

IOMART GROUP PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS 2024

CORPORATE GOVERNANCE REPORT

On behalf of the Board, I am pleased to present our Corporate Governance report for the year ended 31 March 2024. As Chair of the Board, I am responsible for ensuring that the Board operates effectively and that it continues to uphold a high standard of corporate governance with strong procedures and policies that are considered appropriate to the nature and size of the Group. The Board understands the importance of ensuring that there is a strong governance framework in place which underpins the Group's ability to achieve its strategic goals and aims to improve continually our processes and risk management to support the continued growth of the Company. The Board reviews governance arrangements on an ongoing basis to ensure that they remain fit for purpose and that our governance model continues to support our business.

The Board understand and are committed to ensuring a clear division of responsibility between the CEO and Chair. Due to my appointment as CEO on 18 September 2023, there has been a period in which I have performed the role of CEO and Chair. Following a proper and robust search process, Richard Last was appointed as the Group's new independent Non-Executive Chair with effect from 12 June 2024, re-establishing the clear division of responsibility in these roles.

The Company continues to adopt the Quoted Companies Alliance ("QCA") code and this report describes our approach to governance and how the principles of the QCA code have been fully complied with during the year.

Stakeholder engagement

Engagement with our stakeholders is critical to the long-term success of the Group and it is my role to manage the Board in the best interests of the Group's many stakeholders and be responsible for ensuring the Board's integrity and effectiveness. As outlined in our stakeholder engagement report on pages 19 to 23, the Board recognises its responsibility to take into consideration the needs and concerns of all our stakeholders as part of our discussions and decision-making process and remains committed to strengthening business relationships.

A culture of strong corporate governance is essential to our future growth and I am confident that our approach to governance provides a robust framework to support the achievement of our strategic plan.



Lucy Dimes

CEO and Chair
11 June 2024

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The Board

Role of the Board

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

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

The Board is responsible for overseeing the Group's external financial and other reporting requirements and for ensuring that a robust framework of governance and controls exist which allow 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 24 to 25. The Board has concluded that other directorships held by any Board member do not detract from their ability to discharge their responsibilities effectively.

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

Role	Principal responsibilities
Chief Executive Officer	<ul style="list-style-type: none">-Day-to-day responsibility for the effective management of iomart and ensuring Board decisions are implemented-Lead the Group to ensure the Group's strategic plan and other key business objectives are delivered upon-Providing regular operational updates to the Board on significant matters relating to the Group's operations-Ensure effective communication with shareholders and other key stakeholders- Monitors the Group's principal risks taking into consider the Board's risk appetite- Responsible for managing the Group's Environmental, Social and Governance (ESG) initiatives-Chairs the Group's Executive Committee which comprises the Chief Financial Officer and senior executives who manage the day-to-day operation of the Group's business
Chief Financial Officer	<ul style="list-style-type: none">- Overall responsibility for management of the financial risks of the Group- Accountable for financial reporting to the Board and shareholders on the Group's financial performance- 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	<ul style="list-style-type: none">-Leads the Board and sets the tone, promoting a culture of open and honest debate at Board meetings- 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 decision-Maintains and supports communication channels with shareholders as appropriate
Non-Executive Director	<ul style="list-style-type: none">- Provide independent, constructive challenge to Executive Directors- Bring independent insight, scrutiny and a diverse range of skills and experience to Board decision making- Strengthen governance through Committee memberships to support delivery of the Group's strategy- Challenge whether the Group's risk management and internal control framework is robust
Senior Independent Director	<ul style="list-style-type: none">-Acts as a sounding board for the Chair and, if and when appropriate, serves as an intermediary for other Directors-Available to shareholders if they have concerns that are not addressed through other channels

The Chief Executive Officer and Chief Financial Officer are supported by a highly committed and experienced Executive team, with the qualifications and experience necessary to run the Group and are responsible for monitoring the performance of the senior management team. Overall, there is a clear division of responsibilities between the running of the Board and the Executives responsible for delivering on the Group's strategic plan, to ensure that no one person has unrestricted powers of decision. As noted on page 26, there has been a short period of time where Lucy Dimes has performed the role of CEO and Executive Chair, however, where appropriate the Senior Independent Director was involved for any areas where there was potential conflict of interest.

