

This document, which provides supplementary information to the prospectus of the Company dated 30 March 2000, drawn up in accordance with the POS Regulations, has been issued in connection with the application for admission to trading of the Ordinary Shares to AIM. If you are in any doubt about the contents of this document you should consult a person authorised under the Financial Services Act 1986 who specialises in advising on the acquisition of shares and other securities. A copy of this document has been delivered for registration to the Registrar of Companies in Scotland in accordance with Regulation 4(2) of the POS Regulations.

**Application has been made for the whole of the issued ordinary share capital of the Company to be admitted to trading on the Alternative Investment Market of the London Stock Exchange ("AIM"). AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk than that associated with established companies tends to be attached. A prospective investor should be aware of the potential risks in investing in such companies and should make the decision to invest only after careful consideration and consultation with his or her own independent financial adviser.**

**The rules of AIM are less demanding than those of the London Stock Exchange's Official List. It is emphasised that no application is being made for admission of the issued ordinary share capital of the Company to the Official List. Further, the London Stock Exchange has not itself approved the contents of this document.**

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# IOMART GROUP PLC

## SUPPLEMENTARY PROSPECTUS

### PLACING AND PUBLIC OFFER of 22,222,222 Ordinary Shares at 90p per share

by

PEEL HUNT PLC

and

### **Admission to trading on the Alternative Investment Market**

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The Placing and Public Offer is conditional, *inter alia*, on Admission taking place on or before 19 April 2000 (or such later date as iomart Group plc and Peel Hunt plc may agree, being not later than 30 May 2000). The Ordinary Shares will rank in full for all dividends or other distributions hereafter declared, made or paid on the ordinary share capital of the Company and will rank *pari passu* in all other respects with all other Ordinary Shares in issue on Admission.

Peel Hunt, which is regulated by The Securities and Futures Authority Limited, is acting as the Company's nominated adviser in connection with the proposed admission of the issued ordinary share capital of the Company to trading on AIM. Its responsibilities as the Company's nominated adviser under the AIM Rules are owed solely to the London Stock Exchange and are not owed to the Company or to any Director or to any other person in respect of his decision to acquire shares in the Company in reliance on any part of this document. No representation or warranty, express or implied, is made by Peel Hunt as to any of the contents of this document (without limiting the statutory rights of any person to whom this document is issued). Peel Hunt will not be offering advice and will not otherwise be responsible for providing customer protections to recipients of this document in respect of the Placing and Public Offer or any acquisition of shares in the Company.

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## ISSUE STATISTICS

Final Offer Price	90 pence
Number of new Ordinary Shares offered pursuant to the Placing and Public Offer	22,222,222
Number of Ordinary Shares in issue immediately following Admission	53,801,169
Percentage of Ordinary Shares in issue on Admission placed pursuant to the Placing and Public Offer	41.3%
Net proceeds of the Placing and Public Offer available to the Company	£19.1 million
Market capitalisation of the Company at the Final Offer Price	£48.4 million

## EXPECTED TIMETABLE OF PRINCIPAL EVENTS

	2000
Admission and first day of dealings	19 April
Crediting of uncertificated shares to CREST accounts	19 April
Where applicable, definitive share certificates expected to be despatched by	27 April

## PART I

### DIRECTORS, SECRETARY AND REGISTERED OFFICE

The Directors, whose names appear below, accept responsibility for the information contained in this document including individual and collective responsibility for compliance with the POS Regulations and the AIM Rules. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and there is no material information, the omission of which is likely to affect the import of such information.

Directors                                    **Nick Kuenssberg**, *Non-executive chairman*  
**Angus MacSween**, *Chief executive*  
**Bill Dobbie**, *Business development director*  
**Neil Finlayson**, *Technical director*  
**Sarah Haran**, *Customer services director*  
**Fred Shedden**, *Non-executive director*  
  
*all of*

Registered & Head Office    80 Berkeley Street  
Glasgow, G3 7DS

Company Secretary            **Stewart Moir**

The definitions set out on page 3 of the Company's prospectus dated 30 March 2000 (the "Prospectus") apply in this document unless the context otherwise applies.

### SUPPLEMENTARY INFORMATION

This document updates certain information set out in the Prospectus to reflect, *inter alia*, the announcement made today of a Final Offer Price of 90 pence per Ordinary Share.

