,831)**	3,823
Adjusted basic earnings per share (p)	(1.6)	3.4
Adjusted diluted earnings per share (p)	(1.6)	3.4

9. Dividends

Committee	**2026 pence per share**	**2026 £'000**	2025 pence per share	2025 £'000
Paid during the year:				
Final dividend (proposed in the prior year) Equity dividends on ordinary shares	-	-	3.00p	3,371
Interim dividend Equity dividends on ordinary shares	-	-	1.31p	1,464
Total dividend paid in cash	-	-	-	4,835

The Directors have recommended no final dividend for the year ended 31 March 2026 (2025: Nil).

10. Intangible Assets

	Goodwill £'000	Development costs £'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 2024	109,821	18,423	67,596	-	11,226	86	336	207,488
Arising on acquisitions	46,615	-	13,770	1,794	24	-	-	62,203
Additions	-	2,907	-	-	18,711	-	-	21,618
Disposals	-	-	-	-	-	-	-	-
Foreign exchange differences	-	-	(20)	-	(15)	-	2	(33)
At 31 March 2025	156,436	21,330	81,346	1,794	29,946	86	338	291,276
Additions	-	2,442	-	-	-	-	-	2,442
Disposals	-	-	-	-	-	-	-	-
Foreign exchange differences	-	-	(13)	-	(10)	-	-	(23)
At 31 March 2026	**156,436**	**23,772**	**81,333**	**1,794**	**29,936**	**86**	**338**	**293,695**
Accumulated amortisation:								
At 1 April 2024	-	(14,380)	(57,537)	-	(10,124)	(83)	(312)	(82,436)
Amortisation Charge	-	(2,219)	(4,828)	(74)	(4,527)	(3)	(8)	(11,659)
Foreign exchange differences	-	-	21	-	3	-	-	24
Disposals	-	-	-	-	-	-	-	-
Impairment charge	(52,900)	-	-	-	-	-	-	(52,900)
At 31 March 2025	(52,900)	(16,599)	(62,344)	(74)	(14,648)	(86)	(320)	(146,971)
Amortisation Charge	-	(2,675)	(6,839)	(111)	(4,301)	-	(10)	(13,936)
Foreign exchange differences	-	-	12	-	11	-	-	23
Disposals	-	-	-	-	-	-	-	-
Acquisition- related adjustment	-	(579)	-	-	-	-	-	(579)
At 31 March 2026	**(52,900)**	**(19,853)**	**(69,171)**	**(185)**	**(18,937)**	**(86)**	**(330)**	**(161,462)**
Carrying amount: **At 31 March 2026**	**103,536**	**3,919**	**12,162**	**1,609**	**10,999**	**-**	**8**	**132,232**
At 31 March 2025	103,536	4,731	19,002	1,720	15,298	-	18	144,305

Total additions in the year were £2.4m (2025: £21.6m). In the current year, all additions related to development costs (2025: £2.9m). The Group continues to drive innovation by developing and delivering projects across its teams. A summary of the key project types and their characteristics is set out below:

- Automation and deployment;
- Identity access management initiatives;
- Continuous development of existing and acquired software; and
- General security improvements.

In 2025, software additions of £18.7m consisted of internally generated software as well as the recognition of the 5-year Broadcom commitment. None of the additions arose from arrangements classified as leases under IFRS 16 (2025: £nil).

Acquisition related adjustments are related to adjustments to development costs recognised in the current year, primarily in respect of discontinued projects following in-group integrations, including amounts relating to prior periods.

Included within acquired customer relationships are the following significant net book values: £9.7m in respect of Atech Group Limited with a remaining useful life of 14 years; £1.3m in respect of Concepta Capital Limited with a remaining useful life of 4 years; £0.8m in respect of Accesspoint Group Holdings Limited with a remaining useful life of 6 years; £0.1m in respect of Memset Limited with a remaining useful life of 2 years; and £0.1m in respect of LDEX Group Limited and £0.03m in respect of Bytemark Limited, both with a remaining useful life of 1 year. During the year, the Group accelerated the amortisation of the Extrinsica Global Holdings Limited customer relationship intangible, resulting in a charge of £2.1m, with the asset fully written down at 31 March 2026.

Goodwill is allocated to Cash Generating Units ("CGUs") or groups of CGUs and reviewed annually for impairment in accordance with IAS 36 Impairment of Assets. No impairment was identified in the year ended 31 March 2026. In the prior year, an impairment charge of £52.9m was recognised against the Iomart Cloud Services group of CGUs, reflecting a strategic shift away from low-growth, heritage product areas and accelerated customer churn experienced within that group of CGUs.

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

	2026 £'000	Reclassified* 2025 £'000
Iomart Cloud Services	27,237	27,237
Atech	46,615	46,615
Domain & Mass Hosting (Easyspace)	29,684	29,684
Total	**103,536**	103,536

Following the changes to the Group's operating segments described in note 1, prior year goodwill carrying values have been reclassified between cash-generating units to reflect the current period's basis of segmentation. This reclassification has no impact on the total carrying value of goodwill or on the results of the impairment assessment performed in the prior year.

The recoverable amount of each CGU or group of CGUs has been determined on a value-in-use basis using post-tax discounted cash flows derived from Board-approved budgets covering a five-year period, extrapolated beyond that period using a terminal growth rate. The key assumptions applied are set out in the table below:

	Iomart Cloud Service		Atech		Domain & Mass hosting (Easyspace)	
	2026	2025	**2026**	2025	**2026**	2025
Discount rate (pre-tax)	**14.4%**	14.8%	**14.4%**	14.8%	**14.4%**	14.8%
Discount rate (post-tax)	**10.8%**	11.1%	**10.8%**	11.1%	**10.8%**	11.1%
5 year average EBITDA growth	**14%**	0%	**29%**	29%	**-3%**	-2%
Future perpetuity rate	**2.5%**	2.5%	**2.5%**	2.5%	**0%**	0%
Initial period for which cash flows are estimated (years)	**5**	5	**5**	5	**5**	5

The post-tax discount rate of 10.8% (2025: 11.1%) has been applied consistently across all three CGUs or groups of CGUs and reflects current market assessments of the time value of money and the risks specific to each CGU or group of CGUs. A terminal growth rate of 2.5% has been applied to Iomart Cloud Services and Atech, reflecting long-term UK growth expectations for the markets in which these CGUs or groups of CGUs operate. No terminal growth has been assumed for Easyspace, reflecting the mature and commoditised nature of the domain registration and mass-hosting market, where competitive pricing pressure limits structural volume growth, and management's strategic focus on cash generation rather than investment-led expansion. These perpetuity rates are unchanged from the prior year.

The five-year average EBITDA growth rates reflect the Board-approved budget for each CGU and represent the compound annual growth rate from the FY26 actual EBITDA base to the FY31 terminal year of the forecast period. For Iomart Cloud Services, which comprises a group of cash-generating units tested in aggregate, the rate applied is 14% (2025: 0%), reflecting earlystage recovery in managed cloud services following strategic repositioning undertaken during FY2026 and the significant shift in the private cloud infrastructure market caused by Broadcom's disruptive changes to VMWare business model and global partnership programmes. For Atech the rate applied is 29% (2025: 29%), reflecting a normalisation of growth expectations from the high initial rate assumed at the time of acquisition in October 2024 to a rate more consistent with the CGU's longer-term strategic profile. For Easyspace the rate applied is -3% (2025: -2%), reflecting a reduction from the FY26 EBITDA base driven by continued pricing pressure and customer mix changes in the mature domain and Mass Hosting market; a terminal growth rate of 0% has been applied, consistent with management's view that the CGU will stabilise at a sustainable level of cash generation in perpetuity.

These rates are calculated on a consistent basis across all three CGUs and are derived directly from the Board-approved five-year budget.

Management has considered the indicators of potential impairment present elsewhere in the annual report and financial statements, including declining organic revenue, customer churn of £21.2m, lower adjusted EBITDA and increased net leverage, and has concluded that no impairment charge arises in the year ended 31 March 2026. In the prior year, an impairment charge of £52.9m was recognised against the Iomart Cloud Services group of CGUs, reflecting a strategic shift away from low-growth, heritage product areas and accelerated customer churn experienced within that group of CGUs.

The Group's aggregate headroom across all CGUs and groups of CGUs is £83.9m (2025: £12.7m). The primary driver of the increase is the prior year impairment of £52.9m, which substantially reduced the carrying value of the Iomart Cloud Services group of CGUs, historically the principal source of impairment risk. The recoverable amount of the Iomart Cloud Services group of CGUs exceeds its carrying value by £45.6m at 31 March 2026. Additional contributing factors include the reclassification of Extrinsica to the Atech CGU and Sonassi to the Easyspace CGU, a reduction in the post-tax discount rate from 11.1% to 10.8%, and higher projected EBITDA in the Atech forecast period.

The five-year cash flow forecasts are derived from the Board-approved budget and reflect management's assessment of the recovery trajectory, underpinned by the Group's strategic partnerships with Microsoft, Broadcom and Commvault and by ongoing cost efficiencies.

Reasonably possible downside sensitivities have been applied to the key assumptions across all three CGUs and groups of CGUs. These comprise, individually and in combination: an increase in the post-tax discount rate of +0.5% (to 11.3%) and +1.0% (to 11.8%); and a reduction in forecast free cash flows of 5% and 10% against the Board-approved budget.

