Softcat

Trusted technology solutions, delivered by exceptional people

Annual Report and Accounts 2026













Trusted technology solutions, delivered by exceptional people

Our special culture delivers market-leading service that creates trust and loyalty with our customers and vendor partners, which enables us to invest over the long-term in building the broadest and deepest IT infrastructure offering in the market.

A team that thrives

We foster a culture for our employees where individuals are trusted to take ownership, contribute ideas and develop their careers in an inclusive and high-performing environment.

→ Read more on pages 30 to 37.

Investment that drives growth

Through continued investment in our four growth engines and consistent strategic execution, alongside a disciplined approach to capital allocation, Softcat is creating a stronger platform for sustainable growth.

→ Read more on pages 8 to 15.

Partnerships that last

We help our customers to navigate an increasingly complex IT landscape, leveraging our trusted expertise and vendor relationships to unlock the full value of technology.

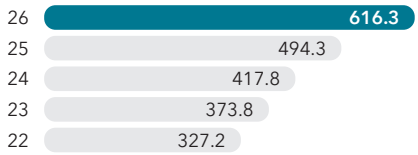
→ Read more on pages 12 and 13.

Highlights

Financial[1]

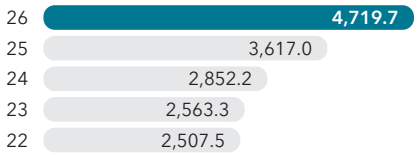
Gross profit £m

616.3 +24.7%



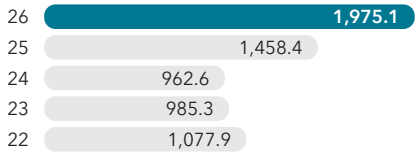
Gross invoiced income £m

4,719.7 +30.5%



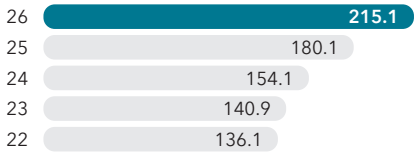
Revenue £m

1,975.1 +35.4%



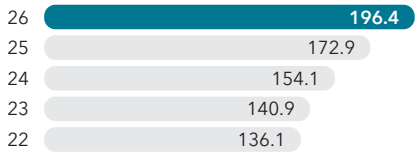
Underlying operating profit £m

215.1 +19.4%



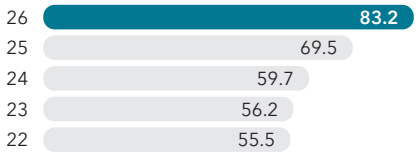
Statutory operating profit £m

196.4 +13.6%



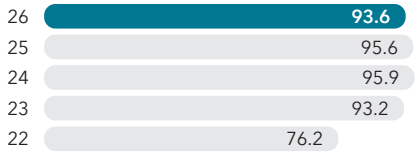
Underlying basic earnings per share p

83.2 +19.7%



Underlying cash conversion %

93.6 -2.0ppts



1. Gross invoiced income ('GII'), underlying operating profit, underlying cash conversion and underlying basic earnings per share are alternative performance measures ('APMs'). These non-Generally Accepted Accounting Practice ('non-GAAP') financial measures are used in addition to those reported in accordance with IFRS. The Directors believe that non-GAAP measures assist in providing additional useful information on the underlying trends, sales performance and position of the Group. Please see page 23 for further definitions and reconciliations.

Operational, shareholder and sustainability

Gross profit per customer
£58.5k

Gross profit per customer growth
+20.6%

Customer base growth[2]
+3.4%

Customer satisfaction
98%

Employee engagement
91%

Total dividend[3]
31.5p

Charitable donations since formation
£3.98m

Female representation
38%

2. Customer base is defined as the number of customers who have transacted with Softcat in both of the preceding twelve-month periods.
3. Reflects an interim ordinary dividend per share of 9.9p and final ordinary dividend per share of 21.6p, based on the respective number of shares outstanding at each dividend announcement date.

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Pages 1 to 63 form the Strategic Report of Softcat plc for the financial year ended 31 July 2026. The Strategic Report has been approved by the Board of Softcat plc and signed on behalf of the Board by Graham Charlton, CEO, and Katy Mecklenburgh, CFO.



Find out more about our performance:
www.softcat.com

Find out more in our Sustainability Report:
www.softcat.com/about-us/sustainability

The UK's largest value-added reseller

Our goal remains to be the leading IT infrastructure solutions provider as measured by employee engagement, customer satisfaction and shareholder returns. Success will create opportunities for our people and drive growth for our customers and partners.

10,534
corporate and public sector customers

3,036
employees

+64
customer NPS

Our purpose

A special place to work that will always put our people and culture first.

Our vision

To be the leading IT infrastructure product and services provider.

Strategy

Acquire more customers.

Sell more to existing customers.

→ Read more on pages 14 to 17.

Powered by our four engines of growth

- A special culture
- Sales and customer excellence
- Broadest offering
- Operational excellence

→ Read more on page 15.

Guided by our values

- Fun
- Responsibility
- Community
- Intelligence
- Passion

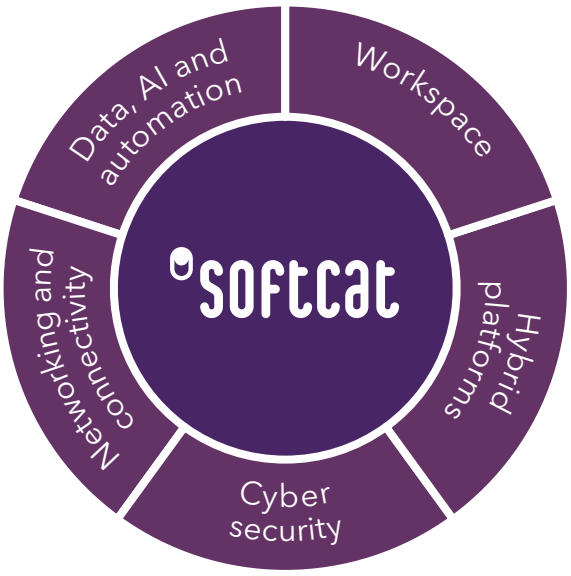
→ Read more on pages 30 to 37.

Our offering

Helping people and organisations thrive

We support commercial and public sector organisations to design, procure, implement and manage their digital infrastructure. Our continuing success enables further investment in new skills and capabilities, broadening and deepening the offering we present to customers, enhancing their loyalty. Our technology proposition for customers is focused on the five areas on the right:

More information about our approach to solutions and services is on our website at: www.softcat.com/solutions



Our vendors

World-class partnerships

We're proud to collaborate with all the biggest global technology vendors, as well as emerging innovators, to deliver the broadest possible choice for our customers. Through our vendor management framework, we work hard on maintaining strong alliances, ensuring that our employees are accessing the appropriate range of solutions and products at all times, as they help customers harness modern technology to drive success. In many instances, we have best-in-class accreditations with our vendors, which is why both our vendors and our customers trust us to deploy the right solutions in the right way.

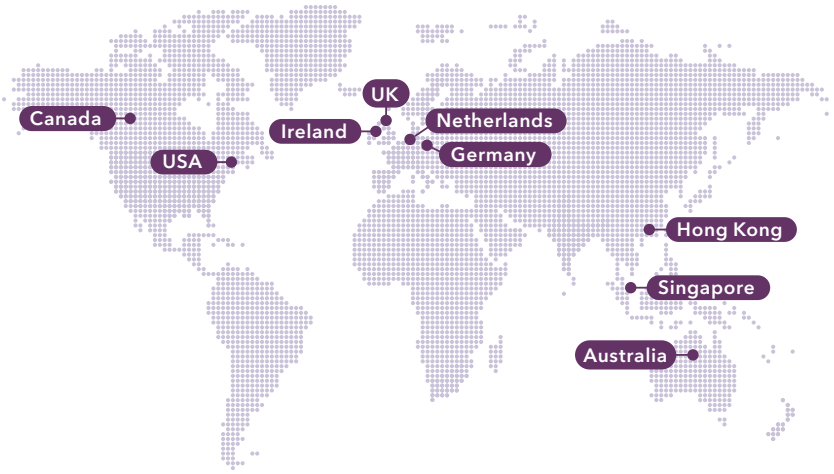
Microsoft | aws | Cisco Partner | CROWDSTRIKE
DELL Technologies Titanium Partner | Google | HPE | hp
IBM | 400+ vendors | Lenovo
Authorised Reseller | mimecast | NUTANIX | NVIDIA
paloalto NETWORKS | splunk> | VAST | vmware

Where we operate

Offices across the globe

The UK remains our core focus but we have established an increasingly global presence. We now have twelve offices across the UK and Ireland, US and Singapore, with further international operations in Canada, Netherlands, Germany, Hong Kong and Australia.

Read more about us on our website at: www.softcat.com/about-us



Chairman's statement

Strong progress delivered by exceptional people



> "The balance between delivering strong performance and at the same time laying the foundations for future growth remains one of Softcat's defining strengths."

Graeme Watt
Non-Executive Chairman

Further strong performance

I am delighted to report on another year of strong progress for Softcat. Once again, the business exceeded expectations and delivered a strong financial performance. It is particularly pleasing to see us further strengthen our leadership position in the market and further differentiate ourselves from many of our competitors.

Core to this success has been the consistent execution of our strategy. The four engines that underpin our strategy continue to serve us well, helping us support customers today while also creating the capacity to invest for tomorrow's growth. That balance between delivering strong performance and at the same time laying the foundations for future growth remains one of Softcat's defining strengths. It has enabled us to continue investing in the business, develop our capabilities and maintain the flexibility required to respond to the needs of our customers and an ever-changing technology landscape.

Next phase of growth

One particularly strong feature of Softcat is the unrivalled breadth of our customer relationships. Our comprehensive portfolio of technologies and services, combined with partnerships with many of the world's leading technology vendors, allows us to establish deep and long-lasting relationships with customers as they move through successive phases of technology investment. Whether that investment is in datacentre infrastructure, cloud, cyber security, networking, workspace transformation or AI, Softcat is well positioned to listen to its customers, understand their needs and help them achieve their ambitions.

As the market evolves, we must evolve our approach too. During the year we invested further in the systems, platforms and operational capabilities that will support the next phase of our growth. These investments are designed not only to ensure we remain competitive, but also to improve the experience we provide to our customers, partners and colleagues. Alongside this, we have continued to invest heavily in developing our people and expanding their skills in line with the needs of our customers and the opportunities we see emerging across the market.

AI is a particularly exciting area and is already influencing what we sell, how we sell and how we operate internally. While the pace and shape of adoption will differ across organisations, there is little doubt that AI represents a significant opportunity for our industry. We believe Softcat is exceptionally well positioned to benefit from this trend through both its technical expertise and its trusted customer relationships. At the same time, we continue to scan the horizon for opportunities to broaden our capabilities or extend our international reach in support of customers whose requirements stretch beyond the UK. As a result of a careful and diligent search process, post year-end we announced the acquisition of GDT, a leading US-based IT solutions provider. GDT is highly complementary to our business, enhancing our capabilities in the US market and increasing our relevance for customers with international needs. This marks another very important and exciting milestone for Softcat.

Culture and our people

Culture has always been at the heart of what makes Softcat successful and continues to be our most powerful differentiator. We operate in a fragmented and highly competitive market where products and services can often look similar from the outside. What consistently sets Softcat apart is the quality of our people and the strength of our culture, which drives the exceptional level of service it delivers for customers.

I continue to be inspired by the energy, enthusiasm and commitment demonstrated by our team. During the year we saw extraordinary levels of engagement across our charitable activities, colleague networks and community groups. Equally pleasing has been the recognition our teams have received from across the industry and beyond. These achievements reflect not only the quality of our people but also the behaviours and values that continue to guide the way we work together as a business.

One moment that gave me particular satisfaction this year was approving a free share grant for every employee in recognition of another exceptional performance. Creating a culture of ownership has long been important to Softcat and I am delighted that so many of our people are now shareholders in the business. Their contribution has been instrumental in our success, and it is entirely appropriate that they share directly in the value they help to create.

Board and shareholders

The Board has continued to work effectively throughout the year. We have devoted more time than ever to discussing Softcat's long-term vision and strategy, and what they mean for the business. This has at times required additional time commitment from the Board, for which I am grateful. Graham and Katy continue to provide exemplary leadership, while the Non-Executive Directors bring support and constructive challenge to the executive team, helping maintain a strong focus on governance, risk management and long-term value creation.

Shareholder engagement remains an important focus for the Board. We value investor conversations as an opportunity both to explain our strategic priorities and to listen carefully to their perspectives. During the year discussions covered a range of topics including capital allocation, acquisition opportunities, shareholder composition, share price performance and broader strategic matters. I was pleased by the support we received for the share buyback programme announced during the year.

Jacqui Ferguson, our Senior Independent Director, also led a shareholder consultation on extending my tenure as Chairman up to April 2030 which is beyond the guidelines set out in the UK Corporate Governance Code (see pages 64 and 72. I was pleased with the positive feedback we received from this consultation and on our proposal, which we see as a vote of confidence in the Board, the management team and the direction of Softcat and is very much appreciated.

3rd=

for Board gender diversity in the 2026 FTSE Women Leaders Review

Investment case

We set ourselves apart from our peers as the IT solutions provider of choice, through our unique culture and the breadth and depth of our customer offering.

1

A broad and diverse portfolio of IT infrastructure solutions

Working with all the leading global technology vendors, often backed by best-in-class vendor accreditations, we provide customers with access to the broadest range of IT infrastructure solutions. Our vendor relationships, expertise and independence enable us to recommend the right solution for each customer.

→ Read more on page 2 and pages 10 to 13.

2

Trusted customer relationships and service excellence

Our skilled in-house specialists and extensive partner ecosystem are committed to delivering exceptional customer outcomes. The expertise, responsiveness and customer focus of our teams help us earn long-term trust, driving high levels of customer retention and repeat business.

→ Read more on pages 10 to 13.

3

Unique culture and engaged employees

Our culture is a key competitive advantage. We believe that when people enjoy what they do and feel connected to the business, they perform at their best. High levels of employee engagement support outstanding customer service, helping us attract, develop and retain highly talented people.

→ Read more on pages 32 to 36.

4

Consistent growth and strong cash generation

We have delivered 21 consecutive years of gross invoiced income and profit growth. Our strong cash generation and disciplined approach to capital allocation provide the flexibility to invest for future growth and drive long-term sustainable growth.

→ Read more on pages 6 and 7 and pages 20 to 23.

5

Large and expanding market opportunity

We estimate our UK and Irish addressable market is worth around £99bn and is forecast to grow at 10.5% annually through to 2030. The increasing adoption of cloud, security, data and AI solutions provides a substantial runway for future growth.

→ Read more on pages 10 and 11.

Thank you

My sincere thanks go to my fellow Board members for their support, judgement and commitment throughout the year.

I would also like to thank Graham, Katy and the wider leadership team for their excellent stewardship of the business. Their leadership, ambition and focus continue to position Softcat strongly for future success.

Last but not least, I would like to thank all our colleagues across Softcat. The Group's wonderful performance this year is a direct result of their talent, dedication and relentless commitment to customers and each other. It is a privilege to work with such an exceptional group of people, and I remain excited about the opportunities that lie ahead for the combined Softcat and GDT business.



Graeme Watt
Chairman
13 October 2026

Chief Executive Officer's review

Performance built on trust



> **"We have never been in a better position to address the increasingly complex needs of customers, who are adapting to rapid developments across all facets of their technology."**

Graham Charlton
Chief Executive Officer

Performance and market conditions

Our outstanding performance in FY2026 significantly exceeded our expectations at the beginning of the year. Softcat's continued success reflects the strength of our special culture, the depth of our customer relationships and the benefits of sustained investment in our people, capabilities, systems, data and office network. Our proposition spans the full stack of modern infrastructure and is increasingly aligned to the technologies customers need most as they prepare for AI adoption at scale. We remain focused on enhancing our offering within a disciplined strategic framework, while continuing to invest in the capabilities, tools and operating model required to capture the significant long-term opportunity ahead.

During the year, customer numbers grew by 3.4%, with growth across all segments, while gross profit per customer increased by 20.6%, reflecting further progress in selling more to existing customers across our technology portfolio.

AI is manifesting in very positive ways across our business. As it becomes more deeply embedded in the applications used by organisations every day, it is placing greater demands on the infrastructure layer where our offering is focused. Customers need more powerful and versatile compute, faster and lower-latency storage, more resilient networking and connectivity, stronger cyber security, and data architecture and governance capable of supporting AI safely and at scale. The market remains in the early stages of this adoption cycle, and we are very well positioned to benefit given the breadth and depth of our offering, the scale and diversity of our customer base, and our trusted adviser status with both customers and vendors.

Our market continues to be influenced by geopolitical uncertainty and industry-wide supply challenges for memory and storage products, driven by unprecedented AI infrastructure investment. Against this backdrop, customers remain disciplined and selective, with greater scrutiny of discretionary projects and a continued focus on demonstrable business outcomes and return on investment. However, IT infrastructure is becoming ever more foundational to organisational resilience and growth, and demand remains strong in areas that are difficult to defer, including security, hybrid infrastructure, networking, cloud optimisation, data platforms, AI enablement and managed services. While uncertainty around memory pricing persists, our close relationships with a range of key vendors help us advise customers, identify alternatives and provide flexible solutions.

We have also been modernising our own systems, data and digital platforms for several years with investments in data architecture, automation and AI-enabled tools beginning to enhance the way our people work. Alongside this, we are developing in-house agents across key processes and adopting AI functionality within our enterprise systems. These investments are improving customer and employee experience, increasing the effectiveness of our go-to-market activity, and strengthening the scalability of our business as we continue to grow.

Customer technology priorities and industry trends

AI and other factors continue to stimulate demand across our entire technology proposition, and there is broad recognition from customers that their infrastructure estates must evolve at pace. These environments are often highly complex, built over many years across a large number of different vendor's technologies, which makes trusted, independent advice and support increasingly important. Softcat is very well placed in this environment, combining access to leading vendor innovation with a deep understanding of customer environments to help organisations plan, implement and integrate technology fit for the age of AI.

Our latest customer experience survey reinforces this direction of travel. Customers continue to prioritise maximising the impact of their IT investments, using technology to drive innovation, while strengthening governance and compliance. Cost control, business continuity, sourcing and procurement also remain prominent priorities. Together, these findings show that customers are looking for partners who can help them simplify increasingly complex estates, improve resilience and control, and translate technology investment into measurable outcomes.

We deliver this support through a combination of product procurement, technical advice, solution design, integration, multi-vendor logistics, financing and ongoing support services, aided by the commercial benefits of our vendor accreditations. As vendors build the support and service structures required for a new generation of technology, they are increasingly relying on partners with the reach, skills and customer intimacy to deliver successfully. Softcat brings together decades of know-how and its proprietary data to augment the capabilities of both customers and vendors, reinforcing our position as one of the very best partners for each.

Strategic developments

Our strategic framework remains unchanged, and FY2026 demonstrated the increasing value of consistent execution. Our people and culture remain the primary source of competitive advantage, delivering the customer service, trust and loyalty that underpin our performance. That performance enables continued reinvestment in our proposition, capabilities, systems, data and office network, which in turn strengthens the value we deliver to customers and vendors. Over time, this positive cycle has created what we believe is the broadest and deepest technical offering in our market, and a second source of advantage.

During the year, strong growth in customers, gross profit per customer and profitability was supported by further progress across our four strategic growth engines:

- **Sales and customer excellence** – our account manager model continues to deliver outstanding results, with customer numbers increasing and gross profit per customer growing strongly as we do more with both new and existing customers. We have continued to invest in sales, specialist and support capacity, while the insights now being surfaced from our modernised systems are helping our teams engage customers with greater relevance, speed and precision. Tools such as CatNav are beginning to improve how our people navigate Softcat's broad capabilities, vendor relationships and pricing structures, supporting more effective advice and execution. We are focused on enhancing the differentiation we can bring to the customer groups in which we operate, from the mid-market through to large and complex organisations with international requirements.
- **The broadest offering** – our five technology towers continue to help customers, vendors and our own people navigate the full stack of modern infrastructure. We saw broad-based growth across the portfolio during the year, with particularly strong demand in data centre infrastructure, networking and security, workplace, and services. The 2025 acquisition of Oakland enhanced our capabilities in data, automation and AI consulting, enabling us to engage earlier with customers as they build the foundations required for AI adoption at scale. We will continue to develop technical skills and service capability across each tower to deepen our proposition and extend our reach, in close alignment with our vendor framework.
- **Operational excellence** – we have made significant progress in modernising the systems, data and processes that will support Softcat's next stage of growth. Our developing data architecture and platforms, proprietary tools and in-house agents are beginning to bring cleaner internal data together with external insight on customers, markets and products. We have also continued to enhance eCAT and made good progress expanding it globally. We have completed the rollout of our new HR system, while our new sales system is currently being rolled out in phases across the sales team. Together, these platforms will enable greater automation, better experiences for customers and employees, and improved scalability across the business.
- **Our special culture** – our culture remains the central foundation of Softcat's success and continues to evolve as the business grows. We have invested in and developed local leadership teams in each of our offices to strengthen employee experience and maintain the transparency, recognition and feedback that underpin engagement and collaboration. Our FY2026 employee net promoter score increased slightly to 56 (FY2025: 55), while our employee engagement score rose to 91% (FY2025: 88%). We also continued our office upgrade programme, creating better environments for collaboration between our people, customers, vendors and partners. During FY2026, we marked the tenth anniversary of our stock market listing, and to recognise their significant contribution to Softcat and its success, all Softcat and Oakland employees were rewarded with a special, one-off free share award.

Investment for future growth

During the year, we made further progress with our ongoing investments in internal systems, data and processes. We are now moving from foundation-building into deployment, adopting AI functionality as it becomes available within third-party platforms and developing proprietary tools that improve how our people work. This includes CatNav, our intuitive in-house assistant designed to help sales teams navigate the breadth of Softcat's proposition, vendor relationships and pricing structures more quickly and effectively. We have also continued to develop eCAT, our online IT procurement platform, through direct integrations with vendor systems, an enhanced user experience and further international expansion into Germany, Singapore and Australia.

We grew average headcount by 10.8% year-on-year to 2,925 and have continued to focus our investment in people across technical, specialist and sales support roles, while also growing our internal IT and back-office functions, as we enhance our capability to go deeper with existing customers.

We have made good progress with the implementation of our new sales and HR systems. The new HR system has now been rolled out to all users, while the new sales system has completed user acceptance testing and pilot phases and is now live for an initial group of sales colleagues, ahead of a phased wider rollout. Together, these platforms will enable greater automation, better experiences for customers and employees, and more scalable processes across the Group.

Our Group-wide office upgrade programme continued during FY2026, creating better environments for collaboration between our people, customers, vendors and partners. We relocated our Manchester office in August 2025, and we moved to a more central location in Dublin in December, almost doubling the size of our Irish presence. We also completed an interim refresh of our Marlow headquarters in March 2026 and refurbished our Newcastle, South Coast and Leeds offices, to help support our culture, employee engagement and customer experience.

Sustainability

Sustainability remains an important part of how we support customers, manage risk and create long-term value. During FY2026, we undertook a double materiality assessment, informed by the Global Reporting Initiative and European Sustainability Reporting Standards, to identify the sustainability topics that matter most to our business and stakeholders. This work will shape the next phase of our sustainability strategy, helping ensure our priorities, actions and disclosures remain aligned with evolving customer, investor and regulatory expectations. We will provide more detail on the findings and implications in our next Sustainability Report.

We also continued to develop the sustainability solutions and services available to customers, including our circular economy proposition and sustainability reporting capabilities. These services help organisations make more informed technology decisions, extend the useful life of assets and better understand the environmental impact of their IT estates. Customer interest in circular technology solutions continued to grow, and Softcat's progress was recognised externally through our EcoVadis Gold award, inclusion in the Financial Times' Europe Climate Leaders ranking, an improved position in TIME's World's Most Sustainable Companies list, and the CRN Sustainability in Tech Social Impact Award.

Acquisition of GDT (post-balance sheet event)

Post year-end, we announced the $1,050m (£785m) acquisition of GDT, a leading US-based multi-vendor IT solutions provider. This is a significant strategic step for Softcat, increasing our capability in the US and strengthening our ability to support customers with international requirements. GDT is highly complementary to our strategy, with deep technical expertise, strong vendor relationships and a customer-led culture that aligns closely with our own. The acquisition provides a compelling platform for long-term growth alongside our existing UK and Ireland business, while broadening the value we can deliver to customers, vendors and partners. The transaction is expected to close by the end of Q1 CY2027, subject to customary regulatory filings and approvals.



Graham Charlton
Chief Executive Officer
13 October 2026

Business model

Significant opportunities for long-term growth

Our business model is designed to drive value for our stakeholders. Our people are bright, motivated, driven and enthusiastic and are trained to meet our customers' needs. Most importantly, they care about Softcat and the customers it serves. This powers further scale and growth, driving the long-term success of our business.

Our purpose A special place to work that will always put our people and culture first.

What sets us apart

Our employees

Our employees are the keystone of our competitive edge. Their passion, intelligence, sense of fun and commitment to the long-term success of our customers are what really make us stand out from the crowd. We support our employees to help provide our customers with a broad range of technology solutions.

→ Read more on pages 30 to 37.

Our market opportunity and offerings

We operate in a large and rapidly growing market, with a share of around 5%, which provides plenty of opportunity for further growth. Our success continues to fuel reinvestment into our customer proposition and internal systems, to ensure we deliver sustainable growth. As a result, we have one of the broadest and deepest customer offerings in the market, positioning us as the partner of choice for even the biggest and most complex solutions. We continuously evolve our offerings and capabilities to maintain relevance with our customers and further expand our addressable market. This has never been more important as AI is making IT infrastructure more critical, more complex and more strategic for customers.

→ Read more on pages 10 to 13.

Our customers

The longevity of our customer relationships is a direct product of the trust placed in our people and the value delivered through our technical capabilities. The result is a 20-year-plus track record of consecutive gross invoiced income and profit growth, alongside continuing expansion of average GP per customer.

→ Read more on pages 10 to 13.

Our vendor partnerships

Technology vendors face intense competition and need partners that can accurately, reliably and credibly showcase their products and services to tens of thousands of target organisations in the UK and Ireland. In many cases, we hold the highest levels of accreditation with our major vendors, demonstrating the trust those vendors have in our ability to successfully implement solutions for customers. With our scale, expertise and highly valued accreditations, we offer vital access for both global and local partners to UK and Irish customers. Our global reach also continues to expand through investment in our multinational branch network.

→ Read more on pages 12 and 13.

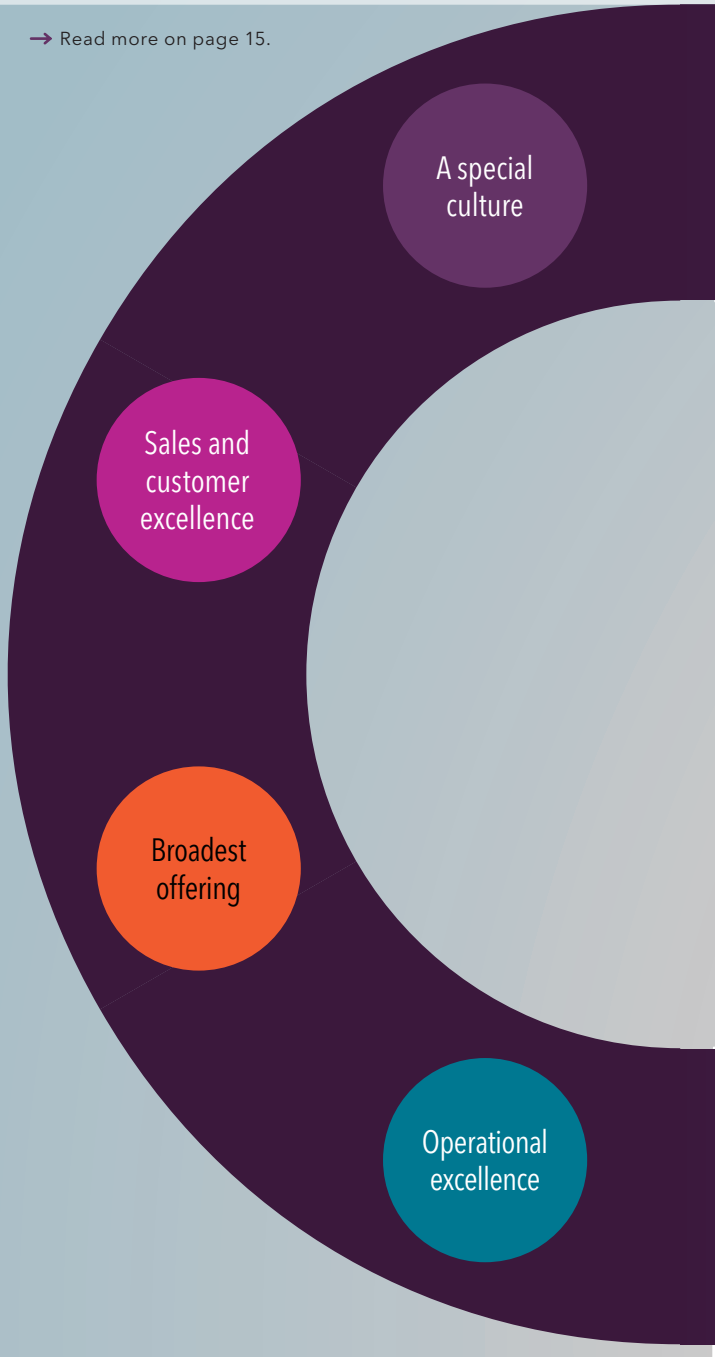
Our financial strength

Our disciplined approach to capital allocation ensures that we maintain a healthy balance sheet, with sufficient liquidity to provide the strategic flexibility that our business requires. We have a highly successful business model that supports the investments necessary to deliver sustainable growth and a progressive ordinary dividend policy.

→ Read more on pages 20 to 23.

Our four engines of growth

→ Read more on page 15.



Driven by our values


Fun


Responsibility


Community


Intelligence


Passion

→ Read more on pages 30 to 37.

Our impact

We recruit and train great people with high potential

We work with universities and schools across the country and consider thousands of candidates each year before selecting those that are right for Softcat. We look for exceptional people with the right attitude. We also have other recruitment programmes which foster our culture of diversity and inclusivity.

→ Read more on pages 34 and 35.

We deliver outstanding customer service

Only great people who are highly motivated and care about the business they work for can provide truly outstanding levels of customer service over the long term. We try to couple that with an exceptional set of technical capabilities and believe the results speak for themselves. We take a relentless approach to customer satisfaction and act on customer feedback to maintain outstanding customer service.

→ Read more on pages 12 and 13.

We win new customers and sell more to existing customers

Winning a new customer is just the very start of the journey; our real aim is to nurture a relationship carefully over many years. If we can prove our worth by never letting a customer down and being there for them at difficult moments, trust builds and everyone wins.

→ Read more on pages 14 and 15.

We incentivise and engage our people to perform

We create a great place to work where people are motivated, recognised and rewarded for success. We regularly measure employee engagement and take actions to keep our employees feeling engaged and motivated. We are known for our unique culture and it is without doubt the basis of our ongoing success.

→ Read more on pages 32 to 36.

We maintain relevance and expand our addressable market

We continue to mature and evolve our customer offering, making sure we maintain relevance and make it easy for customers to do business with us. We have a strong track record of developing new revenue streams and are quick to pivot as the market evolves. Despite our success to date, we are excited about the huge opportunities for future growth.

→ Read more on pages 10 and 11.

The value we create

What we do for our customers

98%
customer satisfaction

What we do for our employees

91%
employee engagement

What we do for our shareholders

21
years of consecutive gross profit growth

A compelling opportunity in a growing market

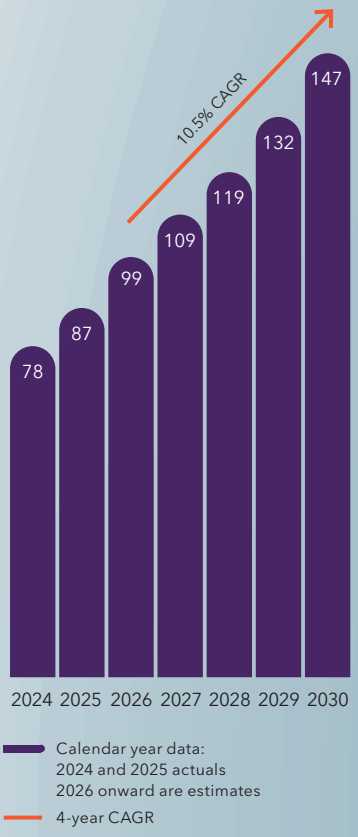
Rapid advances in AI are reshaping customer priorities across every area of technology. Success increasingly depends on secure data, resilient infrastructure and connected digital experiences. By offering the most relevant and comprehensive product set, skills and capabilities across our five technology towers, we help customers navigate this complexity, further increasing our share of a structurally growing market.

Addressable market 2026 (£bn)

£99bn

Our addressable market in the UK and Ireland is currently worth around £99bn and is expected to grow at a four-year compound annual growth rate ('CAGR') of 10.5% to £147bn by 2030.

Addressable market 2024–2030 (£bn)



Source:
Softcat analysis based on external sources.

Our technology proposition

Workspace

Market trend

Customers are seeking to improve employee productivity, collaboration and digital experience while embedding AI into everyday workflows.

Our response

- Helping organisations create secure, productive and flexible workplace environments that support collaboration regardless of where employees work
- Providing expertise across devices, collaboration platforms, digital employee experience and workplace lifecycle services to simplify technology management
- Supporting customers in preparing for and adopting AI-enabled workplace technologies, including Microsoft Copilot and related productivity solutions

Future opportunities

- Helping customers integrate collaboration, security and AI capabilities into a seamless employee experience across increasingly diverse working environments
- Increasing demand for managed workplace services as organisations seek greater efficiency, consistency and support across their technology estates

Hybrid platforms

Market trend

Customers continue to modernise legacy environments while balancing cost, performance and resilience across public cloud, hybrid cloud and application estates.

Our response

- Helping customers modernise legacy infrastructure and applications through cloud migration, optimisation and transformation programmes
- Providing expertise across public, private and hybrid cloud environments, enabling customers to balance flexibility, performance, resilience and cost efficiency
- Working alongside customers to develop modern platforms capable of supporting digital transformation initiatives and future AI workloads

Future opportunities

- Increasing demand for cloud platforms capable of supporting data-intensive and AI-enabled applications is expected to drive continued investment
- Growing adoption of hybrid and multi-cloud environments is increasing demand for specialist expertise across increasingly complex technology estates

Link to strategy

Each of our five key market drivers aligns with and supports all strategic pillars outlined below:

- Acquire more customers
- Sell more to existing customers
- People and culture
- Ease of doing business
- Maintain relevance and expand our addressable market

→ Read more about our strategy on pages 14 to 17.

Cyber security

Market trend

Security remains the most consistent technology priority for customers as cyber threats, regulatory requirements and AI adoption increase risk and complexity.

Our response

- Providing comprehensive security solutions spanning prevention, detection, response and recovery, helping customers strengthen resilience against an increasingly sophisticated threat landscape
- Expanding managed security and threat monitoring capabilities, enabling customers to improve visibility, accelerate incident response and reduce operational complexity
- Supporting customers in adopting zero-trust principles, modern identity solutions and robust governance frameworks to secure users, devices and data

Future opportunities

- Helping customers secure modern cloud, hybrid and AI-enabled environments as attack surfaces become more distributed and complex
- Supporting customers in simplifying fragmented security estates through platform consolidation and integrated security architectures

Networking and connectivity

Market trend

The rise of hybrid working, cloud adoption, AI applications and distributed infrastructure is increasing demand for resilient, secure and intelligent networks.

Our response

- Designing and deploying modern networking solutions that support hybrid working, cloud adoption and increasingly data-intensive digital environments
- Providing secure and resilient connectivity services, helping customers maintain performance, availability and user experience across distributed operations
- Supporting customers with software-defined networking, wireless infrastructure and network management solutions to improve visibility and operational control
- Expanding managed networking capabilities to help organisations simplify infrastructure management and optimise network performance

Future opportunities

- The convergence of networking and security technologies is creating opportunities to support customers through secure access and modern network transformation projects
- Growing data volumes and real-time application requirements are expected to drive continued investment in next-generation connectivity solutions

Data, AI and automation

Market trend

Organisations are moving beyond AI experimentation towards wide-scale deployment. The focus has shifted from accessing AI tools to creating the data, governance and operating foundations needed to realise measurable business value.

Our response

- Expanding our AI and data consulting capabilities to help customers move from experimentation to deployment, supporting strategy development, use-case identification, governance and adoption programmes
- Leveraging strong partnerships with Microsoft, AWS, Google and other leading vendors to deliver AI, analytics and automation solutions tailored to customer needs
- Continuing investing in specialist skills and customer education to help organisations understand emerging technologies and realise measurable business outcomes from AI investments

Future opportunities

- Helping organisations unlock value from increasingly complex and fragmented data estates through advanced analytics, automation and AI-powered decision making
- Growing demand for managed data, AI governance and lifecycle services as customers seek trusted partners to support long-term AI adoption

Customer proposition

A strong proposition with distinct advantage

Our long-term growth and ongoing success are powered by our special culture and differentiated customer service, together with the breadth and depth of our solutions and services, across a well-diversified customer base.

Technology proposition

Workspace | Hybrid platforms | Cyber security | Networking and connectivity | Data, AI and automation

Vendor management

400+ vendors

Value proposition to our vendor partners

- Access to a broad customer base
- Cost-effective route to market
- Strong distribution and implementation capabilities
- Feedback mechanisms for vendor products and services
- Communicating value of innovations to customers

Direct | Distributors

Softcat

Technical and services offering

Advise | Architect | Implement | Support | Manage

Customers

Value proposition for our customers

- A single IT infrastructure and services provider with a broad proposition
- Comprehensive and exceptional customer service
- Independent view of the IT ecosystem
- Value-added services with integration capabilities
- Solutions across IT lifecycle
- Ongoing training and advice on new products
- Support and delivery of upgrades and renewals
- Monitoring and management of licensing/subscription agreements
- Customers often have limited in-house IT resources

Customer segments

Enterprise | Mid-market/small and medium business | Public sector

Our customers, enabled by our people

Our customers are supported by dedicated Sales, Technical and Service teams that work together to deliver exceptional outcomes. We remain focused on building long-term, trusted relationships, helping organisations navigate an increasingly complex technology landscape shaped by AI, cyber security, data, cloud and digital transformation.

Our customer-centric approach combines the acquisition of new customers with the continued expansion of existing relationships, underpinned by three priorities:

- fostering a high-performance and collaborative sales culture;
- simplifying the customer journey through seamless engagement across Softcat; and
- maintaining the relevance of our proposition through continuous investment in people, capabilities and services.

Developing trusted advisers

We continue to invest heavily in the development of our account managers, sales specialists and technical experts, helping them build the skills required to become trusted advisers to customers. Our teams are focused on delivering high-quality outcomes, combining deep commercial understanding with technical expertise to recommend solutions that address specific business challenges. Customers increasingly benefit from a broad network of relationships across Softcat that deepen over time and strengthen the quality of support we provide.

Delivering a differentiated customer experience

Customer feedback remains central to how we develop our business. Insights from our annual customer experience survey help shape our investment priorities and ensure our capabilities remain aligned to the technologies and services that matter most to our customers.

Our broad technology offering is supported by a diverse range of account managers, technical architects, solution specialists, consultants, managed service professionals and Customer Experience teams. Customer Success Managers play an important role in helping large and complex customers realise value from their technology investments, working closely with Service Delivery teams to support strategic planning, executive engagement, value realisation and ongoing relationship management. This co-ordinated approach helps ensure the effective delivery of increasingly complex solutions while strengthening customer loyalty and advocacy.