#### Key changes:

1. The Company will now issue a total of 22,222,222 new Ordinary Shares pursuant to the Placing and Public Offer;
2. The Final Offer Price is 90 pence per new Ordinary Share.

All references in the Prospectus should be read accordingly

The updated information contained in this document is set out below.

## PART II

### Pro Forma Statement of Net Assets of the Group

The unaudited pro forma statement of net assets of the Group following Admission as set out below has been prepared for illustrative purposes only. Due to its nature, the statement may not give a true picture of the Group's financial position. It is designed to give only an indication of the net assets of the Group following completion of the Placing and Public Offer and has been prepared on the basis of the notes set out below.

	<i>iomart Group plc</i>	<i>iomart Limited</i>	<i>Adjustments</i>		<i>Pro forma</i>
	<i>at 21 March</i>	<i>at 31 December</i>	<i>Consolidation</i>	<i>Placing and</i>	
	<i>2000</i>	<i>1999</i>	<i>(Note 2)</i>	<i>Public Offer</i>	
	<i>(Note 1)</i>	<i>(Note 1)</i>	<i>(Note 2)</i>	<i>(Note 3)</i>	
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
<b>Fixed assets</b>					
Tangible assets	1,500	1,291	(1,500)	—	1,291
Intangible assets	—	198	—	—	198
	<u>1,500</u>	<u>1,489</u>	<u>(1,500)</u>	<u>—</u>	<u>1,489</u>
<b>Current assets</b>					
Debtors	—	370	—	—	370
Cash at bank and in hand	—	475	—	19,100	19,575
	<u>—</u>	<u>845</u>	<u>—</u>	<u>19,100</u>	<u>19,945</u>
<b>Creditors:</b>					
amounts falling due within one year	—	(1,387)	—	—	(1,387)
<b>Net current assets/(liabilities)</b>	<u>1,500</u>	<u>(542)</u>	<u>(1,500)</u>	<u>19,100</u>	<u>18,558</u>
<b>Creditors:</b>					
amount falling due after more than one year	—	(1,610)	—	—	(1,610)
<b>Net assets/(liabilities)</b>	<u><u>1,500</u></u>	<u><u>(663)</u></u>	<u><u>(1,500)</u></u>	<u><u>19,100</u></u>	<u><u>18,437</u></u>

Notes:

1. The figures above have been extracted from the balance sheet of iomart Group plc set out in Part IV of the Prospectus and the balance sheet of iomart Limited as set out in Part V of the Prospectus.
2. The consolidation adjustment reflects the consolidation of iomart Group plc and iomart Limited.
3. The Placing and Public Offer adjustment reflects the net proceeds receivable by the Company from the Placing and Public Offer totalling £19,100,000, net of estimated expenses of £900,000.
4. No account has been taken of trading since 31 December 1999.

The following is the text of a report received from Deloitte & Touche, reporting accountants for the Placing and Public Offer:

**Deloitte &  
Touche**

17 Blythswood Square  
Glasgow  
G2 4AD



The Directors  
iomart Group plc  
80 Berkeley Street  
Glasgow  
G3 7DS

The Directors  
Peel Hunt plc  
62 Threadneedle Street  
London  
EC2R 8HP

17 April 2000

Dear Sirs

**iomart Group plc (“the Company”)**

We report on the unaudited pro forma combined net assets statement (“the pro forma financial information”) set out in Part II of the supplementary prospectus dated 17 April 2000 issued by the Company. The pro forma financial information has been prepared for illustrative purposes only to provide information about how the proposed Placing and Public Offer might have affected the financial information presented.

**Responsibilities**

It is the responsibility solely of the Directors of the Company to prepare the pro forma financial information. It is our responsibility to form an opinion on the pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the pro forma financial information beyond that imposed by regulation 13(1)(d) of the Public Offers of Securities Regulations 1995.

**Basis of opinion**

We conducted our work in accordance with the Statements of Investment Circular Reporting Standards and the Bulletin 1998/9 “Reporting on pro forma financial information pursuant to the Listing Rules” issued by the Auditing Practices Board. Our work, which involved no independent examination of any of the underlying financial information, consisted primarily of comparing the unadjusted financial information with the source documents, considering the evidence supporting the adjustments and discussing the pro forma financial information with the Directors of the Company.