In relation to Iomart Cloud Services, as noted earlier, the Directors recognise headroom has increased significantly from the prior year. Under downside scenario, applied to Iomart Cloud Services, incorporating a 10% reduction in forecast free cash flows and an increase in the discount rate to 11.8%, positive headroom of £7.4m is retained. The key assumption to which the recoverable amount of this group of CGUs is most sensitive is the rate of recovery in EBITDA over the forecast period, driven by new order bookings and the management of customer churn. The Board-approved budget applies a growth rate in EBITDA of 13% from the FY26 actual base to the FY31 terminal year, reflecting the expected benefit of the Group's strategic partnerships with Microsoft, Broadcom and Commvault and the ongoing cost efficiency programme. The Directors consider this rate to be supportable based on current trading, pipeline and the broader market context.

Atech CGU recoverable amount exceeds the carrying value by £28.6m under the base case. Under the most severe combined downside scenario, headroom reduces to £9.7m. No impairment is indicated under any sensitivity scenario applied.

The recoverable amounts of all CGUs or groups of CGUs exceed their respective carrying values under both the base case assumptions and all reasonably possible downside scenarios considered. Consequently, the Directors have concluded that no impairment charge is required for the year ended 31 March 2026.

All amortisation and impairment charges are included within depreciation, amortisation and impairment of non-financial assets and are presented within administrative expenses in the statement of comprehensive income.

11. Property, Plant and Equipment

	Freehold property £'000	Right of use assets* £'000	Property improvements £'000	Datacentre equipment £'000	Computer equipment £'000	Office equipment £'000	Motor vehicles £'000	Total £'000
Cost								
Re-presented cost at 31 March 2024*	8,236	32,588	18,140	29,409	127,292	3,094	89	218,848
Acquisition of subsidiary	-	256	101	-	12	78	-	447
Additions in the period	-	2,913	2,584	-	4,814	78	-	10,389
Disposals in the period	-	-	(312)	(1,630)	(72)	(217)	(4)	(2,235)
Currency translation differences	-	(3)	(69)	-	(181)	-	-	(253)
At 31 March 2025	8,236	35,754	20,444	27,779	131,865	3,033	85	227,196
Additions in the period	19	5,262	276	3,104	3,782	46	-	12,489
Disposals in the period	-	(2,643)	(180)	-	-	-	-	(2,823)
Currency translation differences	-	(257)	-	-	51	-	-	(206)
Onerous lease impairment	-	(31)	-	-	-	-	-	(31)
At 31 March 2026	**8,255**	**38,085**	**20,540**	**30,883**	**135,698**	**3,079**	**85**	**236,625**
Accumulated depreciation:								
At 31 March 2024	(1,533)	(15,251)	(10,131)	(19,697)	(106,006)	(2,704)	(34)	(155,356)
Disposals in the period	-	-	312	1,630	72	215	4	2,233
Currency translation differences	-	-	58	-	176	-	-	234
Charge for the period	(237)	(3,894)	(1,066)	(1,585)	(7,808)	(187)	(15)	(14,792)
At 31 March 2025	(1,770)	(19,145)	(10,827)	(19,652)	(113,566)	(2,676)	(45)	(167,681)
Disposals in the period	-	2,475	180	-	-	-	-	2,655
Currency translation differences	-	106	6	-	(59)	-	-	53
Charge for the period	(290)	(3,675)	(982)	(1,932)	(6,385)	(130)	(15)	(13,409)
At 31 March 2026	**(2,060)**	**(20,239)**	**(11,623)**	**(21,584)**	**(120,010)**	**(2,806)**	**(60)**	**(178,382)**
Carrying amount: At 31 March 2026	**6,195**	**17,846***	**8,917**	**9,299**	**15,688**	**273**	**25**	**58,243**
At 31 March 2025	6,466	16,609	9,617	8,127	18,299	357	40	59,515

* The net book value of Right of use assets primarily consists of Property improvements £15.6m (2025: £14.6m) and £2.2m of Datacentre equipment (2025: £2.0m). Depreciation charges associated with these assets were £2.4m (2025: £2.1m) and £1.1m (2025: £1.7m) respectively. The remaining net book value relates to leased motor vehicles purchased during the year.

There were no additions in respect of reinstatement provisions during the current or prior year.

Of the total remaining additions, excluding right out use assets, in the year of £7.2m (2025: £7.3m), £0.3m (2025: £0.6m) was included in trade payables as unpaid invoices at the year-end resulting in a net decrease of £0.3m (2025:net increase of £0.9m) in trade payables in comparison to the prior year. Consequently, the consolidated statement of cash flows discloses a figure of £7.0m (2025: £8.3m) as the cash outflow in respect of property, plant and equipment additions in the year.

12. Trade and Other Receivables

	2026 £'000	2025 £'000
Trade and other receivables - non-current		
Other receivables	111	111
Total trade and other receivables-non-current	**111**	111
Trade and other receivables - current		
Trade receivables	21,186	18,747
Less: IFRS 9 expected credit losses	(723)	(464)
Trade receivables (net)	**20,463**	18,283
Other receivables	842	671
Prepayments	14,159	15,210
Accrued income	3,266	2,669
Total trade and other receivables - current	**38,730**	36,833

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

Non-current trade and other receivables primarily relate to rent deposits on leases of £0.1m (2025: £0.1m) and are due to be repaid at the end of the lease which, at the earliest, is June 2035. The Group is due to receive interest on the lease deposits at the prevailing market rate and therefore they have not been discounted.

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

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

	2026			2025		
Risk profile category (ageing)	**Gross Receivable**	**ECL rate**	**Loss allowance**	Gross Receivable	ECL Rate	Loss allowance
Current	11,291	0%	-	10,545	1.02%	107
0–30 days	5,021	1%	31	4,720	1.61%	76
30–60 days	1,421	1%	14	1,045	4.09%	43
60–90 days	431	6%	26	541	6.86%	37
Over 90 days	3,022	21%	652	1,896	10.59%	201
Total	**21,186**		**723**	18,747		464

To consider the total exposure to credit risks, the Group uses figures net of VAT. At 31 March 2026, £11.3m (2025: £10.5m) of net trade receivables were fully performing. Net trade receivables of £9.2m (2025: £7.8m) were past due. The credit quality of financial assets that are not past due can be assessed by reference to the historical performance. Trade receivables consist of a large number of customers in various industries and geographical areas. The Group is not exposed to any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics.

Prepayments of £14.2m (2025: £15.2m) principally comprise prepaid software licence fees in respect of multi-year technology arrangements, which are billed and settled on an annual basis. Management consider the carrying amount of prepayments to be recoverable in full.

Costs to obtain a contract

The Group capitalises incremental costs of obtaining a contract, principally sales commissions, to the extent that those costs are expected to be recovered. Capitalised contract costs are included within prepayments and are amortised on a straight-line basis over the expected period of the customer relationship to which the costs relate. The movement in capitalised contract costs (deferred sales commissions) during the year was as follows:

	2026 £'000	2025 £'000
Opening balance	2,286	1,609
Additions	1,087	1,097
Amortisation	(965)	(420)
Closing balance	**2,408**	2,286

13. Trade and Other Payables

	2026 £'000	2025 £'000
Other payables - Non-current		
Deferred income	(1,716)	(3,055)
Other creditors	(8,504)	(12,155)
	(10,220)	(15,210)
Trade and other payables -current		
Trade creditors	(18,020)	(16,823)
Other taxation and social security	(2,737)	(2,471)
Deferred income	(14,363)	(13,315)
Accruals	(10,266)	(8,685)
Other creditors	(4,662)	(6,718)
	(50,048)	(48,012)

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

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

Revenue of £13.3m (2025: £11.5m) recognised in the current year was included in deferred income at 31 March 2025.

The future annual payments for intangible software assets acquired via industry standard, multi-year, licence arrangements from technology providers are included in current and non-current trade and other payables above. At 31 March 2026, the total value is £12.2m; split £4.0m current and £8.2m non-current. The largest element relates to the Broadcom 5 year commitment entered into at the start of 2025 such that all of the non-current element will be paid between two and five years.

14. Contingent Consideration

	2026 £'000	2025 £'000
Contingent consideration due on acquisitions within one year:	-	
CWL Systems Limited	-	(364)
Total contingent consideration due on acquisitions	-	(364)

Contingent consideration relating to CWL Systems Limited, a historic acquisition within Atech Support Limited, was settled in April 2025 by the Group.

15. Risk Management

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

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

2026	**Amortised Cost £'000**
Non-current:	
Trade and other receivables	111
Current:	
Trade receivables	20,463
Accrued income	3,266
Cash and cash equivalents	8,921
Other receivables	842
Total financial assets	**33,603**

2025	**Amortised Cost £'000**
Non-current:	
Trade and other receivables	111
Current:	
Trade receivables	18,283
Accrued income	2,669
Cash and cash equivalents	13,088
Other receivables	671
Total financial assets	34,822

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

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

The Group's only financial instruments measured at fair value are the foreign currency forward contracts designated as cash flow hedges, which are classified within Level 2 of the fair value hierarchy. The carrying amounts of these derivative financial liabilities are disclosed in the derivatives section of this note. Fair value is determined using forward exchange rates at the balance sheet date, with the resulting value discounted accordingly. There were no transfers between levels during the year.