Supporting customers' sustainability ambitions

Our sustainability specialists work alongside technical architects, procurement experts and account managers to help customers better understand the environmental impact of their IT estates and identify practical opportunities to improve efficiency, reduce waste and support broader sustainability objectives. By combining technical knowledge with commercial expertise and strong vendor partnerships, we help customers embed sustainability considerations into technology decisions and deliver outcomes that are aligned to their business priorities.

Strengthening our expertise and culture

Our ability to deliver outstanding customer outcomes starts with attracting, developing and retaining talented people. We continue to invest in our technical, sales and service capabilities, expanding our expertise in strategically important areas, while also enhancing our ability to support larger and more complex organisations.

Our culture remains a key differentiator and is built on trust, empowerment, collaboration and a commitment to doing the right thing for customers. By creating an environment where people can develop their careers, share knowledge and enjoy themselves, we strengthen our ability to innovate, deepen customer relationships and sustain long-term success. We remain committed to fostering an inclusive workplace where everyone can thrive and contribute to our continued growth.



Ensuring all customers get the support they need

During the year, we launched Softcat Cares, our brand-new Customer Experience tool designed to strengthen how we handle escalations and complaints as an organisation, ensuring they are dealt with in a clear, structured manner. The framework is already having a positive impact and helping us maintain our overall high standards.

98%

customer satisfaction from over 6,600 responses

> **"A lot of the value of our business is the happiness of our customers."**

Luke Thomas
Company Secretary

A proven strategy for sustainable growth

Successful execution of our simple but effective strategy supports our ongoing success through the acquisition of new customers and expansion of wallet share with existing customers.

How our strategy delivers sustainable growth

The virtuous cycle of sustainable growth and investment that we deliver is powered by our special culture. This has underpinned our success to date, and it will continue to drive our growth into the future.

Our culture creates passionate teams of people who work collaboratively to meet the needs of their customers in a way that differentiates us from competitors. The resulting trust and loyalty encourage customers to rely on us to provide more of their IT infrastructure requirements each year, fuelling further investment in our proposition and reinforcing our competitive advantage over time.

Investing for future growth

In an increasingly complex technology landscape, the breadth of our offering and our wealth of expertise are becoming ever-greater sources of advantage. That's why we continue to invest in our systems and processes to ensure that our employees have the best tools and resources at their disposal, while making it easy for customers and vendors to do business with us.

Our strategy

Acquire more customers

Overview

During the year we grew customer numbers but we still only serve an estimated one in five of our target market.

- We are constantly innovating and evolving our customer proposition
- Penetration of target market remains low with good growth potential
- Long-term growth in customer base reflects strong retention and success in curating new relationships

Progress in FY2026

Our customer base grew by 3.4% during the year, with success across each of our key segments: mid-market, enterprise and public sector. Average headcount increased during the year by 10.8%, driven by investment in our Sales team, including supporting specialists and Technical teams, as well as a full-year impact of the Oakland acquisition.

Future focus

Our customer base accounts for approximately 20% of the overall addressable market. We will continue to target new accounts through further investment, training and development of our sales team and allowing our unique culture to flourish. We are constantly developing our offerings to ensure close alignment with our customers' priorities and to reflect expectations of future market trends.

Sell more to existing customers

Overview

The opportunity to help customers navigate an increasingly complex array of technology choices has never been greater.

- Continued investment in tools and training for employees
- Opportunities to increase customer wallet share as longer tenure leads to more gross profit transacted with us
- Continuous year-on-year increases in gross profit per customer

Progress in FY2026

We have continued to respond to the rapid pace of innovation across our industry by investing in our capabilities to support the evolving technological needs of our customers. This enabled us to strengthen the trust placed in us by our customer base and further increase our market share.

Future focus

The pace of change across the IT infrastructure landscape remains relentless, whether it's the solutions we are selling, the nature of deployment channels or the manner in which technology is consumed. This provides Softcat with an exciting opportunity to take a bigger share of a fast-growing market. We intend to remain a key partner to both established and emerging technology vendors, sharpening our skills and capabilities around the dynamic range of products, services and channels they are bringing to market.

Increase in customer base during the year

+3.4%

Increase in gross profit per customer during the year

+20.6%

Our four engines of growth

We continue to invest across our four engines of growth, to help us further strengthen our competitive advantages and realise our longer-term ambitions.



Why it's important and how we have delivered

Our culture remains the most important foundation of our success. We have strengthened employee engagement, maintained a market-leading employee net promoter score, expanded and upgraded our office estate, and further empowered local office leadership teams. We also continued investing in learning, recognition and wellbeing, ensuring our culture evolves whilst retaining the values that have underpinned Softcat's long-term success.

We have continued to invest in our Sales and Specialist teams, helping customers navigate increasingly complex technology decisions and adopt emerging technologies such as AI. Customer growth and gross profit per customer accelerated and we further strengthened our engagement capabilities, enabling us to support organisations of all sizes with greater technical expertise, insight and service excellence.

We delivered broad-based growth across our five technology towers during the year, led by data centre infrastructure, networking and security, workplace, and services. Oakland strengthens our data, automation and AI consulting capabilities, enabling earlier customer engagement, while continued investment in developing technical skills and services across each tower will deepen our proposition and extend our reach.

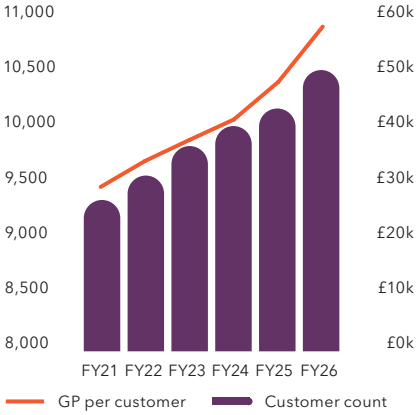
During the year, Softcat continued to make progress with its investment in modern business systems, data platforms and AI-enabled tools, including proprietary solutions such as CatNav. We also strengthened data governance, analytics and process automation, improving productivity, decision-making and customer experience while building a scalable platform for future growth.

Customer data

Customer count and GP per customer

GP per customer **+14.7%** 5yr CAGR

Customer count **+2.4%** 5yr CAGR

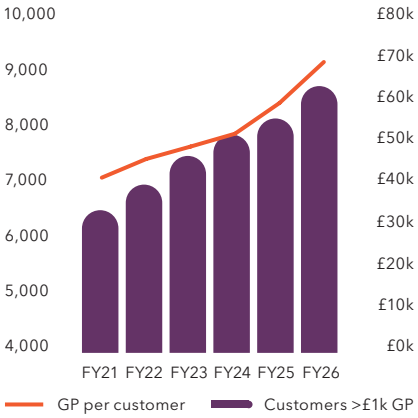


- Customer count is defined as the number of customers spending at least £1 with Softcat in each of the two preceding 12-month periods.

Customers delivering at least £1k GP in a single year

GP per customer **+10.7%** 5yr CAGR

Customer count **+6.1%** 5yr CAGR



- Customers that trade >£1k GP in a single year comprise approx. 99% of GP in each year.
- The rate of growth in GP per customer and number of customers in this cohort is more evenly balanced than in the total customer count.

Accelerating genetic insights for the Irish Cattle Breeding Federation: Softcat delivers for Irish agriculture

ICBF needed a fast, scalable storage solution to support the rapid growth of Ireland's National Genotyping Programme. Softcat delivered and installed a high-performance NetApp and Cisco solution on time, expanded storage to over 300TB (later expanded by 150TB), overcame supply chain delays and provided ongoing expert support.

300TB+

initial NetApp storage delivered (later expanded by a further 150TB)

25%

faster processing delivered for genetic evaluations

1–2

days saved per evaluation cycle for cattle and sheep workflows

The challenge

ICBF's 180TB, ten-year-old storage system was running out of capacity just as the National Genotyping Programme scaled up from analysing 200,000 animals a year to over one million. This surge in data created urgent performance, capacity, and timeline pressures. Tight government reporting schedules, public-sector tender requirements, and the need for high-performance infrastructure made on-time delivery critical to avoid programme disruption.

The solution

Softcat designed and delivered a scalable, high-performance solution built on NetApp AFF storage with Cisco networking. The deployment provided over 300TB of fast, low-latency capacity, fully integrated with ICBF's Oracle and HPC environments. When Cisco hardware was unexpectedly delayed, Softcat sourced temporary replacements from Europe to keep the project on track. Softcat engineers managed installation, configuration, and post-deployment consultancy – ensuring a smooth, reliable setup tailored to ICBF's evolving needs.

The impact

- **Up to 25% reduction in processing time for genetic evaluations**
- **Scalable storage to support future research and national programmes**
- **Reliable infrastructure delivering peace of mind and operational efficiency**

ICBF now processes genetic and DNA data significantly faster, with major time savings across cattle and sheep evaluations. The system is stable, high-performance, and scalable, supporting billions of data points and future national programme growth. ICBF can run development and testing environments without disrupting production, and the new platform strengthens Ireland's global position in agricultural genomics. The dependable infrastructure gives the organisation confidence to focus on supporting farmers and advancing sustainable breeding.

> **"Softcat delivered exactly what we needed, when we needed it, to the specification we demanded. Was it fraught at times? Absolutely. But the team went above and beyond to source kit and keep us on track."**

Jonathan Flack
Senior Systems Administrator, ICBF



Read the full case study online
www.softcat.com/about-us/case-studies/accelerating-genetic-insights-softcat-delivers-irish-agriculture

Building a connected data foundation to support student success at the University of Northampton

The University of Northampton is one of the UK's youngest universities and positions social impact at the heart of its mission. From its Waterside Campus, it is focused on supporting aspiration, creating opportunities and delivering impact through teaching, research and engagement with the wider community.

University of Northampton

The challenge

Like many large institutions, the University of Northampton was working with a broad and evolving applications estate. Over time, important data had become distributed across multiple systems, teams and processes. That created a familiar challenge for organisations looking to become more insight-led: there was valuable information available, but it was difficult to bring together in a way that supported timely, confident decision-making.

For the University, this mattered at both an operational and strategic level. Reporting on issues such as student attendance, engagement and progression was possible, but it was not straightforward to connect information from different systems and create a consistent, trusted picture.

That challenge was particularly important in a university environment, where the quality and timeliness of information can directly influence the support available to students.

> **"We've had a great working relationship with Softcat for many years here at Northampton. Softcat is a trusted partner of ours and we know we can go to them with the confidence that what we've asked for, we're going to get."**

Navinder Kaur
Head of Application Services

The University wanted to move towards a more connected model in which data could be used to help colleagues act sooner and more effectively.

The solution

Softcat and Oakland worked with the University of Northampton alongside Microsoft and Boomi to support a connected approach to the programme. Rather than treating the requirement as a standalone technology implementation, the engagement focused on helping the University move from strategic intent to an actionable delivery plan, with the right partners, technologies and methods of working all aligned around the same objective.

Softcat and Oakland worked closely with stakeholders across the University to identify and prioritise the use cases that would shape the first phase of delivery. This meant getting a clear understanding of where improved data visibility would have the biggest impact, where systems needed to connect, what 'good' looked like from a reporting perspective, and how everything aligned with wider operational priorities. What emerged from this process was something broader than expected, with additional opportunities identified beyond the initial scope, helping to create a more holistic roadmap for future development.



Read the full case study online
www.softcat.com/about-us/case-studies/building-connected-data-foundation-support-student-success-university-northampton

The impact

- **Better foundations for proactive, evidence-based decisions around student engagement, retention and welfare**
- **Reduced fragmentation through a more central, governed and connected data environment**
- **Stronger internal capability and a scalable platform to support future use cases across the University**

Although the programme is part of a broader transformation journey, the benefits already being targeted are significant. At the highest level, the University is creating the conditions for more consistent, joined-up and evidence-based decisions. Instead of relying on fragmented extracts and individually interpreted spreadsheets, teams are moving towards a model where authoritative data can be brought together, understood more clearly and used with greater confidence.

That has particularly strong implications for the student experience. A more connected view of attendance, engagement and progression can help the University identify issues earlier and respond more effectively. Rather than waiting for problems to show themselves after the fact, colleagues at the University can work with better visibility and be more proactive in the support they provide. Navinder Kaur (Head of Application Services) highlighted that principle when discussing student-related use cases, explaining that, with welfare front of mind, the University wants to identify when a student is no longer engaging so that the appropriate support can be offered sooner.

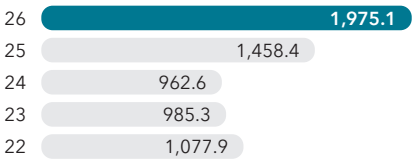
Delivering sustainable profitable growth

The financial and non-financial key performance indicators shown below demonstrate the Group's progress against its strategic goals and delivery of financial performance and shareholder value. These metrics are referred to throughout this report and further discussed in more detail within the Chief Financial Officer's Review on pages 20 to 23.

Financial

Revenue £m

1,975.1



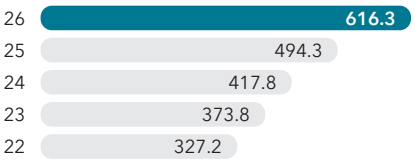
Strategic link

Comments

- Revenue includes all income from the resale of third-party software, hardware and services, as well as the sale of the Group's own services. Revenue is reported in accordance with IFRS 15 with some transactions (generally hardware and internally delivered services) reported gross (principal) and others (generally software and externally provided services) reported net (agent). We report GII to help provide a clearer view of underlying growth and to support understanding of key balance sheet movements.

Gross profit £m

616.3



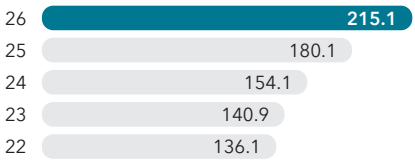
Strategic link

Comments

- Gross profit comprises revenue net of third-party product costs, supplier rebates and certain internal direct costs.

Underlying operating profit £m[1]

215.1



Strategic link

Comments

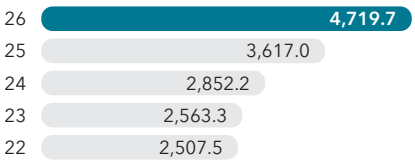
- Underlying operating profit comprises gross profit net of underlying administrative expenses. Statutory operating profit includes the impact of non-underlying items.

Link to Directors' remuneration[2]

- For 2026, underlying operating profit accounts for 80% of the weighting for the Executive Directors' annual bonus, reflecting an important role in measuring the delivery of in-year shareholder value.

Gross invoiced income £m[1]

4,719.7

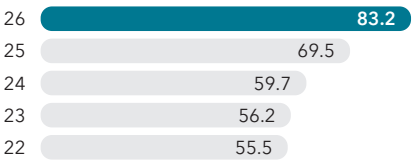


Comments

- Gross invoiced income reflects gross income billed to customers adjusted for deferred and accrued items.

Underlying basic earnings per share p

83.2



Comments

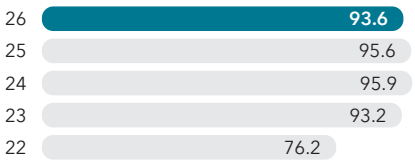
- Underlying basic earnings per share ('EPS') is defined as underlying profit after tax divided by the weighted average number of shares for the year.

Link to Directors' remuneration[2]

- EPS is a performance measure in the targets for the Executive Directors' Long Term Incentive Plan ('LTIP').
- Delivery of EPS growth contributes indirectly to share price performance and the ability to pay dividends, both important elements in total shareholder return ('TSR'). TSR is also a performance measure of the LTIP.

Underlying cash conversion %[1]

93.6



Comments

- Underlying cash conversion is net cash generated from operating activities before taxation and any acquisition-related cash flows, net of capital expenditure, as a percentage of underlying operating profit.
- The five-year average for underlying cash conversion is around the mid-point of our annual target range of 85%–95%, reflecting the highly cash-generative nature of the business and disciplined working capital management.
- In FY2022 there was a transient expansion in year-end trade receivables following the implementation in the fourth quarter of a new finance system.

Link to strategy:

- Acquire more customers
- Sell more to existing customers
- People and culture
- Ease of doing business
- Maintain relevance and expand our addressable market

→ Read more about our strategy on pages 14 to 17.

Non-financial

Employee engagement score %

91

26	91
25	88
24	90
23	92
22	90

Strategic link

Comments

- The employee engagement score is derived from responses to an annual survey of all staff.
- Enthusiastic and highly motivated people form the very core of the Softcat business model and our customer proposition.

Link to Directors' remuneration[2]

- Actions overseen by the Executive Directors to maintain strong employee engagement are reflected in our employee net promoter scores. 20% of the weighting (along with customer satisfaction and selected sustainability or inclusion actions) is allocated for the Executive Directors' annual bonus, reflecting the importance of a well-engaged workforce to Softcat's overall success.

Customer satisfaction %

98

26	98
25	98
24	98
23	97
22	94

Strategic link

Comments

- Customer satisfaction is defined as the percentage of customers who rate themselves as either 'satisfied' or 'very satisfied' in response to an annual survey (possible responses also include 'dissatisfied' and 'very dissatisfied'). In 2026, the survey had 6,671 respondents (2025: 6,089).

Link to Directors' remuneration[2]

- Actions overseen by the Executive Directors to maintain strong customer satisfaction are reflected in our customer net promoter scores. 20% of the weighting (along with employee satisfaction and selected sustainability or inclusion actions) is allocated for the Executive Directors' annual bonus, reflecting the importance of customers, who are at the core of Softcat's strategy.

Gross profit per customer £'000[3]

58.5

26	58.5
25	48.5
24	41.7
23	38.0
22	34.2

Strategic link

Comments

- Gross profit per customer is defined as gross profit divided by the number of customers.
- New customers are included in the calculation and tend to create a dilution of the metric, but to a similar degree from one financial year to another.
- The growth in this metric therefore demonstrates the value created by ever-deepening, long-term relationships and the Group's ability to sell an increasing range of technologies based upon genuine trust and loyalty.

Customer base '000[3]

10.5

26	10.5
25	10.2
24	10.0
23	9.8
22	9.6

Strategic link

Comments

- Customer base is defined as the number of customers who have transacted with Softcat in both of the preceding twelve-month periods.
- Growth in this metric demonstrates the ability of the sales force to win new customers while also retaining existing relationships.
- This is important for in-year performance but also underpins future growth.

1. Gross invoiced income, underlying operating profit, underlying cash conversion and underlying basic earnings per share are alternative performance measures. Please see page 23 for further definitions and reconciliations.
2. For more information on the remuneration of the Executive Directors, please see the Annual Report on Remuneration on pages 102 to 112.
3. In FY2025, we undertook an exercise to improve the quality of our customer data, which included aligning all trading entities with a relevant parent company where necessary, resulting in a small reduction in the overall customer number. For comparability, the customer data and associated average GP per customer in prior years have also been amended in line with the revised methodology.

→ Read more in our Chief Financial Officer's Review; see pages 20 to 23.

Chief Financial Officer's review

Successful execution delivering strong profitable growth



"We have continued to invest in the long-term growth potential of Softcat, increasing headcount, investing in new office capacity and continuing to develop our data and digital platforms."

Katy Mecklenburgh
Chief Financial Officer

Financial Summary

	FY2026	FY2025	Change
Gross invoiced income split			
– Software	**£2,598.6m**	£2,074.5m	25.3%
– Hardware	**£1,405.2m**	£992.2m	41.6%
– Services	**£715.9m**	£550.3m	30.1%
Total gross invoiced income[1]	**£4,719.7m**	£3,617.0m	30.5%
Revenue split			
– Software	**£278.5m**	£227.2m	22.6%
– Hardware	**£1,399.4m**	£985.7m	42.0%
– Services	**£297.2m**	£245.5m	21.1%
Total revenue	**£1,975.1m**	£1,458.4m	35.4%
Gross profit	**£616.3m**	£494.3m	24.7%
Gross profit margin[2]	**13.1%**	13.7%	(0.6)% pts
Underlying operating profit[3]	**£215.1m**	£180.1m	19.4%
Underlying operating profit margin[2]	**4.6%**	5.0%	(0.4)% pts
Non-underlying items	**£(18.7)m**	£(7.2)m	159.7%
Statutory operating profit	**£196.4m**	£172.9m	13.6%
Gross profit per customer[4]	**£58.5k**	£48.5k	20.6%
Customer base[4]	**10.5k**	10.2k	3.4%
Underlying cash conversion[5]	**93.6%**	95.6%	(2.0)% pts

1. Gross invoiced income reflects gross income billed to customers adjusted for deferred and accrued revenue items. This is an Alternative Performance Measure (APM). For further information on this, please refer to page 23.
2. Gross profit margin and underlying operating profit margin are both calculated as a percentage of gross invoiced income.
3. Underlying operating profit and underlying operating profit margin are APMs. For further information on this, please refer to page 23.
4. Gross profit per customer is defined as gross profit generated over the last twelve-months divided by the customer base. Customer base is defined as the number of customers who have transacted with Softcat in both of the preceding twelve-month periods.
5. Underlying cash conversion is defined as net cash generated from operating activities before taxation and any acquisition related cash flows, including deferred consideration outflows, net of capital expenditure, as a percentage of underlying operating profit. This is also an APM. For further information on this, please refer to page 23.

Gross profit, revenue and gross invoiced income

Our outstanding FY2026 performance demonstrates the strength of our business model and the benefits of consistent strategic execution. We continued to support a diverse range of new and existing customers with their IT infrastructure requirements, drawing on our deep expertise, comprehensive product and services offering, and the exceptional service delivered by our highly engaged employees.

We are also benefitting from the recent investments we've made in systems and data, people and our office network. These investments have strengthened our capabilities, improved our internal operations and supported further market share gains and long-term sustainable growth. They also position us well to capture the benefits of AI, both within our own business and for customers, as more organisations move from experimentation to broader deployment.

Gross profit (GP), our primary measure of income, grew by 24.7% to £616.3m reflecting the strength of our underlying business performance. Growth was supported by the contribution from previously disclosed larger solutions projects, the pull-forward of some customer orders due to memory shortages, and a positive vendor rebate contribution.

GP growth was broad-based across customer segments and the technology portfolio. Growth in corporate was particularly strong, led by small and medium together with enterprise, both of which delivered strong double-digit growth, supported by high single-digit growth in public sector. By technology area, GP growth was also broad-based, with strong double-digit growth across data centre infrastructure, networking and security, and workplace, the latter supported by a clear improvement in demand for client devices.

By product type, software, hardware and services GP all grew double-digit. Hardware growth was primarily driven by datacentre and networking infrastructure, including the contribution from larger solutions projects, together with client devices. Software GP growth was broad-based with strength in security solutions and Microsoft CSP, while services growth was primarily driven by the contribution from externally provided partner services.

Revenue is reported in accordance with IFRS 15 with some transactions (generally hardware, professional services and internally delivered support and managed services) reported gross (principal) and others (generally software and externally provided support and managed services)

reported net (agent) which can make revenue trends hard to understand. We therefore continue to report GII to help provide a clearer view of underlying growth and to support understanding of key balance sheet movements. FY2026 revenue grew overall by 35.4% driven by: (1) hardware revenue growth of 42.0% reflecting strong datacentre, networking, server and compute sales, supported by larger solutions projects. Hardware accounts for a higher mix of revenue than GII and is the main reason total revenue growth exceeds GII growth during the year; (2) software revenue growth of 22.6% which was slightly behind GII growth of 25.3%, primarily reflecting a mix shift into lower margin products including Microsoft CSP agreements; and (3) services revenue growth of 21.1% which was also behind GII growth, reflecting a higher share of externally provided services at lower margin (when reported on a net basis).

GII increased 30.5% to £4,719.7m, mainly driven by strong growth in hardware, as discussed above. Software GII grew by 25.3% with strength in cybersecurity licencing software together with Microsoft CSP deals, while services growth of 30.1% was driven by a growing share of partner provided business.

As shown in the table below, GII growth decelerated slightly to 28.5% in H2 compared with 33.3% in H1, primarily reflecting the greater contribution in H1 from larger solutions projects and some customer orders pulled forward due to memory shortages.

During FY26, GII grew ahead of GP with gross margin declining year-on-year to 13.1% (FY2025: 13.7%). The decline was driven by strong performance in lower margin products including client devices and more public sector work going via framework arrangements. In addition, Microsoft grew strongly with margin impacted by the fee structure changes which caused a mix from EAs (Enterprise Agreements) into CSPs (Cloud Solution Providers) and larger solution deals at low margins had a dilutive impact, with these two factors mainly impacting H1.

Gross profit growth accelerated in H2, despite the stronger base comparative and lower contribution from the large solution projects. This acceleration was driven by broad based performance across all technologies and customer segments but with particular strength in small and medium customers and a higher number of deals over £0.5m.

	H1 FY2026	H1 FY2025	Change	**H2 FY2026**	H2 FY2025	Change
GII	**£2,008.6m**	£1,507.1m	33.3%	**£2,711.1m**	£2,109.9m	28.5%
GP	**£269.9m**	£220.2m	22.6%	**£346.4m**	£274.1m	26.4%
GP/GII %	**13.4%**	14.6%	(1.2) pts	**12.8%**	13.0%	(0.2) pts

Customer KPIs

During the year, GP per customer grew by 20.6% to £58.5k (FY2025: £48.5k) and the customer base expanded by 3.4% to 10.5k (FY2025: 10.2k). Net new customer numbers grew across all customer segments, with the highest growth in our mid-market segment.

As the longevity of the relationship with our customers increases, the GP transacted with them also increases. Over time, customers tend to buy across more technology areas and an increasing range of vendors. Loyalty, as measured by a lower rate of customer churn, also significantly increases. We track this by measuring core KPIs among those customers transacting over £1k of GP with us each year, at which point average churn drops significantly. The number of customers in this more stable cohort grew by 7.1% to 8.8k during the year, with the average GP delivered from each of those customers expanding by 16.5% to £70.0k.

+20.6%

growth in GP per customer

The long tail of customers with whom we interact less often, along with customers who have not purchased from Softcat in the last 12 months or at all, constitute future growth opportunities. The balance between winning new customers and doing more with existing customers is integral to our sales model.

Internal analysis, incorporating data from industry sources, indicates that our total addressable market in the UK and Ireland is more than £99bn, growing at an annual average rate of around 10.5%. We estimate that we serve approximately 20% of the customers in our target market in the UK and Ireland, based on those who trade with us in two consecutive 12-month periods, with an average 20-25% share of wallet. We therefore continue to see a significant future growth opportunity, which is supportive of our strategy to attract new customers and go deeper with our existing customers.



Chief Financial Officer's review continued

Operating profitability and investment in future growth

Underlying operating profit of £215.1m (FY2025: £180.1m) increased by 19.4% year-on-year. This reflects GP growth of 24.7%, partially offset by a rise of 27.7% in underlying operating costs, which includes both the ongoing and one-off cost investments we have made in the year to drive future growth.

Underlying operating cost growth was driven by increased commissions in line with commissionable GP growth and a 16.0% increase in wages and salaries. During the year, average headcount grew by 10.8% (7.7% year-on-year excluding Oakland), while closing headcount grew by 9.7% year-on-year (8.0% growth excluding Oakland). In addition to the annualised impact of the step up in Employers' National Insurance Contributions, underlying operating costs also include significant investment in expanding our internal IT team and corporate development capability, investment in our data and digital strategy, and office refurbishment costs. In addition, several one-time items were also recognised in underlying operating costs, including the one-off free share award to employees, an overperformance element of variable pay and employee incentives, and advisory costs relating to the acquisition of GDT.

As a result of the above, the ratio of underlying operating profit to gross profit has decreased to 34.9% (FY2025: 36.4%).

Statutory operating profit of £196.4m (FY2025: £172.9m) increased by 13.6% year-on-year, reflecting the impact of non-underlying costs of £18.7m (FY2025: £7.2m).

Non-underlying costs

Non-underlying costs recognised during the year include system development costs of £15.6m relating to the implementation of the new cloud-based sales system and HR system. In addition, there is a £3.1m charge relating to the acquisition of Oakland.

Corporation tax charge

The effective tax rate (ETR) for FY2026 was 25.8% (FY2025: 25.4%). The difference between the ETR and the UK statutory rate of 25.0% primarily reflects the disallowable deferred consideration relating to the acquisition of Oakland and a small impact from non-deductible expenses. Our tax strategy continues to be focused on paying the right amount of tax in the right jurisdiction, at the right time.

Cash flow and cash conversion

Cash and cash equivalents at the FY2026 balance sheet date increased by £17.6m to £199.9m (FY2025: £182.3m). Strong cash generation during the year more than offset the cash outflows relating to total dividend payments of £92.5m and a £45.0m share buyback programme.

Underlying cash conversion represents net cash generated from operating activities (including non-underlying capex-like cash costs), before tax and any acquisition-related cash flows, including deferred consideration outflows, net of capital expenditure, as a percentage of underlying operating profit. Underlying cash conversion for the year was 93.6% (FY2025: 95.6%), reflecting continued good working capital management, offset by investment in IT systems and offices.

During the year, we have continued to invest in Softcat's future growth by increasing headcount and building new capabilities, developing our data and digital platforms, investing in core systems, IT capability, and our office network. In addition, the Group completed its first ever share buyback programme totalling £45.0m in February 2026. A total of 3,352,161 ordinary shares were purchased at a volume weighted average price of 1,333p per share and subsequently cancelled. In the second half of the year, we established a £50m revolving credit facility which remained undrawn at the year-end date.

After the balance sheet date, on 17 September 2026, Softcat announced the $1,050m (£785m) acquisition of GDT, a leading US-based multi-vendor IT solutions provider. The acquisition is aligned with our existing strategy, increasing the Group's scale and capability in the US and strengthening our ability to serve the international needs of multinational customers.

The consideration will be funded through a combination of cash, new debt facilities comprising a term loan and revolving credit facility, and net proceeds of £346m from the issuance of new ordinary shares. Following completion of the acquisition, estimated net debt leverage is forecast to be c.1.3x and expected to be below 1.0x by July 2028. Moving forward, outside of temporary requirements to support material strategic investments, the group will target a net debt to EBITDA ratio of 0.5x to 1.0x.

Our capital allocation policy continues to prioritise investment in long-term organic growth to facilitate further share gains in our expanding addressable market; secondly to maintain a progressive ordinary dividend. Remaining excess capital is then either allocated to compelling strategic investments or is returned to shareholders, subject to net debt leverage being within our target range.

Finance net income

During the year, net interest income totalled £6.4m (FY2025: £5.3m). The increase year-on-year was driven by higher interest income earned on cash and cash equivalents.

Dividend and share buyback

A final ordinary dividend of 21.6p per share (FY2025: 20.4p), amounting to £46.6m (FY2025: £40.8m), has been recommended by the Board of Directors. This brings the total ordinary dividend for the year to 31.5p per share (FY2025: 29.3p), amounting to £66.1m (FY2025: £53.9m). If approved by shareholders, the final ordinary dividend will be payable on 21 December 2026, to shareholders whose names are on the register at the close of business on 13 November 2026. Shares in the Group will be quoted ex-dividend on 12 November 2026. The last day for dividend reinvestment plan ('DRIP') elections is 30 November 2026.

Including the £45m share buyback that was completed in February 2026, the total cash returned to shareholders during the year is £137.5m. Following payment of the final ordinary dividend, the total amount returned to shareholders since becoming a public company will be £753.5m.

Alternative Performance Measures

The Group uses several non-Generally Accepted Accounting Practice ('non-GAAP') financial measures in addition to those reported in accordance with IFRS. The Directors believe that these non-GAAP measures which are set out below, assist in providing additional useful information on the underlying trends, sales performance and position of the Group.

Consequently, non-GAAP measures are used by the Directors and management for performance analysis, planning and reporting. These non-GAAP measures comprise gross invoiced income (or 'GII'), underlying operating profit, underlying cash conversion and underlying basic EPS.

1. **Gross invoiced income** is a measure which correlates closely to the cash received by the business and therefore aids the user's understanding of working capital movements in the statement of financial position and the relationship to sales performance and the mix of products sold. Gross invoiced income reflects gross income billed to customers adjusted for deferred and accrued revenue as reported in the IFRS measure. A reconciliation of IFRS Revenue to gross invoiced income is provided within Note 2 of the financial statements.
2. **Underlying operating profit** reflects statutory operating profit, adding back non-underlying costs. Non-underlying costs comprise items which, in the opinion of management, should be identified and excluded to provide a consistent and comparable view of the underlying performance of the Group's ongoing business. They are unusual because of their size, nature (one-off, non-trading costs) or incidence.

When evaluating the nature of an item, management considers the following factors, both individually and in combination:

- whether the item is related to activities outside the Group's primary business activities;
- the specific circumstances that led to the recognition of the item;
- the likelihood that the item will recur; and
- whether an item is cash or non-cash.

Non underlying costs	2026 £m	2025 £m
Oakland acquisition costs	**3.1**	1.9
Major system development costs	**15.6**	5.3
	18.7	7.2

3. **Underlying cash conversion ratio** comprises net cash generated from operating activities before taxation and any acquisition related cash flows, including deferred consideration outflows, net of capital expenditure, as a percentage of underlying operating profit. Underlying cash conversion is an indicator of the Group's ability to convert profits into available cash. A reconciliation to the adjusted measure for cash conversion is provided below:

	2026 £m	2025 £m
Net cash generated from operating activities	**157.5**	140.7
Income taxes paid	**50.5**	46.8
Cash generated from operations	**208.0**	187.5
Purchase of property, plant and equipment	**(6.0)**	(11.8)
Purchase of intangible assets	**(0.6)**	(3.4)
Cash generated from operations, net of capital expenditure	**201.4**	172.3
Underlying operating profit	**215.1**	180.1
Underlying cash conversion ratio	**93.6%**	95.6%

Net cash generated from operating activities includes £15.6m (2025: £5.3m) of non-underlying costs. Acquisition related cash flows not included in the underlying cash conversion ratio are the acquisition of subsidiaries net of cash acquired of £Nil (2025: £7.4m) and acquisition costs of £Nil (2025: £0.7m), both of which are included in investing activities.

4. **Underlying basic earnings per ordinary share** reflect statutory basic earnings per ordinary share, adjusted for the profit after tax impact of non-underlying costs.

	2026 Pence	2025 Pence
Underlying earnings per share – Basic	**83.2**	69.5

The calculation of the basic earnings per share is based on the following data:

	2026 £m	2025 £m
Earnings		
Earnings for the purposes of earnings per share being profit for the year	**150.3**	133.0
Non-underlying costs	**18.7**	7.2
Tax effect of non-underlying costs	**(4.1)**	(1.4)
Underlying earnings for the purposes of earnings per share, being profit for the year	**164.9**	138.8

The tax effect of non-underlying costs varies depending on the nature of the costs.

The weighted average number of shares is given below:

	2026 #m	2025 #m
Number of shares used for basic earnings per share	**198.3**	199.7



Katy Mecklenburgh
Chief Financial Officer
13 October 2026

Section 172 – Stakeholder engagement

Engaging with all our stakeholders

The Directors of Softcat understand that the business has many stakeholders. It is a key responsibility of the Board to maintain strong connections with the stakeholders so the business can operate effectively.

In this section we identify our key stakeholders, explaining why and how the Group and Directors actively engage with them. We set out some metrics used to measure success and some of the outcomes of our engagements.

Regular and effective engagement with Softcat's stakeholders is fundamental to our success and drives value creation over the longer term. A comprehensive schedule exists which provides the Board with information on each of its stakeholders throughout the year and direct engagements are arranged with the Board so that the Board is kept updated. The Board considers that it acts to promote the success of the Group, leveraging on the skills and expertise throughout the business to make sure the Board has due regard to the interests of its stakeholders.

We define our key stakeholders as individuals or groups who have an interest in, or are affected by, the activities of our business. The Board believes a good understanding of our key stakeholders and their needs is essential to deliver sustainable value creation over the long term, bringing benefits to both our shareholders and our stakeholders.

Section 172 requires our Directors to consider the likely long-term consequences of their decisions, and they fulfil this duty through a range of established processes. At each Board meeting, the Board receives standing updates on key market developments and the Group's operational and financial performance. Members of the Senior Leadership Team also provide regular updates on matters including business performance, market changes, and customer and employee issues, often requiring direct engagement with employees, customers and key suppliers. The Board also undertakes an annual strategy review, which includes presentations from key business areas and consideration of a three-year financial plan.

Board review and information frameworks provide comprehensive coverage in respect of all of Softcat's stakeholders and it gives the Board a forum to be aware of and discuss stakeholder issues at regular intervals.

Director responsibilities

Our Directors are fully aware of their responsibilities under Section 172(1) of the Companies Act 2006 (the 'Act'). The Board considers that, in its decisions and actions taken, it has acted in a way that would promote the success of the Group for the benefit of its members as a whole, whilst having regard to stakeholders and matters set out in Section 172(1) (a-f) of the Act. The Directors' responsibilities under Section 172 are rooted in our culture, our values and particularly our purpose: 'we help customers use technology to succeed, by putting our employees first'.

Our key stakeholders

The Board has identified Softcat's key stakeholders as our employees, customers, suppliers and vendors, investors, and the environment and communities in which we operate. The potential impact of the Group's operations on each of our stakeholders is an important consideration for the Board. The Board has approved a framework of key topics which ensures that regular updates are received and discussed by the Board regarding each stakeholder group. On occasion the Board directly engages with its stakeholders, when this is the most effective method of engagement. The Board's approach to engagement and stakeholder management ensures it remains well informed and able to make appropriate considerations when deciding Softcat's strategy and other business decisions.

The following pages set out how we engage with stakeholder groups, how relationships with them are monitored, and how their interests have influenced decisions made by the Board.

Read more elsewhere in this Strategic Report

→ Our report on social value is on pages 30 to 37.

→ Our report on Climate-related Financial Disclosures and Sustainability is on pages 38 to 56.

→ Our Corporate Governance section is on pages 64 to 119.



Decision making by the Board

Board information

- The CEO provides updates, covering culture, competitive activity, market trends and customers.
- The CFO provides updates, including on Group performance, investment capacity, the needs of the business and on sustainability.
- A formal annual Board strategy review session is held, with progress updates throughout the year.
- The Board frequently engages with customers, vendors and employees.
- The CEO and CFO conduct roadshows with current and prospective shareholders. The Chairman engages with the largest shareholders on matters of governance.
- A schedule of matters is reserved to the Board which facilitates formal decisions and approvals.

Board discussion

- Strategic discussion by the Board reflects the Section 172 factors, in particular on long-term value creation.
- The Board receives sufficient, timely, accurate and comprehensive information to support high-quality review, discussion and decision making.
- All Board items are clearly marked for either approval, discussion or noting.
- The Chairman ensures sufficient time is allocated for the Board to review and approve decisions.
- Duties to our stakeholders are taken into account as appropriate when making decisions.

Board decisions

- The Board considers and, if appropriate, approves all items where an approval request is made.
- Actions are taken to implement the Board's decisions. These are captured by the Company Secretary so that outcomes are reported back to the Board.
- Actions are also taken as a result of engagements and surveys with stakeholders, particularly for our employees and customers.

Section 172 considerations

Likely long-term consequences

Employee interests

Relationships with customers, suppliers and others

Impact on the community and environment

Maintaining a reputation for high standards of business conduct

Acting fairly between shareholders of the Company

Section 172 – Stakeholder engagement continued

Employees

Our employees are at the heart of our business and are critical to driving Softcat's continued success.