**Opinion**

In our opinion:

- (a) the pro forma financial information has been properly compiled on the basis stated;
- (b) such basis is consistent with the accounting policies of the Company; and
- (c) the adjustments are appropriate for the purposes of the pro forma financial information as disclosed.

Yours faithfully

Deloitte & Touche

## PART III

### ADDITIONAL INFORMATION

#### 1. Share capital history

(a) The following changes, *inter alia*, have occurred in the share capital of the Company.

On 29 March 2000 written resolutions of the Company were passed, conditional upon Admission:

- (i) to increase the authorised share capital of the Company to £1,000,000 divided into 100,000,000 Ordinary Shares of 1p each
- (ii) to adopt new articles of association
- (iii) to approve the rules of the Schemes and the SAYE Scheme
- (iv) to authorise the Directors for the purposes of Section 80 of the Act, to allot Ordinary Shares for cash or otherwise up to an aggregate nominal amount of £700,000, such authority to expire on 29 March 2005, save that the Company may before such expiry make an offer or agreement which would or might require Ordinary Shares to be allotted after such expiry and the Directors may allot Ordinary Shares in pursuance of such offer or agreement as if the authority conferred thereby had not expired.
- (v) to authorise the Directors for the purposes of Section 95 of the Act to allot Ordinary Shares for cash pursuant to the authority to allot conferred on the Directors referred to in paragraph 1(a)(iv) as if Section 89(1) of the Act did not apply to such allotment, such authority to expire on the date of the Annual General Meeting to be held in 2001 or the date falling 15 months from 29 March 2000, whichever is the earlier, provided that such authority is limited to:
  - (a) the allotment of Ordinary Shares pursuant to the Placing and Public Offer;
  - (b) the allotment of Ordinary Shares pursuant to the Schemes and the SAYE Scheme; and
  - (c) the allotment otherwise than pursuant to paragraphs (i) and (ii) above of Ordinary Shares having an aggregate nominal value of £71,000, which will be equivalent to approximately 13.2 per cent. of the ordinary share capital of the Company in issue following the Placing and Public Offer.

(b) Following the Placing and Public Offer, the authorised and issued share capital of the Company on Admission will be as follows:

	<i>Authorised</i>		<i>Issued and fully paid</i>	
<i>Number</i>		<i>£</i>	<i>Number</i>	<i>£</i>
100,000,000		1,000,000.00	53,801,169	538,011.69

#### 2. Interests of Directors

Following Admission, the interests of the Directors, both beneficial and non-beneficial, and persons connected with the Directors in the share capital of the Company will be as follows:

	<i>No. of Ordinary Shares</i>	<i>Percentage of issued share capital</i>	<i>No. of Ordinary Shares under option</i>
Nick Kuenssberg	27,777	0.1%	80,701
Angus MacSween	17,955,000	33.4%	—
Bill Dobbie	11,970,000	22.2%	—
Neil Finlayson	—	—	479,240
Sarah Haran	5,555	0.0%	479,240
Fred Shedden	22,222	0.0%	52,801
	<u>29,980,554</u>	<u>55.7%</u>	<u>1,091,182</u>

### **3. Substantial shareholders**

#### *(a) Controlling shareholders*

As at the date of this document, Angus MacSween and Bill Dobbie have an effective interest in 60 per cent. and 40 per cent. respectively of the issued share capital of the Company. Immediately following Admission, Angus MacSween and Bill Dobbie will have an effective interest in 33.4 per cent. and 22.2 per cent. respectively of the issued share capital of the Company. Angus MacSween and Bill Dobbie may, directly or indirectly, jointly or severally through such interests continue to exercise control over the Company.

### **4. General**

- (i) The expenses of the Placing and Public Offer are estimated at £0.9 million, excluding VAT, and are payable by the Company.
- (ii) Deloitte & Touche have given and have not withdrawn their written consent to the inclusion of references to them herein in the form and context in which they appear and to the inclusion of their letter set out in Part II of this document.

### **5. Availability of this document**

Copies of this document will be available for collection from the offices of Peel Hunt plc, 6th floor, 62 Threadneedle Street, London EC2R 8HP, for a period of not less than 14 days from the date of Admission.

Dated: 17 April 2000