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

	Financial Liabilities Measured at Fair Value £'000	Financial Liabilities Measured at Amortised Cost £'000	Total £'000
2026 Non-current:			
Trade payables	-	(8,504)	(8,504)
Lease liabilities	-	(16,182)	(16,182)
Bank loans	-	(97,500)	(97,500)
Derivative liabilities	(345)	-	(345)
2026 Current:			
Trade payables	-	(18,020)	(18,020)
Other creditors		(4,015)	(4,015)
Accruals	-	(10,266)	(10,266)
Lease liabilities	-	(3,860)	(3,860)
Derivative liabilities	(137)	-	(137)
	(482)	**(158,347)**	**(158,829)**
2025 Non-current:			
Trade payables	-	(11,909)	(11,909)
Lease liabilities	-	(15,132)	(15,132)
Bank loans	-	(97,000)	(97,000)
Derivative liabilities	(246)	-	(246)
2025 Current:			
Trade payables	-	(16,823)	(16,823)
Other creditors	-	(5,463)	(5,463)
Accruals	-	(8,685)	(8,685)
Lease liabilities	-	(2,874)	(2,874)
Derivative liabilities	(60)	-	(60)
Total	(306)	(157,886)	(158,192)

Changes in liabilities arising from finance activities are detailed below:

	As at 1 April 2025 £'000	Financing cash flows £'000	Interest paid £'000	Interest charged £'000	Additions £'000	Acquired on acquisition £'000	Disposals £'000	**2026 £'000**
Bank Loans	(97,000)	(500)	6,733	(6,733)	-	-	-	(97,500)
Long-term intangible asset licence agreements	(17,372)	5,171	-	(441)	-	-	-	(12,642)
Lease Liabilities	(18,006)	4,209	-	(1,429)	(5,262)	-	446	(20,042)
Total liabilities from financing activities	(132,378)	8,880	6,733	(8,603)	(5,262)	-	446	**(130,184)**

	As at 1 April 2024 £'000	Financing cash flows £'000	Interest paid £'000	Interest £'000	Additions £'000	Acquired on acquisition £'000	Disposals £'000	2025 £'000
Bank Loans	(40,000)	(57,000)	6,244	(6,244)	-	-	-	(97,000)
Long-term intangible asset licence agreements	-	2,559	-	(720)	(19,208)	-	-	(17,372)
Lease Liabilities	(18,091)	4,352	-	(928)	(3,080)	(256)	-	(18,006)
Total liabilities from financing activities	(58,091)	(50,089)	6,244	(7,898)	(22,288)	(256)	-	(132,378)

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

	2026 £'000	2025 £'000
Non-current:		
Foreign currency forward contracts	(345)	(246)
Current:		
Foreign currency forward contracts	(137)	(60)
	(482)	(306)

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

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

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

The cumulative amount of gains and losses on effective hedging instruments are held within the "Hedge reserve". Such gains or losses are recorded gross of any tax effect. In relation to such hedging instruments a loss of £101,000 (2025: £84,000) has been recorded in the profit and loss for the year within other comprehensive expenses. No hedge ineffectiveness was recognised in the income statement during the year ended 31 March 2026 (2025: £nil). A reconciliation of the hedge reserve is presented in Note 21.

	Average FX Rates		Notional Value: Foreign Currency		Notional Value: Local Currency		CA of Hedging Instruments	
Buy USD	**2026**	2025	**2026**	2025	**2026**	2025	**2026**	2025
Within 12-months	1.2565	1.2671	8,935	4,061	7,111	3,204	(137)	(60)
Over 12-months	1.2439	1.2632	4,467	12,483	3,591	9,883	(345)	(246)
			13,402	16,544	**10,702**	13,087	**(482)**	(306)

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

Liquidity Risk

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

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

	Within One Year £'000	Within Two to Five Years £'000	More Than Five Years £'000	Total £'000	Carrying Amount £'000
As at 31 March 2026					
Trade payables	(50,048)	(10,207)	(13)	(60,268)	(60,268)
Lease liabilities	(4,848)	(11,125)	(8,214)	(24,187)	(20,042)
Bank Loans- Principal	(97,500)	-	-	(97,500)	(97,500)
Bank Loans- Interest	(6,094)	(1,519)	-	(7,613)	-
Total	**(158,490)**	**(22,851)**	**(8,227)**	**(189,568)**	**(177,810)**
As at 31 March 2025					
Trade payables	(48,012)	(15,210)	-	(63,222)	(63,222)
Contingent and deferred consideration	(364)	-	-	(364)	(364)
Lease Liabilities	(3,699)	(10,416)	(7,389)	(21,504)	(18,006)
Bank Loans- Principal	-	(97,000)	-	(97,000)	(97,000)
Bank Loans- Interest	(6,693)	(1,669)	-	(8,362)	-
Total	(58,768)	(124,295)	(7,389)	(190,452)	(178,592)

Comparative information for the year ended 31 March 2025 has been restated within the financial liabilities maturity analysis to include contractual interest cash flows on bank borrowings, which were not presented separately in the prior year. The restatement has been made to align the presentation with the current year and to provide a more complete view of the Group's contractual undiscounted cash outflows relating to financial liabilities. This change affects presentation only and does not impact the Group's previously reported results, net assets or cash flows.

The undiscounted contractual cash flows presented above differ from the carrying amounts recognised in the statement of financial position. For lease liabilities the difference of £0.4m (2025: £0.3m) represents future interest charges not yet accrued. For bank loans the difference of £0.8m (2025: £0.8m) represents future interest payments calculated at the effective interest rate of 6.25% (2025: 6.90%) applied to the drawn balance for the remaining term to maturity, these are not recognised as financial liabilities at the balance sheet date. Trade payables are non-interest bearing and therefore the undiscounted cash flows equal the carrying amount.

The Group seeks to manage financial risk to ensure sufficient liquidity is available to meet foreseeable needs and to invest cash safely and profitably. In Note 16, the contractual maturity analysis of the Group's revolving credit facility of £97.5m (2025: £97m) is shown. The Group has £17.5m (2025: £28m) available to drawdown on the £115m (2024: £125m) revolving credit facility and reviews its cash flow requirements on a monthly basis. The Group was in compliance with all covenants under its banking facility arrangements throughout the reporting period.

Interest Rates

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

For the year ended 31 March 2026, if interest rates on the revolving credit facility at that date had been 50 basis points higher/lower, with all other variables held constant, there would have been an increase/decrease of approximately £0.4m (2025: £0.4m) in the Group's post-tax profit for the year.

Currency Risk
During the year the Group made payments totalling US $19.3m (2025: US$16.1m) and EUR €0.6m (2025: EUR€1.0m) primarily to acquire domain names for the Easyspace business unit, as well as licences and cores in relation to the Cloud Services unit. In addition, the Group received US $6.2m (2025: US$6.2m) and EUR €0.8m (2025: EUR€1.0m) from customers billed in foreign currency. In the prior year, the Group entered into forward foreign exchange contracts associated with the financial liability on long-term licensing agreements which are USD denominated. The Group's USD-denominated monetary liabilities are fully hedged through forward foreign exchange contracts and therefore a movement in the GBP/USD exchange rate would have no material impact on the Group's post-tax profit. The Group's EUR exposure is not considered material.

Capital Risk
The capital structure of the Group consists of net debt, which includes borrowings (note 16) and cash and cash equivalents, and equity attributable to owners of the parent, comprising issued share capital (note 19), other reserves and retained earnings. The Group seeks to maintain a level of gross cash which the Board considers to be adequate for the size of the Group's operations. Consequently, the Group makes use of both banking facilities and lease arrangements to help fund the acquisition of companies and capital expenditure in order to maintain that level of gross cash. The Group's current policy is to pay interim and final dividends depending on the level of adjusted diluted earnings per share.

Credit Risk
Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial losses to the Group. The Group provides standard credit terms (normally 30 days) to some of its customers which has resulted in trade receivables of £20.5m (2025: £18.3m) which are stated net of applicable provisions and which represent the total amount exposed to credit risk.

The Group manages trade receivable balances vigilantly and takes prompt action on overdue accounts. The Group establishes a credit policy under which each new customer is analysed individually for creditworthiness before the contract, payment and delivery terms and conditions are offered. The Group review includes financial statements and credit agency information. On an ongoing basis, management reviews the debt ageing, together with the payment history and third-party credit references where appropriate. The lease deposits of £0.1m (2025: £0.1m) are held in escrow accounts with the landlord's main UK bankers. The Group's cash at bank £8.9m (2025: £13.1m) is held within clearing banks in the UK, Republic of Ireland and United States of America with good credit ratings. The Group writes off a trade receivable when there is information that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceeding. None of the trade receivables that have been written off are subject to enforcement activities. Financial assets are written off when there is no reasonable expectation of recovering the contractual cash flows. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

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

16. Borrowings

	2026 £'000	2025 £'000
Non-current:		
Bank loans- Capital	(97,500)	(97,000)
Total borrowings	**(97,500)**	(97,000)

The carrying amount of borrowings approximates to their fair value.

At the start of the year there was £97m (2025: £40m) outstanding on the revolving credit facility and drawdowns of £0.5m (2025: £57.0m) were made from the facility during the year. Repayments totalling £nil (2025: £nil) were made in the year resulting in a balance outstanding at the end of the year of £97.5m (2025: £97m).