How we engaged and monitored

- The Board operates an extensive framework of employee engagements and monitoring of employee views. These are captured in a twelve-month forward schedule which is managed by the Company Secretary to ensure there are sufficient engagement opportunities and comprehensive information flows to the Board.
- Lynne Weedall, our Designated Non-Executive Director for Workforce Engagement, is responsible for ensuring we have an effective employee engagement process. The Board conducts a comprehensive engagement review between the Non-Executive Directors and each Softcat office.
- Each year we hold a 'Kick Off' event, which all employees are invited to attend in person. This provides the Executive Directors with an opportunity to engage with all employees together. The event includes presentations on key achievements of the year and key goals in the coming year. Vendors also attend in an exhibition area, providing them with a further opportunity to engage with employees. Key achievers in the business are celebrated in an employee awards event.
- Through the Nomination Committee, management presents a succession plan on key positions in the Company. Effective leadership is vital to maintain our special culture, capabilities and performance, all of which benefit our key stakeholders. The Committee provides oversight and constructive challenge to management to ensure that robust plans are in place to maintain high-quality leadership for the benefit of the Group and its employees.
- We hold an annual employee engagement survey, the results of which are discussed with the Board, with an action plan to tackle the issues raised. Results are compared against last year's equivalent questions to track progress. Quarterly surveys are also discussed with the Board on the performance and engagement of our most senior managers.
- Regular all-hands meetings are held to update employees on the business. This includes opportunities for employees to submit questions to Directors and senior management after the event for a response. Feedback on these meetings is shared with the Board.

Key topics of engagement

- Office culture and leadership
- Pay and reward structures
- Recruitment and ongoing investment for long-term organic growth
- General wellbeing and job satisfaction, including recognition of achievements
- Sustainability
- Diversity and inclusion
- Workplace strategy

Outcomes

The Board reviewed, approved or endorsed outcomes, including:

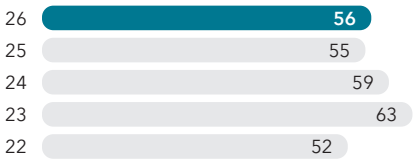
- The Board confirmed that the engagement programme between Non-Executive Directors and each Softcat office was working well.
- Each year the Board reviews and approves its capital allocation framework (see pages 74 and 75) which defines priority areas for investment. We look to invest in employees and systems and processes to further empower employees and deliver enhancements to the ease of doing business.
- Given the importance of employee engagement to the success of Softcat's strategy, the Remuneration Committee of the Board includes performance metrics in the Executive Directors' annual bonus plan in respect of good employee engagement.

→ Read more in our Annual Report on Remuneration on pages 102 to 112.

- We continue to invest in improvements to our internal IT infrastructure. This was included and approved in the Board's annual operating budget and three-year plan. Softcat's legacy Payroll and People platforms were updated to a modern integrated, platform, which has improved processes and reporting. The investment is designed to improve employees' user experience and enhance their productivity.
- An annual review of salaries for all roles was undertaken and discussed with the Remuneration Committee, on behalf of the Board.
- The Board welcomed as a successful metric an employee net promoter score of 56 and employee engagement of 91%.
- The Board has approved a Workplaces strategy, which includes relocation of certain offices to higher quality premises nearby.
- To thank employees for their exceptional performance in FY2026, the Board approved a one-off allocation of free shares to all eligible employees.

Employee net promoter score

56



Customers

Understanding the needs of our customers in building enduring relationships is vital to Softcat's strategy.

How we engaged and monitored

- The Board approved a significant investment in our new sales system, Customer Central, which will improve service to customers. The Audit and Risk Committee had oversight of the project implementation and governance.
- Our annual customer experience survey requests transparent feedback and the results are discussed with the Board.
- The Board receives regular updates on any material customer disputes.
- The Board reviews regular management information which analyses important customer data and trends, such as growth in the customer base and how performance in different customer type is evolving.
- The annual Board strategy review includes a focus on how the business will need to evolve to continue best serving our customers. Ongoing investment to ensure we serve our customers well is included in the annual operating budget, which is approved by the Board.
- Senior managers meet with the Board regularly to discuss strategic customer issues, such as the evolution of our customer propositions. This provides the Board with views of how Softcat's relationships with its customers are expected to mature and improve.

Key topics of engagement

- Understanding actions necessary for increasing customer satisfaction
- Technology propositions for customers
- Understanding customers' IT priorities and main challenges
- Investment to ensure our employees have strong capabilities to support our customers
- Changes in the market which impact our relationship with our customers

Outcomes

The Board reviewed, approved or endorsed outcomes, including:

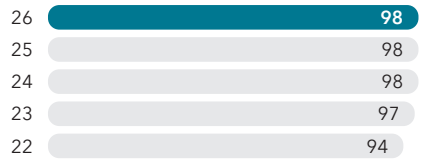
- The rollout phase of Customer Central, which included regular feedback on employee user experience and the next steps in system development.
- Approval of the annual budget which includes investment to better support ease of doing business with customers.
- Given the importance of customer satisfaction to the success of Softcat's strategy, the Remuneration Committee of the Board includes a performance metric in the Executive Directors' annual bonus on maintaining good customer satisfaction.

→ Read more in our Annual Report on Remuneration on pages 102 to 112.

- The Board welcomed as a successful metric 6,671 respondents to the customer survey with 98% customer satisfaction.

Customer satisfaction

98%





Section 172 – Stakeholder engagement continued

Suppliers and vendors

Softcat's strong relationships with its suppliers and vendors help it provide the best solutions and support for its employees and customers.

How we engaged and monitored

- Direct engagements between the Executive Directors and key vendors. Regular updates at Board meetings from the CEO reflect on recent engagements and include matters such as major changes in technology offerings or route to market.
- Our dedicated internal 'Vendor Alliance teams' manage and maintain Softcat's relationship with key vendors. Any key market developments are shared with the CEO to discuss with the Board.
- Our Sustainability team has enhanced its engagement to better understand the sustainability commitments and net zero targets of our major suppliers and vendors. This is part of a process approved by the Sustainability Committee to consider Softcat's long-term net zero goal.

→ Read more on pages 91 to 93.

- Softcat is required to publish its performance in respect of the timeliness in which it pays its suppliers. The Board reviews the latest performance, providing oversight to ensure we maintain a good track record of paying our suppliers, thus protecting the business from reputational damage.

Key topics of engagement

- Market developments in respect of key suppliers and vendors
- Engagements between the Executive Directors and key suppliers and vendors
- Sustainability of products and services, and future goals and commitments
- Maintaining performance of payment practices for our suppliers

Outcomes

The Board reviewed, approved or endorsed outcomes, including:

- The Board discussed potential channel and market changes which may impact the way in which certain vendors operate. The Board requested and was provided with further updates from management on how the business is responding.
- The potential impacts of changes in technology, particularly in respect of AI, data and automation, were discussed regularly. This provided the Board with better insight on vendor offerings and how Softcat was engaging with vendors on products and services sold to customers. This equips the Board with the information it needs for future decisions.
- Engagement with vendors on sustainability was discussed. The Sustainability Committee has asked management to provide further updates next year, when we will review our long term science-based net zero targets.
- Through robust procedures and systems, management demonstrated to the Board that payments to suppliers are made in a timely manner.

Investors

Investors are the owners of the business and have made a financial commitment to the success of Softcat.

How we engaged and monitored

- The CFO and CEO regularly engage with major shareholders and analysts in respect of Group performance. Investor feedback is given after investment roadshows, the results of which are discussed by the Board.
- The Chairman undertook his annual engagement programme with major shareholders, discussing governance matters, and shared feedback with the Board.
- Shareholder analysis is presented at each Board meeting on key shareholder movements and trends.
- Market analysts cover Softcat, providing their analysis of performance and expectations on future performance to current and prospective investors. Any key updates from the analysts are summarised to the Board.
- The Senior Independent Director and the Chair of the Nomination Committee reached out to major shareholders on the extension of the Board Chairman's tenure.

Key topics of engagement

- Strategy
- Company performance
- Corporate governance
- Executive Director remuneration

Outcomes

The Board reviewed, approved or endorsed outcomes, including:

- Each year, the Board reviews its capital allocation framework which defines priority areas for investment. The framework is closely associated with the dividend policy approved by the Board and the return of any excess cash to shareholders. The Board approved the operation of the framework and the dividend payments for the year.

→ Read more on pages 74 and 75.

- The Board approved the £45m share buyback programme, which it considered to be in the best interests of shareholders.
- Feedback from investors/analysts on Group performance and on our strategy.
- The Board welcomed as a metric the high level of shareholder support received on each resolution at the 2025 AGM.

Communities and the environment

We recognise we are part of each community in which we operate and it is vital to make a meaningful commitment to long-term sustainability.

How we engaged and monitored

- Softcat's sustainability strategy, progress and performance were regularly monitored through the Sustainability Committee.
- Our Charity team has strong connections with local and national charities and volunteering networks and actively engages with our employees. Material ESG issues are included in each Board report from the CFO for discussion.
- We maintain dialogues with local institutions, such as schools and colleges, on our apprenticeship scheme and run programmes to improve social mobility in less advantaged areas. Progress is discussed with the Nomination Committee.
- Approval of new offices is a matter reserved to the Board. Proposals for new offices include sustainability considerations which are factored into the approval process.

Key topics of engagement

- Softcat's sustainability strategy and goals
- Selection of charities and volunteering initiatives our employees wish to support
- How Softcat can best help local communities and groups

Outcomes

The Board reviewed, approved or endorsed outcomes, including:

- The Sustainability Committee has reviewed and endorsed guiding principles for sustainability, which are aligned to the wider corporate strategy. The Committee monitors achievement against agreed sustainable targets and key deliverables.
- The Sustainability Committee has agreed to have direct oversight of Softcat's social value strategy and initiatives. This will inform the Committee on the additional wider economic, social and environmental benefits being delivered through contracts, particularly for our public sector customers.
- Given the importance of the success of Softcat's strategy of reducing our impact on the environment and further boosting employee inclusivity, the Remuneration Committee of the Board includes performance metrics in the Executive Directors' annual bonus plan in respect of environmental sustainability and employee satisfaction.

→ Read more in our Annual Report on Remuneration on pages 102 to 112 for further details and outcomes.

Case study

Accelerating our growth strategy: acquisition of GDT

Stakeholders considered or impacted:

Softcat announced in September 2026 that it had signed an agreement to acquire GDT. The Board's position for some time has been to retain a strong focus on organic performance and preserving our culture, at the same time as considering acquisitions where there is a compelling case and they can add value for our stakeholders.

Management presented to the Board the potential acquisition of GDT and the Board discussed at length the merits of the transaction. The Board concluded that the acquisition provides multiple routes to value creation. It will create an even stronger Softcat, providing Softcat customers with access to expanded, credible US fulfilment and additional vendor capabilities in high demand infrastructure areas. It will create enhanced value for GDT, through the opportunity to create a broader US-based IT solutions provider via access to Softcat's expansive capabilities and team. In combination, Softcat and GDT will serve as a global partner to customers navigating today's complex IT requirements, backed by a broader service delivery capability, unlocking increased competitiveness and the ability to drive cross-sell and increased wallet share.

The Board specifically considered the beneficial impacts for stakeholders in the proposal. The Board reviewed extensive information about GDT, including its financial performance, customer offerings and employee culture. Ahead of signing the transaction, the Softcat CEO, CFO and other senior managers visited GDT's operations and met with some of its key team members. They reported back to the Board on such visits, noting the similar cultures between Softcat and GDT.

The Board also considered how the deal could create sustainable long-term value. Following further review, the Board agreed that the opportunity to acquire GDT would be beneficial for stakeholders and it approved the acquisition. Section 172 factors were part of the approval, including:

- Likely long-term consequences and relationships with customers, suppliers and others: the acquisition will provide a highly complementary product and service capability, enabling Softcat to deepen its offering in strategically important areas. This has the potential to drive greater longer-term value.
- Employee interests: being able to expand and collaborate on a wider market offering will be in the interests of the Sales teams of both GDT and Softcat. The Board believes that the similar culture between Softcat and GDT will further drive upsides from the combination of the two companies.
- Investors and shareholders: the potential to strengthen Softcat's market position, broaden its capabilities and support long-term sustainable growth to create long-term value for shareholders.

A responsible business for a successful future

This report explains how we act as a responsible Company and our approach to sustainability.

Our sustainability vision

We strive for a sustainable future and one where our people and our planet can prosper

Environmental	Social	Governance
Softcat	People and community	Risk
Supply chain	Education and economy	Reporting
Solutions	Diversity and inclusion	Compliance

Goals

Environmental	Social	Governance
Carbon neutral since 2021	Gender workforce mix of 40% by 2030	Maintain regulatory compliance
100% renewable electricity in offices where possible since 2023	Increase ethnic minority representation	Strong and effective governance
Certified long-term net zero target	Increase management team diversity	Ethical and transparent

Updates and awards

Environmental	Social	Governance
EcoVadis Gold	We feature on the Great Place to Work lists above	Completion of projects to comply with changes in legislation
CRN Sustainability in Tech Awards 2025	£477k in charitable donations	Good progress for a more effective control environment

Alignment with the UN Sustainable Development Goals

Environmental	Social	Governance
12 Responsible Consumption and Production 13 Climate Action	5 Gender Equality 10 Reduced Inequalities	8 Decent Work and Economic Growth 17 Partnerships for the Goals

Highlights

- Continued improvements in diversity
- Non-Executive Directors of the Board engaged directly with Softcat offices
- Highly rated as a great place to work
- Market-leading employee engagement results
- Further developed our climate-related opportunities
- Carbon removal of all of Softcat's scope 1, scope 2 and operational scope 3 emissions for FY2026
- Our climate emissions data has been externally assured
- Detailed analysis undertaken of the net zero journeys for most of our supply chain

Softcat maintains its obligations to pay the right amount of tax as required by legislation and made a significant tax contribution to the UK economy of £241.1m for the year

£241.1m

Our people

Diversity as at 31 July

Gender breakdown

Board of Directors

	Female	Male
	57%	**43%**
26	57	43
25	57	43
24	62.5	37.5
23	57	43

Senior Leadership Team

	Female	Male
	44%	**56%**
26	44	56
25	44	56
24	40	60
23	33	67

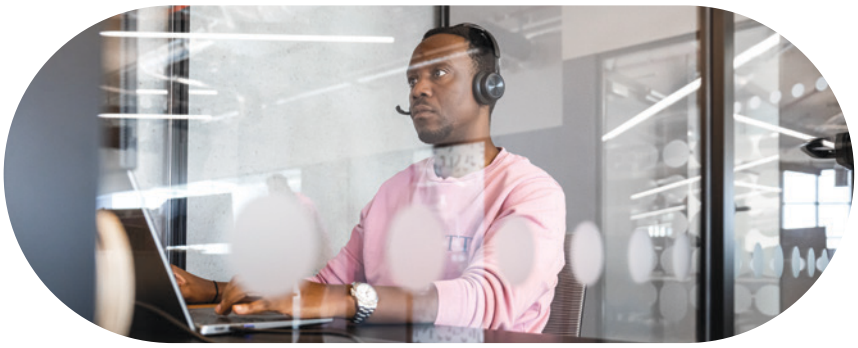
Total permanent employees

	Female	Male
	38%	**62%**
26	38	62
25	37	63
24	36	64
23	35	65

Ethnicity breakdown

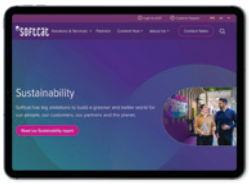
Total permanent employees

	Ethnic	White British and white other
	22%	**78%**
26	22	78
25	18	82
24	17	83
23	17	83



Read more online

Scan to visit our website
www.softcat.com/about-us/sustainability



People

A special place to work that will always put our people and culture first.

Introduction

Our people tell us there are several features of our culture that make us truly unique. Most importantly, we give our employees a voice to tell us what they really think. We have accessible leaders who keep close to the reality of what's happening in the business. Recognising our people for their contributions is something that we've always prided ourselves on. We're investing heavily in our office spaces and believe that we operate in the best of both worlds by having the flexibility to work from home and also have a connection to an amazing workplace.

We also lead the way in our social commitments as a responsible business that gives back to the world and communities in which we operate. We provide our employees freedom to operate within a framework so as not to lose any of that entrepreneurial spirit that made us so successful in the first place. And finally, we keep things simple. For our people and our customers.

Growing the team and increasing belonging, in a socially conscious way

During FY2026, we continued to invest in the things that make Softcat a special place to work: our culture, employee networks, accessibility, social mobility and the positive impact we can have in our communities. We want our people to feel they belong, have fair access to opportunities and can do their best work. Employee belonging remained strong at 85% in our latest employee satisfaction survey, 14% above the benchmark for similarly-sized businesses.

Our recruitment approach continues to support what makes Softcat distinctive. We combine early careers talent with experienced hires, building capability from within while bringing in external expertise where it adds value. Early careers routes remain especially important in sales and help us broaden the talent pool we hire from, supporting our ambition to become a more diverse organisation.

Diversity and inclusion in numbers (as of 31 July 2026)

38%

Women represented 38% of employees, keeping us on track to meet our ambition of 40% by 2030

35%

Over 35% ethnic representation in our apprenticeship scheme and nearly 60% women in our intern scheme

22%

Ethnic minority representation was 22%, ahead of our ambition to be in line with the UK population of 18%

584

Across the year, we welcomed 584 new hires and supported 383 internal moves, helping people grow their careers whilst bringing new skills into the business

In addition to improving the representation of women in the business, Softcat featured in the Great Place to Work® Best Workplaces for Women 2026. We were delighted to rank in the top 10 in the Super Large category, an improvement of three places since last year. This reflects our drive for a workplace where people feel valued, supported and able to be themselves, regardless of gender. Whether through our Women in Business network, our managers, our Diversity & Inclusion team or the everyday actions of colleagues across the business, each of us play a part in making Softcat a great place to work for everyone.

Best Workplaces™ for Women
Great Place To Work. UK 2026

Employee voices

"Vibrant positive culture unlike any I've experienced – the warmth, team-work and resolve to get things done with a smile is worth its weight in gold!!"



Belonging at Softcat

Our twelve network and community groups continued to play a big part in helping people feel they belong, giving colleagues space to connect, learn and take action. This included the launch of Altcats, a community for employees who are part of, or interested in, alternative subcultures.

Across the year, our groups hosted 32 events, including Black History Month, Menstrual Health Day, Pride Month and Armed Forces Celebration Week.

A key milestone was the launch of our women's health community group, creating a safe space to talk about women's health at work, signpost support and help allies feel more confident having conversations about the topic. We also introduced women's health boxes across all offices and launched our Period and Menstrual Health Policy, helping to remove stigma and encourage more open conversations.

Our faith at work network also grew, with membership increasing across our Christian, Sikh and Muslim subgroups and new groups launching for Judaism, Buddhism and Hinduism. We introduced more multi-faith rooms in offices and supported events such as Vaisakhi and Ramadan celebrations, giving colleagues more opportunities to learn from one another.

Disability inclusion

In FY2026, we began a five-year accessibility programme in partnership with the Business Disability Forum and sustained Disability Confident Level 2 status. Using the Disability Smart framework, we are strengthening our workplace adjustments process, improving guidance and training, and reviewing the employee lifecycle so our processes, environments and everyday experiences become more accessible.

Partnerships remain important because they give us specialist expertise, external challenge and a clearer view of what good looks like. Alongside the Business Disability Forum, we joined Inclusive Employers to help us keep building more inclusive and accessible practices across the business.

Social mobility

Social mobility was a focus area in FY2026. Completing the Social Mobility Index gave us a clearer view of where we can improve our outreach, measurement and early careers pathways. In FY2027, we plan to scale work experience through virtual and employee-led options, increasing access from around 20 students to more than 1,500 each year. This will help more young people build insight, confidence and employability skills, particularly where routes into the technology sector may not be obvious.

1,500

planned work experience placements for FY2027

UK Real Living Wage

Being a UK Real Living Wage employer is one of the ways in which we support employees and recognise the contribution they make. We choose to go beyond the legal minimum wage, helping provide greater financial security and reassurance with the everyday cost of living. Most importantly, it reflects our commitment to helping employees feel valued, respected and supported inside and outside work.

Community impact

Our Love2Give charity community continued to show the strength of Softcat's community culture. The bi-annual Love2Give Ball raised a record-breaking £408,486 for 32 chosen charities, including this year's Company-wide employee-chosen charities of Social Bite, Save the Children and Lyra. Other fundraising throughout the year took total charitable fundraising to £477,471 in total.

£3.98m

Charitable donations to date since Softcat was formed as a business now stand at a remarkable £3.98m



People continued

Health and wellbeing

Across the year, we delivered a health and wellbeing programme designed to make support visible, accessible and meaningful. Monthly activities and dedicated Health and Wellbeing Weeks covered a wide range of topics, helping employees manage work-life balance, look after their wellbeing and feel part of a supportive community. Activity was shaped around our four wellbeing pillars:

Life

Life supported employees with day-to-day work-life balance through sessions and resources on resilience, self-care, motivation, confidence and goal setting.

Mind

Mind strengthened the mental wellbeing support we offer through our Mental Health First Aider network, who took part in specialist domestic abuse training. Other highlights throughout the year included Mental Health Awareness Week, employee panels and sessions on mindset, stress and emotional wellbeing.

Body

Body gave employees opportunities to prioritise physical health through topics including nutrition, posture, heart health, fertility, hormonal health, mindfulness, movement and healthy living.

Social

Social brought employees together through wellbeing events, quizzes, brain teasers, Menstrual Health Day conversations and sharing experiences.

Strong participation shows that employees value practical, relatable wellbeing support and the chance to connect with each other. We will continue to build on this commitment throughout FY2027.

External recognition

We received plenty of external ESG recognition throughout the year and we were particularly pleased to be awarded the Employer Recognition Scheme Gold Award by the Ministry of Defence, which is the highest level of recognition available under the Armed Forces Covenant for employers supporting the Armed Forces community.

Other external recognition included the WORK180 Equitable Workplace Award, CRN Sustainability Social Impact Award and Birmingham Women's and Children's Hospital Charity 100 Heroes Award.

Developing talent, driving performance

Softcat continues to invest in continuous learning across the business. By giving employees the skills, knowledge and opportunities to grow, we help people reach their potential and deliver high performance. This commitment was recognised externally, with Great Place to Work ranking Softcat fifth in the UK's Best Workplaces for Development 2026.

Building the next generation of talent

Early careers programmes remain a cornerstone of our talent strategy, giving school and university leavers a strong foundation for long-term career success.

Our apprenticeship programme continues to receive national recognition. During FY2026, we were shortlisted for Best Apprenticeship in IT at the Apprentice Guide Awards, nominated by CRN for Best Apprenticeship Programme, and climbed 20 places to 29th position in the Department for Education's Top 100 Apprenticeship Employers 2026.

29th

place at the Department for Education's Top 100 Apprenticeship Employers 2026

Modernising learning for a changing business

A core priority for our Learning & Development team is ensuring employees have the skills and support required to succeed in a rapidly evolving industry.

Throughout FY2026, the team worked closely with Sales leadership to design programmes that will modernise learning across the sales community. Launching in FY2027, these initiatives will use AI-enabled tools to make learning more personalised, agile and practical. We also continued our successful Client Director development away days following last year's pilot.

In Tech & Services, we launched a new career pathways framework with clearer progression through professional and management routes. This helps employees deepen their expertise, explore leadership ambitions and navigate their careers with confidence.

Investing in tomorrow's leaders

Leadership and management capability remained a key focus. This year, we delivered additional management workshops to more than 350 managers in Sales, giving them practical coaching, feedback and development tools to drive performance, strengthen collaboration, manage conflict and lead meaningful capability conversations.

During FY2026, two new cohorts completed our mid-level Leadership Foundations Programme, while a further cohort completed the senior Leadership Development Programme. Delivered in partnership with Softcat's Senior Leadership Team, the programme combines practical leadership insight with mentoring, helping participants build the skills and confidence to lead successfully in the future.

Property and workplace

Office portfolio development and strategic validation

During the previous financial year, we delivered a £10m+ capital investment programme across London, Birmingham and Bristol. Twelve months of post-occupancy data shows the impact of that investment. Daily office attendance increased by 19–30% across the three locations, monthly customer visitor numbers rose by 37–255%, and Bristol recorded a 32-point uplift in employee net promoter score. These results reinforce our belief that modern, well-designed office spaces help people connect, support customers and strengthen team satisfaction.

19–30%

daily attendance increase across our three new offices

In FY2026, we continued this momentum with strategic relocations in Manchester and Dublin. Both spaces significantly increased capacity, and Manchester includes FitWel and SKA Silver environmental credentials. We are targeting these credentials across all UK projects as standard, embedding workplace health and environmental performance into our real estate strategy.

fitwel®

Facilities management and governance

This year, we consolidated global facilities management with a single strategic partner, improving efficiency, standardising service delivery and streamlining compliance oversight. We also appointed a dedicated Health, Safety and Security Lead, strengthening our management of legislative compliance across the UK, Ireland and international locations, while providing clearer accountability for employee wellbeing and corporate security.

Manchester



Dublin



Glasgow



People continued

Employee engagement

Our annual employee engagement survey was completed in October 2025. Overall engagement increased to 91%, up from 88% in 2024, and the employee net promoter score rose from 55 to 56.

This year, we also introduced new KPIs, including manager effectiveness, inclusion, intent to stay and experience versus expectations. Looking at a broader set of measures gives us a richer view of the employee experience at Softcat.

Across all KPIs, results remained industry-leading and ahead of external benchmarks from our employee engagement platform provider, Qualtrics. The survey was completed by 77% of employees, with strong representation across all business areas. We see this as a positive sign that employees are engaged in helping us maintain and improve Softcat's unique culture.

Employees also shared 3,023 comments about their experience of working at Softcat. This feedback gives us deeper insight into what is working well and where we can continue to improve.

We place real emphasis on listening to employee feedback and acting where we can. For example, employees told us that the language used to describe teams outside Sales did not fully reflect the value those teams bring. One comment captured this clearly:

Following further discussion with employees, we announced that functions outside Sales will now be referred to as 'Core Functions' – a direct response to employee feedback.

Other ways to listen

Another way we listen is through our management survey, which is sent to more than 500 people managers three times a year. This regular pulse check helps us stay close to employee sentiment throughout the year and provides a platform for peer-to-peer feedback and celebration of teams providing excellent service. Results are shared with the Board, leadership and management teams.

Employee engagement remains a key focus at Board level. The eNPS metric is included in the Executive Directors' annual bonus and was added to the rest of the Senior Leadership Team's annual bonus this year.

A great place to work in the UK, the US and Ireland

Softcat is consistently rated as one of the UK's top employers and we are now also certified as a Great Place to Work in the US and Ireland. This year, we were delighted to rank fourth in the Super Large category for the UK's Best Workplaces, climbing several places from last year and surpassing featured competitors. We also retained our status as a certified Best Workplace for Development, Wellbeing and Women.

Internal recognition

Recognising high performance and celebrating success is central to Softcat's culture. One way we do this is through our half-year and full-year incentive trips. Earlier this year, 252 employees took part in four half-year incentive trips to Athens, each hosted by members of our Leadership Team. These trips receive excellent feedback and help colleagues build connections, strengthen networks and preserve our culture.

In response to feedback from the 2025 engagement survey, we will increase the number of incentive places for colleagues in Core Functions, ensuring high performance outside Sales is recognised more fully.

People technology

Across the last twelve months Softcat has continued its investment in technology by upgrading its legacy Payroll and Core HR platforms to People Central, a fully integrated, best in breed platform. This programme was delivered on time and budget and has now completed stabilisation with all employees live.

This investment has simplified HR and payroll processes and reporting, whilst laying the foundations for future improvements to our employee and manager experiences, as well as introducing AI opportunities to reduce unnecessary administrative burden.

Employee voices

> "I think Softcat could use a rebranding of 'Sales' and 'Non-sales' i.e. Sales and the rest, when Sales would not be able to function without us. It's a small thing that I think would make a big impact."







Ethical behaviour

As the UK's largest value-added reseller, we aim to meet the expectations of our customers, vendors and shareholders by maintaining high standards of conduct. Our values (see page 2) support ethical behaviour, helping us create a positive working environment, meet our legal obligations and empower employees to operate in a customer-focused way.

We have formal policies, supported by our Employee Handbook, which serves as our Code of Conduct and sets out the standards of behaviour expected of all Softcat employees and anyone working on our behalf. Together, these documents provide a clear framework for complying with relevant laws, acting ethically and respecting the rights of employees and other stakeholders. Senior management regularly reviews and updates our key policies to ensure they remain relevant and effective. Our core value of 'Responsibility' underpins this approach, helping employees recognise that their actions, attitudes and decisions matter to our key stakeholders.

Potential human rights risks can arise in any business or supply chain, including labour issues, unsafe working conditions, bribery and corruption. We comply with the annual reporting requirements under Section 54 of the Modern Slavery Act 2015, and our approach to preventing modern slavery forms part of our wider corporate responsibilities. We expect the organisations we work with to adopt and enforce policies that comply with relevant legislation, and we review the public disclosures of our largest vendors to assess whether their modern slavery practices align with our values. This year, we updated our Modern Slavery Statement, which should be read with our Modern Slavery Policy, both of which are available on our website. We provide employee training where appropriate, including as part of induction for new starters, and share additional disclosures on modern slavery and other corporate responsibility matters when required for large public sector tenders.

We do not currently operate a specific human rights policy as most of our business is focused in the UK and in jurisdictions where human rights are well observed and already protected. Management is, however, keeping this under review.

Fraud is a constant threat which can have a considerable impact on our business and stakeholders and a key part of anti-fraud management comes from good awareness of the types of fraud perpetrated. Employees receive fraud awareness training to protect our business and important stakeholders such as our customers. The Audit and Risk Committee also receives regular reports from management on steps taken to detect and prevent any fraudulent attempts and it exercises oversight to ensure that robust anti-fraud controls are in place. Management has put in place processes to ensure we are compliant with the corporate offence of failure to prevent fraud under the Economic Crime and Corporate Transparency Act 2023.

We operate a Speak Up hotline to widen employees' channels to raise any issues they may encounter. This provides an externally provided, secure and confidential channel to voice issues, in addition to internal channels already available. Employees may use this channel to raise issues anonymously.

We have a detailed anti-bribery, corruption and tax evasion policy, which is regularly reviewed by management to ensure it is comprehensive, relevant and practical. Employee training is provided where appropriate, including at induction. We have a zero-tolerance approach to bribery, corruption and tax evasion and are committed to acting professionally, fairly and with integrity in all our dealings. The policy sets out examples of business conduct which are unacceptable and the procedures to prevent bribery, corruption and tax evasion. We also operate a register which requires all employees to obtain approval from their line manager and to disclose any gifts or hospitality received or given which are valued over the applicable disclosure thresholds. Guidance on accepting or giving gifts and hospitality is contained in the policy and the gifts and hospitality register is reviewed regularly by management. If employees have any questions about the policy or the register, they are encouraged to talk to the Legal Director & General Counsel or the Company Secretary.

Softcat publishes twice-yearly details of its payment practices to its trade suppliers. We take these responsibilities seriously and management continue to maintain a good performance in respect of invoices paid within agreed terms.

The Group adopts an open and honest relationship when dealing with Government agencies. For example, the Board approves Softcat's tax strategy, which is published on our website (www.softcat.com/corporate-responsibility). The tax strategy outlines our approach to dealing with HMRC and confirms our primary tax objective is to pay the right amount of tax, in the right jurisdiction, at the right time, as dictated by legislation.

Tax contributions

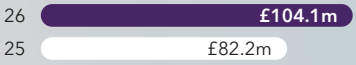
Corporation tax

£50.5m



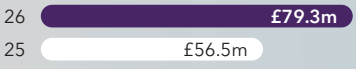
Employment tax

£104.1m



VAT

£79.3m



Other rates/tax

£7.2m



Environment, climate change and Climate-related Financial Disclosures ('CFD')

We remain committed to take action on greenhouse gas ('GHG') emissions and adapting to a changing climate, as explained below.

Renewable electricity across all Softcat locations where possible



EV pool cars



Introduction

This section explains our approach to sustainability and includes the disclosures required by the UK's Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022 ('CFD').

Our disclosures are also in line with the requirements of the UK Listing Rules published by the UK's Financial Conduct Authority ('FCA').

We are monitoring developments in the UK sustainability reporting landscape following the publication of UK Sustainability Reporting Standards ('UK SRS') S1 and S2 by the UK Government in February 2026, which are available for voluntary use. The Sustainability Committee notes that the Financial Conduct Authority (FCA) has recently published the outcomes of their consultation on how and when listed companies should 'comply or explain' with UK SRS. We have already started a gap analysis of our activities, processes and disclosures against UK SRS and we have a good high-level view of the next steps the Sustainability Committee will need to consider.

UK SRS will apply from FY2028 and we will continue to monitor this and any other relevant regulatory developments.

We continue to make changes within the business to support our approach to climate change. This year has focused on gaining a much clearer understanding of the net zero journeys of our largest vendors and how those align to our ambition to be net zero by 2040. We are also developing enhancements to our customer offerings, which will make it easier for our customers to make sustainable purchasing decisions. The Board has ultimate responsibility for maintaining relationships with Softcat's stakeholders and we have formally delegated authority to our Sustainability Committee to provide additional focus. This report should be read in conjunction with the Sustainability Committee report on pages 91 to 93.



Read more online
More information about our approach to sustainability is on our website at www.softcat.com/sustainability

FTSE4Good

Softcat is a constituent of the FTSE4Good Index Series – an index of companies that demonstrate strong environmental, social and governance practices, measured against globally recognised standards.

SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

Softcat's net zero targets have been approved by the Science Based Targets initiative ('SBTi'). Softcat was the first IT reseller in Europe to receive this.

Key sustainability highlights and progress

These highlights demonstrate our continued commitment to embedding sustainable practices across our operations and delivering long-term value for all stakeholders.

Climate-related Financial Disclosures

Since 2022, we have made steady progress to reach full compliance with the Climate-related Financial Disclosures ('CFD') requirements. This year we conducted a refresh of our detailed climate scenario analysis, where we reviewed our selected climate scenarios and reassessed our key physical and transition risks and opportunities across the business.

→ Read more about our compliance on pages 42 and 43 and about our climate-based scenario analysis on pages 46 to 51.

Greenhouse gas ('GHG') emissions

We remain committed to taking action on GHG emissions. We have obtained independent external assurance on our emissions data and continue to gather product-level emissions data from our suppliers to help our customers make more informed sustainability choices. We are increasing the focus of collaborating more closely with our supply chain. This includes our supplier frameworks containing expectations for suppliers to engage with us so we can understand their net zero plans. We also hold product councils with some of our most important vendors which will in future include a product sustainability assessment. These actions increase the profile of sustainability with the largest vendors in our supply chain and will allow us to better determine how their net zero plans will impact our scope 3 emissions trajectory in the longer term.

→ Read more about our CO_2 targets on page 53.

Reducing our carbon footprint

In line with a five-year review cycle of our net zero programme, in FY2027 the Sustainability Committee will conduct a formal review of our greenhouse gas emissions baseline, assumptions and decarbonisation pathway to lay the foundations of a structured transition plan. As part of our ongoing commitment to our net zero targets, and recognising the continued maturity of our supply chain and growth of our business, we continue to monitor and review our progress and the data available to us. Where this data identifies a need to adapt our approach or targets, we will make the necessary changes to ensure they remain relevant, credible and aligned with our evolving business, supply chain, and customer demand.

Softcat's Glasgow office is located within Cadworks, one of the most sustainable office developments in the city. The building is claimed to be net zero carbon in operation and holds leading environmental and wellbeing credentials, including BREEAM Excellent, EPC A, ActiveScore Platinum, and WiredScore Platinum certifications. The development supports low-carbon commuting through extensive cycle facilities and uses renewable electricity throughout the office, reflecting Softcat's wider commitment to environmental sustainability and net zero emissions.

+400MWh

generated by our solar panels to date

→ Find out more about our carbon reduction plans on page 53.

Our commitment to sustainability

Approach to sustainability

To make sure we considered the right aspects for our business, we started our journey by identifying the most relevant areas of the United Nations Sustainable Development Goals ('SDGs'). These areas have not changed since last year:



Achieve gender equality and empower all women to achieve their goals.



Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.



Reduce inequality within and among countries.



Ensure sustainable consumption and production patterns.



Take urgent action to combat climate change and impact.



Strengthen the means of implementation and revitalise the global partnership for sustainable development.

The outputs from the materiality assessment conducted in 2022 with employees, customers, suppliers and vendors helped to confirm our areas of focus. As part of our preparation for UK SRS, we undertook a double materiality assessment (DMA) which will further inform our approach to sustainability.

Action on climate change

The Board recognises that climate change may have business and financial impacts, creating both risks and opportunities for Softcat. We are responsible for managing those risks and realising those opportunities where appropriate. We believe our business has good resilience against the impacts of climate change and we are taking steps to make it easier for our customers to reduce their impact on the environment. As we move toward the formal review of our SBTi baseline emissions target in 2027, we are carefully monitoring progress against the ambitious targets approved by the Board in 2020. The Board fully supports the adoption of CFD, which will help Softcat's stakeholders focus their efforts on achieving net zero and adapting to a changing climate.

The following disclosures are aligned to the four thematic areas of the CFD: governance, strategy, risk management, and metrics and targets. We have provided a summary of our compliance against the recommended disclosures with a reference table detailing where disclosures are located in this report.

We continue to refine our approach to identifying, assessing and managing our climate-related financial risks and opportunities. This includes an annual formal assessment of evolving risks to ensure our business remains resilient and a similar assessment of opportunities, which reflect internal or external changes. We refresh any detailed climate scenario analysis at least every three years. FY2026 was a full refresh year where we reviewed our selected climate scenarios and reassessed our key physical and transition risks and opportunities across the business. This included benchmarking the completeness of our assessment against peers and leading practice, reviewing our business strategy, technology landscape and customer needs, and evaluating whether these developments create any new climate-related exposures or opportunities. Any new or updated risks and opportunities identified through this process were then assessed and scored using the same methodology applied in previous years, as described on page 46. This has further strengthened our understanding of climate-related impacts and informed future planning and decision-making.

> **"Our business has good resilience against the impacts of climate change and we are taking steps to make it easier for our customers to reduce their impact on the environment."**

Key activities in FY2026

Governance/strategy	The Sustainability Committee reviewed and endorsed guiding principles for sustainability which supports the articulation of the sustainability strategy, which is aligned to Softcat's overall strategy. The Committee also oversaw Softcat's assessment of readiness against UK SRS, including a gap analysis and outline of an action plan to identify desirable or required enhancements to governance, processes, controls and reporting capabilities.
Strategy	Building on previous work, we undertook our annual financial impact assessment of our climate-related risks and opportunities, including a full refresh of both our physical and transition scenario analyses. A summary of the process and results is provided on pages 46 to 51 and we consider the business remains resilient to the risk of climate change.
Risk management	We continue to refine our methodology for assessing climate-related risks and opportunities. Please see pages 46 to 51.
Metrics and targets	The annual bonus plan for Executive Directors retained its non-financial element which includes strategic or key operational actions on sustainability. Please see pages 53 to 56.
	We are more clearly defining our opportunity metrics and actions to take advantage of the move to a lower-carbon world. To fully realise the potential, we plan to provide more data to customers on the sustainability of products to improve the sustainability-related elements of our offerings. This will need further actions, common alignment and the ongoing support of other stakeholders, particularly our vendors.
	In line with the five-year review cycle of our net zero ambition, we have started the process to review our emissions baseline, assumptions and decarbonisation pathway to ensure they remain appropriate in the context of business growth, any relevant changes in our business and customer demand. We expect to formally conclude the review next year. The review will help ensure our targets and basis of targets reflect the latest understanding of our emissions profile and decarbonisation opportunities, while maintaining our long-term commitment to net zero. It will also lay the foundations of a structured transition plan.
	The vast majority of employees have undertaken training on climate change.
	Our overall reported greenhouse gas emissions and electricity consumed for FY2026 are shown on pages 55 and 56. These include explanations for year-on-year changes in reported emissions.