Company Secretary

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

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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.

Annette Nabavi and Adrian Chamberlain were appointed as a Non-Executive Directors on 25 May 2023 and 1 June 2023 respectively taking the Board composition, at that time, to a majority independent position. Following the appointment of Lucy Dimes as CEO on 18 September 2023, as she was CEO and Chair, the Board comprised three independent and three non-independent directors. As announced on 11 June 2024, Richard Last has been appointed as Non-Executive Chair effective from 12 June 2024, bringing the Board back to a majority independent position.

At the date of this report, following the appointment of Richard Last as Non-Executive Chair, the Board now has seven members, comprising two Executive Directors, being the Chief Executive Officer and Chief Financial Officer, and five 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. In addition, The Board receive annual updates from our Nominated Advisor ("NOMAD") on any updates to AIM rules market abuse regulations and other and regulatory requirements.

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. 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 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. There are no outstanding actions from this year's process other than acknowledgement by the Board of the need to appoint an independent Non-Executive Chair, which was already underway at the time of the evaluation, and has been completed at the date of this report.

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Board Committees

The Board has established three committees to deal with specific aspects of the Board's affairs: Remuneration, Nomination and Audit Committees. 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
<p>REMUNERATION COMMITTEE</p> <p>Chair:</p> <p>Richard Masters (1 April 2023 to 31 May 2023)</p> <p>Anette Nabavi (from 1 June 2023)</p> <p>Other members:</p> <p>Lucy Dimes (1 April 2023 – 26 September 2023)</p> <p>Adrian Chamberlain (from 1 June 2023)</p> <p>Karyn Lamont</p>	<p>The Remuneration Committee oversees the Group's remuneration policy, strategy and implementation and is responsible for reviewing and making recommendations to the Board on the total remuneration packages of the Executive Directors which includes:</p> <ul style="list-style-type: none"> - making recommendations to the Board on the Group's policy on Directors' remuneration and long-term incentive plans (including share option schemes for Directors'); - ensuring remuneration is both appropriate to the level of responsibility and adequate to attract and/or retain Directors of the calibre required by the Group; - ensuring that remuneration is in line with current industry practice; and - reporting to the Board on all matters within its duties and responsibilities.
<p>NOMINATION COMMITTEE</p> <p>Chair:</p> <p>Lucy Dimes (1 April 2023 to 26 September 2023)</p> <p>Adrian Chamberlain (member from 1 June 2023, Chair from 26 September 2023)</p> <p>Other members:</p> <p>Karyn Lamont</p> <p>Richard Masters (1 April 2023 – 5 September 2023)</p> <p>Annette Nabavi (from 1 June 2023)</p>	<p>The Nomination Committee considers the selection and re-appointment of Directors. Its terms of reference include:</p> <ul style="list-style-type: none"> - reviewing the structure and composition of the Board; - identifying and nominating for approval candidates to fill Board vacancies; - evaluating the balance of skills, knowledge experience and diversity of the Board; - review results of the Board performance evaluation process; and - reporting to the Board on all matters within its duties and responsibilities. <p>In the current year, the Nomination Committee, was responsible for recommending the appointments of Annette Nabavi and Adrian Chamberlain as Non-Executive Directors, Lucy Dimes as Chair and Chief Executive Officer and post year end, Richard Last, as Non-Executive Chair. Lucy Dimes was excluded from the Nomination Committee process for her appointment as Chair and Chief Executive Officer.</p>
<p>AUDIT COMMITTEE</p> <p>Chair:</p> <p>Karyn Lamont</p> <p>Other members:</p> <p>Lucy Dimes (1 April 2023 – 5 September 2023)</p>	<p>The Audit Committee has recent and relevant experience and is authorised by the Board to conduct any activity within its terms of reference and to seek any information it requires from any employee. During the year, the Audit Committee provided oversight of the financial reporting process to ensure information gives an accurate position of the Group's position, performance, business model and strategy. In addition, the Committee continued to oversee the risk management and internal control systems. The Audit Committee terms of reference include reviewing and monitoring:</p>