At the year end, the Group had access to a £115m revolving credit facility that matures on 30 June 2027. The revolving credit facility had a borrowing cost at the Group's current leverage levels of 3.0% (2025: 2.5%) margin over SONIA. The revolving credit facility incurs a non-utilisation fee of 35% of the bank margin. The effective interest rate for the revolving credit facility in the current year was 7.14% (2025: 7.29%).

Given the terms of the revolving credit facility and the ability for any drawdowns made to be extended beyond 31 March 2027 at the discretion of the Group, the total amount outstanding has been classified as non-current.

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

	2026			2025		
Group and Company only	**Capital £'000**	**Interest £'000**	**Total £'000**	Capital £'000	Interest* £'000	Total £'000
Due within one year	-	(6,094)	(6,094)	-	(6,693)	(6,693)
Due within two to five years	(97,500)	(1,519)	(99,019)	(97,000)	(1,669)	(98,669)
	(97,500)	**(7,613)**	**(105,113)**	(97,000)	(8,362)	(105,362)

*Prior year interest has been re-presented to reflect interest payable over the remaining term of the RCF to 30 June 2026, the facility's maturity date prior to the refinancing which completed after the year end, to better reflect the position as at 31 March 2025.

As noted within Note 24 the revolving credit facility ('RCF') was amended and extended on 5 June 2026 taking the revised expiry date to 30 June 2028. The RCF provides the Group with additional liquidity which will be used for general business purposes and to fund investments, in accordance with the Group's three-year strategic plan. The Directors are of the opinion that the Group can operate within the facility and comply with its bank covenants.

Analysis of Change in Net Debt	Cash and Cash Equivalents £'000	Bank Loans £'000	IFRS 16 Leases £'000	Total Net Cash/(Debt) £'000
At 1 April 2024	15,755	(40,000)	(18,091)	(42,336)
Acquired on acquisition of subsidiary	3,403	(6,244)	-	(2,841)
Repayment of debt acquired on acquisition	-	6,244	-	6,244
Additions to lease liabilities	-	-	(3,336)	(3,336)
New bank loans	-	(57,000)	-	(57,000)
Bank loan interest charged	-	(4,968)	-	(4,968)
Bank loan interest paid	-	4,968	-	4,968
Lease interest accretion	-	-	(928)	(928)
Lease interest paid	-	-	928	928
Currency translation	-	-	(3)	(3)
Cash and cash equivalents cash outflow	(6,070)	-	-	(6,070)
Lease payments capital payments	-	-	3,424	4,352
At 1 April 2025	13,088	(97,000)	(18,006)	(101,918)
Drawdown of bank loan	-	(500)	-	(500)
Cash and cash equivalents cash outflow	(4,167)	-	-	(4,167)
Additions to lease liabilities	-	-	(5,262)	(5,262)
Disposal to lease liabilities	-	-	446	446
Bank loan interest charged	-	(6,733)	-	(6,733)
Bank loan interest paid	-	6,733	-	6,733
Lease interest accretion	-	-	(1,429)	(1,429)
Lease interest paid	-	-	1,429	1,429
Currency translation	-	-	8	8
Lease payments	-	-	2,772	2,772
At 31 March 2026	**8,921**	**(97,500)**	**(20,042)**	**(108,621)**

17. 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 undiscounted lease liabilities is shown in the table below:

	2026 £'000	2025 £'000
Lease liabilities (current)	(3,860)	(2,874)
Lease liabilities (non-current)	(16,182)	(15,132)
Total lease liabilities	**(20,042)**	(18,006)

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

Amounts payable under leases:	**2026 £'000**	2025 £'000
Within one year	(4,848)	(3,699)
Between two to five years	(11,125)	(10,416)
After more than five years	(8,214)	(7,389)
Less: effect of discounting	**4,145**	3,498
Total lease liabilities	**(20,042)**	(18,006)

Amounts recognised in the Income statement and statement of comprehensive income in relation to leases is shown below:

	2026 £'000	2025 £'000
Interest on lease liabilities	(1,429)	(928)
Depreciation and amortisation	(3,675)	(3,894)
Short-term and low value lease expenses	(2,226)	(1,830)
	(7,330)	(6,652)

Amounts recognised in the consolidated statement of cash flows:

Amounts payable under leases:	**2026 £'000**	2025 £'000
Payments under lease liabilities	(4,208)	(4,352)
Short-term and low value lease expenses	(2,226)	(1,830)
	(6,434)	(6,182)

18. Reinstatement Provisions

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

	2026 £'000	2025 £'000
Non-current:		
Reinstatement provision	(2,219)	(2,486)
Total non-current provisions	**(2,219)**	(2,486)

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

	2026 £'000	2025 £'000
Balance at the start of the year	(2,486)	(3,052)
Acquisition of subsidiary	-	(84)
Decrease/(increase) in provision	143	757
Provision utilised	175	25
Unwinding of discount	(51)	(132)
	(2,219)	(2,486)

19. Issued Share Capital

	Ordinary shares of 1p each	
	No. of Shares	£'000
At 31 March 2025 and 2026	**200,000,000**	**2,000**
Called up, allotted and fully paid		
At 31 March 2024	112,341,481	1,124
Share capital issued in the year	422,369	4
At 31 March 2025	112,763,850	1,128
Share capital issued in the year	964,920	9
At 31 March 2026	**113,728,770**	**1,137**

During the year, £1m (2025: £0.4m) ordinary shares were issued for a total consideration of £9k (2025: £4k) following the exercise of options under the Group's employee share option schemes. As options under these schemes are granted at an exercise price equal to the nominal value of 1p per share, no share premium arises on exercise. The low consideration reflects the nature of the schemes rather than any issue of shares at a discount to market value.

At 31 March 2026 the Company held 140,773 shares (2025: 140,773) as own shares in the Iomart Group plc Employee Benefit Trust ("EBT") which were accounted for in the Own Shares EBT reserve and had a nominal value of £1,408 (2025: £1,408) and a market value of £16,646 (2025: £43,640). This represents 0.1% (2025: 0.1%) of the issued share capital as at 31 March 2026 excluding own shares.

The share capital of Iomart Group plc consists of ordinary shares with a par value of 1p. All shares, excluding the shares held by the Company in treasury and the shares held by the EBT, are equally eligible to receive dividends and represent one vote at the shareholders' meetings of Iomart Group plc. All shares issued at 31 March 2026 are fully paid.

20. Own Shares

	Own Shares EBT	Own Shares Total
Group and Company only		
At 31 March 2026 and 31 March 2025	**(70)**	**(70)**

At 31 March 2026 the Company held 140,773 shares (2025: 140,773) in the EBT with a carrying value of £69,982 (2025: £69,982) which were accounted for in the Own Shares EBT reserve.

21. Other Reserves

	Share Based Payment Reserve £'000	Foreign Currency Translation Reserve £'000	Merger Reserve £'000	Hedge Reserve* £'000	Total £'000
Balance at 1 April 2024	(167)	21	6,967	-	6,821
Exchange differences	-	(31)	-	-	(31)
Fair value (gains)/ losses on cashflow hedges	-	-	-	(84)	(84)
Total comprehensive income	-	(31)	-	(84)	(115)
Share based payments	198	-	-	-	198
Exercised employee share based payments	(4)	-	-	-	(4)
Total transactions with owners	194	-	-	-	194
Balance at 31 March 2025	27	(10)	6,967	(84)	6,900
Balance at 1 April 2025	27	(10)	6,967	(84)	6,900
Exchange differences	-	(24)	-	-	(24)
Fair value (gains)/ losses on cashflow hedges	-	-	-	(101)	(101)
Total comprehensive income	-	-	-	(101)	(125)
Share based payments	(36)	-	-	-	(36)
Exercised employee share based payments	(10)	-	-	-	(10)
Total transactions with owners	(46)	-	-	_	(46)
Balance at 31 March 2026	**(19)**	**(34)**	**6,967**	**(185)**	**6,729**

*The hedge reserve recognises the effective portion of changes in the fair value of the hedging instruments associated with forward USD currency contracts.

In the current year, the share-based payment reserve has been presented as a separate component of equity within other reserves. In the prior year, this reserve was included within retained earnings. The comparative figures have been restated to reflect this reclassification. As a result, retained earnings at 1 April 2024 have been increased by £0.2m and 31 March 2025 have been reduced by £0.03m respectively, with corresponding increases to the share-based payment reserve. There is no impact on total equity in either year.

22. Share Based Payments

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

	Vesting Period	Maximum Term	Performance Criteria	Required to Remain in Employment
Unapproved schemes	Up to 3 years from grant	10 years after date of grant	Set by the Remuneration Committee	Yes
Sharesave scheme	3 years from grant	6 months after vesting period	None	Yes

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

As disclosed in Note 4, a share-based payment credit of £36,000 (2025: charge of £198,000) has been recognised in the statement of comprehensive income in respect of these schemes.