TCFD cross-reference and compliance table

Our disclosures are as required by the CFD. They also meet the requirements of the Financial Conduct Authority's ('FCA') Listing Rule 6.6.6R in respect of the recommended disclosures from the Task Force on Climate-related Financial Disclosures ('TCFD'). We have concluded that we comply with all eleven recommended disclosures, as set out below, an improvement from the ten reported last year.

We cross-refer to where the disclosures, in relation to the CFD and Listing Rule 6.6.6R, are in this Annual Report.

UK CFD required disclosures	FCA Listing Rule 6.6.6R – TCFD recommended disclosures	Cross-reference (within this Annual Report) or reason for non-compliance	Comments and next steps
Thematic area: Governance			
A description of the governance arrangements of the Company in relation to assessing and managing climate-related risks and opportunities.	1) Board oversight of climate-related risks and opportunities.	(Pages 43 and 44) **Compliant**	The Sustainability Committee monitors climate-related risks, opportunities and disclosures and reports to the Board.
	2) Management's role in assessing and managing climate-related risks and opportunities.	(Pages 43 and 44) **Compliant**	The CFO is the executive lead for sustainability, supported by the Operations Director and our Sustainability team. They form part of a comprehensive governance framework to manage climate change risks and opportunities.
Thematic area: Strategy			
A description of: (i) the principal climate-related risks and opportunities arising in connection with the operations of the Company; and (ii) the time periods by reference to which those risks and opportunities are assessed.	3) Climate-related risks and opportunities the organisation has identified over the short, medium and long term.	(Pages 47 to 51) **Compliant**	We have reviewed our selection of climate change risks and opportunities and refreshed our scenario analysis across future milestone years of 2028, 2035 and 2045. Consistent with the last three years, we have also undertaken a further financial impact assessment of our future climate-related risks and opportunities, to improve our understanding and management of them.
A description of the actual and potential impacts of the principal climate-related risks and opportunities on the business model and strategy of the Company.	4) Impact of climate-related risks and opportunities on the business, strategy and financial planning.	(Pages 47 to 51) **Compliant**	No material or catastrophic net risk exposures have been identified in the time horizons assessed. We integrate climate-related planning into our key strategic planning. In particular, during the year management discussed with the Sustainability Committee opportunities being progressed to make it easier for our customers to make sustainable purchasing choices and to take advantage of circular IT products and services.
An analysis of the resilience of the business model and strategy of the Company, taking into consideration different climate-related scenarios.	5) Resilience of strategy, taking into consideration different future climate scenarios.	(Pages 47 to 51) **Compliant**	Through our climate scenario analysis of risks, mitigating actions and potential opportunities, we believe our business is resilient to climate change in the time horizons assessed. We continue to review how climate change may impact our strategy.
Thematic area: Risk management			
A description of how the Company identifies, assesses and manages climate-related risks and opportunities.	6) Processes for identifying and assessing climate-related risks.	(Page 52) **Compliant**	Using our internal risk management framework, we further evaluated the potential financial impacts of climate-related risks and opportunities, strengthening our approach to managing these issues. As we evolve our offerings and work more closely with our supply chain to understand their net zero plans, we will increase our level of knowledge on climate-related risks.
	7) Processes for managing climate-related risks.	(Page 52) **Compliant**	We explain in our assessment of climate-related risks the mitigating actions which we can take or have taken. Through our financial impact assessments, we have strengthened the management of climate-related risks and opportunities by applying our established risk management framework. Any climate-related or sustainability risks identified as requiring formal escalation would be managed through the same governance, escalation and oversight processes as our corporate risks.
A description of how processes for identifying, assessing and managing climate-related risks are integrated into the overall risk management process in the Company.	8) Processes for identifying, assessing and managing climate-related risks integrated into the organisation's overall risk management.	(Page 52) **Compliant**	We have conducted workshops to identify and evaluate climate-related risks and opportunities. Climate considerations are incorporated into our broader risk governance arrangements, enabling a consistent approach to prioritisation, oversight and management. We will continue to review these issues regularly as the business and external environment evolve.

UK CFD required disclosures	FCA Listing Rule 6.6.6R – TCFD recommended disclosures	Cross-reference (within this Annual Report) or reason for non-compliance	Comments and next steps
Thematic area: Metrics and targets			
The key performance indicators used to assess progress against targets used to manage climate-related risks and realise climate-related opportunities and a description of the calculations on which those key performance indicators are based.	9) Metrics used to assess climate-related risks and opportunities.	(Pages 52 to 56 and pages 94 to 112) **Compliant**	The annual bonus plan for Executive Directors includes a non-financial element in respect of the achievement of strategic or key operational steps on sustainability. During FY2026 we set an internal carbon pricing metric in respect of three emissions categories: business travel, employee commuting and waste. The Committee reviewed the cost to offset the emissions, purchased via certified carbon removals. Our annual customer satisfaction surveys also collected valuable data and feedback to help us better define and realise opportunities.
	10) Scope 1, scope 2 and, if appropriate, scope 3 greenhouse gas emissions, and the related risks.	(Pages 52 to 56) **Compliant**	We disclose our emissions, which cover scope 1, 2 and 3 with prior year data to support trend analysis. Softcat's net zero targets have been approved by the SBTi, using our FY2021 emissions as our baseline year.
A description of the targets used by the Company to manage climate-related risks and to realise climate-related opportunities and of performance against those targets.	11) Targets used to manage climate-related risks and opportunities and performance against targets.	(Pages 52 to 56) **Compliant**	We have a defined approach to risk appetite on the level of risk that we are willing to accept in the pursuit of a specific objective or strategy (see page 58). Our Sustainability team continues to review further opportunities, particularly the IT 'circular economy' and other opportunities to sell more sustainable products and services to our customers. Our net zero targets have been approved by the SBTi. In line with the five-year review cycle of our net zero ambition, we will conclude a review of our emissions baseline, assumptions and decarbonisation pathway. Our ten in ten plan sets out various success criteria to help customers purchase sustainable products and services.

Governance

The Board retains ultimate responsibility for the oversight of the Company's strategy. Sustainability is an important issue at Softcat and is discussed both by management and the Board. The Board's approach includes delegating authority to the Sustainability Committee for oversight of our approach to sustainability and climate change.

The Sustainability Committee meets twice per year and is chaired by Robyn Perriss. It is responsible for, on behalf of the Board, setting the sustainability strategy of Softcat, including goals, targets and objectives, and monitoring management's performance against these. Monitoring the effectiveness of management's processes for identifying, assessing and responding to climate-related risks and opportunities has also been delegated to the Sustainability Committee. A report from the Sustainability Committee is provided on pages 91 to 93.

Softcat operates a tiered governance approach on sustainability which ensures that all aspects get the right level of focus in the business. Below the Sustainability Committee we operate a framework which brings together senior managers to further enhance co-ordination on wider ESG issues.

Katy Mecklenburgh (CFO) is the executive lead for sustainability and she is supported by the Operations Director (who is a member of the Senior Leadership Team) who provides executive-level support on strategy and direction. Both Katy and the Operations Director are supported by a Sustainability team, which has full-time responsibility for the day-to-day implementation of sustainability initiatives. The Operations Director and Head of Sustainability attend each meeting of the Sustainability Committee to ensure effective engagement with those responsible for day-to-day management of sustainability.

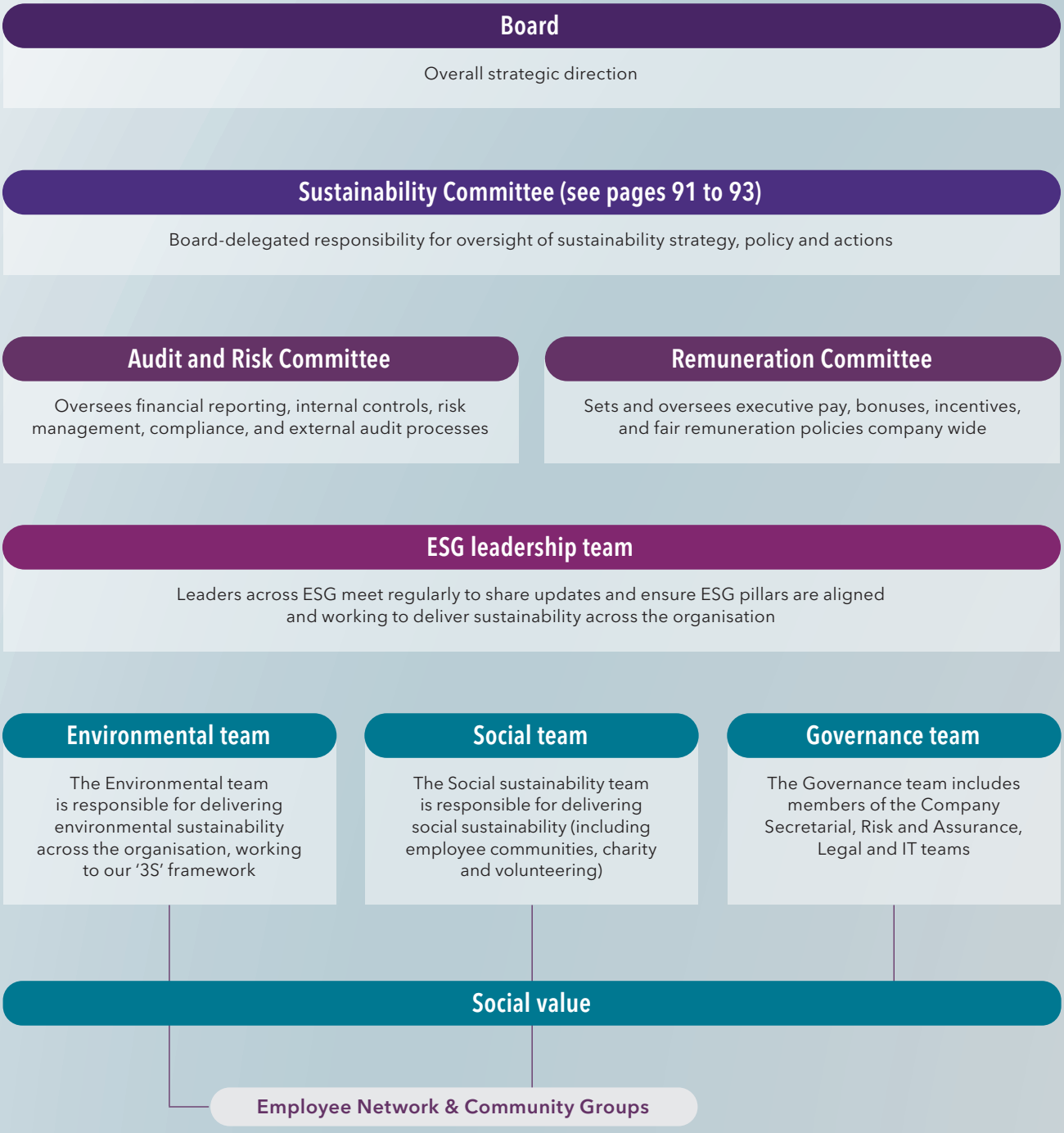
The Sustainability team and the Company Secretary monitor changes in regulation and required disclosures in respect of climate change and discuss this with the Sustainability Committee. Updates on climate-related performance and initiatives are given at each meeting of the Sustainability Committee.

The Sustainability team works with other teams in the business and with external stakeholders to ensure the effectiveness of the climate-related risk assessment process and to explore opportunities. This includes organising initiatives and actions to mitigate these risks and to capitalise on opportunities. The Sustainability team is also supported by external specialists, particularly to ensure effective compliance with disclosures and obligations.

The business retains internationally recognised ISO accreditations including ISO 14001 (Environmental Management) and ISO 50001 (Energy Management) to support its approach to environmental matters. The ISO standards help Softcat to improve its environmental performance through more efficient use of resources, reduction of waste and an improved energy management system.

We undertake annual financial impact assessments of our climate-related risks and opportunities to improve our understanding of potential implications. Our process for assessing the materiality of our climate-related risks (on a gross and a mitigated net basis) is consistent with the process for other corporate risks. All material risks, together with plans to mitigate or manage such risks, are presented and reviewed by the Audit and Risk Committee as part of its responsibility for risk management oversight.

Sustainability governance structure



Strategy

Our approach to sustainability is well aligned to our strategy.

Our exposure to climate-related risks and opportunities is largely indirect and principally related to goods and services procured from our vendors and sold to our customers, often together with value-added services and support. To keep delivering value for our stakeholders, we will continue with efforts to further embed sustainability in our business. During the year, the Sustainability Committee reviewed and endorsed guiding principles for Softcat's approach to sustainability. This serves as an underpin for our sustainability strategy and ensures it is well aligned in the context of the overall strategy of the business. Reviewing our strategy also allows us to focus on the resilience of the business to climate change and other sustainability challenges, as well as the best way to realise potential opportunities for growth.

Our sustainability framework defines our approach, guides our actions and supports how we mitigate and adapt to the impacts of climate change. It also underpins our strategy to grow our customer base and increase sales to existing customers, as sustainability is expected to become an increasingly important factor in purchasing decisions. The framework helps us focus on relevant internal and external factors, manage our scope 1, 2 and 3 emissions more effectively, and work closely with identified stakeholders.

Softcat's framework for sustainability

Our '3S' framework is at the heart of how we identify what is most important in our sustainability strategy and the key elements are:



Softcat

- Continual reduction of emissions that are in Softcat's control
- Use of certified carbon removal/ offset projects to remove/offset unavoidable emissions
- Continual improvement and accuracy of emissions data
- Education of employees to support Softcat and a sustainable future

Supply chain

- Engage suppliers to measure and assess sustainability progress
- Partner with suppliers that support Softcat's sustainability goals
- Integrate sustainability into Softcat's procurement policies

Solutions

- Champion low-carbon, circular, ethically sourced and energy-efficient products
- Empower customers to make educated, sustainable IT spend decisions
- Support customers in adopting and implementing circular IT strategies

We do not envisage that material investments or changes to our business model are required to mitigate the risks of climate change or to take advantage of its opportunities. In particular, we do not envisage the need for additional access to capital to manage climate change and we do not incur any material research and development costs. Our operations are office based, and we work in modern, energy-efficient offices.

Climate-based scenario analysis

In line with UK CFD requirements, since 2022 we have conducted annual climate scenario analyses to better understand the potential risks and opportunities for Softcat against possible climate futures. Working with our external advisers, we refresh the analysis to reflect changes in the external environment and our business. As part of the FY2026 refresh, we also benchmarked the completeness of our assessment against peers and leading practice, considered changes in the technology landscape and customer needs, and evaluated whether these developments could give rise to new climate-related exposures or opportunities. The process also includes a review of existing risks and opportunities, consideration of emerging themes, and assessment of any new items identified to support future planning and decision-making.

We consider three key variables in our scenario analyses: the appropriate physical and transition climate scenarios, the geographical scope of the analysis, and time horizons. For geographical scope, we conduct an annual assessment of our office locations and critical supply chain regions to determine their exposure to physical climate hazards, ensuring the analysis reflects any changes to our office portfolio and operational footprint.

For the scenario analysis to remain effective, we have followed the CFD recommendations to use a divergent range of scenarios. Our assessments are based on the climate scenarios from the Intergovernmental Panel on Climate Change ('IPCC') Sixth Assessment Report ('AR6'), which are known as Shared Socioeconomic Pathways ('SSPs'), as well as transition scenarios from the Network for Greening the Financial System ('NGFS'). The scenarios used are consistent with those applied in last year's assessment. Following a review of available climate scenarios, we concluded that no updates were required for FY2026. We will continue to monitor developments and may update the scenarios in future to reflect new scientific evidence and in line with UK SRS S2.

Physical scenarios	
Low emissions scenario (SSP1-2.6)	A predicted global temperature increase of 1.8°C by 2100, compared to pre-industrial levels. This would bring the world in line with the Paris Agreement of 1.5°C. This is commonly referred to as the best-case and most ambitious scenario.
Medium emissions scenario (SSP2-4.5)	A predicted global temperature increase of 2.7°C by 2100, in line with current climate change policies, pledges and commitments. If the world continues on its current trajectory, this is seen as the most likely scenario.
High emissions scenario (SSP5-8.5)	A predicted global temperature increase of 4.4°C by 2100, where carbon emissions continue growing unmitigated. With no mitigation, this is deemed the worst-case scenario.

Transition scenarios	
Low emissions scenario (Net zero 2050 'NZ2050')	This is an ambitious scenario that limits global warming to 1.5°C by 2100 through stringent climate policies and innovation.
Medium emissions scenario (Nationally determined contributions 'NDCs')	This scenario accounts for all Government-pledged climate targets, even where these are not yet supported by fully implemented policies, resulting in approximately 2.5°C of warming by 2100.
High emissions scenario (Current policies 'CPs')	This is a pragmatic exploratory scenario, which assumes that only currently implemented policies are preserved into the future, resulting in 3°C or more of warming by 2100.

The UK is the most significant location for our operations (representing over 95% of both headcount and revenue). Most of our key vendors also have operations in the UK and overseas. All office locations have been considered in the 2026 analysis. As part of our risk management framework, we conducted our analysis across three time horizons:

Term	Horizon	Milestone year
Short term	2026 to 2030	2028
Medium term	2030 to 2040	2035
Long term	2040 to 2050	2045

The short-term timeframe was selected to align with Softcat's targets approved by the SBTi to reduce GHG emissions by 45% by 2030. The long-term timeframe aligns to our 2040 net zero supply chain ambition. The medium-term time frame is broadly a mid-point between the short and long term.

Consistent with CFD, our assessment covered the following:

Physical risks:

Resulting from climate change events and changes in weather. These can be acute (event driven) or chronic (long-term shifts).

Transition risks:

Associated with the implications from the measures taken to reach a low-carbon economy. These risks can be categorised as policy and legal, technological, market and reputational.

Opportunities:

Realised capitalisation of benefits upon the low-carbon market and technological drivers. These can be from resource efficiencies, energy sources, new products or services, markets and resilience.

Climate-related risks and opportunities

We summarise below the most relevant climate-related risks and opportunities in respect of the emissions scenarios and the time horizons used. Through our analysis, no major or catastrophic net risk exposures were identified in the short-term time horizon. There are opportunities which we continue to explore and develop. We will continue to assess the potential impacts of the most relevant issues over the medium and long term, ensuring that the appropriate responses and mitigative actions are developed.

Our process for assessing the materiality of our climate-related risks uses the same definitions as for other corporate risks. This includes an assessment of the current potential financial impact:

Risk	Potential financial impact
Insignificant	Up to £250k
Minor	£250k–£1m
Moderate	£1m–£5m
Major	£5m–£30m
Catastrophic	Greater than £30m

In 2026, we refreshed our quantitative financial impact assessment of our climate-related risks and opportunities, to further improve our understanding of the materiality of these risks and opportunities and how to manage them. Our impact assessment involved reviewing the identified risks and opportunities with key internal stakeholders and updating the financial impact ratings and associated mitigation measures to reflect the progress we have made since the previous year.

The financial impact definitions were unchanged in FY2026. Therefore, any changes in results compared with last year reflect the outcome of the annual reassessment and scoring process, rather than amendments to the underlying impact thresholds or definitions. These assessments also help to inform any inputs required into the annual operating budget, or other longer-term financial plans, as approved by the Board.

Following the review, we do not envisage that adaptation and transition to a lower-carbon world will require a fundamental shift to the way we do business or a major change to our business model (see pages 8 and 9). We also do not envisage that we will need to make major divestments, acquisitions or other significant capital allocation decisions to take climate change into consideration.

Risks

Identified risk and timeframe	Current or future control measure	Relevant emissions scenario	Potential financial impact – Short	Medium	Long
Acute					
Increased frequency and intensity of extreme weather events which could disrupt Softcat's operations, supply chain and services. **Link to principal risks:** Business interruption (see page 61). **Timeframe of potential materialisation:** Medium, Long	Softcat's largest vendors (see page 3) have the resilience and investment to mitigate the future risk of climate-related risks. We work with a wide breadth of technology partners to reduce concentration risks. We also hold ISO 22301 for Business Continuity, and have recently introduced a Business Resilience Lead role to further strengthen our approach to business continuity. As a reseller, any increases in supplier costs are typically passed through to the customer. Remote/hybrid working is available, providing flexibility during challenging conditions. Alternative workplaces are available if needed to avoid low-lying areas. Our offices are modern and energy efficient. Our insurance cover includes business interruption due to physical impacts, and we perform where possible physical risk assessment processes to inform site selection and adaptation from an insurance and resilience perspective. Our supply chain has previously shown resilience during periods of large-scale disruption, for example during the COVID-19 pandemic.	Low Medium High	● ● ●	● ● ●	● ● ●
Potential financial impacts include: • reduced revenue from lower productivity, limited workforce availability, temporary office closures, and supply chain and transport disruptions; • increased costs associated with office leases; • increased costs for building repair, maintenance and insurance; and • increased energy consumption costs.					

Key to potential financial impact: ● Low ● Medium ● High

Climate-related Financial Disclosures and sustainability continued

Risks continued

Identified risk and timeframe	Current or future control measure	Relevant emissions scenario	Potential financial impact		
			Short	Medium	Long
Chronic					
Long-term temperature increases, rising sea levels, and periods of drought, leading to business disruptions or damaged infrastructure. **Link to principal risks:** Business interruption (see page 61). **Timeframe of potential materialisation:** Medium, Long	Control measures specified above are also applicable for this risk. Softcat leases most of its premises, using modern spaces more resilient to climate change and leveraging energy efficiencies. Remote/hybrid working is available to all employees, providing flexibility during challenging conditions. Business interruption insurance coverage is in place.	Low Medium High	● ● ●	● ● ●	● ● ●
Potential financial impacts include: • reduced revenue due to decrease in productivity, availability of workforce, and office access issues; • increased costs associated with office leases;	• increased costs for building repair, maintenance and insurance; • increased energy consumption costs due to increased cooling demand; and • downtime caused by overheating of equipment, insufficient cooling and shutdowns or outages at data centres.				
Policy and legal					
Increasing policies and regulations that could place new requirements on Softcat, such as enhanced emissions reporting, regulation of critical minerals, and carbon taxes. **Link to principal risks:** Regulatory and compliance. **Timeframe of potential materialisation:** Short, Medium, Long	Softcat's current decarbonisation targets have been submitted to the SBTi. As a reseller, increases in input costs are typically passed on to the customer. Management oversees initiatives to ensure compliance with legislation, taxes, etc. The Sustainability Committee has oversight of sustainability reporting (including impending changes such as UK SRS) and emissions targets. Engagement with our suppliers and vendors on sustainability mitigates potential risks to our supply chain.	Low Medium High	● ● ●	● ● ●	● ● ●
Potential financial impacts include: • increased input costs incurred through vendor and partner products; • increased property costs associated with enhanced building standards;	• reduced revenue from potential termination of relationships with suppliers unable to transition to net zero; • costs from fines or increased carbon taxes; and • reduced investment from non-compliance.				
Technology					
The cost of transitioning to using low-carbon technology and energy sources in Softcat's operations. **Link to principal risks:** N/A **Timeframe of potential materialisation:** Short, Medium	We have signed up to the SBTi. Our offices use renewable electricity where possible and we purchase renewable electricity credits where we cannot use renewable electricity. We operate solar panels at our head office in Marlow. We continue to invest in high-quality, sustainable workspaces. Our offices have modern amenities which are energy efficient. We operate an electric vehicle (EV) car fleet and encourage lower-carbon travel through employee benefits such as an EV car scheme, and a cycle to work scheme.	Low Medium High	● ● ●	● ● ●	● ● ●
Potential financial impacts include: • increased capital allocation to low-carbon technologies and to retrofit office spaces for low-carbon technology; and	• increased cost to accommodate changing energy tariffs.				
Market					
Suppliers being unable to transition to a low-carbon economy at the same pace as Softcat, making Softcat unable to achieve its net zero goal and commitments. **Link to principal risks:** Business interruption; failure to respond to market changes (see pages 60 and 61). **Timeframe of potential materialisation:** Medium, Long	We maintain an ambitious but increasingly challenging net zero target for our operations and supply chain, with progress monitored and reported annually as we progress through Softcat's five-year SBTi target review cycle. As part of this cycle, next year we will complete a review of our target and the metrics we use. We work with our supply chain and with the wider IT industry as part of our framework for sustainability. We have increased our understanding of how their zero goals align to ours. We intend to offer more lower-carbon products when available. We will also partner with suppliers that support Softcat's sustainability goals.	Low Medium High	● ● ●	● ● ●	● ● ●
Potential financial impacts include: • reduced revenue due to a shift in consumer preference for low-carbon products; and	• reduced investment as a result of failure to achieve net zero target.				

Key to potential financial impact: ● Low ● Medium ● High

Identified risk and timeframe	Current or future control measure	Relevant emissions scenario	Potential financial impact		
			Short	Medium	Long
Market continued					
Risks associated with not having a carbon-literate workforce able to promote low-carbon technology to our customers could generate lower customer satisfaction and engagement. **Link to principal risks:** Failure to respond to market changes (see page 60). **Timeframe of potential materialisation:** Medium, Long	We have a Group-wide structure with Board-level oversight for sustainability, including climate-related issues, operational responsibilities assigned to appropriate senior management, and activities and initiatives delivered by local teams. We operate Group-wide training and awareness on climate change, including during induction. Sustainability expertise is embedded within the business through dedicated support roles, such as the Sustainability Customer Enablement Manager. We are developing our sales systems, tools and support. This will make it easier for customers to access more comprehensive product data on sustainability, and to support customer selection of lower-carbon products and solutions. Sustainability objectives are incorporated into remuneration arrangements for the Executive Directors (which are shown in the Remuneration Report) and the Senior Leadership Team.	Low Medium High	●	●	●
Potential financial impacts include: • reduced revenue from lower sales of low-carbon products;	• reduced capital and investment due to lower performance; and • increased expenditure on employee upskilling.				
Reputation					
Negative perceptions from stakeholders as a result of failure to embed sustainability into the business or take action on climate change. **Link to principal risks:** Failure to respond to market changes (see page 60). **Timeframe of potential materialisation:** Short, Medium	We have a clear climate change strategy, focused on both adaptation and mitigation, which includes short-term and long-term targets to reduce carbon emissions. Softcat discloses climate-related and other environmental performance and information through its SBTi and Carbon Disclosure Project ('CDP') submissions. We obtain external assurance in respect of our carbon emissions data and put the assurance statements on the Trust section of the Softcat website.	Low Medium High	●	●	●
Potential financial impacts include: • reduced revenue from customers as a result of impacted market positioning; and	• reduced investment leading to impacted growth strategy and share prices.				
Failure to attract or retain employees due to being viewed as an unsustainable business. **Link to principal risks:** Talent, capability and leadership (see page 62). **Timeframe of potential materialisation:** Short, Medium, Long	Our Sustainability team works extensively with the rest of the business. We widely communicate our goals and progress on ESG and encourage employees to take part in supporting community actions. We authorise up to two paid days each year for employees to take part in volunteering or charitable fundraising activities. We operate Group-wide sustainability training and publish a dedicated annual report on sustainability which covers our most important ESG activities and progress. We have previously undertaken employee satisfaction surveys and received positive feedback on our approach to sustainability.	Low Medium High	●	●	●
Potential financial impacts include: • increased expenditure on recruitment; and	• reduced revenue / slower business growth due to a less effective and less engaged workforce.				
Market					
Use of AI and energy-intensive IT and data services causing an increase of energy usage and demand at data centres, and therefore risk of power outages. **Link to principal risks:** N/A **Timeframe of potential materialisation:** Short, Medium	Softcat maintains business continuity plans to support the continuity of critical operations in the event of service disruption or business interruption. We hold ISO 22301 certification for Business Continuity and have recently introduced a dedicated Business Resilience Lead role to further strengthen our resilience capabilities. Our operations are not located in areas with a known elevated risk of power shortages. We work with established technology and cloud service providers that are responsible for managing the resilience, capacity and energy requirements of their data centre infrastructure.	Low Medium High	●	●	●
Potential financial impacts include: • increased energy consumption prices; and	• risk of power outages and therefore operational downtime.				

Key to potential financial impact: ● Low ● Medium ● High

Climate-related Financial Disclosures and sustainability continued

Opportunities

Identified opportunity and timeframe	Current or future strategy	Relevant emissions scenario	Potential financial impact		
			Short	Medium	Long
Markets					
Engaging employees to understand Softcat's net zero ambitions, green skills and training. **Timeframe of potential materialisation:** Short, Medium	Upskilling Softcat employees on the green skills required for a low-carbon economy can help Softcat strengthen its relations with stakeholders, building reputation and competitive advantage. This can also support Softcat to improve its talent retention and development for its workforce. Ensuring we have a credible approach to sustainability provides a competitive edge to attract and retain talent. We support our employees to benefit from environmental initiatives, such as: an EV car scheme and a cycle to work scheme. We also have hybrid working in place, allowing employees to work some days at home, thus reducing carbon emissions arising from commuting.	Low Medium High	● ● ●	● ● ●	● ● ●
Potential financial impacts include: • increased revenue associated with improved reputation and competitive advantage; and • lower expenditure on recruitment due to improved talent retention.					
Resource efficiency					
Investing in more sustainable technology to improve Softcat's day-to-day operations, such as utilising green energy tariffs and low-carbon office equipment. Adapting working spaces to create a productive working environment in a warmer climate. **Timeframe of potential materialisation:** Short, Medium, Long	Whilst most of our offices already use energy-efficient equipment, this will be kept under review for further opportunities. In the face of rising fossil fuel prices, utilising renewable electricity tariffs may also improve our resiliency. All of Softcat's offices are ISO 50001 certified, with energy management systems in place. Our Marlow office operates solar panels and we consider sustainability improvements when relocating offices. Our employee satisfaction surveys also provide feedback on our offices, allowing us to identify where further improvements can be made.	Low Medium High	● ● ●	● ● ●	● ● ●
Potential financial impacts include: • lower expenditure on energy, and • increased resilience against rising fossil fuel prices.					
Products and services					
Promoting and encouraging the implementation of circular economy practices throughout the value chain. This includes leveraging Softcat's existing products and services, including promoting the sale of energy-efficient and sustainable IT solutions. Positioning Softcat as a thought leader in the industry through engagement with stakeholders to build customer solutions and propositions. **Timeframe of potential materialisation:** Short, Medium	Encouraging circular economy practices and behaviour change on the use of technology and natural resources will contribute to achieving net zero. Doing so presents a potentially strong case, both environmentally and commercially, with potential incremental commercial opportunities. Softcat already operates some of these services and anticipates further opportunities in the future. Through our partners and vendors, we are making plans to better promote low-carbon products and services to our customers. We expect further growth in demand for more energy-efficient and sustainable IT solutions. Taking advantage of this opportunity will also mitigate the risk of failing to evolve our technology offering with changing customer needs.	Low Medium High	● ● ●	● ● ●	● ● ●
Potential financial impacts include: • lower expenditure due to operational savings and longer lifespan of in-use products; and • increased revenue or profit arising from expanding services or developing new services.					

Key to potential financial impact: ● Low ● Medium ● High

Identified opportunity and timeframe	Current or future strategy	Relevant emissions scenario	Potential financial impact		
			Short	Medium	Long
Products and services continued					
Developing new sustainability offerings based on evolving needs in the market, including new products, platforms and services, to increase Softcat's revenue and competitiveness as society transitions to net zero.	We continue to work with our vendors to improve the accessibility and availability of sustainable products and services for customers. This supports our competitive position and enables us to respond to evolving customer preferences and growing demand for lower-impact solutions.	Low Medium High	● ● ●	● ● ●	● ● ●
Timeframe of potential materialisation: Short, Medium	We outline some of our most important carbon reduction actions in our 'ten-in-ten' plan.				
Potential financial impacts include: • increased revenue associated with increased demand for low-carbon products and services, more energy-efficient and sustainable IT solutions and access to new customers; and	• better competitive position to reflect shifting consumer preferences.				
Growing customer demand for AI and data management solutions presents an opportunity for Softcat to deliver services that improve operational efficiency, optimise resource utilisation, and support emissions reduction, while generating additional revenue and strengthening customer relationships	This new opportunity was identified through a review of business developments. As organisations increasingly seek to use technology to improve resource efficiency, optimise operations and support decarbonisation objectives, demand for AI and data-driven solutions is expected to grow and we are well-positioned to support customers.	Low Medium High	● ● ●	● ● ●	● ● ●
Timeframe of potential materialisation: Short, Medium					
Potential financial impacts include: • increased revenue associated with increased demand for low-carbon products and services, more energy-efficient and sustainable IT solutions and access to new customers; and	• better competitive position to reflect shifting consumer preferences.				

Our approach to risk management is set out on pages 57 to 59. New risks, including emerging climate-related issues, are identified and assessed for materiality. There is a Board-approved definition and process for material emerging risks which requires the CFO to escalate promptly any such risk to the Board. Following our assessments of climate risk to Softcat, we are confident that our strategy is resilient against the impacts of climate change due to the nature of our business operations and the breadth of our global technology vendors.

We will refresh scenario analysis and test scenarios as needed, at least every three years or whenever there are significant changes to the assumptions and scenarios used. This will include considering any updates required to align with UK SRS S2. We re-evaluate our climate-related risks and opportunities annually to ensure Softcat remains resilient.

Key to potential financial impact: ● Low ● Medium ● High

Managing climate risk and measuring progress

Risk management

Our risk management framework helps us to identify, assess, monitor and manage risks, including climate change. We recognise that climate change may have an impact on our strategy and operations and have considered these as part of our risk management process.

Climate change is already a component of the risk of failure to respond to market changes when considering the needs of our customers and how products, services and solutions might be affected by the drive towards carbon neutrality (see page 60). We have plans to mitigate the impact of business interruption which may occur, for example, due to extreme weather events. We are strengthening our business resilience, which includes a new dedicated in-house business resilience role. Climate change also provides us with opportunities to help our customers to reduce their environmental impacts and to differentiate our offerings from competitors.

We continue to mature our risk management framework and approach. We operate a risk register for climate change which captures our climate-related risks and opportunities, and their associated business and potential financial impacts. We identify current or future mitigation measures and controls for the risks in order to reduce the impact and likelihood of each arising. We have updated our assessment of climate change risks and opportunities that could pose a financial impact to the business which helped to determine whether the risks and opportunities were still relevant since the last assessment and to reassess these based on our progress over the last year.

There are no material changes this year to our risks and opportunities. We incorporate climate-related risks into our overarching corporate risk management framework. Climate-related risks and their potential financial impacts were validated and scored through a risk review workshop attended by several senior managers in the business.

Given the nature, locations and operation of our business and following our assessment of risks, we believe that the direct impact of climate change on Softcat will be low. Our current view is that we are not materially exposed to climate change as a business and that climate-related risks do not present a material threat to our strategy, long-term viability, liquidity or ability to operate. In respect of assessing physical risks, we incorporate these where possible to inform our site selection and adaptation and we retain business interruption insurance.

None of the actions taken so far or planned to reduce our environmental impact, mitigate identified risks or take advantage of identified opportunities have resulted in a significant financial impact on our business. We continue to assess the likely effects of climate change to ensure our current assumptions remain valid. If we do identify material risks, these will be modelled into our scenario analysis and for longer-term viability assessment and disclosure in future Annual Reports.

The Board is comfortable that climate change has not had a material effect on our accounting judgements and estimates this financial year. It has also determined that climate change has had no material impact on our asset and liability valuations for the financial year. The impact of climate change risks is not currently considered by the Board as a key source of estimation uncertainty.

We are also conscious that there are 'emerging trends' associated with climate that we do not currently expect to impact the business within our financial planning time horizons, which are shorter than the time horizons considered in our climate scenario analysis. Therefore, we have identified emerging trends that may impact the business in the future, and we will maintain a watching brief to track risks which may become of significance.

Metrics and targets

We continue to review our metrics and targets, to ensure they are relevant and meaningful and they align with our overarching strategy. The data we disclose also allows our stakeholders to monitor Softcat's environmental performance.

The Board has approved three key target commitments and the Sustainability Committee monitors progress. Our metrics focus on our GHG emissions and these are assessed through the intensity measurements set out on page 55. The Sustainability Committee has also endorsed the GHG emissions reduction targets approved by the SBTi. Our sustainability initiatives help us to make progress towards our targets:

- our aim is to implement initiatives throughout the business to reduce emissions where possible. We then use certified carbon removals to mitigate our residual impact;
- to use, where possible, renewable electricity across all office locations;
- to work with our supply chain to help it become net zero (by 2040); and
- the SBTi has approved Softcat's targets to reduce absolute GHG emissions by 45% by 2030 for scope 1, 2 and 3 and to reduce GHG emissions by 90% by 2040 (relative to a FY2021 base year).

We remain committed to our long-term ambition of achieving net zero emissions. Like many businesses, scope 3 emissions comprise most of our carbon footprint. We therefore understand that to transition to a low-carbon future and to achieve our current stated net zero target by 2040, we need further actions and the ongoing support of other stakeholders, particularly our vendors, and for their net zero journeys to align to ours. However, we recognise as explained in this report, that achieving our 2040 net zero goal is ambitious and increasingly challenging. In line with the five-year review cycle of our net zero programme, next year we will complete a review of our emissions baseline, assumptions, metrics and decarbonisation pathway to ensure they remain appropriate in the context of anticipated growth and customer demand. This review will help ensure our targets reflect the latest understanding of our emissions profile and decarbonisation opportunities, while maintaining our long-term commitment to net zero.

We retain robust controls to measure our carbon footprint and we obtain limited external assurance on our emissions scope data. Assurance statements are available to view on the Trust section of the Softcat website. Our emissions are disclosed on page 55. Energy consumed primarily relates to our offices and initiatives to reduce energy consumption are shown on page 55.

Given the activities of our business, the use of nature-related resources are not material metrics for Softcat. The Sustainability Committee has been informed of the recommendations of the Taskforce on Nature-related Financial Disclosures ('TNFD'), which is currently a voluntary framework. The Committee also oversees the development of our UK SRS readiness programme, including the assessment of additional metrics, data availability and reporting processes needed to support future UK SRS S2 disclosures.

Progress on our targets on CO_2

Softcat has made commitments and goals on the environmental impact of the business and its supply chain. As mentioned above, the Board has approved a long-term target to become a net zero business, and this will be achieved primarily by completing three key stages:

Timing	Goal	Summary and progress update	Status
2022	Carbon neutral	Since 2022, Softcat has maintained operational carbon neutrality through a combination of emissions reduction activities and the use of certified carbon removals for residual emissions.	Complete
2024	100% renewable electricity	Softcat uses where possible renewable electricity in our offices, which reduces scope 2 emissions and reduces the environmental impact of electricity used. We purchase renewable electricity credits where we cannot use renewable electricity. We also seek to maintain this approach when establishing or relocating to new office locations. Softcat's pool car fleet is fully electric. Our head office in Marlow has solar panels which make a major contribution to the office's energy requirements.	Complete
2040	Net zero supply chain	Softcat is engaging with its supply chain to help it become net zero. To achieve this target, we will need further actions and the ongoing support of other stakeholders, particularly our vendors, and for their net zero journeys to align to 2040. We also anticipate business growth and increasing customer demand for products. For these reasons, achieving this goal is ambitious and increasingly challenging. We will complete a review of our current baseline, targets and metrics as part of the five-year review cycle of our net zero programme. The Government has set a net zero target for the UK by 2050.	Work in progress

As part of our journey to net zero, Softcat has committed to net zero targets and had them validated and approved by the SBTi. The targets approved cover emissions for scope 1, 2 and 3. The SBTi commits the business to reduce its GHG emissions in line with the Paris Agreement, limiting global warming to 1.5°C. Softcat's science-based targets are in line with the emissions reductions required to achieve net zero emissions across its value chain by 2050.