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Committee	Committee Responsibilities
<p>AUDIT COMMITTEE (continued) Richard Masters (1 April 2023 – 5 September 2023) Adrian Chamberlain (from 5 September 2023) Annette Nabavi (from 5 September 2023)</p>	<ul style="list-style-type: none"> - interim and annual reports, including consideration of the appropriateness of accounting policies and material assumptions and estimates adopted by management; - developments in accounting and reporting requirements; - the external auditor’s plan and scope for the year end audit of the Group and its subsidiaries and reviewing the audit findings; - 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; - approval of 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 carry out an annual assessment of the effectiveness of the outsourced the internal audit function in the overall context of the Group’s risk management programme; - the risk management framework and risk assessment covering the systems of internal control and their effectiveness, reporting and making recommendations to the Board on the results of the review and receiving regular updates on key risk areas of financial control; - the performance and independence of the external auditor concluding in a recommendation to the Board on the reappointment of the auditor by shareholders at the Annual General Meeting; - non-audit fees charged by the external auditor and internal audit fees; - approval of engagement terms entered into, and remuneration, with the external and internal auditors; - review the Group’s procedures for detecting fraud; and - monitors the Group’s arrangements by which staff may, in confidence, raise concerns about possible improprieties in matters of financial reporting and other areas including an external whistleblowing service to take calls from employees. For more details on the Group’s whistleblowing policy, see page 33.

Significant areas considered by the Audit Committee in relation to the 2024 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 2024. 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 note 13 to the consolidated financial statements, no impairments of goodwill resulted from this exercise and the Committee did not consider that a reasonably possible change in the assumptions would cause an impairment to be recognised.
Business combinations valuation of intangible assets and fair value adjustments on acquisition	During the year ended 31 March 2024, the Group completed the acquisition of Extrinsic Global Holdings Limited and Accesspoint Group Holdings Limited (note 11). The Committee considered the calculations supporting the fair value of assets and liabilities acquired and reviewed the supporting papers prepared by management to support the value of intangibles acquired and any fair value adjustments required.
Valuation of Contingent consideration	The acquisitions in the year involve a potential payment of contingent consideration, the Committee reviewed the fair value assessment prepared having regard to criteria on which any sum due will be calculated and challenged the probability of payment being required (note 20).

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

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

The auditors are required each year to confirm in writing that they have complied with the independence rules of their profession and regulations governing independence. Before Deloitte LLP takes on any engagement for other services from the Group careful consideration is given as to whether the project could conflict with their role as auditor or impair their independence. In the year ended 31 March 2024, the only non-audit services performed by Deloitte LLP related to the interim review and covenant compliance review both of which are a permitted service.

The Group received a letter from the Financial Reporting Council (“FRC”) in February 2024 following a review of the Group’s Annual Report and Financial Statements for the year ended 31 March 2023. The FRC requested additional information on the application of the requirements of IFRS 3 ‘Business Combinations’ in relation to whether contingent consideration should be classified as acquisition consideration or as post-acquisition remuneration. The Audit Committee reviewed the FRC letter and the Group’s response and was satisfied that the response addressed the matter raised and confirmed that the vendors were not contractually required to remain in employment after the acquisition date. In March 2024, the FRC confirmed the review was closed.

In the current year, two specific weaknesses in the Group’s IT controls were identified by the external auditors which were reported to management and the Audit Committee. One finding related to an internal system migration during the year which unfortunately had not considered, in the planning, what requirements the auditors would need within the context of testing IT controls. Subsequent to the migration the external auditors reperformed the data migration. The other finding related to one staff member having unknown privileged access to the finance system. This has been corrected and there was no wider impact. Because of these two matters, the external auditors could not place IT controls reliance in their testing of certain areas and performed alternative substantive work.

Attendance at Board and Committee Meetings

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

	Board	Remuneration Committee	Audit Committee	Nomination Committee
Lucy Dimes - Chief Executive Officer* and Chair	10(10)	5(5)	1(1)	2(2)
Scott Cunningham - Chief Financial Officer	10(10)	-	-	-
Karyn Lamont - Non-Executive Director	9(10)	9(9)	4(4)	2(2)
Angus MacSween - Non-Executive Director	9(10)	-	-	-
Annette Nabavi - Non-Executive Director	9(9)	6(6)	3(3)	2(2)
Adrian Chamberlain - Non-Executive Director	8(8)	6(6)	3(3)	1(1)
Reece Donovan - Chief Executive Officer*	4(4)	-	-	-
Richard Masters - Non-Executive Director	2(3)	3(3)	1(1)	1(1)

Figures in brackets indicate the maximum number of meetings in 2023/2024 for which the individual was a Board or Committee member.