The fair value of employee services received is measured indirectly by reference to the fair value of the options granted. This is determined using the Black-Scholes option pricing model, based on the following assumptions for options granted during the current year:

Grant Date	7 May 2024	22 October 2024	15 November 2024	24 October 2025
Vesting Date	31 March 2027	31 March 2027	31 March 2028	24 October 2028
Share price at grant date (£)	1.25	0.90	1.06	0.21
Volatility (%)	67.7%	66.4%	69.4%	90.7%
Dividend yield (%)	3.95%	5.49%	4.66%	6.28%
Number of employees holding options during the year	2	1	6	18
Expected life (years)	3	3	3	3
Option/award life (years)	10	10	10	10
Risk free rate (%)	4.09%	4.15%	4.45%	4.46%
Expectations of meeting performance criteria	50%	40%	30%	100%
Fair value (£)	1.10	0.75	0.91	0.16
Exercise price per share (£)	1.00	1.00	1.00	1.00

i) Expected volatility was determined at the date of grant from historic volatility, adjusted for events that were not considered to be reflective of the volatility of the share price going forward; and
ii) Risk free rate was calculated based on the average Bank of England zero coupon yields

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

	31 March 2026		31 March 2025	
	Weighted Average Exercise Price	**Number of Share Options**	Weighted Average Exercise Price	Number of Share Options
Outstanding at start of the year	**7.27**	**4,077,186**	24.45	3,699,074
Granted	**1.00**	**7,200,000**	1.00	2,136,252
Forfeited	**2.92**	**(2,867,280)**	69.02	(888,103)
Lapsed	**7.20**	**(1,213,842)**	1.00	(447,668)
Exercised	**1.00**	**(964,920)**	1.00	(422,369)
Outstanding at the end of year	**3.14**	**6,231,144**	7.27	4,077,186
Exercisable at end of year	**1.00**	**142,322**	3.05	1,056,458

During the year, options over 964,920 ordinary shares (2025: 422,369) were exercised and the average market price at the exercise dates was 23.39p (2025: 114.07p).

Options over 7,200,000 ordinary shares (2025: 2,136,252) were granted under the unapproved share option scheme with an average exercise price of 1.0p (2024: 1.0p) and no options over ordinary shares were granted under the sharesave scheme in either the current or prior year.

Options over 3,972,757 ordinary shares (2025: 852,699) were forfeited or lapsed under the unapproved share option scheme with an average exercise price of 1.0p (2025: 1.0p) and over 108,365 options (2025: 483,072) were forfeited or lapsed under the sharesave scheme with an average exercise price of 121.6p (2025: 126.1p).

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

		Share options - outstanding			Share options - exercisable		
	Range of Exercise Price per share(p)	Outstanding Shares	Weighted average exercise price per share)	Weighted average remaining contractual life (years)	Outstanding Shares	Weighted average exercise price per share)	Weighted average remaining contractual life (years)
Unapproved Scheme	1.0-1.0	6,119,240	1.0	9.4	142,322	1.0	3.2
Sharesave Scheme	120.0	111,904	120.0	0.9	-	-	-
As at 31 March 2026	**-**	**6,231,144**	**3.1**	**9.2**	**142,322**	**1.0**	**3.2**
Unapproved Scheme	1.0-1.0	3,856,917	1.0	7.2	1,039,444	1.0	2.3
Sharesave Scheme	120.0- 128.0	220,269	120.6	1.8	17,014	128.0	0.0
As at 31 March 2025		4,077,186	7.3	6.9	1,056,458	3.0	2.3

23. Related Parties

In accordance with IAS 24 Related Party Disclosures, the Group has determined that the Directors are the only individuals deemed to be key management personnel.

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

	2026 £'000	2025 £'000
Angus MacSween	-	749
Other Directors*	-	12
Total dividends paid to Directors	-	761

*Dividends paid to Scott Cunningham of £nil (2025: £10,612), Karyn Lamont of £nil (2025: £302), Annette Nabavi of £nil (2025: £72), Richard Last of £nil (2025: £655), include amounts in respect of spouses' shareholding.

Compensation paid to key management personnel during the year was as follows:

	2026 £'000	2025 £'000
Salaries and other short-term employee benefits	1,230	1,099
Non-recurring administrative expenses	48	–
Share options gain	103	–
Pension	33	63
	1,414	1,162

*Administrative expenses – exceptional non-recurring costs relate to the change in CEO.

Details of Directors' remuneration, including salaries, fees, and benefits, are disclosed in the Directors' Remuneration Report on pages 73 to 79.

No annual cash bonuses were awarded to Directors during the year ended 31 March 2026 (2025: £36k). As detailed in the remuneration report on page 76 the Chief Financial Officer received a special cash bonus of £50k for securing the new bank refinancing in June 2025.

The share-based payment charge in respect of active Directors in the year was £14k (2025: credit £52k).

24. Post Balance Sheet Events

24.1 Refinancing

On 5 June 2026, the Revolving Credit Facility ("RCF"), totalling £115m, was amended and extended to an expiry date of 30 June 2028. This remains with the existing bank syndicate comprising The Royal Bank of Scotland plc, HSBC UK Bank plc, and Nationwide Building Society (trading as Virgin Money). The facility includes financial covenants, limited to debt cover and interest cover, which are aligned with the Group's current leverage position and strategic objectives.

At current leverage levels, the bank margin under the new RCF is 3.5% above SONIA. The RCF includes a margin ratchet mechanism under which the applicable margin will decrease as the Group's leverage ratio improves, and increase should leverage deteriorate, within the ranges specified in the facility agreement.

25. Related Undertakings

In accordance with Section 409 of the Companies Act 2006, the Company is required to disclose information about its related undertakings. The following table presents the full list of subsidiary undertakings of Iomart Group plc as at 31 March 2026.

The Group holds 100% of the issued share capital and voting rights, and each undertaking is included in the consolidated financial statements.

Direct Subsidiary Undertakings of the Parent Company

The following subsidiaries are all 100% wholly owned by Iomart Group plc:

Entity Name	Country of Registration & Operation	Address	Share Class	Activity
Dediserve Limited	ROI	13-18 City Quay, Dublin 2	OS	Managed hosting services
Easyspace Limited	England	3rd Floor, 11-21 Paul Street, London, EC2A 4JU	OS	Domain and hosting
Iomart Cloud Inc	USA	Miracle Mile Plaza, 601 21st Street, Suite 300, Vero Beach, FL 32960	OS	Managed hosting services
Iomart Managed Services Limited	Scotland	6 Atlantic Quay, 55 Robertson Street, Glasgow, G2 8JD	OS	Managed hosting services
Extrinsica Global Holdings Limited	England	3rd Floor, 11-21 Paul Street, London, EC2A 4JU	OS	Non-trading
Atech Support Limited	England	3rd Floor, 11-21 Paul Street, London, EC2A 4JU	OS	Microsoft MSP and security
Oriium Consulting Limited	England	3rd Floor, 11-21 Paul Street, London, EC2A 4JU	OS	Data backup, DR and managed services
RapidSwitch Limited	England	3rd Floor, 11-21 Paul Street, London, EC2A 4JU	OS	Dormant
Bytemark Holdings Limited	England	3rd Floor, 11-21 Paul Street, London, EC2A 4JU	OS	Non-trading
Bytemark Limited	England	3rd Floor, 11-21 Paul Street, London, EC2A 4JU	OS	Non-trading
Cristie Data Limited	England	3rd Floor, 11-21 Paul Street, London, EC2A 4JU	OS	Non-trading
Iomart Cloud Services Limited	Scotland	6 Atlantic Quay, 55 Robertson Street, Glasgow, G2 8JD	OS	Non-trading
London Data Exchange Limited	England	3rd Floor, 11-21 Paul Street, London, EC2A 4JU	OS	Non-trading
Memset Limited	England	3rd Floor, 11-21 Paul Street, London, EC2A 4JU	OS	Non-trading
SimpleServers Limited	England	3rd Floor, 11-21 Paul Street, London, EC2A 4JU	OS	Non-trading
Sonassi Limited	England	3rd Floor, 11-21 Paul Street, London, EC2A 4JU	OS	Non-trading

Other Subsidiaries

The following entities are all 100% wholly owned by one of the Iomart Group plc subsidiaries:

Entity Name	Country of Registration & Operation	Address	Share Class	Activity
Accesspoint Group Holdings Limited	England	3rd Floor, 11-21 Paul Street, London, EC2A 4JU	OS	Non-trading
Accesspoint Technologies Limited	England	3rd Floor, 11-21 Paul Street, London, EC2A 4JU	OS	Managed hosting services
Atech Group Limited	England	3rd Floor, 11-21 Paul Street, London, EC2A 4JU	OS	Non-trading
Atech Holdco Limited	England	3rd Floor, 11-21 Paul Street, London, EC2A 4JU	OS	Non-trading
Base 13 IT Limited	England	3rd Floor, 11-21 Paul Street, London, EC2A 4JU	OS	Supply of software and support
Cloud 365 Services Limited	England	3rd Floor, 11-21 Paul Street, London, EC2A 4JU	OS	Non trading
CloudZen 365 Services Limited	India	4th floor, Binori b square 3, Sindhubhavan Marg, Friends Avenue, Bodakdev, Ahmedabad Gujarat 380015, India	OS	IT Support services
Concepta Capital Limited	England	3rd Floor, 11-21 Paul Street, London, EC2A 4JU	OS	Non-trading
CWL Systems Limited	England	3rd Floor, 11-21 Paul Street, London, EC2A 4JU	OS	Sale of software and support services
Datanics Limited	England	3rd Floor, 11-21 Paul Street, London, EC2A 4JU	OS	Non-trading
Extrinsica Global Limited	England	3rd Floor, 11-21 Paul Street, London, EC2A 4JU	OS	Managed hosting services
IMEX Technical Services Limited	England	3rd Floor, 11-21 Paul Street, London, EC2A 4JU	OS	Supply of software and services
LDeX Connect Limited	England	3rd Floor, 11-21 Paul Street, London, EC2A 4JU	OS	Non-trading
Meritum Cloud Services Limited	England	3rd Floor, 11-21 Paul Street, London, EC2A 4JU	OS	Sale of software and support services
P2 Technologies Limited	England	3rd Floor, 11-21 Paul Street, London, EC2A 4JU	OS	Reseller of IT hardware, software and services
PAV IT Services Limited	England	3rd Floor, 11-21 Paul Street, London, EC2A 4JU	OS	Reseller of IT hardware, software and services