Softcat has developed and updated a carbon reduction plan to support the achievement of the SBTi targets. This includes ten high-level steps over the next ten years (our 'ten in ten' plan), which are designed to help us reduce emissions across all scopes. The ten in ten plan will be regularly reviewed and updated as we continue to refine our metrics and assess the most appropriate actions to reduce emissions over the longer term.

Our ten in ten plan

Goal	Status	Year
Softcat to be carbon neutral across scope 1,2 and 3 (FERA, employee commuting, business travel, waste).	✓	2022
Migration to 100% EV pool fleet.	✓	2023
100% renewable electricity across all locations where possible.	✓	2024
Managed supply chain (75% of revenue with SBTi or net zero target).	✓	2026
Softcat 'Certified Carbon Neutral' services – PAS2060 services migrated to new ISO 14068-1 standard.	◎	2026
100% of deliveries to be completed using low-emission delivery services.	◎	2027
>80% of customers to purchase sustainable products or services.	◎	2028
All suppliers and partners to use 100% renewable electricity across their UK operations.	◎	2029
40% reduction of scope 1 and 2 and 45% reduction of scope 3 emissions.	◎	2030
Zero to landfill across Softcat UK locations.	◎	2031

Key: ✓ **Delivered** ◎ **In progress**

Climate-related Financial Disclosures and sustainability continued

Working with our stakeholders

Partnerships

To support our net zero targets, we work closely with our supply chain, vendors and wider industry and business forums to highlight the importance of reducing carbon emissions. Many of our vendors are committed to operating more sustainably and addressing climate change, and we collaborate with them to understand our respective journeys to net zero.

Softcat is accredited with the internationally recognised sustainable standards below:

Softcat is a participant of the UN SDGs. The SDGs are a collection of 17 interlinked global goals that are designed to be a 'blueprint to achieve a better and more sustainable future for all'.

ISO 14001 sets out the requirements for an environmental management system. It helps organisations improve their environmental performance through more efficient use of resources and reduction of waste.

ISO 50001 specifies the requirements for establishing, implementing, maintaining and improving an energy management system.

Softcat has approved near and long-term science-based emissions reductions targets with the SBTi.



Customers

Most of Softcat's reportable emissions are scope 3, which includes the supply of goods resold and services in our supply chain and on to customers. We have gathered feedback from our customers, which gives us insights on what is important to them on sustainability. The feedback tells us there is customer demand for sustainable products and services and it reinforces our strategy to make it easier for our customers to make sustainable IT spend decisions. We believe this represents Softcat's biggest opportunity to reduce CO_2 emissions, by offering carbon-neutral services and by guiding customers towards sustainable products. However, we consider that there is room to improve the accuracy and consistency of emissions data for the products and services we resell. To address this, we are working with our vendors to enhance the sustainability information we provide to our customers both as part of pre-sales and invoicing solutions. This will help them with their choices throughout the lifecycle of products and services. The Sustainability Committee will consider progress on these matters during FY2027, which will further refine the scale of opportunities available.

Employees

Our employees have a major role to play in the success of our response to climate-related risks and opportunities. Group-wide training has given employees awareness of climate-related issues and the introduction of modern AI-enabled sales support tools provides our employees with further help to meet our customers' needs.

Softcat has 'Green teams' in its offices which help to drive awareness and co-ordinate events associated with sustainability.



Regulatory and other disclosures

GHG emissions

Our emissions have been calculated using the GHG Protocol Corporate Accounting and Reporting Standard (Revised Edition), together with the UK Government Greenhouse Gas Conversion Factors for Company Reporting published by the Department for Energy Security and Net Zero ('DESNZ').

- Scope 1: comprises emissions from our pool cars and natural gas burnt in boilers we control.
- Scope 2: comprises our electricity consumption in leased and owned buildings.
- Scope 3: comprises all indirect emissions (not included in scope 2) that occur across our value and supply chains.

Softcat intensity measurements

We have chosen to present our emissions (scope 1 and 2 location-based) relative to our turnover in order to represent how our emissions are impacted by the growth of our business. We also present, for additional information our emissions relative to the average number of employees.

Commentary on the steps we take to reduce energy consumption and reduce our carbon footprint is provided elsewhere in this report.

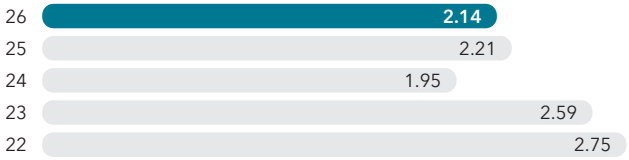
	FY2026	FY2025	FY2024	FY2023	FY2022	FY2021	FY2020	FY2019
tCO_2e/£m	**0.07**	0.14	0.14	0.22	0.21	0.20	0.30	0.51
tCO_2e/employee	**0.10**	0.18	0.16	0.26	0.28	0.23	0.22	0.39

Energy consumption

This disclosure is made in accordance with The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018, which requires certain companies to report on energy consumption and efficiency.

Energy consumed
Million kilowatt hours

2.14



The above figure relates to Softcat plc. It consists of the aggregate of the annual quantity of energy: (i) consumed from activities; and (ii) consumed resulting from the purchase of electricity or certain other energy products. The figure was calculated following UK Government Environmental Reporting Guidelines including Streamlined Energy and Carbon Reporting guidance (March 2019). The aggregate quantity of energy consumed from FY2024 includes energy consumed in our offices in Ireland and in the USA and includes energy consumed by Oakland from FY2026.

Climate-related Financial Disclosures and sustainability continued

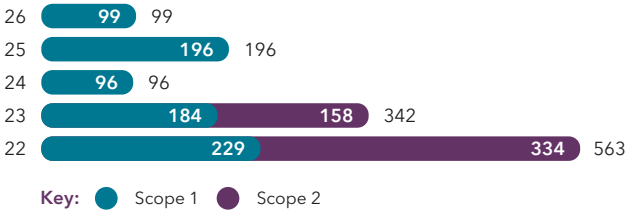
Regulatory and other disclosures continued

GHG emissions continued

GHG emissions are calculated in line with the GHG protocol Corporate Accounting Standard, primarily using UK Government GHG conversation factors from the Department for Energy Security and Net Zero (2026). Where appropriate, country specific conversion factors were used for operations outside of the UK.

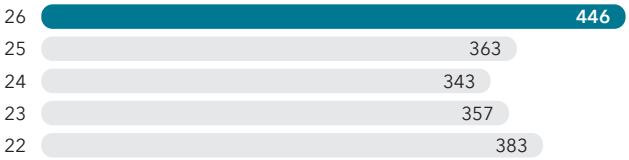
Scope 1 and scope 2 emissions tCO_2e

99



Scope 3 emissions tCO_2e '000

446



The decrease in scope 1 and 2 emissions reflects the continued relocation of offices to more modern, energy-efficient locations. Some of these offices also benefit from improved access to public transport, helping to reduce emissions associated with employee commuting. We have also introduced an employee travel booking system, making it easier for colleagues to consider the carbon impact of their travel when making business journey choices.

The increase in scope 3 emissions reflects continued business growth, alongside increased customer demand for IT products and solutions, which drives emissions across our value chain.

Scope 2 emissions from FY2024 onwards are reported using the market-based method. The zero scope 2 emissions reported for certain locations reflect instances where either Softcat or the landlord has procured electricity through a renewable electricity tariff.

Softcat leases most of its offices and where procuring electricity through a renewable tariff was not possible, Softcat has purchased Energy Attribute Certificates (EACs) for the relevant office locations. The scope 2 emissions reported for periods prior to FY2024 are materially higher because they reflect emissions before the procurement of EACs was implemented. Scope 1 and 2 emissions from operations outside the UK are not material and have not been separately identified.

Assurance in respect of emissions data

Independent firm NQA provides assurance over selected sustainability indicators, including those contained in this Annual Report. The scope of work undertaken by NQA was limited assurance regarding the respective emissions scope data. Assurance statements are available in the Trust section of the Softcat website.

Energy efficiency

Measures taken to increase energy efficiency are described elsewhere within this section of the Annual Report. The following explains other actions taken to reduce emissions and to improve the measurement of emissions so that further actions can be considered:

- We utilise, where appropriate, technology such as video conferencing, which reduces business travel.
- Our flexible working policies, which include hybrid working, reduce employee commuting.
- Waste management and water are included within our emissions calculations. Given the nature and operation of our business, we do not consider impacts relating to biodiversity and use of land to be material.

Verified Carbon Standard
A VERRA STANDARD

Use of carbon removals

We purchase verified carbon removal credits to neutralise the impact of our Scope 1 and Scope 2 emissions, together with selected operational Scope 3 emissions, including waste, business travel, fuel- and energy related activities, and employee commuting. These credits support independently verified carbon removal projects, with financial contributions made in proportion to the emissions being neutralised.

All of the emissions identified for neutralisation in FY2026 have been addressed through these carbon removal activities. We use certified carbon removal projects to address unavoidable emissions in accordance with ISO 14068-1, the international standard for carbon neutrality, which has superseded the PAS 2060 requirements previously applied by Softcat.

Softcat invests in a Verified Carbon Standard carbon removal project, with its main objectives focused on wood production, land restoration and carbon sequestration through afforestation. Our aim is to invest in nature as well as to reduce greenhouse gas emissions, in line with the 'beyond value chain mitigation' approach from the Science Based Targets initiative.

Remuneration

Since FY2023, the Remuneration Committee has included an assessment of performance against some of our key environmental targets and actions as part of the annual bonus plan for Executive Directors. Achievement against the actions is disclosed in the Annual Report on Remuneration on pages 102 to 112.

Internal carbon prices

During FY2025 we developed an approach to set metrics through internal carbon pricing, in order to further embed this into the business. In FY2026, following discussion and endorsement from the Sustainability Committee, it was agreed to set an internal carbon pricing metric in respect of three emissions categories: business travel, employee commuting and waste. The Committee has reviewed the cost to offset the emissions, which is purchased via certified carbon removals.

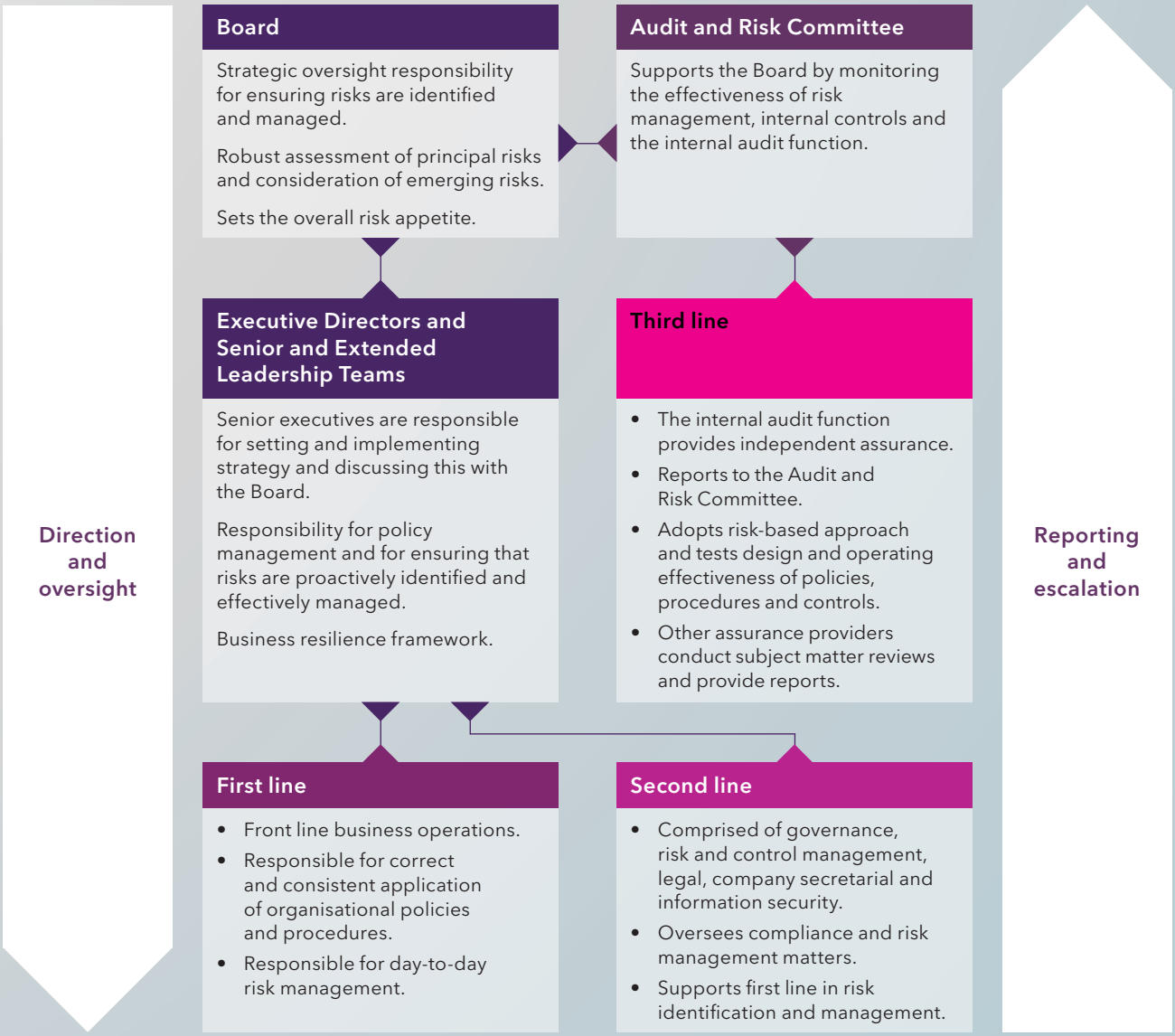
Managing our risks

Overview

We adopt a strategic and structured approach to risk management, which proactively identifies and addresses risks. Our approach is based on elements of the widely recognised 'Internal Control – Integrated Framework' published by the Committee of Sponsoring Organizations of the Treadway Commission ('COSO').

The Audit and Risk Committee is responsible for oversight of Softcat's risk management framework and for reviewing and approving, on behalf of the Board, Softcat's principal risks. We continue to mature and evolve our risk management approach, building on our three-tier architecture. This framework is embedded in the organisation, strengthening our second line functions, engaging our people to promote a culture of risk awareness, and developing and deploying risk registers for key areas. More information on how we have continued to build on our effective risk management and assurance processes is provided in the report from the Audit and Risk Committee on pages 79 to 86.

Risk governance



Risk management continued
Managing our risks continued

Risk appetite

We recognise the need for informed risk taking in order to deliver sustainable and profitable business growth in line with our values and strategy. Our 'risk appetite' is reviewed and approved by the Board each year. The Senior Leadership Team is responsible for operating the business within the risk appetite approved by the Board.

Our risk appetite ratings are defined as follows:

- **Low:** We aim to mitigate these risks to the fullest extent possible.
- **Balanced:** We accept broadly predictable risks where there are business benefits of carrying that risk.
- **High:** We seek out opportunities with attractive potential upsides, take considered risks and manage the consequences.

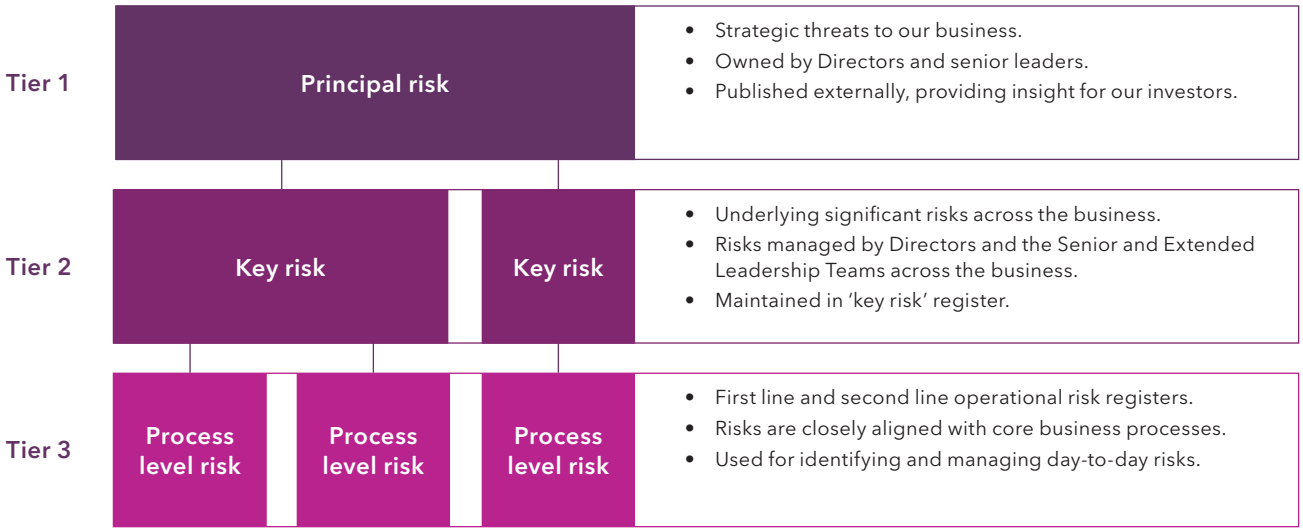
Assessing key risks against our risk appetite enables us to understand where we are operating within or outside the target risk appetite. This allows management to consider the actions required to achieve the target appetite. Our risk appetite varies across different principal risks, as set out on pages 60 to 62.

Risk management methodology

Our framework

Integrated three lines model and COSO internal control framework: The 'three lines' model helps organisations identify structures and processes that best assist in the achievement of objectives and facilitate strong governance and risk management. COSO's 'Internal Control – Integrated Framework' outlines how internal controls can be operationalised to achieve an effective system of internal controls.

Three-tier risk management architecture



Principal risks are often made up of one or more key risks. Key risks are linked to process level risks.

Risk categories

Our risk categories help to identify, group and assign risks to the right leaders and managers in the business. This also enables a comprehensive assessment of the overall risk landscape. We identify our current key risks under these categories, which have not changed over the year.

A Business strategy

Risks which have the potential to impede the achievement of our strategic goals or impact our business model.

B Operational

Risks (both external and internal) that could impact day-to-day operations and prevent business-as-usual activities.

C Financial

Risks that could impact the profitability or financial viability of the Group or increase economic exposure.

D People

Risks that could impact our ability to attract, retain and motivate the very best employees.

E Regulatory and compliance

Risks in respect of complying with ongoing and increasing regulatory and compliance requirements for Softcat.

→ Read more on pages 60 to 62.

Process

Risk management is aligned to our strategy, and each principal risk and uncertainty is considered in the context of how it relates to the achievement of our strategic objectives and risk appetite. Ownership for each principal risk is assigned to a Director or senior leader based upon alignment with operational duties.

First line teams and leaders identify, evaluate, escalate and record risks. They also identify appropriate risk management activities and action them. Information on identification, assessments and actions is captured in operational risk registers. The second line function oversees the overall risk management and internal control process. It reviews the operational risk registers, updates the key risk register based on insights and

interviews with risk owners and managers from across the business, updates principal and emerging risks, performs sample checks, provides feedback to first line teams, and undertakes a formal risk management and internal control effectiveness review at least twice a year.

The Audit and Risk Committee, on behalf of the Board, reviews the effectiveness of the risk management functions and receives assurances on the effectiveness of key controls in the business. This process provides a combined 'bottom-up' and 'top-down' approach to ensure risks have been considered from different perspectives. The key risk register is reviewed at least twice a year by management to ensure that it remains current, as the business and its markets evolve. Management is responsible for ensuring that risks remain within the target risk appetite and where gaps are identified that plans have been put in place to address them. Management also adds new risks and removes existing risks to risk registers as appropriate. The Risk, Assurance and Process Improvement team maintains oversight to ensure that identified remedial actions on risks are progressed. The Audit and Risk Committee reviews key risks, including emerging risks, the consideration of sustainability related risks and the overarching principal risks, at the half year and full year. The Audit and Risk Committee also reviews the Viability Statement, which considers the potential impact over the longer term of some of the key risk factors.

Management has developed the framework and approach required to comply with Provision 29 of the 2024 UK Corporate Governance Code, which applies to Softcat from the financial year ending 2027. The programme was led by the Risk & Assurance team, supported by EY, with regular progress updates provided to the Audit & Risk Committee. The Committee reviewed and endorsed the overall approach and provided oversight and challenge throughout the development of the framework.

Taking a risk-led approach aligned to our principal risks, key risks and risk appetite, we identified, assessed and documented the Company's material controls, including ownership and accountability arrangements. This work has strengthened the clarity, documentation and governance of material controls across the business and established a foundation for future assessment, testing and reporting. The Audit and Risk Committee will continue to oversee the remaining phases of readiness ahead of the Board's first Provision 29 declaration in FY2027.

→ Read more in our Audit & Risk Committee Report on pages 79 to 86.

The Audit and Risk Committee receives reports from management and from internal audit on key areas of risk and control and challenges management on the timelines and effectiveness of corrective action. The Audit and Risk Committee also considers the findings and recommendations of the external auditor with regard to financial and certain other controls. The Audit and Risk Committee then makes a recommendation to the Board for final approval.

Climate change

During the year, in line with the approach recommended by the Climate-related Financial Disclosures ('CFD'), we conducted a formal assessment of the potential impact of climate change to our business and supply chain. Please see our report on CFD and sustainability on pages 38 to 56. Climate change is already a component of the risk of failure to respond to market changes when considering the needs of our customers and how products, services and solutions might be affected by the drive towards carbon neutrality. Our current analysis concluded that no other climate change-related risk is a principal risk which needs to be incorporated into the list of principal risks shown.

Principal risks and changes

The Board has identified the principal risks facing the Group and considered the likely impact that each could have on the business. There is a Board-approved definition for material emerging risks and a process is in place which requires the CFO to escalate promptly any such risk to the attention of the Board.

The Board's view of the principal risks currently facing the Group, along with commentary on how this might impact progress against our strategic goals, is on pages 60 to 62. We provide a view on the change in risk compared to the prior year's assessment.

During the year, including changes reported in the Group's half year results for the six months ended 31 January 2026, the Board reviewed the Group's principal risks and agreed the following changes to the risk profile:

- Failure to respond to market changes including technology offering, channel disintermediation, competitor landscape and customer needs: The risk profile increased due to the accelerating pace of technological change, particularly the impact of AI, evolving customer expectations and the emergence of new market participants and technology ecosystems. Mitigating actions include continued investment in digital capabilities, technology development and strategic partnerships to strengthen the Group's competitive position.
- Customer dissatisfaction: The risk profile increased due to the growing scale of the business and complexity of customer engagements, resulting in increasing contractual obligations and service delivery requirements. Mitigating actions include enhancements to deal governance, implementation of Contract Lifecycle Management capabilities and ongoing investment in customer insight and service governance processes.
- Cyber security risk and business interruption: The Board agreed a change to the existing risk profile due to an increase in the threat landscape for cyber security events as seen more widely in the UK, including the growing sophistication and accessibility of AI-enabled attacks. These could impact either the business or our value chain. To address this risk, we already have mitigating actions in place. We are further strengthening these to be more prepared and to keep our business secure and operational.
- A new principal risk, multinational expansion, acquisition and integration risk, was introduced to reflect the increasing strategic importance of multinational expansion and acquisition activity within Softcat's growth strategy. The acquisition of Oakland and the recently announced acquisition of GDT further reinforce the relevance of this risk. Mitigating actions include extensive financial, legal and commercial due diligence, structured integration and value creation planning, employee retention arrangements and regular Board oversight of delivery and benefits realisation.

Issues associated with the principal risks have been discussed by the Board or relevant Committee regularly. For example, there were regular reviews on business resilience, cyber security, maintaining our special culture and potential market changes. The Board also considers other ongoing or emerging external matters, for example changes in the geo-political landscape and the impact of RAM shortages.

Some of the key risks are also reflected in scenario planning as part of the Group's assessment of viability over the longer term.

→ Read more on page 63.

An explanation of how the Group manages financial risks is provided in note 24 to the financial statements. An explanation of the Company's approach to critical accounting judgements and key sources of estimation uncertainty is also provided in note 1 to the financial statements.

Principal risks and uncertainties

A Business strategy risks

Failure to respond to market changes including technology offering, channel disintermediation, competitor landscape and customer needs

Change from 2025	Target risk appetite	Potential impacts	Management and mitigation	Link to strategy
↗ Slightly increased	Low	• Loss of competitive advantage • Reduced number of customers and profit per customer	• Insight from ongoing industry analysis and subscriptions input into annual strategy process • Regular insights into customer priorities including climate-related through the annual customer experience survey results and 'Voice of the Customer' surveys. Multi-layered relationship with strategic vendors and executive sponsor alignment • Regular quarterly business reviews with vendors • Regular meetings between senior representatives from Sales, Technology and Vendor Management teams to review technology and market trends and customer propositions • Continued investment in digital capabilities, technology development and strategic partnerships to address AI-driven customer and market shifts	

Multinational expansion, acquisition and integration risk

Change from 2025	Target risk appetite	Potential impacts	Management and mitigation	Link to strategy
N New principal risk	Balanced	• Failure to successfully integrate acquisitions • Delays in realising expected synergies and value creation opportunities • Increased operational complexity across multiple geographies • Failure to comply with local regulatory and legal requirements • Loss of key talent and customer relationships following acquisition activity	• Established multinational strategy, governance framework and transformation roadmap to support scalable international growth • Enhanced cross-functional governance and oversight of multinational operations • Comprehensive financial, legal, commercial and operational due diligence undertaken prior to acquisitions • Formal integration plan and governance arrangements, including Board oversight and regular progress reporting • Employee retention, change management and value creation initiatives to support successful integration and benefits realisation	

B Operational risks

Customer dissatisfaction

Change from 2025	Target risk appetite	Potential impacts	Management and mitigation	Link to strategy
↗ Slightly increased	Low	• Reputational damage • Loss of customers • Financial penalties • Failure to meet contractual obligations • Reduced customer satisfaction and loyalty	• Dedicated Customer Experience team supported by annual customer surveys and Voice of the Customer feedback mechanisms • ISO 20000-1 IT Service Management and ISO 9001 Quality Management certified • Ongoing customer service excellence training • 'Big-deal review' process • Investment in customer-supporting internal IT systems • Continued strengthening of deal governance and Contract Lifecycle Management ('CLM') capabilities to improve oversight of complex customer engagements and contractual obligations	

Acquire more customers → See page 14.
Sell more to existing customers → See page 14.
People and culture → See page 15.
Ease of doing business → See page 15.
Maintain relevance and expand our addressable market → See page 15.

B Operational risks continued

Cyber security risk and business interruption risk

Change from 2025	Target risk appetite	Potential impacts	Management and mitigation	Link to strategy
↗ Slightly increased	Low	• Inability to deliver managed customer services • Prolonged system outage may result in lost sales opportunities and failure to deliver on key business objectives • Reputational damage • Financial loss • Customer dissatisfaction	• ISO 27001 accredited processes. Group-wide information security policy and mandatory security-related training • Regular updates at a Board level on the evolving cyber threat landscape, ensuring that cyber security is treated as an enterprise-wide risk • Regular cyber security tabletop exercises • Established a 'lifeboat' capability, providing access to critical business information from a separate environment during a major disruption • Ongoing enhancement of crisis management and business resilience capabilities • Utilisation of the National Cyber Security Centre Early Warning Service • Established and documented processes for incident management, change of control, etc. • Access controls aligned with zero trust principles • Training and awareness including regular phishing tests • Key software used is from large multinational companies which have a 99.9% SLA and which also provide us with SOC 2 reports that provide assurance on their processes and controls • Annual penetration test by a third party • Adoption of NIST 2.0 framework, a recognised cyber maturity framework	

C Financial risks

Macro-economic factors, including geo-political conditions, impact on customer sentiment, inflationary pressures, interest and foreign currency volatility

Change from 2025	Target risk appetite	Potential impacts	Management and mitigation	Link to strategy
– No change	Balanced	• Short-term supply chain disruption • Reduced customer demand • Reduced profit per customer • Customer insolvencies and cash collection challenges	• Customer base is well diversified in terms of both revenue concentration but also public and commercial sector exposure • Market conditions are factored into our annual budgeting process • Operating costs are budgeted and reviewed regularly • Going concern and viability statements are underpinned by robust analysis of scenarios • Policies and procedures to manage foreign exchange exposures	

Ineffective working capital management, including customer credit risk relating to both in-year and multi-year deals

Change from 2025	Target risk appetite	Potential impacts	Management and mitigation	Link to strategy
– No change	Balanced	• Increased bad debts • Increased cost of operations	• Robust credit assessment process including use of trade credit insurance • Clear delegation of authority ensuring decisions are escalated appropriately including to the Board, where relevant • Group-wide maximum credit exposure per customer (across invoiced and orders yet to be fulfilled inclusive of multi-year deals) of £75m, with some exceptions, where specific criteria are met • Support from vendors for multi-year credit risk for unfulfilled orders is regularly sought • Regular review of the aged debt position by management • Defined treasury policy covering liquidity management processes and thresholds • Regular cash forecasting, actual reporting and variance analysis to highlight any adverse trends and allow sufficient time to respond	

Acquire more customers → See page 14.
Sell more to existing customers → See page 14.
People and culture → See page 15.
Ease of doing business → See page 15.
Maintain relevance and expand our addressable market → See page 15.

Risk management continued
Principal risks and uncertainties continued

C Financial risks continued

Failure to retain competitive terms with our suppliers and/or right-size our cost base compared to gross profit generated

Change from 2025	Target risk appetite	Potential impacts	Management and mitigation	Link to strategy
No change	Balanced	• Higher operating costs • Uncompetitive pricing leading to loss of business • Reduced profitability/margins	• Budgeting process and regular reviews ensure costs are managed appropriately and in consideration of gross profit growth. Any out of budget spend needs management-level or Board approval • Close dialogue with supply chain partners • Rebates form an important but only minority element of total operating profit. In addition, rebate programmes tend to be industry standard and not specific to the Group, while vendor-aligned teams ensure we optimise available rebate structures • Ongoing training to sales and operations teams to keep pace with new vendor programmes	

D People risks

Loss of culture

Change from 2025	Target risk appetite	Potential impacts	Management and mitigation	Link to strategy
No change	Low	• Reduced staff engagement • Negative impact on customer service • Loss of talent	• Culture sits at the heart of all changes that are made in Softcat. There is regular communication from Senior Leadership Team members to employees at 'Kick Off' and 'all hands' calls about the importance of culture • Regional offices with empowered local management • Quarterly management satisfaction survey and annual all-employee survey with feedback acted upon. Our engagement and employee net promoter results which are industry-leading, are regularly reviewed • Regular staff events and incentives • Enhanced internal communication processes and events	

Talent, capability and leadership risk

Change from 2025	Target risk appetite	Potential impacts	Management and mitigation	Link to strategy
No change	Low	• Lack of strategic direction • Reduced staff engagement • Loss of talent • Loss of competitive advantage	• Succession planning process in place • Experienced and broad senior management team • Investment in robust recruitment and selection processes • Attrition tracked and action taken as necessary	

E Regulatory and compliance risks

Compliance with existing regulation/legislation and being prepared for emerging regulation/legislation

Change from 2025	Target risk appetite	Potential impacts	Management and mitigation	Link to strategy
No change	Low	• Financial penalties • Reputational damage • Loss of customers	• Significant investment in a second line of defence function (Risk Assurance and Process Improvement, Information Security, Legal and Company Secretarial teams) • Management committee in place to review second line progress and report to the Audit and Risk Committee • Ongoing engagement with specialist third parties where required	

Acquire more customers → See page 14.
Sell more to existing customers → See page 14.
People and culture → See page 15.
Ease of doing business → See page 15.
Maintain relevance and expand our addressable market → See page 15.

Viability statement

In accordance with the UK Corporate Governance Code, the Directors have assessed the viability of the Company over a three-year period to 31 July 2029, which is a longer period than the twelve-month outlook required in adopting the going concern basis of accounting. This assessment period remains appropriate given the timescale of the Company's planning and investment cycle.

The Directors confirm that they have performed a robust assessment of the principal risks facing the Company as detailed on pages 60 to 62, including those that will threaten its business model, future performance and solvency or liquidity.

The Company's gross invoiced income has grown on average 23% per year in the last three years. This has been achieved by gaining market share through increasing the number of customers as well as increasing spend per customer year on year. Against a backdrop of high inflation and increasing interest rates which have put pressure on our customer base, the Company has displayed a large degree of resilience to challenging conditions, evidenced by an increase in gross profit of 24.7% in FY2026. The year-to-date trading to the end of September 2026 shows growth in line with the base case forecast.

As of September 2026, the principal challenges to short-term business performance are a downturn in the UK economy, resulting from higher broad-based inflation and increasing interest rates which affect both our direct customers and limit the discretionary spend of the end users of their products and services. This may result in delayed decisions on non-critical projects as well as enhanced procurement processes which ultimately could push spend into future periods. Higher than normal risk of credit losses remains. These factors have been assessed within the Company risk review and discussed within the Strategic Report.

The assessment of the Company's viability considers severe but plausible scenarios aligned to the principal risks and uncertainties set out on pages 60 to 62, and the assessment was based on the severe but plausible scenario set out in our going concern assessment. The realisation of these risks, to the extent modelled, is considered highly unlikely.

The degree of severity applied in the viability scenarios was based on management's experience and knowledge of the industry to determine plausible changes in assumptions. The most relevant potential impact of the key risks on viability are:

- a substantial and sustained shortfall in revenue and gross invoiced income compared to the budget and strategic three-year plan resulting from a significant and extended deterioration in economic conditions across the markets in which the Group and its customers operate, resulting in a fall in spend;
- a fall in achievable gross margins resulting from margin pressure associated with lower demand and increased competition for the remaining business;
- significantly increased levels of bad debt losses in the first year of the modelled period, to coincide with the challenges of higher inflation, interest rates and less discretionary spend for consumers; and
- an ongoing increase in the working capital cycle, specifically driven by a delay in customer payments versus historical levels.

The following stress testing over a three-year period has been performed (i) against the budget approved by the Board for the 2027 financial year; and (ii) against the remaining two financial years (i.e. 2028 and 2029) of the three-year plan:

- an average 5% year-on-year reduction, compared to the original budget and three-year strategic plan, in revenue and gross invoiced income;
- reduced gross profit margins of 0.5% compared to the original budget and three-year strategic plan;
- savings in discretionary areas of spend;
- bad debt write offs of £5m above budgeted levels in FY2027, FY2028 and FY2029; and
- extending the length of debtor days by three days across the three years (thus negatively impacting working capital).

The Company benefits from a flexible business model with a high proportion of costs linked to performance, such as commission, no warehousing of unsold products and a low operating cost base, consisting of mostly staff costs. On top of the natural reduction in some of these outflows as profitability reduces, management could, if necessary, take mitigating actions such as managing supplier payments, including the reduction of early payments benefiting from early settlement discount, as well as adjusting discretionary special dividends. In addition, management could make longer-term cost cutting decisions, if required.

Despite the minimum desired cash position being achieved in the severe but plausible scenario, the following options also exist for management:

- reduction in planned special dividends;
- delay payments to suppliers foregoing early settlement payments;
- reduced salary costs, through recruitment restrictions on new heads and not replacing leavers;
- no interim dividend in the second half of FY2027 or thereafter;
- savings in discretionary areas of spend; and
- short-term supplier payment management.

The Company operates a flexible model in a resilient industry that incorporates an increasing level of non-discretionary spend from corporate customers as IT has become vital to establish competitive advantage in an increasingly digital age. In public sector, a fast-growing area of the business, spending has also continued to be strong as investment in IT continues at pace in order to provide the best level of service to the public.

Financially, significant free cash flow generation and the strength of the Company's balance sheet provide comfort around the ability to absorb the impact of the stress tests outlined above.

Confirmation of viability

Based on the analysis, the Directors have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the three-year period of their assessment.

Introduction to corporate governance

Providing leadership, oversight and accountability



"The composition of the Board supports the interests of the Company's stakeholders and underpins a strong governance framework, with effective leadership and clear oversight of the Board's responsibilities."

Graeme Watt
Non-Executive Chairman

Dear shareholder,

I am pleased to present this year's Governance Report, which outlines the role of the Board and its Committees and summarises their work during the year. It highlights the progress made in accountability, stakeholder engagement, support and oversight of Softcat's strategic direction.

In 2024 the Financial Reporting Council ('FRC') published the revised version of the UK Corporate Governance Code (the 'Code') (a copy of which is available at www.frc.org.uk). The revised Code (with the exception of Provision 29 in respect of the declaration on the effectiveness of material controls) applies to accounting periods beginning on or after 1 January 2025 and therefore applies to Softcat this year. The Board had considered in advance the changes contained in the revised Code to ensure those changes were observed.

Your Company complied with the principles and provisions of the Code during the year with two exceptions, neither of which arise from the changes in the revised version of the Code:

- in respect of Provision 9 of the Code, I was not independent on appointment as Non-Executive Chairman on 1 August 2023 as I was Softcat's previous Chief Executive Officer until 31 July 2023; and
- in June 2026 the Company announced an extension of my tenure as Non-Executive Chairman up to April 2030, being up to three years, beyond the nine years recommended by Provision 19 of the Code.

Regarding non-compliance with Provision 9, when deciding on my appointment as Chairman, the Board recognised that the Code states that the chair should, on appointment, meet the independence criteria and that ordinarily the chief executive should not go on to be the chair of the same company.

Prior to me becoming Chairman, detailed conversations were held with the Board and plans were agreed to ensure that my role as Chairman was very clear to the Board, in particular the CEO, other stakeholders and to me. We understand that it is not seen as best practice for a former CEO to be chair of the same company. However, the Board and the Nomination Committee believe we have a clear framework for the roles of the Chairman and CEO and there is a clear separation between those roles. The Board was unanimous that my knowledge of the business, the market and Softcat's culture are essential in the role of Chairman to continue to best support the interests of all our stakeholders. I am not involved in any operational matters, but do act as a sounding board for the CEO which is best practice. We have a clear and successful operating model and an understanding that the CEO runs the Company, not the Chairman.

Regarding non-compliance with Provision 19, the Board's unanimous view was that the extension is in the best interests of all shareholders, given my extensive experience of the sector, as well as the independent challenge I continue to provide in chairing the Board's oversight of the Company's governance, strategy and execution. A thorough consultation process was conducted with Softcat's largest shareholders, who expressed strong support.

→ Read more in our Nomination Committee on pages 87 to 90.

The composition of the Board remains well balanced, with all Non-Executive Directors, other than myself, considered independent. This supports the interests of the Company's stakeholders and underpins a strong governance framework, with effective leadership and clear oversight of the Board's responsibilities.

We remain committed to strengthening the Board's effectiveness. Each year, we carry out a review of the effectiveness of the Board and the process and outcomes of this year's review is shown on pages 72 and 73. Jacqui Ferguson also conducted a formal review of my performance and led a Board discussion without me present. The reviews concluded that the Board continues to operate effectively and I have the full support of my fellow Directors. I would like to thank them for the enthusiasm, insight and keen sense of governance that they bring.

If you have any questions or comments on the reports, I will be pleased to hear from you via the Company Secretary at cosec@softcat.com.



Graeme Watt
Non-Executive Chairman
13 October 2026

Board leadership and Company focus

Your Board of Directors

→ Read biographies on pages 66 and 67.