*Reece Donovan was CEO up to 15 September 2023 and was replaced by Lucy Dimes on 18 September 2023

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

Risk management and internal control

The approach to risk management and the principal risks of the Group are set out on page 16. The Board confirms that procedures to identify, evaluate and manage the significant risks faced by the Group have been in place throughout the year and up to the date of approval of the Annual Report.

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

Relations with shareholders

Communication with shareholders is given high priority by the Board. As noted in our Stakeholder Engagement report on page 20, 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 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 is available on the iomart website.
- **Whistleblowing** - We recognise the importance of all of our employees and strive to achieve an inclusive work environment and an open culture. The Group is committed to maintaining high ethical standards in all areas of work and practice and has a detailed whistleblowing policy in place, which was updated and approved by the Audit Committee in the current year. The policy is outlined in the employee handbook and available on our corporate website.
- **Data Privacy policy** – The Group has a data protection policy and information security management systems in place to ensure we have appropriate data security systems and processes in place to protect our data and are fully accredited with ISO 27001 'Information Security Management Systems'.

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- **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 2024, we reported our third 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** – in our most recent annual salary review in April 2024, we have committed to ensuring we comply with the minimum living wage guidance.

Re-election

Under the Company’s Articles of Association, at every Annual General Meeting, at least one third of the Directors who are subject to retirement by rotation, are required to retire and may be proposed for re-election. In addition, any Director who was last appointed or re-appointed three years or more prior to the AGM is required to retire from office and may be proposed for re-election. Such retirement will count in obtaining the number required to retire at the AGM. The Articles of Association also stipulate that any new Directors, who were not appointed at the previous AGM, automatically retire at their first AGM and, if eligible, can seek re-appointment. Lucy Dimes and Karyn Lamont will retire from office at the Company’s forthcoming AGM and stand for re-appointment. Richard Last, as newly appointed Director effective on 12 June 2024, automatically retires at the forthcoming AGM, and stand for re-appointment.

Going Concern

The Group’s business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report on pages 19 to 23. The financial position of the Group, its cash flows, liquidity position and borrowing facilities are described in the Chief Financial Officer’s Report on pages 10 to 15. Note 30 to the financial statements includes the Group’s objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments and hedging activities; and its exposures to credit risk and liquidity risk.

The Group has a single £100m Revolving Credit Facility ("RCF") provided by four banks consisting of HSBC, Royal Bank of Scotland, Bank of Ireland and Clydesdale Bank. The facility has maturity date of 30 June 2026 and benefits from a £50m Accordion Facility. The RCF has a borrowing cost at the Group’s current leverage levels of 180 basis points over SONIA. The RCF and the Accordion Facility (if exercised) provide 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 current facility and comply with its bank covenants which consists of an interest cover and leverage cover ratio.

At the end of the financial year, the Group had net debt of £42.3m (2023: £39.8m) a level which the Board is comfortable with given the strong cash generation of the Group. The Group has considerable financial resources together with long-term contracts with a number of customers and suppliers across different geographic areas and industries. As a consequence, the Directors believe that the Group is well placed to manage its business risks.

The Directors have considered the Group budgets and the cash flow forecasts for the next three financial years, and associated risks, including the risk of climate change and the impact on our data centre estate and useful economic life of assets, and the availability of bank and leasing facilities. We have run appropriate scenario and stress tests applying reasonable downside sensitivities in respect of profitability and associated cash flow generation and are confident we have the resources to meet our liabilities as they fall due.

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After making enquiries, the Directors have a reasonable expectation that the Group will be able to meet its financial obligations and has adequate resources to continue in operational existence for the foreseeable future (being a period extending at least twelve months from the date of approval of these financial statements). For this reason they continue to adopt the going concern basis in preparing the financial statements.

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 to 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.