Audit Exemption

For the year ended 31 March 2026, the following UK subsidiaries of the Group were entitled to exemption from audit under s479A of the Companies Act 2006, relating to subsidiary companies. Each of the subsidiaries listed below has taken advantage of this exemption on the basis that:

- the subsidiary is a qualifying subsidiary of Iomart Group plc (the "Parent");
- the Parent has provided a guarantee of all outstanding liabilities of each subsidiary as at 31 March 2026, pursuant to s479C of the Companies Act 2006; and
- the Parent has notified each subsidiary that it intends to guarantee its liabilities under s479C.

Entity	Registered number
Accesspoint Group Holdings Limited	**9903087**
Accesspoint Technologies Limited	**5895234**
Atech Group Limited	**13853095**
Atech Holdco Limited	**13853261**
Base13 IT Limited	**6132677**
Bytemark Holdings Limited	**8150076**
Bytemark Limited	**4484629**
Cloud 365 Services Limited	**13238608**
Concepta Capital Limited	**9727873**
Cristie Data Limited	**3457111**
CWL Systems Limited	**9091981**
Extrinsica Global Holdings Limited	**10748417**
Extrinsica Global Limited	**7293625**
Datanics Limited	**9925398**
IMEX Technical Services Limited	**9855386**
Iomart Cloud Services Limited	**SC187413**
London Data Exchange Limited	**7772407**
Memset Limited	**4504980**
Meritum Cloud Services Limited	**9356706**
Oriium Consulting Limited	**6146501**
P2 Technologies Limited	**6254265**
Pav IT Services Limited	**2314882**
SimpleServers Limited	**6813119**
Sonassi Limited	**7715859**

Parent Company Financial Statements

Company Statement Of Financial Position

	Notes	2026 £'000	2025 £'000
ASSETS			
Non-current assets			
Investments	B	154,557	158,876
Trade and other receivables	C	18,395	21,022
Deferred tax	D	834	304
		173,786	180,202
Current assets			
Trade and other receivables	C	6,627	3,579
Cash and cash equivalents		55	6,290
		6,682	9,869
Total assets		**180,468**	190,071
LIABILITIES			
Non-current liabilities			
Non-current borrowings		(97,500)	(97,000)
Trade and other payables		(23,143)	-
		(120,643)	(97,000)
Current liabilities			
Trade and other payables	E	(1,163)	(20,349)
		(1,163)	(20,349)
Total liabilities		**(121,806)**	(117,349)
Net Assets		**58,662**	72,722
EQUITY			
Share capital		1,137	1,128
Own shares		(70)	(70)
Capital redemption reserve		1,200	1,200
Share premium		22,500	22,500
Other reserves	G	6,948	6,994
Retained earnings			
Loss for the year		(14,033)	(48,650)
Brought forward retained earnings		40,970	94,451
Other movements in retained earnings		10	(4,831)
Total equity		**58,662**	72,722

The Notes on pages 106 to 160 are an integral part of these financial statements.

These financial statements were approved and authorised for issue by the Board of Directors on 22 June 2026, and signed on its behalf.

Scott Cunningham

Scott Cunningham
Director and Chief Finance Officer
Iomart Group plc, SC204560

Company Statement Of Changes In Equity

	Share capital £'000	Own shares EBT £'000	Capital redemption reserve £'000	Share premium account £'000	Other reserve £'000	Retained earnings £'000	Total £'000
Balance at 1 April 2024	1,124	(70)	1,200	22,500	6,800	94,451	126,005
Loss for the period	-	-	-	-	-	(48,650)	(48,650)
Total comprehensive income	-	-	-	-	-	(48,650)	(48,650)
Dividends – final (paid)	-	-	-	-	-	(3,371)	(3,371)
Dividends – interim (paid)	-	-	-	-	-	(1,464)	(1,464)
Share-based payments	-	-	-	-	198	-	198
Issue of share capital	4	-	-	-	-	-	4
Exercised share based payments	-	-	-	-	(4)	4	-
Total transactions with owners	4	-	-	-	194	(4,831)	(4,633)
Balance at 31 March 2025	1,128	(70)	1,200	22,500	6,994	40,970	72,722
Loss for the period	-	-	-	-	-	(14,033)	(14,033)
Total comprehensive income	-	-	-	-	-	(14,033)	(14,033)
Share-based payments	-	-	-	-	(36)	-	(36)
Issue of share capital	9	-	-	-	-	-	9
Exercised share based payments	-	-	-	-	(10)	10	-
Total transactions with owners	9	-	-	-	(46)	10	(27)
Balance at 31 March 2026	**1,137**	**(70)**	**1,200**	**22,500**	**6,948**	**26,947**	**58,662**

The Notes on pages 106 to 160 are an integral part of these financial statements.

Notes to the Company Financial Statements

Basis of Preparation and Accounting Policies

(a) Basis of Preparation

These Company financial statements for the year ended 31 March 2026 have been prepared in accordance with UK Generally Accepted Accounting Practice, including Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and Part 15 of the Companies Act 2006.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of UK-adopted international accounting standards but makes amendments where necessary in order to comply with the Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The financial statements have been prepared on a going concern and historical cost basis and are presented in £'000 sterling. See Note 1 of the Group financial statements for information of the Directors' assessment of the going concern basis.

The Company has applied the disclosure exemptions available under FRS 101. As a result, these financial statements do not include:

- A statement of cash flows and related notes.
- Disclosures on key management personnel compensation.
- Certain share based payment disclosures.
- Impairment related disclosures.
- Disclosure of the impact of future accounting standards not yet adopted.
- The disclosure requirements of IFRS 7 Financial Instruments: Disclosures.
- The fair value disclosure requirements of IFRS 13 (paragraphs 91–99).
- Selected presentation and comparative information requirements of IAS 1.

Where relevant, equivalent information, including details of borrowings, share capital, reserves and dividends has been provided in the consolidated financial statements. The Company applies the same principal accounting policies as set out in Note 1 of the Notes to the consolidated financial statements, and these have been applied consistently throughout the year unless otherwise stated.

The Company has taken advantage of the exemption in Section 408 of the Companies Act 2006 not to present its own income statement in these financial statements. The auditors' remuneration for audit and other services is disclosed in Note 5 of the Group financial statements.

During the year and Prior year, the Company had no employees. All staff costs within the Company in the current year relate to recharges from other Group entities. For more information, refer to Note A.

(b) Key Judgements and Sources of Estimation Uncertainty

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

Judgements
Impairment of investment in Extrinsica Global Holdings Limited

Management has exercised significant judgement in assessing the recoverable amount of the Company's investment in Extrinsica Global Holdings Limited.

The entity has maintained a net liability position since acquisition, and the loss of key operational and commercial personnel since acquisition has significantly reduced the knowledge and value acquired. A substantial proportion of customers historically associated with Extrinsica are now expected to either churn or renew directly with Atech Group Ltd, without any formal transfer, novation or consideration to Extrinsica. Although certain customer contracts remained legally in place at the reporting date, management considers that these contracts do not give rise to sufficient meaningful future cash inflows within Extrinsica Global Holdings Limited to support its carrying value. Although certain customer contracts remained legally in place at the reporting date, management considers that these contracts do not give rise to sufficient meaningful future cash inflows within Extrinsica Global Holdings Limited to support its carrying value.

Accordingly, the Directors have concluded that the recoverable amount of the investment is nil and a full impairment has been recognised. This judgement is inherently sensitive to assumptions regarding customer behaviour future cash flows; however, the Directors consider that the conclusion appropriately reflects the conditions existing at the reporting date.

Estimates

Recoverable value of investments:

The Company assesses annually whether the carrying value of its investments is recoverable. This assessment involves estimating expected future cash flows from each investment, using key assumptions including growth rates and discount rates. As a result of this review, an impairment charge of £4.4m was recognised in the current year. Refer to Note B.

(c) Accounting Policies

Investments

Investments in subsidiary undertakings are stated at cost less accumulated impairment. Cost represents the fair value of consideration at the date of acquisition. Investments are reviewed for impairment when indicators exist that the carrying value may not be recoverable. Where the carrying value exceeds the recoverable amount, an impairment loss is recognised.

As part of the Company's acquisition and restructuring activities, the trade and net assets of acquired subsidiaries may be transferred at book value to other Group entities. Where a trade is transferred, the carrying amount of the original investment, which becomes a non-trading entity, is added to the cost of the investment in the receiving subsidiary. The aggregated carrying value of these investments is assessed annually against the future cash flows and net asset position of the subsidiaries operating the transferred businesses.