Board overview

Tenure of Directors

1. G Watt
8yrs 6mths

2. G Charlton
11yrs 7mths

3. K Mecklenburgh
3yrs 4mths

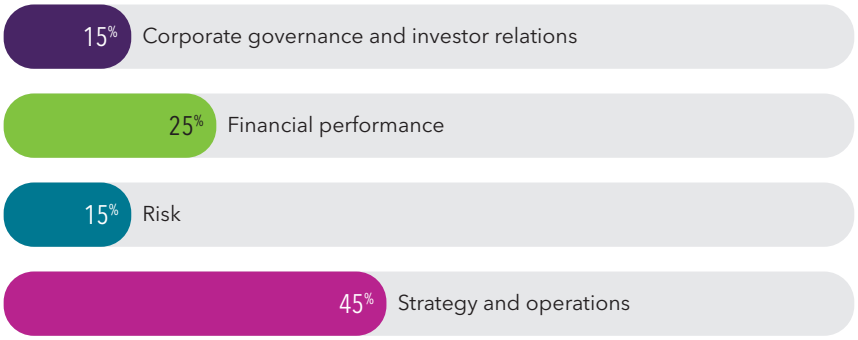
4. J Ferguson
2yrs 9mths

5. R Perriss
7yrs 3mths

6. L Weedall
4yrs 5mths

7. M Prakash
3yrs 1mth

Allocation of time



Directors' experience

Skills	Number of Directors
Finance	4
Marketing	4
Operations	7
Management	7
Technology	4
VAR sector	3
International	7

Board composition (%)



- Chair: 14%
- Independent Non-Executive Directors: 57%
- Executive Directors: 29%

Board leadership and Company focus continued

Our business is led by our Board of Directors. Biographical and other details of the Directors as at 13 October 2026 are as follows:

Board gender diversity (%)



- Male: 42.9%
- Female: 57.1%

Committee key

- (A) Audit and Risk Committee
- (N) Nomination Committee
- (R) Remuneration Committee
- (D) Disclosure Committee
- (S) Sustainability Committee
- Chair

1 Graeme Watt

Non-Executive Chairman

Appointed to the Board:
1 April 2018 (and became Chairman on 1 August 2023)

Committee membership:
(N) (D) (S)

Key strengths

- Extensive knowledge of the sector, distribution and the reseller channel
- Strong commercial skills
- Business and system transformations
- Mergers and acquisition experience
- Strong leadership skills and delivery of growth in very sizeable business units
- Deep understanding of Softcat's business and culture
- Wealth of financial and risk knowledge

Current external commitments

Chairman, Infinigate Holding AG.

Member of the Board of Trustees at Social Bite – a homeless charity.

Previous roles

Graeme joined Softcat in April 2018 as CEO, a role which he held until 31 July 2023. On 1 August 2023 he was appointed Non-Executive Chairman. Graeme is also the non-executive chairman of Infinigate Holding AG and serves on the Board of the Trustees for a homeless charity named Social Bite. He has built close to 40 years of channel experience in the IT channel. Before he joined Softcat, Graeme was senior vice president EMEA, Advanced and specialist solutions at TDSynnex – a position he held from March 2017. He was promoted to that role when Avnet's technology solutions business was acquired by Tech Data in early 2017. Prior to that, he was president for Avnet Technology Solutions, EMEA for almost seven years and a member of Avnet's global executive committee. He previously spent six years at Bell Micro (as president of global distribution) and his earlier career included roles at Tech Data (president EMEA) and Computer 2000 (managing director UK & Ireland). Graeme is a chartered accountant and graduated from Edinburgh University having read Physiology.

2 Graham Charlton

Chief Executive Officer

Appointed to the Board:
19 March 2015 (and became CEO on 1 August 2023)

Committee membership:
(D) (S)

Key strengths

- Extensive knowledge of the sector
- Strong leadership skills
- Strong financial and commercial skills
- Extensive experience in both financial and general management
- Deep understanding of Softcat's business and culture
- Significant experience of financing and capital raising

Current external commitments

None.

Previous roles

Graham was CFO of Softcat between March 2015 and July 2023 and was appointed CEO in August 2023. Before Softcat, Graham spent four years as finance director at comparethemarket.com. Prior to that, Graham spent one year as finance director at See Tickets (the trading name of See Group Limited) and over five years in various roles, including group financial accountant, finance manager and finance director, decision analytics, at Experian Ltd. Graham is a chartered accountant and began his career with Andersen.

3 Katy Mecklenburgh

Chief Financial Officer

Appointed to the Board:
19 June 2023

Committee membership:
(D) (S)

Key strengths

- Strong leadership skills
- Strong financial and commercial skills
- Extensive experience in commercial finance and audit matters
- Previous significant senior finance roles across a range of industries

Current external commitments

None.

Previous roles

Katy joined Softcat in June 2023. Previously, she was interim CFO at ASOS plc. Prior to that, she spent three years as group financial controller at Inchcape plc. She has held various other positions across a range of industries and blue-chip firms. Katy was head of finance at Amazon and finance director at Serco and she spent over a decade at Procter and Gamble where she held a series of senior finance roles. Katy is a chartered management accountant. She earned a BSc in Pharmacology and a PhD in Respiratory Medicine, both from Edinburgh University.

4

Jacqui Ferguson

Senior Independent Non-Executive Director

Appointed to the Board:
1 January 2024

Committee membership:
A N R S

Key strengths

- Extensive experience as a non-executive director of listed companies
- Significant sector knowledge
- Extensive knowledge in the large scale, growth-oriented business-to-business technology environment
- Three years' experience in Silicon Valley serving as Chief of Staff to Chairman and CEO at HP, providing valuable insight into global technology markets, innovation and strategic business operations

Current external commitments

Senior independent director and chair of the remuneration committee of Croda International plc, non-executive director of National Grid plc and a professionally qualified executive mentor with Global Mentors Group.

Previous roles

Jacqui was chair of Tesco Bank and a non-executive director at John Wood Group PLC. She also held several significant executive roles at Hewlett Packard, including senior vice president and managing director, and she held executive roles at Electronic Data Systems, including director of EMEA strategic business planning. She was also the deputy chair of Engineering UK.

5

Robyn Perriss

Independent Non-Executive Director

Appointed to the Board:
1 July 2019

Committee membership:
A N R S

Key strengths

- Wealth of financial, risk and governance knowledge
- Significant investor relations and capital markets experience
- Extensive experience of strategic roles, particularly within a dynamic and fast-paced progressive environment

Current external commitments

Non-executive director at Dr. Martens plc and Domino's Pizza Group PLC where she chairs their respective audit committees.

Previous roles

Robyn was a non-executive director at Next 15 Communications Group PLC. She was finance director at Rightmove plc, the UK's largest property portal. Prior to being finance director at Rightmove, Robyn also held senior roles as financial controller and company secretary. Before joining Rightmove, Robyn was group financial controller at the online media business Auto Trader.

She qualified as a chartered accountant in South Africa with KPMG and worked in both audit and transaction services.

6

Lynne Weedall

Independent Non-Executive Director

Appointed to the Board:
3 May 2022

Committee membership:
A N R S

Key strengths

- Significant experience of senior positions in human resources
- Extensive experience as a non-executive director of listed companies

Current external commitments

Non-executive director at Greggs plc and Stagecoach Group Limited. Lynne is also on the Council of the King's Trust.

Previous roles

Previous senior executive positions include group people & culture director of Selfridges Group, and group human resources & strategy director of Carphone Warehouse. Previous non-executive roles include Treatt plc, William Hill plc Greene King plc and Dr Martens plc.

7

Mayank Prakash CBE

Independent Non-Executive Director

Appointed to the Board:
1 September 2023

Committee membership:
A N R S

Key strengths

- Significant experience of senior positions in various sectors
- A strong background across acquisitions, operations, technology and digital transformations

Current external commitments

Chief executive officer, Pivotal Group and non-executive director at Uber UK.

Previous roles

Mayank held senior executive positions including group chief operations officer of Evelyn Partners Group, chief consumer digital and information officer of Centrica plc, managing director, global wealth & investment management technology of Morgan Stanley, chief digital & information officer of DWP and UK chief information officer of Sage Group plc.

Governance report

Attendance at Board and Committee meetings

Details of Board and Committee attendance during the 2026 financial year are provided below. All Directors are expected to attend all relevant meetings.

	Board[1]	Audit and Risk Committee	Nomination Committee	Remuneration Committee	Sustainability Committee
Meetings held	**9**	**5**	**3**	**3**	**2**
Meetings attended					
Graeme Watt[2]	9	–	3	–	2
Graham Charlton[2]	9	–	–	–	2
Katy Mecklenburgh[2]	9	–	–	–	2
Robyn Perriss	9	5	3	3	2
Lynne Weedall	9	5	3	3	2
Mayank Prakash	9	5	3	3	2
Jacqui Ferguson	9	5	3	3	2

Notes:

1. During the year, there were five meetings of the sub-Committee established by the Board to give final approval to the release of the Group's trading results.
2. Graeme, Graham and Katy are not members of the Audit and Risk or Remuneration Committees. Graham and Katy are not members of the Nomination Committee. Each is, however, usually invited to the meetings as an attendee. All Directors fully attended each meeting.



Our governance framework

Our Board

Matters reserved for the Board

The Board maintains and regularly reviews a schedule of matters reserved for its approval. These include:

- our strategy, business objectives, annual budgets and a three-year plan to ensure we can deliver long-term value to our shareholders;
- annual and half-year results and our dividend policy;
- acquisitions and disposals;
- major changes to internal controls, risk management or financial reporting policies and procedures;
- determining our risk appetite;
- oversight of strategic sustainability objectives;
- major changes to our capital, funding, corporate or management structure; and
- succession planning for the Board and senior management.

Matters reserved can be found at www.softcat.com/about-us/investor-centre/governance.

The Code expects certain roles of the Board to be clearly set out. The Board has a formal document outlining the role of the Chairman, Chief Executive, Senior Independent Director ('SID'), Non-Executive Directors ('NEDs') and Designated Director for Workforce Engagement. This document is regularly reviewed and can be found at https://www.softcat.com/about-us/investor-centre/governance.

Board Committees

The Committees support the Board's work and provide the governance expected of a company listed on the London Stock Exchange. Their structure, duties and responsibilities remain materially unchanged from last year.

Audit and Risk Committee

- Governance over the appropriateness of the Group's financial reporting.
- Review and recommendations on the performance and appointment of both the internal audit function and the external auditor.
- Reviews of the Company's system of internal control, risk management and compliance activities.

→ Read more on pages 79 to 86.

Nomination Committee

- Evaluates Board composition and ensures Board diversity and a balance of skills.
- Reviews Board and executive succession plans and plans to improve diversity and inclusion in the business.
- Oversees the performance evaluation of the Board, its Committees and individual Directors.
- Reviews employee engagement and culture within the business.

→ Read more on pages 87 to 90.

Remuneration Committee

- Sets, reviews and recommends the policy on remuneration of the Chairman, Executive Directors and Senior Leadership Team.
- Sets the pay of the Executive Directors and agrees their participation in bonus plans and certain share-based incentives.
- Reviews the use of share-based schemes in the Group.
- Sets a Remuneration Policy for approval by shareholders and then manages its implementation.

→ Read more on pages 94 to 112.

Sustainability Committee

- Sets and approves the sustainability strategy of the Company.
- Reviews performance against climate-related goals and initiatives, and oversees compliance with climate-related regulations.
- Reviews the effectiveness of identifying and monitoring climate-related risks and opportunities.
- Reviews, on behalf of the Remuneration Committee, the achievement of any sustainability objectives set for the Executive Directors.
- Reviews other corporate responsibility issues as requested.

→ Read more on pages 91 to 93.

Disclosure Committee

- Supports the Board in overseeing the accuracy and timeliness of Softcat's formal business disclosures, including disclosures made in Softcat's half and full-year results.

Executive leadership

Senior Leadership Team ('SLT')

The SLT is the nine most senior executives in the business, including the CEO and the CFO. The SLT is led by the CEO and is responsible for leading the day-to-day operation of Softcat, including:

- strategy implementation
- operational, financial and competitive performance
- commercial developments
- succession planning
- organisational development
- maintaining Softcat's culture

What the Board did this year

The Board reviews and approves key matters throughout the year, including the half-year and full-year results. Standing agenda items, including CEO and CFO updates, are considered at each meeting. Directors prepare thoroughly for meetings, supported by the Chairman and Committee Chairs who work with management to ensure agendas and materials are prepared in advance. The Chairman also maintains regular contact with Board members and holds frequent discussions with the CEO, CFO and Company Secretary on business developments, performance and governance matters.

Below are some key matters reviewed by the Board this year.

Strategy and operations

The development and implementation of Softcat's longer-term vision and its organic strategy were focus points, including:

- strategy and long-term vision discussions with the Board and senior executives, including review of supporting KPIs twice yearly;
- the establishment of a revolving credit facility with various banks to provide additional flexibility within our capital allocation framework;
- considering and agreeing to acquire GDT to accelerate our strategic objectives;
- approval of a £45m share buyback programme;
- review and approval of new office investments and major IT projects; and
- regular updates on key industry trends and activities.

Performance monitoring

The Board has a robust process to set expectations and monitor business performance, including:

- review and approval of a three-year plan at the same time as the strategy review to provide a comprehensive longer-term outlook. Forecasts in the three-year plan are refreshed as needed;
- approval of an annual budget, followed by regular updates comparing performance against budget;
- a standing report at each Board meeting from the CFO analysing performance and other financial metrics;
- consideration of half-year and year-end performance and subsequent review, approval and publication of the half-year and year-end results;
- setting the dividend policy. Dividend payments are determined with regard to the Company's Board-approved capital allocation framework, financial position, business requirements and any other relevant circumstances; and
- an update from the Company's brokers on investor themes and equity market matters.

Stakeholder engagement

The Board recognises the importance of understanding the views of its principal stakeholders: shareholders, employees, customers, vendors and communities. During the year, we engaged with these groups, or took steps to understand their key issues, including:

- discussions with investors and analysts, including receiving their feedback following meetings and after the release of our trading results;
- reviewing the feedback from various employee surveys;
- a detailed review of the results and actions arising from our annual customer experience survey;
- regular discussions on Softcat's vendor management strategy and relationships with key vendors; and
- governance engagement programmes with the Company's largest shareholders.

Governance and risk

During the year, the Board:

- consulted with its largest shareholders on extending the tenure of the Chairman. The process was led by the Senior Independent Director with support from the Chair of the Nomination Committee;
- ensured, together with the support of its Board Committees, that it was prepared for the changes arising from the revised UK Corporate Governance Code;
- continued its focus on environmental strategy, targets and performance through the Sustainability Committee;
- monitored the impact of the macro-economic and political environment, considering the potential impact on the Company, its customers and suppliers;
- reviewed reports on governance and legal issues, including changes in legislation, developments in corporate governance and sustainability;
- undertook an internal review of Board effectiveness. An effectiveness review of the Chairman was also led by the Senior Independent Director;
- reviewed the Company's risk appetite, principal risks and uncertainties; and
- considered and approved changes to the schedule of matters reserved to the Board.

People, vision and values

During the year the Board:

- met with many of the members of the SLT and other senior managers in the business. The CEO provided regular updates to the Board on the SLT and any changes in key roles in the business;
- received regular updates on people matters, including capabilities and development, office workplace strategy, culture and diversity and inclusion; and
- through the Non-Executive Directors, engaged with employees of all Softcat offices and discussed their observations and feedback with the Board.

Other

The Board has also:

- approved the 2026 Annual Report and Accounts;
- approved the 2026 Notice of AGM; and
- regularly reviewed reports which analyse major changes in our shareholder base.



Composition, succession and evaluation

Composition and succession

This is discussed in the report from the Nomination Committee on pages 87 to 90.

Board effectiveness evaluation process

Each year the performance of the Board is assessed through an evaluation exercise. In accordance with the UK Corporate Governance Code, the process this year was conducted internally (the Board having conducted an external evaluation in 2025 and an internal evaluation in 2024). The key stages of the process this year were:

Stage 1: Approval of process

The Board agreed that the process for the year would be conducted internally. The Company Secretary discussed a process and timetable with the Chairman and it was agreed to circulate a questionnaire for completion by each member of the Board.

Stage 2: Approval of a questionnaire

The Chairman and the Company Secretary reviewed a draft questionnaire, which already reflected topics requested by Board members in the last internal survey. The survey included the following key topics:

- Board skills and composition;
- Board processes;
- strategy oversight;
- individual contributions;
- Committees; and
- any other observations.

Each Director rated the topics using a four-point scale: poor, adequate, good and excellent. Directors were also invited to add comments to provide a more qualitative assessment.

Stage 3: Collation of results

The surveys were conducted online and managed by an independent third party platform to ensure anonymity of responses, should a Director not wish to attribute a comment. Individual responses were collated to provide a collective overview of the responses and comments on each question.

Stage 4: Review of results

The Chairman and Company Secretary reviewed and discussed the collated survey results, highlighting key themes and areas from the responses. An executive summary was sent to the Board along with the full survey results so the Board could consider the results ahead of a Board meeting.

Stage 5: Board review and discussion

The Board discussed the key points and conclusions from the review during a Board meeting. It agreed the key actions arising from the review.

Stage 6: Action planning

Following the Board review and discussion, the Company Secretary prepared an action plan to address points of recommended improvements. Progress will be tracked during the year.

Outcome

The outcome of the review was positive and concluded that the Board and its Committees continue to function well, consider the right issues and work in a transparent and constructive way. There continues to be strong alignment between the Company's and the Board's values and culture. Some of the points made in the survey included:

- The Board continues to perform at a high level, with complementary skills and backgrounds.
- The Board has the right focus and time set aside to articulate, discuss and review key strategic issues.
- The quality of debate and contribution from all Directors remains high.
- Board processes are on the whole working well, including good support from the Company Secretarial team.
- The Committees of the Board continue to be well run, with excellent leadership from each Committee Chair.
- External advisers to the Board are performing well.

In addition to the Board evaluation exercise, the Senior Independent Director ('SID') led a review of the Chairman. This was conducted over interviews with each Board member and the Company Secretary. A summary paper was prepared by the SID and the outcomes were discussed at a meeting of the Directors led by the SID without the Chairman present. The review confirmed that the Chairman remains very effective and highly engaged.

Outputs and recommendations

The Board was pleased with the outcome of the Board evaluation, which reflects the Directors' commitment to the Board. Some areas for further refinement or implementation were identified by the Board, which include:

- Further longer-term succession planning should be considered.
- Ongoing assessment of the Board's composition is important to ensure the mix of experience and skills is optimised as the business continues to scale and evolve.
- More effort to be made to ensure all Board and Committee pre-read papers are issued on a timely basis, include an executive summary and exclude any unnecessary details.
- Further emphasis on ensuring Board discussions are kept at a strategic level and on the progress of associated strategic KPIs.
- To embed learning points from the acquisition of GDT in respect of the Board's oversight role in any acquisition process.
- Continued focus on scaling governance as the business grows.

An update on the above will be provided in next year's Annual Report.

Good progress was made on the actions from the external Board evaluation conducted in 2025, including:

- More time was devoted for quality discussion on Softcat's vision, purpose and strategy.
- Management refined proposed metrics and milestones to track strategic progress. These were discussed and agreed with the Board.
- The terms of reference for the Audit Committee was reviewed and updated and the Committee renamed the 'Audit and Risk Committee' to better reflect its oversight actions and responsibilities.
- Board succession planning over the longer term was considered. This included the decision to extend the tenure of the Chairman and to discuss the timing for the succession of the Chair of the Audit and Risk Committee, whose nine-year tenure will be reached in July 2028.

"The Board continues to function well as a team united in the best interests of the Company."



Operation of the Board

Softcat capital allocation framework ('CAF')

Introduction and purpose

Softcat has a disciplined approach to the allocation of capital, which is primarily aligned to our purpose, vision, strategy and investment case (see pages 2, 5 and 14). Our CAF is used to prioritise the use of cash generated by Softcat while maintaining an appropriate capital structure for the business. The framework balances Softcat's investment requirements and commitments to regular ordinary dividend payments against the need to repay debt, maintain appropriate levels of cash reserves and the maintenance of a strong balance sheet.

The Board believes that adopting this framework aligns to the Board's key objective of enhancing shareholder value over the long term. The CAF is reviewed by the Board annually to ensure it is relevant and aligned to the business' size, needs and strategy. Following review, the Board has agreed minor changes to the CAF.

Summary – investment and allocation priorities

Softcat's capital allocation framework is outlined in the diagram on the right.

Our key priority is to invest for organic growth, as we believe this is the main driver of long-term shareholder value. Our second priority is to maintain a progressive ordinary dividend policy. Remaining excess capital is then either allocated to compelling strategic investments or is returned to shareholders, subject to net debt leverage being within our target range.

Invest for organic growth

Our imperative is to prioritise long-term investment for organic growth.

Investing in our people is at the core of our business model. This is our largest single and most important investment and is the key driver for ongoing growth. Expanding our headcount and capabilities enables us to fulfil our strategy of acquiring more customers and selling more to existing customers. We also prioritise investments in systems and processes which support our existing operations, mitigate risks and underpin business growth.

Progressive ordinary dividend policy

Softcat's ordinary dividend policy is to distribute between 40% and 50% of reported profits after tax each financial year.

Our dividend and distributions policy is on page 75.

Strategic investments

We have the option to expand into new capabilities or markets. Any acquisition or entry into new areas or markets would need to provide a compelling opportunity to drive long-term shareholder value.

Return excess cash to shareholders

We will return excess cash to shareholders, subject to net debt leverage being within our target range. This will be achieved via either a special dividend or a share buyback.

The Board regularly reviews the level of cash reserves which should be retained in the business to preserve day-to-day operational flexibility. The Board also regularly reviews the most appropriate method to return excess cash to shareholders.

Softcat has a highly liquid and cash-generative business model. Our growth has been primarily organic, driven by increasing headcount, growing sales capabilities, opening new offices, and investing in IT systems, enabling us to successfully grow our customer base and spend per customer. Our capital allocation policy continues to prioritise long-term investment in organic growth to facilitate further share gains in our expanding addressable market.

Given the nature of Softcat's business, spend on plant, machinery and other non-systems infrastructure continues to be relatively low. The Company's working capital is dominated by short-term trade debtors and creditors, with very low levels of inventory held. Timings of trade outflows and inflows are typically closely aligned and therefore there is only a modest need to fund working capital as the business grows. The floor of the minimum cash holding in the business is reviewed at least annually to ensure it is appropriate relative to the size of these balances.

The Board will consider all options to continue investing in its strategic priorities, including the most appropriate source of financing. We will also continue to fund growth from reinvesting the cash we generate.

We do not envisage that transition to a lower-carbon world will require us to make major capital allocation changes (including access to capital or financing, if required).

→ Read more in our report on climate change and the Climate-related Financial Disclosures on pages 38 to 56.

Capital allocation governance

The Board is responsible for reviewing and approving all key decisions in respect of capital allocation, including oversight of the CAF. In particular, the Board:

- sets Softcat's dividend and distributions policy;
- decides on the Company's capital and financing structure;
- approves a treasury policy for operation in the business;
- approves all other decisions in respect of capital allocation;
- will review the capital allocation priorities and refine them as required to achieve the Company's strategy;
- regularly reviews key performance metrics in the business given operational and capital allocations; and
- conducts post-investment reviews on major project investments so that future major projects can be optimised.

The Board considers capital allocation in the context of Company performance, risks and other relevant business information. In particular, each year the Board approves a budget for the coming financial year, which includes capital allocation and expenditures to drive our strategic investment priorities. The Board also annually approves a three-year plan, which is prepared when the Board reviews its strategy. The three-year plan gives a longer-term view of capital requirements and expenditures and supports the Board's decision-making against relevant factors such as anticipated wider market trends. Capital allocation decisions and dividend distributions are also considered against the Company's going concern position and the Company's longer-term viability.

Dividend and distributions policy

The Board is responsible for:

- setting Softcat's dividend policy;
- deciding on the Company's capital structure; and
- approving any key decisions in respect of capital allocation.

In respect of dividends, the Board approves the interim dividend and recommends the final and any special dividend for shareholders' approval. Shareholder approval is also sought at each AGM to provide the Board with the flexibility to operate a share buyback programme if appropriate. Softcat's ordinary dividend policy remains a progressive one which targets an annual dividend of between 40% and 50% of the Company's reported profits after tax in each financial year. Special dividends or a share buyback is subject to our net debt leverage being within our target range of 0.5-1x of EBITDA. In determining the level of dividend in any year in accordance with the policy, the Board also considers other factors that influence the proposed dividend, which include but are not limited to:

- the level of available distributable reserves in the Company;
- future cash commitments and investment needed to sustain the long-term growth prospects of the business; and
- potential strategic opportunities.

Softcat's constitution does not limit or oblige the Company to any minimum or maximum dividend payments. However, no dividend may exceed the amount recommended by the Directors and all dividends shall be paid in accordance with any relevant legislation.

The Audit and Risk Committee on behalf of the Board reviews management's confirmation that the Company has sufficient distributable reserves before a dividend payment is made or proposed. The Board then considers the Audit and Risk Committee's review as part of its process to approve or recommend dividends. Consideration is also made of the balance on the Company's retained earnings reserve, which as at 31 July 2026 amounted to £359.2m (as disclosed in the Company Statement of Financial Position).

In addition to the reviews of distributable reserves prior to a dividend being paid or proposed, the Board regularly reviews the performance of the business, particularly in respect of cash flow and receivables. Each year, the Board reviews and approves a target minimum of cash to be held in the business and in 2025 agreed a target minimum cash holding of £90m. The minimum cash holding represents a desired forecast minimum cash balance held in Company funds across all accounts. Following the announcement that the Board has agreed to acquire GDT, the Board will review the target minimum cash holding after the close of the transaction to take the needs of the enlarged Group into account.

The Directors have proposed a final dividend for the financial year ended 31 July 2026.

→ Read more about the proposed dividend on page 117.

Softcat is well positioned to continue to fund its ordinary dividend which is well covered by the cash generated by the business. Details of the Company's viability and going concern are on page 63 and page 118 respectively. Details of total dividend distributions for the financial year is in note 6 to the financial statements.

The Company will seek shareholders' approval at the 2026 AGM to permit the Directors, should they consider exercising the authority, to repurchase up to 10% of the ordinary issued share capital. The Directors consider that this authority is in the best interest of shareholders to allow the flexibility to react promptly if market purchases become desirable.

Governance report continued

Board development and support

The Chairman, supported by the Company Secretary, is responsible for ensuring that Non-Executive Directors receive appropriate training and development. Directors receive briefings on relevant issues and the Company Secretary maintains a twelve-month forward plan to schedule topics requiring further discussion. During the year, these included industry trends, competitor performance, corporate governance and legislative reforms. The Board also received updates on public reporting commitments, including pay gap reporting, tax strategy, creditor payment practices and modern slavery risks. When a new Director is appointed, their understanding of the business is accelerated through a tailored induction programme managed by the Company Secretary and approved by the Chairman.

All Directors may obtain advice from the Company Secretary who is appropriately qualified and highly experienced and is responsible for advising the Board on certain regulatory, legislative and governance matters. The role of the Company Secretary also includes:

- advising the Board of its key obligations as Directors of a public listed company;
- developing with the relevant Director the agenda for each meeting of the Board and its Committees;
- working with the Directors to develop the long-term agenda for the Board and its Committees to enable them to discharge their responsibilities effectively;
- supporting and briefing the Chairman on his governance engagement programme with the Company's largest shareholders;
- advising the Board on the resolutions to propose at each Annual General Meeting; and
- ensuring that the correct Board procedures are followed, in accordance with the Company's constitution, applicable legislation and good governance practice.

Role of the Non-Executive Directors

Softcat's Non-Executive Directors are required to perform certain functions to improve the effectiveness of the Board. Their roles are reviewed regularly and summarised in a document which is approved by the Board and placed on the Group's website at www.softcat.com/about-us/investor-centre/governance. The document is reviewed with the support of the Company Secretary to ensure it reflects good practice. The role of the Non-Executive Directors includes:

- constructively challenging and contributing to the development of strategy;
- offering additional perspectives, advice and strategic guidance;
- scrutinising the performance of management in meeting agreed goals and objectives;
- exercising oversight to ensure compliance with key listed company requirements;
- through the Audit and Risk Committee, satisfying themselves that financial information is accurate and that internal controls and systems of risk management are robust;
- through the Remuneration Committee, taking responsibility for determining appropriate levels of remuneration for senior executives;
- through the Nomination Committee, recommending Board appointments and, where necessary, removals. The Committee also considers diversity, succession planning, employee engagement and Softcat's culture; and
- through the Sustainability Committee, scrutinising management's activities and policies for pursuing Softcat's sustainability strategy and achieving its climate-related targets.

Organisation of Board meetings

Key features of how our Board and Committee meetings are organised to support good governance include:

- draft agendas for Board meetings are circulated to the Directors in advance. This provides an opportunity to comment or to propose further new items;
- Board meetings are scheduled to consider issues requiring Board oversight and adequate time for discussion of each agenda item is provided. Agendas are set to provide the Directors with opportunities to discuss the longer-term outlook of the business;
- each Board meeting includes a report from the CEO and the CFO. These provide a comprehensive overview of key matters and are a good foundation for other topics to be discussed. Topics include operational and financial performance, industry developments, employee matters and updates on priorities;
- an annual calendar of scheduled Board and Committee meetings is structured to allow the Board/Committees to review cyclical and ad hoc items, such as key projects;
- Non-Executive Board members make themselves available outside of scheduled meetings when needed. In particular, the Chairs of the Committees hold planning discussions with management prior to a meeting;
- reporting packs for each Board and Committee meeting are designed to be clear, analytical and concise and are retained in an electronic portal managed by the Company Secretary;
- reporting packs are distributed by the Company Secretary to the Board typically seven days before Board or Committee meetings. This enables the reporting packs to be up to date whilst allowing sufficient time for their review. Verbal updates cover any subsequent material developments;

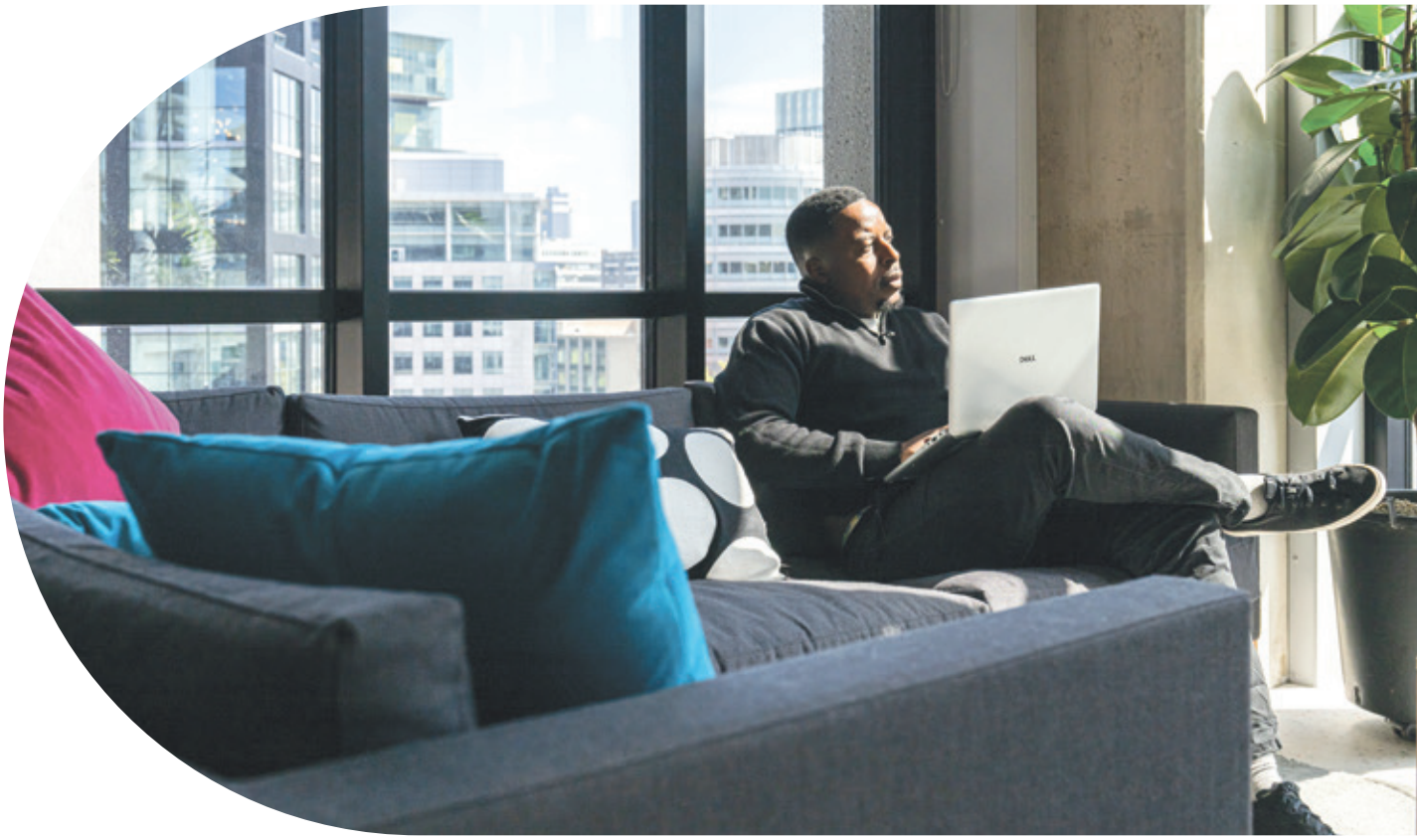
- a summary of the actions arising at Board and Committee meetings is circulated by the Company Secretary. The Company Secretary ensures progress is made on each action and updates the Board of the outcomes;
- financial updates with commentary are distributed to the Board regularly, allowing the Directors to review performance and any emerging issues in 'real time'. The updates include an assessment of performance against the annual budget approved by the Board, providing additional analysis on developing trends;
- the development of strategy is led by the Executives with input and constructive challenge from the Non-Executive Directors. A dedicated Board strategy review session is held annually to discuss, agree and sign-off on the strategy. The CEO provides regular updates throughout the year, including progress against strategic milestones and KPIs agreed with the Board;
- additional time is allocated when needed for more in depth discussion. For example, Board dinners are held to discuss specific business topics;
- a session is held with the Non-Executive Directors before each Board meeting to allow them additional time to identify their key areas of interest and to discuss any other matters arising;
- a 'wrap-up' session is held at the conclusion of the day to reflect on the meeting's highlights, identify issues for future meetings and to provide instant feedback; and
- Board discussions are held in an open and collaborative atmosphere of mutual respect allowing for questions, scrutiny and constructive challenge. This supports decisions on which the Board seeks agreement.

Independence and conflicts

The Board, excluding the Chairman, is currently comprised of four independent Non-Executive Directors and two Executive Directors and therefore complies with the independence requirements of the Code. Graeme Watt was formerly the Chief Executive Officer before being appointed as Chairman on 1 August 2023. The Board considers for the purposes of the Code that he was not independent when he was appointed Chairman and that he remains not independent.

The Nomination Committee reviews Non-Executive Directors' independence each year (see the Nomination Committee Report on pages 87 to 90). If a Director has a material conflict of interest, Board procedures ensure they do not vote or participate in related discussions unless the Board agrees otherwise.

During the year, all Directors confirmed they can allocate sufficient time to discharge their responsibilities effectively and all Directors continue to devote adequate time to their duties at Softcat. Directors are required to notify the Board of any major changes to their external commitments with an indication of the time commitment involved.



Relations with shareholders

Governance engagements

The Board maintains a programme of engagement with its stakeholders and recognises the important and valuable role that shareholders play, as owners of the Company.

→ Read more about the Board's engagement with its stakeholders on pages 24 to 29.

Part of the Chairman's role is to maintain regular engagement with our major shareholders, to understand their views on governance and on our Executive Directors. As in previous years, the Chairman undertook an engagement programme with the Company's largest shareholders on governance matters. Feedback from these sessions was discussed with the Board to make sure they fully understood shareholder views and the Board discussed whether any actions should be taken as a result.

The Senior Independent Director with the support of the Chair of the Nomination Committee also during the year engaged with Softcat's largest shareholders to consult with them about the proposal to extend the tenure of the Chairman.

→ Read more on pages 72 and 73.

As part of an ongoing investor relations programme, there is extensive interaction with institutional shareholders and market analysts. The Chief Financial Officer provides the Board with updates and on any material changes in the shareholder base of the Company.

The Chairs of each of the Committees welcome the views and questions of shareholders at any time. Each of the Committee Chairs can be contacted via the Company Secretary at cosec@softcat.com.

If shareholders have any concerns, which the normal channels of communication to the Chairman or Chief Executive have failed to resolve or for which such contact is inappropriate, our Senior Independent Director or any independent Non-Executive Director is available (via cosec@softcat.com) to address such issues. The Board makes itself available, when requested, for meetings with shareholders on issues relating to the Company's governance and strategy.

Annual General Meeting

The 2026 AGM will be held on 15 December 2026 at Softcat plc, Fieldhouse Lane, Marlow SL7 1LW. Details of the meeting and the resolutions to be proposed are set out in the Notice of AGM which is available to download on our website (www.softcat.com/about-us/investor-centre/calendar).

The AGM gives shareholders an opportunity to vote on key aspects of Softcat's business and to ask questions to the Directors. Questions may be submitted to the Directors via email and details of how to do this are in the Notice of AGM.

Shareholder meetings

Throughout the year, the Chief Executive, Chief Financial Officer, or Head of Investor Relations met with current and prospective shareholders to discuss trading performance and business strategy. Key shareholder feedback is documented and shared with the Board. To comply with market abuse regulations, protocols are followed to prevent disclosure of unpublished price-sensitive information during these meetings.

Results presentation and investor roadshows

The Chief Executive and the Chief Financial Officer provide a briefing following the release of the full-year and half-year results. The briefing is primarily aimed at institutional shareholders and market analysts but all stakeholders, including shareholders and employees, are welcome to access the online briefing. Supporting material for the briefing is published on Softcat's website.

Following the release of our full-year and our half-year results, the Chief Executive, Chief Financial Officer and Head of Investor Relations undertake extensive investor engagement roadshows in person and virtually. Feedback from the roadshows and from reports by analysts, by industry experts and in the media are shared with the Board to improve the Board's understanding of their views.



Audit and Risk Committee report

Accountability

"The Committee retains good independent oversight of the integrity of the Group's financial reporting, the effectiveness of its internal controls and risk management systems, and the quality and independence of EY."

Robyn Perriss
Chair of the Audit and Risk Committee



Allocation of time

Internal audit
20%

External audit
25%

Financial reporting
20%

Risk and internal controls
35%

See our website for the Committee's responsibilities:
www.softcat.com/about-us/investor-centre/governance

Introduction

As Chair of the Audit and Risk Committee (the 'Committee'), I am pleased to present the Committee's report for the year ended 31 July 2026. Members of the Committee are shown in the Board biographies on pages 66 and 67. Attendance at Committee meetings during the year is shown on page 68.

This report summarises how the Committee has fulfilled its responsibilities during the year, including its oversight of external financial reporting, the Group's control environment and Softcat's relationship with EY, its external auditor. It also sets out the Committee's key areas of focus for the year ahead.

The Committee's agenda continues to be extensive as we fulfil the important role in the Group's governance framework. The Committee retains good independent oversight of the integrity of the Group's financial reporting, the effectiveness of its internal controls and risk management systems, and the quality and independence of EY.

As explained elsewhere in this Annual Report, Softcat continues to make good progress on its strategy for growth and the Committee reviewed the delivery of some of the systems required to support that growth. During the year we moved into a pilot phase of our new sales system, Customer Central, and the Committee regularly reviewed the risks and governance of the project and the results and user feedback from testing and pilot deployment. The oversight exercised by the Committee on these issues are key to ensuring our most critical projects and overall control environment receives the required attention to support the business.

The Committee is also responsible for oversight of Softcat's risk management framework. This includes review and independent challenge at half-year and at full-year of all key corporate, principal and material emerging risks facing the business (see pages 60 to 62).

The Committee and management have prepared for enhanced reporting on the effectiveness of our risk management and internal control framework from FY2027, as required under Provision 29 of the 2024 UK Corporate Governance Code. The Committee has overseen the progress of an internal programme to define and agree our material controls, alongside the process by which assurance will be given over those controls. Good progress was made including conducting a dry run and we are ready to comply with Provision 29 in FY2027.