Dividends

Final dividends declared by shareholders at a general meeting are recognised as liabilities when approved. Interim dividends declared by the Board are recognised when paid.

A Staff Costs

	2026 £'000	2025 £'000
Staff Costs of the Company during the year in respect of employees and Directors:		
Wages and salaries costs	1,852	1,833
Social security costs*	190	225
Pension costs	23	29
Share-based payments (credit)/charge	(145)	83
	1,920	2,170

*Management identified that a prior year typographical error resulted in social security costs being understated by £186k (£38k reported vs. £225k actual). The comparative disclosure has been restated accordingly, with no further impact on the Company's financial statements.

All staff costs within the Company in the current year relate to recharges from other Group entities.

The Company operates a stakeholder pension scheme and also contributes to a number of personal pension schemes on behalf of executive Directors and some senior employees. In the case of executive Directors, details of the pension arrangements are given within the Report of the Board to the Members on Directors' Remuneration on pages 73 to 79. In the case of senior employees, pension contributions to individuals' personal pension arrangements are payable by the Group at a rate equal to the contribution made by the senior employee subject to a maximum employer contribution of 5% of basic salary. Details of Directors' emoluments are disclosed within Note 4 of the Group financial statements.

B Investments	**2026 £'000**
Cost	
At 1 April 2025	222,159
Additions	-
Share-based payments (Note G)	109
Cost at 31 March 2026	**222,268**
Impairment	
At 1 April 2025	(63,283)
Impairment charge	(4,428)
Impairment at 31 March 2026	**(67,711)**
Net book value of Investments at 31 March 2026	**154,557**
Net book value of Investments at 31 March 2025	**158,876**

All of the above investments are unlisted.

Impairment

An impairment charge of £4.4m has been recognised in the year, comprising the investment in Extrinsica Global Holdings Limited.

The impairment of Extrinsica Global Holdings Limited reflects management's assessment that the entity is not expected to generate future economic benefits. A substantial proportion of customers historically associated with Extrinsica are expected to either churn or renew directly with Atech Group Ltd, without any formal transfer, novation or consideration to Extrinsica. As a result, the Directors have concluded that the recoverable amount of the investment is nil and a full impairment has been recognised. This assessment also takes into account the historical profitability of the underlying business.

The recoverable amount of the investment has been determined on a consistent basis with the goodwill impairment review described in Note 10 of the consolidated financial statements. The calculations are based on post-tax cash flow projections derived from Board-approved budgets covering a five-year period. These projections reflect detailed planning and assume growth rates broadly consistent with recent historical performance. A post-tax discount rate of 10.78% (2025: 11.1%) has been applied. A terminal growth rate of 2.5% has been applied to Atech-related investments, reflecting long-term UK growth expectations, with 0% applied to Easyspace Limited, consistent with the mature and commoditised nature of the mass hosting market.

Sensitivity analysis has been performed using reasonably possible downside scenarios, including an increase in the discount rate to 11.78% and a 10% reduction in forecast EBITDA cash flows. The Directors consider the remaining carrying values to be recoverable under all reasonably possible changes in key assumptions.

All other investments continue to demonstrate sufficient headroom over their carrying values under these sensitivities.

The carrying value of investments at 31 March 2026 is as follows:

	Carrying Value Before Impairment £'000	Impairment £'000	Carrying Value After Impairment £'000
Company			
Iomart Managed Services Ltd	63,286	-	63,286
Easyspace Ltd	31,420	-	31,420
Atech Group Ltd	39,360	-	39,360
Extrinsica Global Holdings Ltd	4,428	(4,428)	-
Accesspoint Group Holdings Ltd	6,399	-	6,399
Concepta Capital Ltd	13,983	-	13,983
Total carrying value of investments	**158,876**	**(4,428)**	**154,448**

Details of subsidiary undertakings are provided in Note 25 of the consolidated financial statements.

Relationship Between Parent Investment Carrying Values and Group CGUs

For the purpose of the Group's goodwill impairment review (Note 10 of the consolidated financial statements), assets are grouped into three CGUs:

- Iomart Cloud Services
- Atech
- Domain & Mass Hosting (Easyspace)

At parent level, the impairment assessment is performed at the level of individual investee entities, as each investment represents a directly held subsidiary whose recoverable amount can be separately identified. The relationship between parent investments and Group CGUs is as follows:

- Iomart Cloud Services CGU corresponds to the investment in Iomart Managed Services Ltd, Accesspoint Group Holdings Ltd and Concepta Capital Ltd.
- Atech CGU corresponds to investments in Atech Group Ltd and Extrinsica Global Holdings Ltd.
- Easyspace CGU: corresponds to the investment in Easyspace Ltd.

The same discount rate and cash flow assumptions are applied consistently across the Group impairment review and parent investment impairment assessment.

Assessment of CGU Structure and Consistency with Parent Company Impairment Review

The Directors have performed a stand-back assessment of the Group's cash-generating unit structure and are satisfied that the identified CGUs and groups of CGUs represent the appropriate level for impairment testing. Within Iomart Cloud Services, the lowest level at which largely independent cash inflows are generated is considered to be the individual data centre. Accordingly, Iomart Cloud Services is treated as a group of CGUs for the purposes of goodwill impairment testing. The Group allocates and monitors goodwill at this group of CGUs level, as management does not consider it practicable to allocate goodwill to individual data centres given the shared infrastructure and interdependencies across the estate.

While the parent Company assesses impairment at the level of individual subsidiary investments, this is consistent with the Group's CGU impairment assessment as the underlying cash flows of those subsidiaries form part of the respective CGUs. No indicators were identified that would suggest a misalignment between the Group and Company level impairment assessments, and the conclusions reached are considered to be consistent.

C Trade and Other Receivables	2026 £'000	2025 £'000
Trade and other receivables - Non-Current		
Amounts owed by subsidiary undertakings	23,022	21,022
Less: impairment of intercompany receivables	(4,627)	-
Total trade and other receivables - Non-Current	**18,395**	21,022
Trade and other receivables - Current		
Prepayments	611	1,006
Other debtors	26	314
Group relief receivable	5,542	1,243
Other taxation and social security	448	429
Amounts owed by subsidiary undertakings	-	587
Total trade and other receivables - Current	**6,627**	3,579

Amounts owed by subsidiary undertakings of £23.0m (2025: £21.0m) are unsecured, interest-free and repayable on demand. Although the balances are contractually repayable on demand, they have been classified as non-current, as the Company does not expect to realise or call repayment within 12 months of the reporting date.

The Company has assessed the recoverability of these balances in accordance with IFRS 9. As the counterparties are wholly owned subsidiaries, the Company considers the credit risk to be low. The expected credit loss is assessed by reference to the net asset position and future cash flow forecasts of the relevant subsidiary undertakings.

Following this assessment, the Company has recognised a full impairment of the intercompany receivable due from Extrinsica Global Holdings Limited of £0.5m (2025: £nil) and Extrinsica Global Limited of £4.1m (2025: £nil), totalling £4.6m. These impairments reflect the Directors' conclusion that neither entity is expected to generate future economic benefits sufficient to support recovery of the amounts due, consistent with the impairment of the Company's investment in Extrinsica Global Holdings Limited as described in Note B above. Extrinsica's operations have been integrated into Atech Group Limited, and the majority of customers are expected to either churn or transfer directly to Atech without consideration to Extrinsica. Extrinsica Global Limited carries a net liability position and is expected to be wound down in the short to medium term.

With the exception of the Extrinsica balances noted above, no further expected credit loss provision has been recognised (2025: £nil), as the Directors consider the remaining balances to be recoverable. Cash is managed centrally by the finance team, with intercompany transfers made as required. All intercompany balances are repayable on demand; however, the Company does not expect to call repayment within 12 months of the reporting date, and accordingly the balances are classified as non-current.

D Deferred Tax

The Company had recognised deferred tax assets as follows:	**2026 £'000**	2025 £'000
Share-based remuneration	-	197
Brought forward losses	304	107
Adjustments in respect of prior periods	(107)	-
Other short-term timing differences	637	-
	834	304
The movement in the deferred tax account during the year was:		
Balance brought forward	304	891
Profit and loss account movement arising during the year	530	(587)
Balance carried forward	**834**	304

The deferred tax asset relating to share-based remuneration arises from the expected future tax deduction on the exercise of share options.

The deferred tax asset in respect of brought forward tax losses represents tax losses considered recoverable against future taxable profits of the Group, to the extent that it is probable that such profits will be available.

E Trade and Other Payables	**2026 £'000**	2025 £'000
Trade and other receivables - Non-Current		
Amounts owed by subsidiary undertakings	(23,143)	-
Total trade and other receivables - Non-Current	**(23,143)**	-
Trade and other receivables - Current		
Trade creditors	(19)	(239)
Other creditors	-	(359)
Accruals	(1,144)	(1,034)
Amounts owed to subsidiary undertakings	-	(18,717)
Total trade and other receivables - Current	**(1,163)**	(20,349)

Amounts owed to subsidiary undertakings are repayable on demand and carry no interest. Although the balances are contractually repayable on demand, they have been classified as non-current, as the Company does not expect to realise or call repayment within 12 months of the reporting date.

F Risk Management

In the prior year, the Company has entered into a forward foreign exchange, contract on behalf of another group entity who wishes to hedge the foreign exchange exposure, to mitigate foreign exchange risk in the income statement associated with the financial liability recognised in relation to a long-term licensing agreement, which is USD-denominated.

The details concerning the external foreign exchange contract and the related financial liability in relation to a long-term licence agreement are disclosed in Note 15 of the Group's financial statements on page 143.

The carrying amount of the derivative liability associated with this contract is disclosed within trade and other payables in the statement of financial position.

Derivative financial liabilities- 3rd party	**2026 £'000**	2025 £'000
Non-current		
Foreign Currency Forward Contracts	(345)	(246)
Current		
Foreign Currency Forward Contracts	(137)	(60)
	(482)	(306)

The carrying amount of the equal and opposite intercompany derivative asset, which has the exact same terms as the external foreign exchange contracts, is as follows:

Derivative financial liabilities- Intercompany	**2026 £'000**	2025 £'000
Non-current		
Foreign Currency Forward Contracts	345	246
Current		
Foreign Currency Forward Contracts	137	60
	482	306

The asset is held in other debtors and the liability is held in other creditors in the Company.

The above equal and opposite financial liabilities and financial assets concerning foreign currency forward contracts ensures there is no income statement impact for the Company.

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

Buy USD	Average Exchange Rates		Notional value: Foreign Currency		Notional Value: Local Currency		Carrying Amount of the Hedging Instruments Liabilities	
	2026	2025	**2026**	2025	**2026**	2025	**2026**	2025
Within 12-months	1.2565	1.2671	8,935	4,061	7,111	3,204	(137)	(60)
Over 12-months	1.2439	1.2632	4,467	12,483	3,591	9,883	(345)	(246)
			13,402	16,544	**10,702**	13,087	**(482)**	(306)

G Other Reserves

	Share Based Payment Reserve £'000	Merger Reserve £'000	Total £'000
Balance at 1 April 2024	(167)	6,967	6,800
Share based payments	198	-	198
Exercised employee share based payments	(4)	-	(4)
Total transactions with owners	194	-	194
Balance at 31 March 2025	27	6,967	6,994
Balance at 1 April 2025	27	6,967	6,994
Share based payments	(36)	-	(36)
Exercised employee share based payments	(10)	-	(10)
Total transactions with owners	(46)	-	46
Balance at 31 March 2026	**(19)**	**6,967**	**6,948**

H Share-Based Payments

The Company operates equity-settled share-based payment arrangements under which equity instruments of the Company are granted to employees of subsidiary undertakings and to Directors of the parent company. Full details of these arrangements are set out in Note 22 to the Group financial statements.

In accordance with IFRS 2 as adopted under FRS 101, the Company accounts for share-based payment transactions as follows:

- transactions relating to employees of subsidiary undertakings are treated as capital contributions and recognised as an increase in the cost of investments in subsidiaries, with a corresponding credit to equity; and
- amounts recharged in respect of Directors of the parent company are recognised in profit or loss.

In the current year, the Company recognised a net share-based payment credit of £0.04m (2025: charge of £0.2m), comprising:

- a credit of £0.1m (2025: expense of £0.08m) in respect of amounts recharged for Directors of the parent company, recognised in the statement of comprehensive income; and
- a debit of £0.1m (2025: £0.1m) recognised in equity in respect of employees of subsidiary undertakings, with a corresponding increase in the cost of investments in subsidiaries.

The net credit recognised in the year principally reflects revisions to previously recognised charges arising from changes in expected vesting outcomes.

I Related Party Transactions

As permitted by FRS 101 related party transactions with wholly owned members of the Group have not been disclosed. Related party transactions regarding remuneration and dividends paid to key management personnel of the Company have been disclosed in Note 23 of the Group financial statements.

J Ultimate Controlling Party

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

Supplementary Information

S.1 Alternative Performance Measures

Alternative Performance Measures

The Group uses the following alternative performance measures (APMs) to supplement the IFRS financial statements. These measures are not defined under IFRS and are therefore non-GAAP measures. They should not be read in isolation from, or as a substitute for, the Group's IFRS financial information, and may not be directly comparable with similarly labelled measures used by other companies.

The Board and management use these APMs to assess the underlying performance of the business, set targets, and make resource allocation decisions. The APMs are also used in external communications to shareholders and analysts. Each APM is defined below.

Adjusted EBITDA

Adjusted EBITDA is defined as earnings before interest, tax, depreciation and amortisation (EBITDA), adjusted to exclude share-based payment charges, acquisition-related costs, gains or losses on the revaluation of contingent consideration, foreign exchange gains and losses on FX forward contracts and the associated foreign exchange movements on related liabilities, and other material non-recurring items.

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

Adjusted EBIT

Adjusted EBIT is defined as Adjusted EBITDA less depreciation of property, plant and equipment and amortisation of internally generated and other non-acquired intangible assets. It excludes amortisation of acquired intangible assets, which management considers to be a non-cash charge arising from acquisition accounting rather than reflective of underlying trading performance.

Adjusted EBITDA Margin %

Adjusted EBITDA margin % is defined as Adjusted EBITDA divided by total revenue, expressed as a percentage. The Group considers this measure useful in assessing the efficiency of the business in converting revenue to underlying operating earnings, and in comparing performance across periods and against peers.

Adjusted EBIT Margin %

Adjusted EBIT margin % is defined as Adjusted EBIT divided by total revenue, expressed as a percentage.

Net Debt / Adjusted EBITDA

Net debt / Adjusted EBITDA is defined as net debt (being total borrowings including lease liabilities, less cash and cash equivalents) divided by Adjusted EBITDA for the last twelve months. The Group uses this ratio to monitor financial leverage and assess compliance headroom against banking covenant thresholds. A reconciliation of net debt is provided in Note 16.

Cash Flow From Operations / Adjusted EBITDA Conversion Ratio

Cash flow from operations / Adjusted EBITDA conversion ratio is defined as cash generated from operations (before exceptional items) divided by Adjusted EBITDA, expressed as a percentage. The Group considers this measure useful in assessing the quality of earnings and the efficiency with which Adjusted EBITDA is converted into cash.

Recurring Revenue

Recurring revenue represents contracted or repeat service revenues where there is a reasonable expectation of continuation, including contracted monthly and annual service fees, domain renewals and managed service retainers. Non-recurring revenue includes hardware resale, one-off project and implementation fees, and professional services engagements not expected to repeat on a regular basis. Where contracts contain both recurring and non-recurring elements, revenue is allocated between categories based on the nature of each performance obligation. The Group considers this disaggregation meaningful as recurring revenue provides greater visibility of future cash flows and is a key indicator of the quality and sustainability of the revenue base.

Recurring Revenue %

Recurring revenue % is defined as recurring revenue divided by total revenue, expressed as a percentage.

Adjusted profit/(Loss) Before Tax

Adjusted profit before tax is presented by the Group as an alternative performance measure to provide additional insight into underlying trading performance. It excludes items that management considers to be non-recurring, acquisition-related or non-operational in nature.

Adjustments comprise:

- amortisation of acquired intangible assets;
- share-based payment charges;
- accelerated write-off of arrangement fees arising from refinancing activities;
- acquisition and integration-related costs, including professional fees and non-recurring integration expenses;
- gains or losses on the revaluation of contingent consideration;
- interest on contingent consideration;
- foreign exchange gains and losses on FX forward contracts and the associated foreign exchange movements on related liabilities; and
- other material non-recurring items where exclusion is considered necessary to aid understanding of the underlying performance.

The Group considers adjusted profit before tax to be a useful measure as it removes the impact of non-recurring and acquisition-related items, which are typically excluded by investors and analysts when assessing underlying performance.

Adjusted Diluted Earnings Per Share

Adjusted diluted earnings per share is calculated by adjusting profit before tax as described above, applying an appropriate tax charge, and dividing by the weighted average number of ordinary shares in issue during the year, adjusted for the dilutive effect of share options.

The Group considers this measure to be useful for the same reasons as adjusted profit before tax. It is also used as a reference point when considering dividend distributions.

S1.1 Reconciliation Of Adjusted EBITDA To IFRS Loss Before Tax

	2026 £'000	2025 £'000
Adjusted EBITDA	**25,561**	34,312
Depreciation	(13,409)	(14,730)
Amortisation other intangibles	(6,986)	(6,757)
Total adjusted EBIT	**5,166**	12,825
Net bank & Other interest	(7,752)	(5,442)
Finance lease interest	(1,429)	(928)
Adjusted (loss)/profit before tax	**(4,015)**	6,455
Amortisation of acquired intangible assets	(6,950)	(4,902)
Acquisition costs	(480)	(1,674)
Share based payments	36	(198)
Administrative expenses - exceptional non-recurring costs	(2,229)	-
Goodwill impairment	-	(52,900)
IFRS (loss)/profit before tax	**(13,638)**	(53,219)

S1.2 Reconciliation Of Net Debt

	2026 £'000	2025 £'000
Bank revolver loan	97,500	97,000
Lease liabilities	20,042	18,006
Less: cash and cash equivalents	(8,921)	(13,088)
Net debt	**108,621**	101,918
Net debt / Adjusted EBITDA	4.2x	2.7x

Annual Report &
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