A key focus for the Committee during the year has been exercising oversight of management's plans to strengthen the resilience of the business. This covers the identification of business-critical systems, enhancements to our cyber security posture and readiness for other potential major business interruption events. We have established a Business Resilience working team to co-ordinate the approach across risk, technology, crisis management and communications. This work is improving protection and maturity of response against a wide range of potential threats to the Company. As part of its oversight of cyber security, during the year the Committee reviewed and endorsed the commitments and actions recommended for companies by the government. We agreed to be a signatory to the Cyber Resilience Pledge to show our commitment to this important matter.

Audit and Risk Committee report continued

Introduction continued

The Committee's commitment to the effective oversight of this fundamental area will continue into FY2027.

The Committee operates an established process to consider the Group's financial reporting. This includes discussing reports from management on how they have prepared financial statements, their approach to significant financial judgements and any key accounting issues identified by them during the year. These are reviewed alongside draft disclosures as part of the approval process. The Committee also receives detailed reports from EY, our external auditors, on their review of management's work in preparing disclosures and the Committee discusses with EY the conclusions they have reached, as well as EY's review of the disclosures. During the year, the disclosures in Softcat's 2025 Annual Report and Accounts were selected for review by the Financial Reporting Council's ('FRC') Corporate Reporting Review ('CRR') team. The Committee was delighted to learn that based on CRR's review, they had no questions or queries which they wished to raise with the Committee. The FRC's Audit Quality Review ('AQR') team also conducted an inspection of EY's audit of our 2025 Annual Report and Accounts. The AQR report was rated 'good or limited improvements required'. The Committee has reviewed the report from the AQR and was satisfied with EY's response. The Committee considers that the work of both management and EY provide good support for the Committee's duty to review the Group's financial and corporate disclosures.

The Committee has carried out a review of the independence and effectiveness of EY as external auditor and recommends that they be reappointed at the Annual General Meeting to be held in December 2026. We have a co-sourced internal audit function, combining an effective in-house team, supported by the external firm BDO. Both continue to perform effectively and the Committee has welcomed the additional 'third line' focus the business has received as a result. Further information on the internal audit reviews conducted and planned are provided on page 86.

This report should be read alongside the Independent Auditor's Report on pages 120 to 127 and the financial statements. Each year, the Committee's work includes matters of particular significance to the Group's financial statements, as well as areas requiring significant judgement. With support from management, the Committee reviewed the significant accounting issues, judgements and estimation uncertainties relating to FY2026. Further details, including why these matters were considered important, are set out on page 83. The Independent Auditor's Report provides further information on those items identified as key audit matters.

I would like to thank the Committee for their support and insight during the year, and the management team for their continued work in maintaining a strong control environment across the business. I am available to engage with shareholders who wish to discuss the Committee's work or its key areas of focus for the coming financial year, and can be contacted via the Company Secretary at cosec@softcat.com. I will also be pleased to answer any questions on the Committee's work at the forthcoming AGM.



Robyn Perriss
Chair of the Audit and Risk Committee
13 October 2026

Areas of focus in FY2026 included:

- reviewing the appropriateness of our published half-year and full-year results, including the presentation of alternative performance measures;
- assessing the Group's going concern and viability statements;
- confirming that the Annual Report and Accounts is fair, balanced and understandable;
- commissioning, receiving and discussing internal audit and assurance reports on the:
  - second line function;
  - progress and consideration of risks and governance in relation to the implementation of the new Customer Central sales system;
  - internal data strategy for the business;
  - IT processes for employee joiners, movers and leavers;
  - management of risks, liabilities and commitments within the managed services business;
  - compliance with the Group's delegation of authorities matrix;
  - controls and processes in respect of the administration and management of Softcat's cloud billing services; and
  - controls and processes in respect of Softcat's cloud marketplace offerings;
- discussion and review of business resilience in the business, including updates on the evolving cyber threat landscape, and the definition of a Minimum Viable Company and a 'lifeboat' in the event of a major cyber incident;
- reviewing the effectiveness of internal controls, key and principle risks;
- preparations to comply with the revised Provision 29 on internal controls in the 2024 UK Corporate Governance (applies to Softcat in FY2027);
- reports on the framework to detect and prevent fraud in the business and attempted frauds; and
- review and oversight of whistleblower reports and the status of outcomes of any investigations.

Focus areas for FY2027:

- reporting against Provision 29 of the Code for the first time;
- the final stages of implementation of Customer Central, the new sales system is expected during FY2027 and the Committee will continue and close out its oversight on project risks, governance on the new system and decommissioning of the system being retired;
- a new standard on the presentation and disclosure of financial statements under IFRS 18 will apply to Softcat from our FY2028. Given the importance of this change, management will complete their assessment of how this will impact of Softcat's disclosures and they will discuss their proposals with the Committee;
- we will continue our focus to further strengthen our business resilience, including further enhancing our preparation for potential events of major business disruption;
- effective succession planning is important to ensure good continuity of the work of the Committee. In the near term, next year marks the five-year mandatory term for the lead partner at EY and the Committee will endorse a change of lead. Further out, I will reach my nine-year tenure as a Non-Executive Director in 2028 and after discussion with the Nomination Committee, the process to search for a successor will start next year; and
- in September 2026 we announced that Softcat had signed an agreement to acquire GDT, which is expected to close by the end of the first quarter of calendar 2027. Management will consider the various accounting and disclosure impacts of the acquisition, which include converting US Generally Accepted Accounting Principles ('US GAAP') into IFRS for Group reporting purposes. This will also involve oversight and assessment of GDT's control environment, planning for the effective integration of the business into the Group, and evaluating the impact of the transaction on financing arrangements, leverage and associated covenant compliance.

Responsibilities

The Committee's terms of reference are available at www.softcat.com/about-us/investor-centre/governance and from the Company Secretary. These provide the framework for the Committee's work and can be summarised as providing oversight of:

- the appropriateness of the Group's external financial reporting;
- the relationship with, and performance of, the external auditor;
- the Group's system of internal control, including the risk management framework, key and emerging risks and the work of the internal audit function;
- appropriate controls to detect and prevent fraud; and
- the Group's system of compliance activities.

The terms of reference are reviewed at least annually and are updated to ensure the Committee's duties are clear. No material changes were made in FY2026. During the year the Committee was updated in respect of all relevant statutory and non-statutory reform proposals so it can assess these in respect of its current and future responsibilities.

A whistleblowing policy and procedure for colleagues to raise issues regarding possible improprieties in matters of financial reporting or other matters is in place and operated throughout the year. The Group also operates anti-bribery and corruption procedures and a formal policy which supports compliance with relevant legislation. Employees undertake regular training and a copy of the policy is available to all employees. We operate a gifts and hospitality register and all gifts and hospitality (given or received) above applicable thresholds must be approved by the employee's line manager and entered on the register. Management monitors use of the gifts and hospitality register. The Committee provides oversight to ensure that management confirms appropriate policies and procedures are in place.

During the year the Committee reviewed the Company's published tax strategy and also discussed with management tax compliance and relationships with relevant tax authorities. An updated tax strategy was approved by the Committee and is available on the Group's website at www.softcat.com/sustainability/responsible-business. The Committee also noted the Company's good payment practices as shown in the reporting of payments to suppliers.

The Committee received updates from management on fraud resilience and associated controls in the business and noted ongoing employee training and awareness on this important topic. Management had followed the detailed guidance issued by the government on the new corporate offence of a failure to prevent fraud. A comprehensive process to comply with the legislation was concluded in time for the introduction of the offence in September 2025.

Membership

All Committee members are independent Non-Executive Directors of the Company and membership was unchanged in FY2026. The Company Secretary acts as Secretary to the Committee, supported by the Company Secretarial Assistant.

The Committee's composition provides the range of financial and commercial expertise necessary to meet its responsibilities and the requirements of the UK Corporate Governance Code (the 'Code') and remains effective. Given my experience as a qualified Chartered Accountant and as a recent finance director of a listed UK company, I have been designated as the financial expert on the Committee for the purposes of the Code.

Jacqui Ferguson has considerable sector experience, in accordance with the provisions of the Code. Mayank Prakash has significant experience in technology and digital information, which is important given the Committee's oversight of IT general controls, the delivery of material internal IT projects and our controls against cyber security threats.

How the Committee operates

The Committee met five times during the year. The Company Secretary collates a twelve-month and longer-term rolling plan to ensure the Committee reviews all matters to effectively discharge its duties. Draft agendas are initially shared ahead of meetings with management and EY for review. The draft agendas are then discussed with both the Chair of the Committee and the Chief Financial Officer ('CFO') to ensure they are comprehensive and that sufficient time is allocated.

EY is invited to each Committee meeting together with the Company Chairman, the Chief Executive ('CEO') and the CFO, which means that each member of the Board is present. However, I shall, as needed, report to the Board as a separate agenda item on the activity of the Committee and matters of particular relevance to the Board regarding the conduct of the Committee's work.

The Board regularly reviews the performance of the business via monthly reporting packs and discusses reports from the CEO and CFO at each Board meeting. This provides the Committee with a good understanding of the business environment, risks and financial standing of the business ahead of the half-year and full-year results.

The Company Secretary, the Group Financial Controller, the Head of Risk, Assurance & Business Resilience and Internal Audit Manager also attend Committee meetings. BDO, as a co-sourced partner, provides third-party subject matter assurance services and attends when required to report on the findings of assurance activities undertaken.

The Committee sets time aside at each meeting to seek the views of the external auditor, in the absence of management and to allow for a similar 'in-camera session' with management, in the absence of the external auditor. The external auditor and management confirm for each meeting whether there is a need to hold a session. The Committee Chair keeps in regular touch with the CFO, other managers in the Finance team, the external auditor and the internal audit function as needed between Committee meetings.

Financial reporting

The Committee's primary responsibility in relation to the Group's financial reporting is to review with both management and the external auditor the appropriateness of the half-year and annual financial statements including:

- the quality and acceptability of accounting policies and practices;
- the impact of any material changes in accounting policies;
- material areas in which significant judgements have been applied or where significant issues have been discussed with the external auditor;
- the clarity of the disclosures and compliance with financial reporting standards and relevant financial and governance reporting requirements, including the Code;
- any correspondence from regulators in relation to our financial reporting; and
- assisting the Board in an assessment of whether the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position and prospects, performance, business model and strategy.

Audit and Risk Committee report continued

CRR review of Softcat's 2025 Annual Report – scope and limitations of review

As noted above, the CRR team of the FRC conducted a review of the disclosures in Softcat's 2025 Annual Report and Accounts.

The FRC wishes to point out the scope and limitations of its review. The FRC's review is based solely on the Annual Report and Accounts and does not benefit from detailed knowledge of Softcat's business or an understanding of the underlying transactions entered into. It is, however, conducted by staff of the FRC who have an understanding of the relevant legal and accounting framework. The review provides no assurance that the Annual Report and Accounts are correct in all material respects; the FRC's role is not to verify the information provided to it but to consider compliance with reporting requirements. The FRC (which includes its officers, employees and agents) accepts no liability for reliance on it by the Company or any third party, including but not limited to investors and shareholders.

Accounting policies and practices

The Committee received reports from management in relation to the identification of critical accounting judgements, key sources of estimation uncertainty, significant accounting policies and proposed disclosure of these in the 2026 Annual Report.

The Group publishes its accounts in accordance with UK adopted international accounting standards ('IFRS'). However, the Directors believe that further non-statutory measures are helpful to understand the underlying trends, performance and the financial position of the Group. In FY2025 management prepared a detailed policy on the use of adjusting items in financial reporting, which includes principles as to when certain items should be adjusted. The adjusted items are shown as 'underlying' disclosures in this report. The Committee approved the policy after taking into account whether the policy:

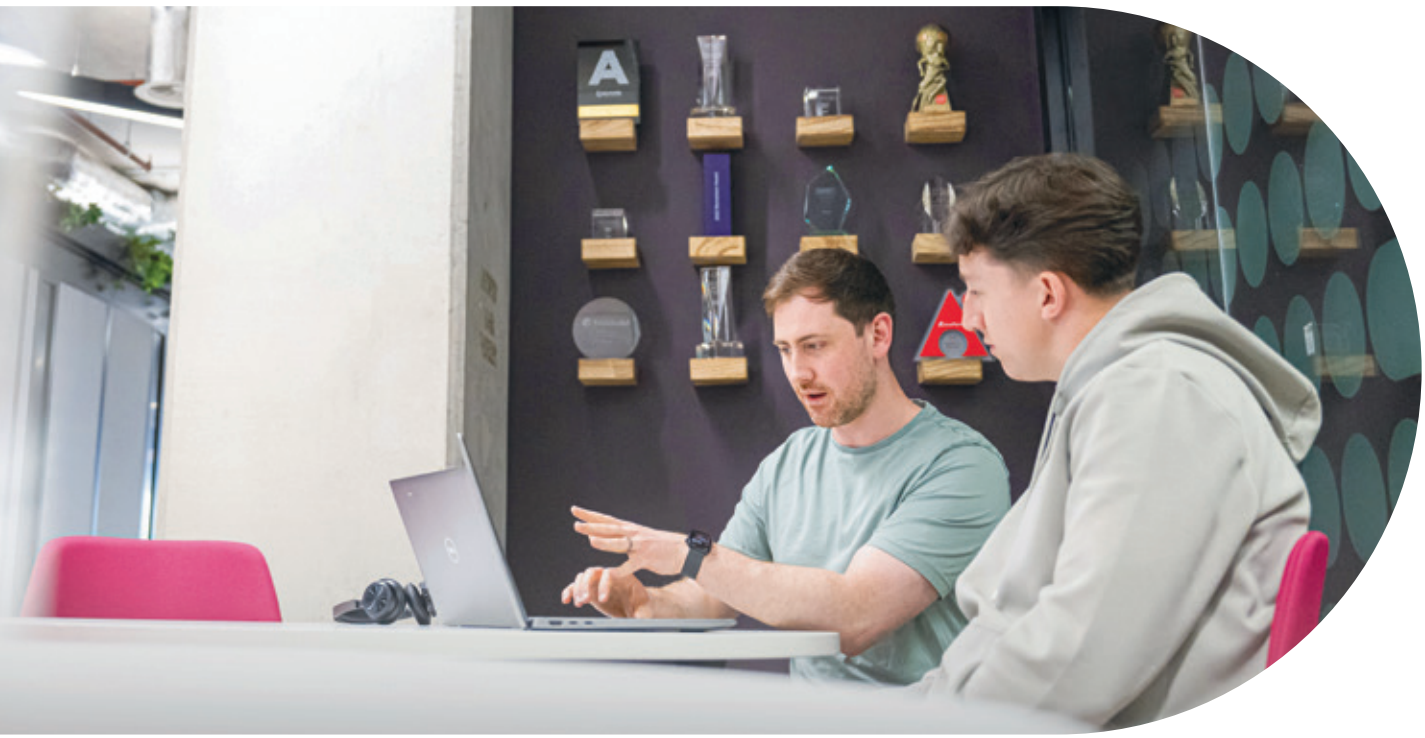
- enhances the clarity and usefulness of financial communications to readers;
- protects investors and stakeholders from potential misleading information; and
- ensures compliance with accounting standards, other regulatory requirements and good practice.

For FY2026, management prepared and discussed with the Committee the presentation of statutory financial reporting, along with the adjusted underlying disclosures. A full reconciliation between the statutory and underlying disclosures in line with the agreed policy was presented to the Committee. After considering the presentation and the proposed reconciliation, the Committee approved the inclusion of the underlying disclosures.

Critical accounting judgements and significant accounting policies and disclosures are set out in note 1 'Accounting policies' to the financial statements.

Significant judgements and areas of focus

A key part of the Committee's role is to review the principal matters affecting Softcat's published financial statements and to satisfy itself that they have been appropriately addressed. Management reports to the Committee on its approach and rationale for each significant judgement and issue. The main areas considered, and the actions taken by the Committee, are summarised below. The Committee noted that there were limited areas of significant judgement and that the external auditor did not identify any areas of material challenge. The Committee is nevertheless satisfied that the external auditor carried out a thorough review of the material areas that could affect the integrity of the financial statements. These matters were discussed with the external auditor and, where relevant, are reflected as areas of audit focus in the Independent Auditor's Report on pages 120 to 127.



Matter considered	Action
Revenue recognition and cut-off	The Committee has reviewed the Group's revenue recognition policy and discussed in detail with management and the external auditor the processes applied and systems utilised to accurately record revenue at period ends, particularly in relation to the completion of a large deal with an international component. The Committee concluded that the timing of revenue recognition is appropriate.
Presentation of revenue in respect of principal versus agent	Inappropriate application of IFRS 15 may result in inaccurate presentation and disclosure of revenue and cost of sales. Guidance on 'control' published by the IFRS Interpretations Committee ('IC'), which is used to determine whether companies should recognise revenue from the resale of standard software licences on a net basis under IFRS 15, has removed a significant element of judgement in relation to the recognition of software revenue. However, the nature of Softcat's current systems is to process all revenue streams gross, and a manual adjustment is made by management at year end to record revenue on a net basis where Softcat is the agent. Hence, due to the large number of transactions and manual nature of the net down adjustment, this remains an area of key audit focus. Management are progressing a project to increase the level of automation which will reduce manual adjustments. Management confirmed to the Committee that it has followed the relevant IC guidance and has taken appropriate action. They performed detailed work to ensure that revenue is reported accurately on a principal (gross) or agent (net) basis. EY has audited the manual net down adjustment and related disclosures under IFRS 15 and presented its results to the Committee. The above provided the Committee with comfort that an appropriate approach continues to be taken on the presentation of revenue.
Misstatement of rebate income	The Committee takes steps to understand the nature and quantum of supplier rebates received by the Group. Management presented current year levels of rebate income plus recent historical trends and factors to allow the Committee to analyse rebate income in context. The Committee is satisfied with management's ability to accurately record rebates earned within the financial period.
Non-underlying costs and presentation of alternative performance measures ('APMs')	The identification of non-underlying costs and the presentation of APMs is a judgement in terms of which costs are not associated with the underlying performance of the Group and impact the comparability of results year-on-year. During FY2026 the Group incurred non-underlying costs of £19m in relation to the implementation of Customer Central and People Central, the new sales system and HR system respectively; and charges incurred in respect of deferred consideration and amortisation following the acquisition of Oakland in FY2025. The Committee reviewed all items categorised as non-underlying costs through reports and discussions with management and the external auditors, including explanations of why they were not related to the underlying performance of the Group or impacted the comparability of the results year-on-year. The Committee also reviewed the prominence of the APMs disclosed, together with the narrative within the Annual Report. The Committee concluded it was satisfied with the assessments made and that the related disclosures were appropriate.
Shares	During FY2026 the Company completed a £45m share buyback programme and there was also an issue of free shares to eligible employees under the Company's Share Incentive Plan employee share scheme. Management presented to the Committee a summary of the accounting treatment for both matters, including the impact on EPS for the buyback and the disclosures in respect of the funding of the employee benefit trust to purchase the free shares. The Committee was satisfied with the proposed treatment presented.
Hedging	During FY2026, management proposed and the Committee approved the establishment of a new hedging policy to reduce foreign exchange volatility on transactions. Management presented a summary of the impact of the new policy, its impact on the FY2026 profit and loss statement and they explained the additional disclosures to be included in the 2026 Annual Report. The Committee reviewed these matters and was satisfied with the proposed treatment and additional disclosures. See notes 1 and 24 to the financial statements for further information.

Audit and Risk Committee report continued

External auditor appointment

A timeline setting out the tenure of EY as auditor and requirements on Softcat to next tender and change auditor is set out below:

Prior to July 2013
Rayner Essex LLP conducted the external audit immediately prior to FY2013

July 2013
EY appointed as auditor and conducted the external audit for FY2013

November 2015
Softcat becomes a publicly listed entity

October 2017
Mandatory change of EY lead audit partner

May 2022
EY reappointed as auditor, following competitive tender process

October 2022
Mandatory change of EY lead audit partner

2027
Next mandatory change of EY lead audit partner

By July 2033
Pursuant to legislation, mandatory audit firm rotation, being up to 20 years since appointment

The Committee will continue to review the auditor's appointment and the timing of the next tender for the audit, ensuring the Group's best interests are considered and ensuring compliance with the requirements of the UK Competition and Markets Authority. Accordingly, the Group confirms that it complied with the provisions of the Competition and Markets Authority's Order 2014 for the financial year under review. There are no contractual obligations restricting Softcat's choice of external auditor.

For FY2026, the Committee recommended to the Board that EY be reappointed under the current external audit contract and the Board has endorsed that recommendation. The Board has further proposed the reappointment of EY at the Annual General Meeting to be held in December 2026.

Other matters

The Committee also undertook further activities in relation to the Group's accounting and external reporting, governance and controls in the year:

Fair, balanced and understandable

The processes and controls that underpin the Committee's assessment of whether the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position and prospects, performance, business model and strategy include ensuring that:

- team members who provide a material contribution to drafting the Annual Report are familiar with the fair, balanced and understandable requirement;
- an experienced core team is responsible for the co-ordination of content submissions, verification, detailed review and challenge;
- the Committee receives a detailed quality of earnings analysis highlighting any larger accounting adjustments. This provides consistent year-on-year trend analysis against which to assess the narrative reporting;
- the Annual Report and Accounts follows a framework which supports the inclusion of key messaging, market and performance overviews, principal risks and other governance disclosures. Sufficient forward-looking information is provided and a balance is sought between describing potential challenges and opportunities;
- information in the different parts of the Annual Report and Accounts is consistent;
- the Annual Report and Accounts is written to avoid jargon where possible and is presented free of unnecessary clutter;
- senior management confirms that the content in respect of its areas of responsibility is considered to be fair, balanced and understandable; and
- the Committee receives an early draft of the Annual Report and Accounts to enable timely review and comment.

Following its review, the Committee is of the opinion that the 2026 Annual Report and Accounts, taken as a whole, is fair, balanced and understandable. This allows the Committee to provide positive assurance to the Board to assist it in making the statement required by the Code.

Going concern and viability statements

The Committee has reviewed the Group's ability to continue to operate as a going concern for a period of at least twelve months from the date of this report and the Group's assessment of viability over a period greater than twelve months. In assessing viability, the Committee has considered the Group's position presented in the annual budget and the three-year plan approved by the Board. The Committee also considered a number of scenarios modelled by management to assess the strength of the Group's liquidity position. Additional scenarios were modelled following Softcat's agreement to acquire GDT. These took into account the proposed debt facilities, the ability to service the interest cost and any lending covenant requirements. The Committee has concluded that the assumptions and mitigating actions are appropriate. Further details are set out in the statements on page 118 and page 63 of this Annual Report. Following review, the Committee has recommended both statements for approval by the Board.

External audit

The Committee oversees the relationship with, and performance of, the external auditor. This includes making the recommendation on the appointment, reappointment and removal of the external auditor, assessing its independence and negotiating the audit fee. The Committee is also responsible for considering the most appropriate time and circumstances to conduct a tender for the external audit. EY was first appointed as the Group's auditor in 2013 and was reappointed following a competitive tender (in accordance with the 2014 Competition and Markets Authority Order) in 2022. In accordance with the Auditing Practices Board's Ethical Standards, the term limit of an audit engagement partner is five years. Marcus Butler of EY is the lead audit engagement partner for Softcat and he is independent from Softcat, with no known conflicts of interest.

Audit risk

At the start of the audit cycle we received and discussed with EY its detailed audit plan identifying the audit scope, planning materiality and assessment of key audit risks. EY further updates planning materiality thresholds following a refreshed assessment of Softcat's forecasted results, thus ensuring that EY reviews all relevant transactions in excess of the threshold.

The audit risk identification process is important for an effective audit by EY, and the key risks for FY2026 closely align to the significant judgements and issues above. The key risks identified included:

- revenue recognition and cut-off;
- presentation of revenue in respect of IFRS 15;
- misstatement due to fraud or error; and
- misstatement of rebate income.

EY's audit plan also outlines additional areas of focus which they wish to draw to the attention of the Committee. These typically reflect standing matters usually associated with an external audit each year and additional matters which reflect potential changes in Softcat's risk profile. The Committee can request for additional areas to be reviewed if relevant for the integrity of Softcat's financial statements. No such additional areas were considered necessary for FY2026.

Working with the external auditor

The external auditor attended all Committee meetings in FY2026 and received all Committee reading papers and minutes. After Committee meetings, we allow time to hold a private meeting with the external auditor, which provides additional opportunity for open dialogue and feedback from the Committee and the auditor without management being present. The external auditor has direct access to the Committee Chair to raise any concerns and maintains a regular dialogue with the Committee Chair. Matters typically discussed include:

- auditor views on the resourcing of internal functions responsible for Softcat's financial reporting or internal controls;
- the external auditor's assessment of business risks;
- the transparency and openness of management;
- confirmation that there has been no restriction in scope placed on it by management; and
- the independence of its audit and how the auditor has exercised professional scepticism.

The Committee Chair, if appropriate, will discuss with management any actions arising from the private meetings with the external auditor.

Effectiveness of the external audit process

The Committee reviewed the quality of the external audit throughout the year and considered the performance of EY. The effectiveness of the external audit includes the quality, continuity, experience and training of audit personnel, business understanding, technical knowledge and the degree of rigour applied in the review processes of the work undertaken, communication of key accounting and audit judgements, together with appropriate audit risk identification at the start of the audit cycle. The Committee also took into account an assessment of the firm-wide Audit Quality Inspection ('AQI') report issued by the FRC in July 2026 together with EY's responses to that report. The Committee noted the FRC's comments that EY had sustained since the prior report a good level of performance in the audits sampled and that EY had a well-established system of quality management to help maintain a consistent approach to high-quality audits. The Committee noted EY's published response to the AQI and its plans to further enhance their audit quality.

An internal Board evaluation was conducted during FY2026 and there were no points of concern raised in respect of the external auditor. Furthermore, following the conclusion of FY2026, the Committee conducted an effectiveness evaluation of the external auditor. A meeting was held between the Chair of the Committee with selected managers to gain further feedback from those most closely involved with EY in the year-end process. The results will be discussed with the Committee and EY to ensure effectiveness of the external audit remains optimal.

Independence and objectivity

The Committee has a policy governing the engagement of the external auditor to provide non-audit services. This precludes EY from providing certain services. The policy is reviewed annually and was last updated in July 2026 with no material update. The latest version can be found on the Group's website at: www.softcat.com/about-us/investor-centre/governance. All non-audit services and costs provided by the external auditor are reported to the Committee and monitored. The Committee also received confirmation from EY that there are no relationships between Softcat and EY that may have a bearing on its independence.

In respect of the audit of the 2026 financial statements, the Committee considered a fee proposal from EY and reviewed the quantum and rationale relating to proposed audit costs. Following the receipt of formal assurance that its fees were appropriate for the scope of the work required, the Committee agreed a base audit fee that reflected a 4% increase compared with the previous year. The Committee also agreed a fee of £50,000 in respect of EY's review of the 2026 half-year results, which is classified as a non-audit fee. Further details of the fees paid for audit and non-audit services to EY for the 2025 and 2026 financial years can be found in note 3 to the financial statements.

Audit and Risk Committee report continued

Independence and objectivity continued

The Committee adheres to the requirements of the Statutory Auditors and Third Country Auditors Regulations 2016. These provide for a cap on non-audit services of 70% of the average of the audit fees paid on a rolling three-year basis. The three-year measurement period covers the 2024, 2025 and 2026 financial years and is 5.8%, which remains considerably below the cap.

Taking the above into consideration, the Committee has concluded that EY remains independent and objective and that appropriate safeguards and controls are in place to assess independence and objectivity.

Internal control and risk management

The Committee oversees the Group's system of internal control, including the risk management framework and the work of the internal audit function. During the year the Committee closely monitored the Group's internal control and risk management systems and received regular reports from management and from the Risk, Assurance and Process Improvement team (the 'Risk and Assurance team'), and from the internal audit function. Updates received covered major risks and/or events faced by the business.

Assessment of the Group's system of internal control, including the risk management framework

The Group's risk assessment process and the way in which significant business risks are managed is a key area of focus for the Committee. Our activity is driven primarily by the Group's assessment of its principal risks and uncertainties (see pages 60 to 62).

The Group has in place an internal control environment to protect the business from the material risks which have been identified. Management is responsible for establishing and maintaining adequate internal controls over financial reporting and the Committee has responsibility for ensuring the effectiveness of these financial controls.

The Committee has completed its review of the effectiveness of the Group's system of internal control, including risk management, during the year and up to the date of this Annual Report, in accordance with the requirements of the Guidance on Risk Management, Internal Control and Related Financial and Business Reporting published by the FRC applicable for the year under review. As part of the financial year-end process, management presented to the Committee an overview of the existing control framework and it summarised the key controls in operation which underpinned the financial control environment during FY2026.

Management had considered the financial control environment and concluded that in its view the controls had been operating effectively throughout the year and, taken together, provided a high degree of assurance that the financial statements are free from material misstatement.

Through these processes, the Committee has considered all significant aspects of the Group's risk management and internal control systems for the year and up to the date of this Annual Report, allowing it to provide positive assurance to the Board to assist it in making the statements required by the UK Corporate Governance Code. No significant failings or weaknesses were identified as a result of the review that may significantly impact the financial statements. However, had there been any such failings or weaknesses, the Committee and the Board confirm that necessary actions would have been taken to remedy them.

The disclosures in this section have been prepared in accordance with the relevant provisions in the 2018 UK Corporate Governance Code, which apply for our 2026 financial year. Softcat will comply with the provisions and disclosure requirements under Provision 29 of the 2024 UK Corporate Governance Code in its 2027 Annual Report.

Internal audit

The aim of the Risk and Assurance team (including internal audit) includes providing independent and objective assurance on the adequacy and effectiveness of internal controls, risk management and governance processes. During FY2026, the Group increased its internal audit resourcing as we continue to strengthen capabilities across all three 'lines of defence'.

BDO LLP ('BDO') acts a co-sourced internal audit partner and they provide the in-house team with additional subject matter expertise and resource as needed. Monitoring and review of the scope, extent and effectiveness of internal audit is regularly considered by the Committee. During the year, management discussed with the Internal Audit team the selection of appropriate areas within the business for internal audit reviews and an internal audit plan for the year as subsequently approved.

The Committee receives an audit report on each audit undertaken, which includes the results of the audits, recommendations for changes and management action plans to address any unsatisfactory audits or recommendations. The Internal Audit Manager works closely with the business to ensure that audit actions are progressed in a timely manner and reports progress back to the Committee.

An internal audit plan has been formulated for FY2027, which includes consideration of the material risks facing Softcat. Changes to areas selected for audit can be agreed to ensure the audit plan is responsive to the needs of the business. The proposed audits for FY2027 include:

- credit assessment;
- supplier onboarding;
- IT asset management;
- financial solutions;
- commission adjustments;
- security incident response and IT disaster recovery; and
- compliance with the delegation of authority matrix.

Effectiveness of the internal audit process

The internal audit function has access to the relevant documentation, premises, functions and employees to enable them to perform their activities. The Committee remains satisfied with the effectiveness of the internal audit function and during the year discussed and approved both an internal audit strategy and an agreed way of working between the Softcat internal team and BDO.



Robyn Perriss
Chair of the Audit and Risk Committee
13 October 2026

Nomination Committee report

Effectiveness

"We have an effective and well-engaged Board with the right experience, skills and qualities to provide the leadership and oversight required to drive the business forward."

Lynne Weedall
Chair of the Nomination Committee



Allocation of time

Board composition
15%

Succession planning
40%

Employee culture, diversity and inclusion
25%

Corporate governance
20%

See our website for the Committee's responsibilities:
www.softcat.com/about-us/investor-centre/governance

Committee Chair's introduction

I am pleased to present this report for the year ended 31 July 2026 as Chair of the Nomination Committee (the 'Committee'). Members of the Committee are shown in the Board biographies on pages 66 and 67 and attendance at Committee meetings for the year is shown on page 68. In this report we explain the work of the Committee and our key areas of focus.

We have an effective and well-engaged Board with the right experience, skills and qualities to provide the leadership and oversight required to drive the business forward. Maintaining an optimal Board is reflected in our approach to succession planning.
In last year's report from the Committee, I explained that the Committee would review the tenure of Graeme Watt, our Non-Executive Chairman. Graeme was first appointed to the Softcat Board as CEO in April 2018 and the Committee considered Graeme's tenure against the recommendation in the UK Corporate Governance Code (the 'Code') that a chair should not remain in post beyond nine years from the date of their first appointment to the board (i.e. to April 2027). The Committee concluded that Graeme's tenure should be extended. We listened to the views of our shareholders who, like the rest of the Board, remain very positive on Graeme's appointment and contribution. We considered matters such as the Code, overall Board composition and considered these in the round.
In June 2026, after consulting with our largest shareholders, we confirmed and announced the extension of Graeme's tenure for up to another three years beyond the nine years recommended by the Code (i.e. up to April 2030).

Further information is provided later in this report.

The Committee has an established programme covering succession planning, employee culture and engagement, diversity, equality and inclusion. We continue to make progress and are particularly pleased on a number of areas, including further improvements in the overall diversity of the workforce, further actions to improve social mobility and additional steps being taken as a disability-inclusive employer. We do, however, recognise the need to improve gender and ethnic representation in certain leadership positions. Management remains focused on this work, which requires sustained long-term effort. Further details are provided in the Social Value section of this Annual Report.

Below Board level, during the year the Committee reviewed and discussed with the Executive Directors the succession plans for the Senior Leadership Team (the most senior level of management below the Board) and for other individual roles critical to the business.

Membership, meetings and operation of the Committee

All members of the Committee are Non-Executive Directors and the Committee is chaired by an independent Director. The Chief Executive, Chief Financial Officer, Chief People Officer and Head of Diversity, Inclusion and Talent Acquisition are invited to attend meetings where appropriate. The Committee met three times during the year. If needed, the Committee Chair will report to the Board on the actions taken by the Committee.

Nomination Committee report continued

Membership, meetings and operation of the Committee continued

The Committee advises on Board appointments, reviews Board composition and oversees succession planning for the Board and senior management. It also reviews diversity, equality and inclusion initiatives and provides feedback on their progress. These responsibilities help ensure that the Board and wider business have effective plans for attracting and retaining strong talent, supported by Board-level oversight for an inclusive workplace environment.

The Committee reviews on appointment and prior to proposing subsequent reappointment that each Director can devote sufficient time for their duties as a member of the Softcat Board. Each Director continues to devote sufficient time. On joining the Board, Non-Executive Directors receive a formal appointment letter which includes the time commitment expected of them. The Committee recommended (and the Board endorsed) that each Director be proposed for reappointment at the 2025 AGM.

Board changes, composition and succession planning

There were no changes on the Board this year and the current composition remains highly effective. We have a diverse Board with a good mix of skills, complementary experience, lengths of tenure and varying backgrounds. This supports a good blend of constructive challenge, fresh thinking, industry and wider knowledge and retained corporate memory, which is vital for effective Board input and oversight. We keep the composition and skill set of the Board under review and we will refresh it as needed so it remains well aligned to our strategy and long term vision.

As explained above, the Committee confirmed the extension of Graeme Watt's tenure for up to another three years beyond the nine years recommended by the Code. This followed a thorough consultation process with Softcat's key shareholders, who were very supportive of the extension. The decision was based on the Board's unanimous view that the extension is in the best interests of all shareholders given Graeme's extensive experience of the sector, as well as the independent challenge he continues to provide in chairing the Board's oversight of the Company's governance, strategy and execution. The review process was led by myself and the shareholder engagement process was led by Jacqui Ferguson, the Company's Senior Independent Director and I thank Jacqui for so ably managing this process.

We retain the existing governance in respect of Graeme's appointment and had considered the matter against the provisions of the Code. Our considerations included:

- The usual process continues for the Committee to consider whether Graeme should be recommended for annual shareholder re-election.
- Either party may give notice pursuant to the terms of Graeme's appointment.
- Graeme was already non-independent on appointment as Chairman. Exceeding the nine-year tenure dos not change this status, nor will it impact on the strong independent element on the Board.
- Graeme's appointment as Chairman is relatively recent. The Committee believes the Chairman should be a long-term position and stability in the role is important.
- We have agreed separate roles for the CEO and Chairman. Adherence to each role is tested each year as part of the Board effectiveness evaluation process and continues to work well.
- The Board is majority independent, in line with the recommendations of the UK Corporate Governance Code.
- An independent Non-Executive Director chairs the Nomination Committee.

The Committee is therefore satisfied that good governance is being maintained. For the above reasons, the Committee concluded it is in the best interests of the Board, Softcat and its shareholders to approve Graeme's extension.

Graeme was also formerly Softcat's CEO until 31 July 2023. The Committee acknowledges that the appointment of the former CEO into the role of the Non-Executive Chairman is not in line with the recommendations of the Code. The Board remains unanimous that Graeme's deep knowledge of the business and Softcat's culture and its markets makes him the ideal person to support the interests of all of Softcat's stakeholders.

→ Read more about compliance with the Code on page 64.

Robyn Perriss is one of our Non-Executive Directors and is also Chair of the Audit and Risk Committee and the Sustainability Committee, and her nine-year tenure will be reached in July 2028. In line with our long-term orderly approach to succession planning in good time, later in the year we will commence the process to search for her successor. This approach will allow plenty of time for the successor to get fully up to speed well ahead of the end of Robyn's tenure.

Key activities during the year

The calendar below summarises the key topics considered by the Committee:

October 2025

- Approval of the 2025 Nomination Committee Report
- Recommendation to reappoint Directors at the 2025 AGM
- Assessment of Board composition

December 2025

- Review of the results of the annual employee satisfaction survey and planned actions
- Discussion and feedback on Non-Executive Director employee engagements with various Softcat offices
- Discussion on senior management and Board succession planning
- Discussion on the extension of the Chairman's tenure
- Review of a social mobility and inclusivity objectives as part of the Executive Director's annual bonus plan

May 2026

- Updates on diversity, equality and inclusion
- Update on the extension of the Chairman's tenure
- Initial discussion on timing and approach of succession plan for Robyn Perriss

Regular or standing items include:

- Approval of previous Committee meeting minutes and review of follow-up on outstanding actions
- Governance updates or changes in relevant legislation for Committee discussion or approval
- Review of and updates to the Committee's terms of reference



The Committee keeps a watching brief on the retirement dates of the other Board members as part of its long-term succession planning and Board composition refreshment. These tenures will be reached over the longer term at which point we will review the desired mix of skills for the Board to ensure it remains highly effective.

When considering a Board appointment, we normally engage search firms that demonstrate strong practice in identifying a diverse range of candidates. Some firms also subscribe to voluntary codes that promote diversity in candidate searches. This approach helps the Committee consider a broad and inclusive pool of suitable candidates.

Below Board level, the Committee works with the Chief People Officer and the CEO and reviews annually the plans which are in place for orderly succession planning of our Senior Leadership Team ('SLT'). The succession plans identify both internal and external potential successor candidates. We have a strong internal talent pipeline and we review leadership development plans and efforts to develop a more diverse pipeline for leadership roles.

Board member review processes

The Company Chairman conducts an annual review of the CEO and each Non-Executive Board member and the CEO performs a similar process with the CFO. The reviews gather additional feedback to support the good running of the Board. The Board also conducted an internal Board effectiveness review which confirmed that the Board continues to work very well. Some minor areas for further improvement were highlighted and will be actioned. More information on this year's effectiveness review is on pages 72 and 73.

Jacqui Ferguson is responsible reviewing the performance of the Company Chairman. She gathered feedback from each of the other Board members and with the Company Secretary and then led a meeting of the Non-Executive Directors, without the Company Chairman present, to discuss the Company Chairman's performance. The Non-Executive Directors confirmed they continue to be happy with the Company Chairman's performance and remain fully supportive. Points were agreed from the feedback which will support our focus on continuously developing our high-performing Board.

The Chairman also conducts a short review at the end of the day for each Board meeting to collate in 'real time' feedback and any areas for improvement. This process further reinforces the open dialogue and continuous improvement that is encouraged at the Board.

Taking into account the above, we have recommended to the Board that each Director be proposed for reappointment at the 2026 AGM.

Diversity and inclusion

We work hard to make Softcat a great place to work; this is a central plank of our business strategy and is reflected in our continued success. Further details are provided on pages 32 and 33. As part of this, the Board and the Committee devote significant time to diversity and inclusion, recognising the importance and benefits of building a more diverse workforce at every level. This remains a long-term priority. The Committee also recognises the importance of diversity and inclusion to the effective functioning of the Board, whose broad range of experience, expertise and backgrounds supports better decision-making.

The report from FTSE Women Leaders recommended the following aspirational targets for gender diversity in FTSE 350 companies:

FTSE Women Leaders: targets for FTSE 350 companies	Current Softcat position
Boards to comprise at least 40% women.	Achieved. The Board currently comprises 57.1% women.
Boards to have at least one woman in the chair or senior independent director role, and/or one woman in the chief executive or finance director role.	Achieved. Katy Mecklenburgh is the CFO and Jacqui Ferguson is the Senior Independent Director.
Leadership teams (as defined) to comprise at least 40% women.	Softcat reported women comprising 36.8% of leadership roles (as defined).

I am pleased that Softcat meets two of the above targets and that we have improved our performance since last year on the remaining target, for which we recognise the need for further improvement. We must maintain momentum in respect of greater diversity at leadership level and management is working hard to achieve this. We do acknowledge, nonetheless, that it may take some time to see the results of management's efforts.

The Board meets the recommendation set by the Parker Review that boards should have at least one person of colour. The Parker Review also asked companies to provide data on its senior management (as defined) and to set a target for the proportion of ethnic minorities employees in senior management by the end of 2027. We have provided all the required information to the Parker Review and we have set a target of at least 10% ethnic minority employees in senior management by the end of 2027.

Whilst we have reached some of the above targets, it is not the policy of the Committee to set a quota in terms of the gender or ethnic diversity mix on the Board or its Committees. Our policy, which we have implemented, is:

- the primary criterion for an appointment is that it is made on merit;
- the appointment achieves the best fit with the Board and its Committees; and
- to keep in mind the benefits of the Board and its Committees having a diverse range of skills, experience and professional backgrounds.

Diversity disclosures pursuant to UK Listing Rule 6.6.6R

The UK Financial Conduct Authority ('FCA') requires listed companies to disclose in a prescribed format information on the diversity of their board and executive committee. The UK Listing Rules require listed companies to state whether they have met certain targets on board diversity. The information in the table on the following page is at 31 July 2026, which is the selected reference date within the Company's accounting period. The targets set out in the UK Listing Rules are that:

- at least 40% of the individuals on its board of directors are women;
- at least one of the following senior positions on its board of directors is held by a woman:
  - the chair; or
  - the CEO; or
  - the CFO; or
  - the SID; and
- at least one individual on its board of directors is from a minority ethnic background.

As at the reference date, the Board of Softcat met all of the above targets.

Nomination Committee report continued

Diversity disclosures pursuant to UK Listing Rule 6.6.6R continued

Gender diversity reporting

	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID, Chair)	Number in Executive management	Percentage of Executive management
Men	3	42.9%	2	6	60.0%
Women	4	57.1%	2	4	40.0%
Not specified/prefer not to say	–	–	–	–	–

Ethnic background diversity reporting

	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID, Chair)	Number in Executive management	Percentage of Executive management
White British or other White (including minority White groups)	6	85.7%	4	9	90.0%
Mixed/multiple ethnic groups	–	–	–	–	–
Asian/Asian British	1	14.3%	–	–	–
Black/African/ Caribbean/Black British	–	–	–	1	10.0%
Other ethnic group	–	–	–	–	–
Not specified/prefer not to say	–	–	–	–	–

Notes:

1. The UK Listing Rules require disclosure at the applicable reference date, which as noted above was 31 July 2026. The composition of the Board has not changed between 31 July and 13 October 2026, being the date at which this report is approved. The composition of the Board as at 13 October 2026 still meets the above requirements.
2. 'Executive management' is defined above using the definition in the UK Listing Rules. This is defined as the most senior executive or managerial body below the Board, including the Company Secretary. At Softcat, this is the Senior Leadership Team ('SLT'), which has day-to-day responsibility for the operation of the business, and the Company Secretary. The SLT includes the Executive Directors.

The People team had previously conducted a voluntary survey to all employees asking them to confirm how they should be identified for gender and for ethnic background. New employees are requested to make such a confirmation. This survey/information request includes Executive management (as defined) and has also been extended to the Board, including the Non-Executive Directors. Responses were received from each member of the Board and Executive management which confirmed how they should be identified and the above data was collated from those survey responses.

Inclusion

The Committee has also received briefings on the initiatives to improve inclusion in the business and the Company employs a dedicated manager to co-ordinate our diversity, equality and inclusion efforts. The briefings received by the Committee included not only diversity regarding gender, but also on ethnicity, sexual orientation, disability, social mobility and updates on various inclusion activities. More information about diversity, equality and inclusion in the business can be found in this Annual Report on pages 31 to 33 and also in our latest annual Sustainability report which is on our website at www.softcat.com/sustainability.

> **"The Committee realises the importance and benefits of creating a more diverse workforce at all levels in the Group."**

Assessment of the independence and conflicts of the Non-Executive Directors

The Committee and the Board are satisfied that the external commitments of the Company Chairman and the other Non-Executive Directors do not conflict with their duties and commitments as Directors of the Company. Our Directors must:

- report to the Board any material changes to their commitments;
- notify the Company Secretary of actual or potential conflicts or a change in circumstances relating to an existing authorisation; and
- complete an annual conflicts questionnaire.

Any conflicts are considered and, as appropriate, authorised by the Board. Each year the Committee reviews the independence of the Non-Executive Directors. All Non-Executive Directors, excluding the Company Chairman, are currently considered independent. All Non-Executive Directors also affirm annually that they can devote sufficient time for their Board duties at Softcat.

Documents available for inspection

Non-Executive Directors are appointed for an initial three-year term, usually extendable by a further two additional three-year terms. The letters of appointment for Non-Executive Directors and the service contracts of the Executive Directors are available to shareholders for inspection at the Company's registered office during normal business hours. Letters of appointment and service contracts will be available for inspection at the 2026 AGM.

The formal responsibilities of the Committee are set out in the terms of reference. During the year, the Committee reviewed the terms of reference and concluded that no amendments were required. The Committee's terms of reference are available at www.softcat.com/about-us/investor-centre/governance.

Shareholder engagement

If any shareholders or proxy voting advisory agencies would like to raise any matters with me in respect of the Committee, I can be contacted via the Company Secretary at cosec@softcat.com.



Lynne Weedall
Chair of the Nomination Committee
13 October 2026

Sustainability Committee report

Corporate responsibility

"Management has made excellent progress this year in clearly articulating guiding principles for Softcat's approach to sustainability, which the Committee has reviewed and endorsed."

Robyn Perriss
Chair of the Sustainability Committee



Allocation of time

Climate-related strategy and initiatives
35%

Climate-related disclosures
20%

Climate-related governance, compliance and regulation
20%

Monitoring climate-related performance against strategy
25%

See our website for the Committee's responsibilities:
www.softcat.com/about-us/investor-centre/governance

Introduction

I am pleased to present this report as Chair of the Sustainability Committee (the 'Committee').

This report summarises the responsibilities delegated by the Board to the Committee, the Committee's work during the financial year and its areas of focus for the year ahead. The Committee oversees sustainability matters at Softcat, with particular focus on the continued delivery of our sustainability strategy. I am pleased with the progress made during the year. This report should be read alongside our Sustainability Report on pages 38 to 56 of this Annual Report.

I would like to thank the Committee members for their valuable contributions and commitment to this important area for Softcat. Details of Committee membership are included in the Board biographies on pages 66 and 67, with meeting attendance for the year set out on page 68.

Management has made excellent progress this year in clearly articulating guiding principles for Softcat's approach to sustainability, which the Committee has reviewed and endorsed. The guiding principles underpin our strategic framework for sustainability and support clear key deliverables which have been reviewed and approved by the Committee.

Operation of the Committee

The Committee oversees Softcat's sustainability governance structure, with the CFO acting as the executive lead. The business has dedicated internal expertise, including the Head of Sustainability, while day-to-day senior management of sustainability sits within the remit of the Operations Director, a member of the Senior Leadership Team. Both the Head of Sustainability and Operations Director attend Committee meetings, ensuring the Committee remains fully informed and able to discuss matters directly with those closest to sustainability across the business.

The Company Secretary acts as Secretary to the Committee. He also takes responsibility for briefing the Committee on material changes in legislation, disclosure requirements and our sustainability obligations.

Two meetings of the Committee were held in FY2026 and the Committee Chair also met with management responsible for sustainability matters outside the Committee cycle. As the CFO has the executive lead at Softcat for sustainability, she also includes an update on sustainability as part of her report at each Board meeting, so the Board can discuss any material developments between Committee meetings.

Sustainability Committee report continued

The Committee's key responsibilities

The key responsibilities of the Committee are:

- reviewing the appropriateness of the guiding principles for sustainability at Softcat;
- setting the sustainability strategy of Softcat;
- oversight and monitoring of the performance of the Company against its sustainability-related strategy, goals, key deliverables and targets;
- monitoring the effectiveness of management's processes for identifying and assessing climate-related risks and opportunities;
- reviewing, on behalf of the Remuneration Committee, the achievement of any sustainability objectives which form part of the annual bonus plan for the Executive Directors;
- oversight of the Company's sustainability compliance obligations;
- reviewing our formal public disclosures relating to sustainability; and
- oversight of other areas of corporate social responsibility, if requested by the Board.

For more on the Committee's responsibilities, the Committee's terms of reference are available on our website at: www.softcat.com/about-us/investor-centre/governance.

Committee areas of focus in FY2026

In FY2026 the Committee endorsed the guiding principles for sustainability in the business. This provided a framework for considering Softcat's evolving strategy on sustainability, our longer-term journey to net zero and the most appropriate metrics to measure our performance and progress on greenhouse gas emissions.

Our focus increased on educating and making it easier for customers to make sustainable purchasing decisions and implement circular strategies, and the Committee discussed with management their plans to further develop and refine these opportunities. This is not a straightforward matter and requires the help and support of our vendors on a number of issues; for example, the availability of consistent methodologies and comparable data to help our customers' decision-making.

We remain fully committed to reducing emissions. However, like many businesses, our scope 3 emissions comprise most of our carbon footprint and much of this is outside of Softcat's direct control. To transition to a low-carbon future and to achieve our stated net zero target by 2040, we will need further actions and the ongoing support of other stakeholders, particularly our vendors, and for their net zero journeys to align to ours. Management took steps during the year to better understand our vendors' net zero journeys. We engaged EcoVadis, a leading sustainability advisory firm, to support us in evaluating the climate change commitments of our largest vendors. EcoVadis' work is ongoing and extensive, and so far represents about 75% of Softcat revenues. The results of EcoVadis' work, and strong ongoing customer demand, underscore that achieving Softcat's net zero goals by 2040 is ambitious and increasingly challenging.

Softcat continues to grow in terms of revenue and scale, bringing additional challenges in reducing emissions year-on-year on an absolute basis. Whilst we noted good year-on-year reductions in scope 1 and 2 emissions for FY2026, where we have the strongest ability to influence outcomes, total emissions increased by 23% driven by scope 3 emissions associated with business growth. This highlights the challenge in decoupling emissions from growth. The Committee considers it is important for other sustainability measurements, such as intensity measures, to be kept in mind. In particular, Softcat also reports its scope 1 and 2 emissions relative to its headcount and its turnover, as this correlates better to how our emissions are impacted by growth. There was a decline in FY2026 in emissions relative to GII and to headcount. The general long-term trend for both of these measures show a decrease (see page 55 for further details).

We will continue to review this next year and take these factors into account. Next year marks the fifth anniversary of setting our original science-based targets ('SBTi'). SBTi recommends that companies review their validated targets every five years to ensure they remain aligned to a number of factors, including the latest climate science and SBTi criteria. We will consider this and wider associated matters next year and will provide a further outcome on our deliberations.

The Committee recognises the importance of the business accurately recording its emissions and welcomed improvements presented by management during the year on this. Our emissions data is externally assured and confirmation of this is placed on the Trust section of Softcat's website.

We disclose our compliance against Climate-related Financial Disclosures ('CFD') on pages 38 to 56. We have concluded, for the first time, that we comply with all eleven of the recommended disclosures, an improvement from the ten reported last year. The improvement results from management, with the endorsement of the Committee, setting an internal carbon pricing metric in respect of three emissions categories: business travel, employee commuting and waste. Introducing internal carbon pricing puts a clear financial cost on carbon emissions inside the business which will be monitored at least annually by the Committee.

Management operates embedded annual cycles to consider the risks, opportunities and potential impact on business strategy posed by climate change. The Committee noted the output of a workshop conducted by management during the year (with input from the Company's external sustainability advisers) which once again concluded that climate change does not pose a material risk to the delivery of our corporate strategy. Management continues to focus effort on realising more opportunities, which are centred on supporting our customers.

Committee areas of focus for FY2027

We anticipate for FY2027 that the Committee will further consider the evolution of Softcat's sustainability strategy within our guiding principles. We will be closely monitoring the likely trajectory of our environmental performance over the longer term as we consider the validation of our SBTi targets next year. As already noted, most of our emissions are in scope 3, so we will continue to engage with our supply chain to better understand their net zero journeys and what we can do together to help to influence good outcomes.

Management has presented plans to further improve the ability for our customers to make sustainable purchasing decisions. These will continue in FY2027 and the Committee will retain oversight on development, implementation and key performance metrics.

Softcat's strategic framework on sustainability is set out on page 45. Management will provide updates on the key deliverables under the framework during FY2027, which will continue the good work already seen. The Company now complies with all of the recommendations under CFD (see pages 42 and 43) and we intend to maintain our effort in FY2027 to sustain this level of compliance.

The Committee has been tracking the development of the reporting frameworks on sustainability, in particular the UK Sustainability Reporting Standards ('UK SRS'), which were recently approved by the government. UK SRS is not mandatory and we note, at the time of writing, that the Financial Conduct Authority ('FCA') has recently published the outcomes of their consultation on how and when listed companies should 'comply or explain' with UK SRS. Supported by our external sustainability advisers, we have already started a gap analysis of our activities, processes and disclosures against the elements of UK SRS 1 and UK SRS 2 and have a good high-level view of what the next steps the Committee will need to consider. UK SRS will apply from FY2028.

Softcat is proud of its contribution to communities and to improving social mobility, which is covered in People section on pages 32 to 36. We are formalising Board-level oversight on our strategy and implementation of social value in the business. This area is particularly important so we can deliver and show the additional wider value we can add to society through our community actions and is becoming an increasingly important deliverable on public sector contracts. The Committee will receive regular updates on social value from FY2027.

Shareholder engagement

More details on sustainability, including our annual Sustainability Report, can be found on our website at www.softcat.com/about-us/sustainability.

If any shareholders would like to raise any matters with me in respect of the work of the Committee, please let the Company Secretary know via cosec@softcat.com.

I will be happy to answer any questions about the work of the Committee at the forthcoming AGM.

Robyn Perriss
Chair of the Sustainability Committee
13 October 2026



Letter from the Chair of the Remuneration Committee



"A vote in favour of 96.2% for our Policy demonstrates that shareholders are fully aligned with our approach to remuneration and the role it plays to drive long-term shareholder value."

Lynne Weedall
Chair of the Remuneration Committee

Allocation of time

Executive remuneration
35%

Workforce remuneration and conditions
25%

Remuneration market practice and developments
20%

Corporate governance
20%

See our website for the Committee's responsibilities: www.softcat.com/about-us/investor-centre/governance

Dear shareholder,

Introduction

I am very pleased to present this report as Chair of Softcat's Remuneration Committee (the 'Committee'). Members of the Committee are shown in the Board biographies on pages 66 and 67 and attendance at Committee meetings for the year is shown on page 68. This report explains the work of the Committee during the year and its key discussions, decisions, proposals and approvals. Information about the remuneration of Directors is provided in accordance with applicable statutes, regulations and good governance.

Remuneration Policy (the 'Policy')

We received strong support for the new Policy which was presented to shareholders at our AGM in December 2025. A vote in favour of 96.2% for our Policy demonstrates that shareholders are fully aligned with our approach to remuneration and the role it plays to drive long-term shareholder value. I thank our shareholders for their overwhelming support. The changes made to the Policy more fairly positioned incentive opportunities for the Group at the time. However, as the Group continues to scale and grow, the Committee will keep in mind that the Policy should remain fit for purpose, fairly reflecting any relevant material changes to the business.

Business performance

Softcat has again delivered a strong performance, with record underlying operating profit and excellent progress against other key financial and operational measures (see our key performance indicators on pages 18 and 19). This result is particularly encouraging in light of the strategic achievements in the year, notably the delivery of our largest ever internal IT project and the announcement of the acquisition of GDT, our largest acquisition to date. GDT gives us access to scaled presence in North America and India, with the opportunity for significant growth and value creation. In addition to the strong strategic and financial performance, we continue to see excellent results in our employee satisfaction and customer engagement scores. These are important indicators for Softcat, reflecting our belief that engaged employees provide excellent customer service, which drives superior business performance. The Committee were also pleased to see the delivery of other priority projects, notably making it easier for our customers to make more sustainable purchasing decisions.

Some key performance indicators ('KPIs') demonstrate the strength of the business:

- Gross profit growth: 24.7%
- Underlying operating profit growth: 19.4%[1]
- Employee net promoter score: 56
- Customer net promoter score: 64

Note:
1. Please see page 23 for an explanation of underlying measures.

These KPIs reflect the unwavering commitment and dedication of our employees, guided by the strategic vision and leadership of the Executive Directors as we continue to scale, grow and deliver long-term value for our shareholders. Further details on our KPIs are on pages 18 and 19.

Principles of our remuneration

The Group's core principles of remuneration are unchanged:

- to ensure top executives are attracted, retained and motivated to drive the Group in its next stage of development;
- to incentivise management in extending the Group's leadership in the IT infrastructure solutions industry; and
- to deliver long-term sustainable growth.

Remuneration outcomes during the year

Following shareholder approval of the revised Remuneration Policy in December 2025, changes in annual bonus and LTIP opportunities were implemented in FY2026. The award and outcome of this year's annual bonus plan (see below) is in line with the revised Policy.

Softcat delivered excellent financial and non-financial performance during the year, which has been deservedly reflected in the annual bonus outcomes:

- financial metrics (underlying operating profit) account for 80% of the annual bonus for FY2026. Underlying operating profit of £215.1m exceeded the maximum target set by the Committee, leading to 100% of the maximum annual bonus for this element being earned by the Executive Directors; and
- non-financial strategic metrics account for 20% of the annual bonus for FY2026.

Our strategy of having highly engaged employees, preserving our unique culture and delivering excellent service for our customers are some of the key drivers for our success which result in our strong financial performance. The Committee therefore considered that it is appropriate to includes non-financial metrics in the bonus to help measure the success of the business. The Committee assessed actions taken by management during the year and noted recommendations from the Nomination and Sustainability Committees on the achievements against key non-financial metrics, including:

- the outcomes of our annual customer experience survey and our employee engagement survey, together with actions taken to further maintain engagement;
- work to support our aim to be a disability inclusive employer, by improving accessibility in our workplace; and
- progressing the delivery of solutions for customers to more easily view and purchase sustainable products and services via Softcat's digital selling platforms.

The Committee concluded that strong performance had been delivered on the non-financial metrics and that 91% of the maximum annual bonus for this element had been achieved by the Executive Directors.

As a result, the overall annual bonus outcome this year was 98% of maximum for each Executive Director.

Awards made under our LTIP have a three-year vesting period. In late 2025, the LTIP awards granted in November 2022 to Graham Charlton (who was CFO at the time of grant) and to Graeme Watt (who was CEO at the time of grant) vested. An independent vesting report was prepared by the Committee's external remuneration advisers and the Committee assessed the vesting outcomes of the LTIPs. The Committee concluded that:

- the maximum goal had been achieved in respect of the underlying earnings per share ('EPS') element of the award and therefore this element vested in full (60% of the award); and
- the metric in respect of the total shareholder return ('TSR') element ranked between median and upper quartile, resulting in an outcome on this element of 46.6% of maximum (40% of the award).

Accordingly, 78.7% of the total 2022 LTIP award vested in November 2025.

During the year, the Committee concluded that all long-term incentive and annual bonus outcomes were appropriate and no discretion was exercised to amend any remuneration outcomes for the Executive Directors. This conclusion was reached after considering relevant matters, such as:

- the performance of the business;
- the overall investor experience, which the Committee believes over several years represents exceptional performance by management; and
- an assessment of the 'quality of earnings' in respect of underlying operating profit for the year. This included an assessment of operating profit, adjusted to remove non-underlying items, as described in more detail in note 1 to the financial statements. The Committee gave this careful attention, given the quantum and nature of adjustments included. The Committee also discussed the matter in the round, considering the strong performance of the business during the year.

The LTIPs granted in 2023 are due to vest in November 2026, after the publication of this report. The 60% portion of the award subject to underlying EPS, based on FY2026 EPS performance of 82.6p, has been achieved in full, with this portion of the award expected to vest at maximum. The 40% TSR element is based on three-year performance from the date of grant and so final performance is not due to be tested until late November 2026. Based on performance to date this element is currently tracking at 77.3%. We will perform a final calculation of the TSR element post-vesting to determine achievement of that part of the performance condition and the final vesting will be disclosed in next year's Report on Remuneration. In respect of all LTIPs, the Committee will, as usual consider all relevant matters before formally concluding on the vesting outcome.

Remuneration Committee report continued
Letter from the Chair of the Remuneration Committee continued

Remuneration outcomes during the year continued

GDT acquisition

The Company announced in September 2026 that it had signed an agreement to acquire GDT, with the transaction expected to close by the end of the first calendar quarter of 2027, subject to customary regulatory filings and approvals. The GDT acquisition is an exciting step on Softcat's journey and provides multiple routes to value creation for our shareholders.

FY2027 LTIP awards will be granted in November. Given the material size of the GDT acquisition and the anticipated impact it will have on the enlarged Group, the Committee decided to delay the setting of the EPS performance conditions until after the transaction has closed, in order to set robust and stretching EPS targets for the enlarged Group. Performance targets will be disclosed on our website once set and will be included in next year's Annual Report on Directors' Remuneration.

The Committee is currently in the process of developing a bespoke incentive plan for key members of Softcat and GDT management to fully align them with the growth ambitions of the enlarged Group. In the event that the Executive Directors are included in the scheme, we intend to consult with shareholders.

TSR performance period

After reviewing market practice, the Committee has agreed that the TSR performance period for future LTIP grants will be aligned to our financial year, replacing the previous practice of the performance period starting on the date of grant. This will further simplify measuring performance over the three-year vesting period and is consistent with the approach adopted by the majority of FTSE-listed companies.

Changes in executive remuneration and non-executive fees for FY2027

The Committee considered a number of matters and received updates on proposals to award rises in basic pay across the workforce. Following this, the Committee considered it appropriate to approve a pay rise for FY2027 of 3% for the CEO and CFO, in line with the increase for the majority of the workforce.

In respect of the Chairman's fee, as set out in last year's report, a two-stage approach was agreed, covering FY2026 and FY2027. In line with this approach, a further increase of 7.1% will be applied for FY2027, bringing the Chairman's fee to £300,000.

The Non-Executive Directors were awarded an increase of 3%. This applies to their base fees and to any additional fees including chairing a committee and the role of Senior Independent Director.

What we have done during the year

The main activities for FY2026 summarise the areas of focus for the Committee.

Regular or standing items at each Committee meeting include:

- approval of Committee minutes and review of follow-up actions;
- governance updates;
- review of and updates to the Committee's terms of reference; and
- review of the outcomes of shareholder voting on remuneration-related resolutions.

The Company Secretary also prepares a twelve-month rolling plan for the Committee so that matters can be planned and considered over the longer term.



Main activities during FY2026

October 2025

- Final review of Remuneration Policy for proposal to shareholders
- Approval of the 2025 Annual Report on Remuneration
- Consideration and approval of grants of LTIPs to Executive Directors for FY2026 and other share-based awards to senior managers below Board level
- Review and determination of vesting outcomes for LTIPs granted in 2022
- Review of impact of share-based awards on shareholder dilution
- Review and approval of the annual bonuses awarded to Executive Directors and Senior Leadership Team ('SLT') members for FY2025
- Consideration of the annual bonus arrangements for the Executive Directors and SLT members for FY2026
- Review of achievement against share ownership targets for the Executive Directors

May 2026

- Discussion regarding employee share ownership
- Workforce pay review
- Review of salaries for the Executive Directors and SLT for FY2027
- Interim update report on performance of annual bonus plan and outstanding LTIPs
- Review of proposed plans for employee share ownership in Ireland
- Review of proposal for an award of free shares under the Softcat Share Incentive Plan
- Approval to change the LTIP TSR performance periods for future grants to align to the financial year

July 2026

- Update on workforce remuneration
- Recommendation to seek shareholder approval to establish a Save As You Earn all-employee plan for employees based in Ireland
- Review of proposed approach to target setting for FY2027 annual bonus and LTIP awards
- Review of remuneration trends and related corporate governance developments for listed companies
- Approval of a proposal to grant an award of free shares to eligible employees under the Company's Share Incentive Plan

Wider workforce context

The Board engages extensively with employees and devotes much time to understanding their views and the most prominent matters which they consider affect their work. This includes maintaining an awareness of pay across the business. This remains important given prevailing cost-of-living pressures for many. The Committee received regular updates on workforce pay and in particular noted increases awarded for those on the real living wage and the actions taken by management to ensure workforce pay reviews are closely aligned to reflect individual performance.

Both management and the Committee are advocates to encourage our employees to own shares in Softcat. We have operated a Share Incentive Plan ('SIP') since Softcat floated on the London Stock Exchange in 2015 and employee participation rates for the partnership share element of the SIP are well above average. In recognition of the tremendous contribution of employees, particularly in this year of record achievement, the Committee was delighted to approve a well-deserved one-off free share award under the SIP to eligible employees, with awards based on tenure ranging from £500 to £3,600 (the maximum permitted under HMRC rules). Feedback we have received is that our employees really appreciate the recognition given to them by the award, which many offices celebrated to mark the event of employees becoming owners in the business at which they so much enjoy working. We consider the award will further strengthen the affinity of our employees to the business and it gives them a further tangible opportunity to share in the success they help to create. It also strengthens the alignment of interest between our workforce and its shareholders and we very much hope it will serve as an additional incentive for our dedicated employees to remain committed to the Group over the long term.

A proposal will also be made at the AGM to be held in December 2026 to introduce a Save As You Earn plan. This will benefit our employees based in Ireland who are unable to participate in our HMRC-approved SIP.

Looking forward and conclusion

The Committee remains focused on ensuring that our remuneration arrangements are fit for purpose and aimed at ensuring alignment of both shareholders and our management team as they continue driving the business forward. These will be kept in mind as the business continues to scale and grow. I would like to thank the members of the Committee and the management who support the operation of the Committee for their help and contribution this year.

The Annual Report on Remuneration (pages 102 to 112) including this letter, will be subject to an advisory shareholder vote at the AGM on 15 December 2026. I trust that we will continue to have your support at our AGM. If shareholders do wish to discuss any issues in this report, I can be contacted via the Company Secretary at cosec@softcat.com.



Lynne Weedall
Chair of the Remuneration Committee
13 October 2026

Notes:
This report has been prepared in accordance with Schedule 8 to the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 as amended and the provisions of the 2024 Corporate Governance Code and the UK Listing Rules. The report consists of two sections:

- the Annual Statement by the Remuneration Committee Chair; and
- the Annual Report on Remuneration, incorporating:
  - an 'at a glance' section summarising our Remuneration Policy; and
  - details of payments made to the Directors and details of the link between Group performance and remuneration for the 2026 financial year.

The Chair's Annual Statement and the Annual Report on Remuneration will be subject to an advisory vote at the AGM to be held on 15 December 2026.

Part A – At a glance

Introduction

In this section, we set out a summary of our Remuneration Policy, its link to corporate strategic objectives and the performance and remuneration outcomes for the 2026 financial year.

Single figure remuneration for our Executive Directors

The table below sets out the single total figure of remuneration and breakdown for each Executive Director in respect of FY2026.

	Salary	Taxable benefits[1]	Pension	Bonus[3,4]	LTIP[2]	Total
G Charlton (CEO)[4, 5]	£675,000	£7,787	£33,750	£1,160,250	£559,780	**£2,436,567**
K Mecklenburgh (CFO)[6]	£455,000	£4,907	£22,750	£670,367	–	**£1,153,024**

Notes:

1. See part B of this report for details of the benefits provided.
2. Further details on the LTIPs which vested and were exercised by Graham are set out in part B of this report.
3. Details of the bonus targets, their level of satisfaction and the resulting bonus earned, including proportion deferred into shares, in FY2026 are set out in part B of this report.
4. LTIP awards made on 30 November 2022 to Graham Charlton vested during FY2026. The number of shares awarded was calculated by reference to a share price of £12.87, which was the prevailing market price of an ordinary share on the business day preceding the grant. Details of the performance condition (relative TSR and EPS targets) were disclosed in an announcement to the London Stock Exchange at the time of grant.
5. Overall 78.7% of this award vested and as a result of this partial achievement of the performance criteria, nil-cost options over 33,700 shares vested and were subsequently exercised by Graham during FY2026. The share price at the date of vesting (closing price on 28 November 2025, being the closest business day to the third anniversary of the grant) was £14.47 and the LTIP value shown above reflects this. The total value shown above comprises £487,639 (the value of the award at vesting) plus a dividend equivalent of £72,141. The value of the LTIP that is attributable to share price appreciation between grant and vest is £53,920.
6. Katy Mecklenburgh was appointed CFO in June 2023 and had no LTIP vesting during FY2026.

Summary of FY2026 annual bonus outcomes

Performance condition	Weighting	Actual as a % of maximum opportunity	Annual bonus payout	
			Graham Charlton	Katy Mecklenburgh
Underlying operating profit	80%	100%	£945,000	£546,000
Progress on strategic non-financial metrics and actions	20%	91.11%	£215,250	£124,367
Overall outcome		98.22%	£1,160,250	£670,367

Our Remuneration Policy and its link to our Group strategy

The Group's strategy is laid out on pages 14 to 17. Our Remuneration Policy is well aligned to the Group strategy and is reflected in our core principles of remuneration. The key elements of the Group's strategy and how its successful implementation is linked to the Group's Remuneration Policy are set out below.

Remuneration Policy	Strategic priorities: Generate sector-leading value for shareholders	Growth in profit from existing customers	Win new customers	Equity ownership and retention of shares	Attract, retain and reward executive team to deliver the strategy
Annual bonus	✓	✓	✓	✓	✓

For FY2026:

- the maximum bonus opportunity is 175% and 150% for the CEO and CFO respectively; and
- the annual bonus measures include 80% based on underlying operating profit and 20% based on robust non-financial metrics.

Underlying operating profit

The key performance indicator for the Group. The Committee believes that the Directors should focus on this key metric during the financial year to maintain high profit growth and the success of the business to deliver value for our shareholders.

Growth in this metric is a direct demonstration of the successful execution of our business strategy, including winning new customers and growth of profit from existing customers.

Non-financial measures

The Committee also believes in the importance of strategic non-financial metrics to measure the success of a business. The Committee will consider appropriate measures linked to strategic priorities.

Remuneration Policy	Strategic priorities: Generate sector-leading value for shareholders	Growth in profit from existing customers	Win new customers	Equity ownership and retention of shares	Attract, retain and reward executive team to deliver the strategy
LTIP For FY2026, the normal annual award to the CEO and CFO is 225% and 180% of salary respectively. Awards will vest at the end of three years. For FY2026, the performance conditions for awards comprise financial and performance measures, currently: • 70% based on underlying earnings per share ('EPS') growth; and • 30% based on comparative total shareholder return ('TSR').	✓ **EPS and TSR** The success in maximising profit growth will be measured through the long-term EPS growth targeted by the LTIP. In addition, sustained value generation will be reflected in the share price of the Company, which will be measured through the Company's TSR performance under the LTIP.	✓ **TSR** The generation of profit growth targeted by the annual bonus will help enhance the value of the Group, which will be measured through the success of the Company's TSR performance against its comparators.	✓ **EPS** An incentive to grow in the longer term is provided through EPS growth targeted by the LTIP. The success of this element of the strategy should be reflected in long-term TSR performance.	✓	✓
Share Incentive Plan ('SIP')				✓	✓
Minimum shareholding requirements • CEO: 225% of salary • CFO: 200% of salary				✓	

Directors' Remuneration Policy

The Directors' Remuneration Policy was approved by shareholders at the AGM on 15 December 2025, receiving 96% of shareholder votes in favour. A summary of the policy for the Executive Directors, its implementation during FY2026, and the intended implementation for FY2027 is set out below. The full policy, including recruitment and leaver provisions, the policy for the Non-Executive Directors, the acquisition adjustment principles and the change of control policy can be found on pages 116 to 126 of the 2025 Annual Report, which is available at www.softcat.com/about-us/investor-centre/results-centre.

Element	Summary of Policy	Implementation in FY2026	Implementation in FY2027
Base salary	Base salaries are normally reviewed annually or when there is a change in position or responsibility or other exceptional circumstances. Increases will normally be in line with the increases awarded to other employees in the Group, but may be above this in certain circumstances.	For FY2026 base salaries for the CEO and CFO were £675,000 and £455,000 respectively.	For FY2027 base salaries for the CEO will be £695,250 and £468,650 respectively. This represents an increase of 3%, in line with the general workforce.
Pension	The maximum contribution into the defined contribution plan and/or a salary supplement in lieu of pension which is in line with the wider workforce, which is currently 5%.	5% of salary.	No change.
Benefits	The Company provides a benefits package in line with market practice. Executive Directors receive benefits which include, but are not limited to, private health insurance, health cash plan, critical illness, income protection, dental cover, life insurance and death in service benefit. Additional benefits may be offered to ensure the Company is able to support the objective of attracting and retaining personnel to deliver the Company strategy.	All Directors may participate in a salary sacrifice scheme for electric vehicles for personal use and commuting.	No change.

Remuneration Committee report continued
Part A – At a glance continued

Directors' Remuneration Policy continued

Element	Summary of Policy	Implementation in FY2026	Implementation in FY2027
Annual and deferred share bonus plan (the 'Bonus Plan')	Maximum opportunity up to 200% of a participant's annual base salary. 20% of the bonus is normally earned for delivering threshold performance. 100% of the bonus is earned for delivering maximum levels of performance. 33% of the bonus will be deferred into shares for three years until the relevant shareholding requirement is met. Where the guideline is met there will normally be no deferral. The Committee retains discretion to determine whether the shareholding guideline has been met. The Bonus Plan contains clawback and malus provisions.	For FY2026, award levels for the CEO and CFO were 175% of salary and 150% of salary respectively. Performance measures: 80% on underlying operating profit and 20% on robust non-financial goals. In the event of a corporate acquisition which has a material impact, the Committee shall review the underlying operating profit targets to ensure they remain relevant and stretching. No deferral required once the Directors' minimum shareholding requirement is met.	No change to award opportunities or structure of deferral. No change to performance measures.
LTIP	The normal maximum award in respect of a financial year is 225% of base salary, this may increase to 275% of salary in exceptional circumstances. Across the LTIP award, up to 25% of the award will normally vest for threshold performance. 100% of the award will normally vest for maximum performance. Awards will normally vest at the end of a three-year performance period subject to satisfaction of the performance conditions as determined by the Committee prior to grant. Awards are normally subject to a two-year holding period post vesting. The total time period between award and release of shares is therefore normally five years. The LTIP contains clawback and malus provisions.	Award of 225% and 180% of salary for the CEO and CFO respectively. Measures against TSR (30%) versus the FTSE 350 (excluding investment trusts) and underlying EPS (70%). In the event of a corporate acquisition which has a material impact, the Committee shall review the EPS targets to ensure they remain relevant and stretching.	No change to award opportunities. No change to performance measures. Targets are shown on pages 102 to 105.
All employee share plan	The SIP is an all-employee share ownership plan which has been designed to encourage all eligible employees to become shareholders in the Company. The Executive Directors are eligible to participate in the SIP (which is in line with HMRC legislation and open to all eligible staff). The maximum award level is set in line with legislation. The Executive Directors will also be eligible to participate in any other all-employee arrangement implemented by the Company, on the same terms as other employees.	The Company operated partnership shares under the SIP. All eligible employees, including the Executive Directors, may participate. There was a one-off award of free shares under the SIP to all eligible employees, including the Executive Directors.	The Company will operate partnership shares under the SIP. All eligible employees, including the Executive Directors may participate.
Shareholding requirements	Shareholding guidelines for the CEO and CFO are 225% of salary and 200% of salary respectively over a five-year period. A post-cessation shareholding requirement also normally applies whereby executives must hold the lower of 100% of their shareholding requirement or actual holding for two years post stepping down from the Board.	Shareholding requirement includes shares owned by the Executive Director, shares which have vested, but which remain subject to a holding period and/or clawback and unvested shares, which are not subject to a further performance condition, on a net of tax basis.	No change.

Element	Summary of Policy	Implementation in FY2026	Implementation in FY2027
Chair and Non-Executive fees	Non-Executive Directors are paid an annual fee and additional fees for additional responsibilities or time commitments. Fees are normally reviewed annually although this may not result in an increase. Non-Executive Directors and the Chairman do not participate in any variable remuneration arrangements. Non-Executive Directors and the Chairman do not currently participate in benefits arrangements, with the exception of benefit programmes available to employees which have the purpose of reducing environmental emissions. Reasonable additional benefits may be introduced and/or provided if considered appropriate and it should be noted, as previously reported, that the Committee agreed the current Chairman shall continue to receive his health benefits following his retirement as CEO. Non-Executive Directors may participate in a salary sacrifice scheme for electric vehicles for personal use and commuting. The Company will pay reasonable expenses incurred by the Non-Executive Directors and the Chairman and may settle any tax incurred in relation to these.	Chairman fee: £280,000. Board fee: £66,200. Senior Independent Director fee: £14,040. Committee Chair fee (per Committee): £15,600. Fee for the Designated Director for Workforce Engagement (which includes Chair of the Nomination Committee): £15,600.	Chairman fee: £300,000. Board fee: £68,186. Senior Independent Director fee: £14,461. Committee Chair fee (per Committee): £16,068. Fee for the Designated Director for Workforce Engagement (which includes Chair of the Nomination Committee): £16,068. The Chairman fee increase of 7.1% represents the second stage of the increase outlined in the previous report. Other fees represent an increase of 3%, in line with the general workforce.

Malus and clawback

The following describes the malus and clawback provisions which apply to the Company's incentive plans:

- Malus is the reduction or cancellation of unpaid bonus, outstanding LTIP awards and unvested deferred share bonus awards under the Bonus Plan as a result of the occurrence of one or more circumstances listed below. The adjustment may result in the value being reduced up to and including zero.
- Clawback is the recovery of payments under the Bonus Plan or vested LTIP awards as a result of the occurrence of one or more of the circumstances listed below.

The circumstances in which malus and clawback could apply are:

- the discovery of a material misstatement resulting in an adjustment in the audited consolidated accounts of the Company or the audited accounts of any Group members; and/or
- the discovery that the assessment of any performance target or condition in respect of a bonus award or LTIP award was based on error, or inaccurate or misleading information; and/or
- the discovery that any information used to determine the number of ordinary shares subject to a bonus award or LTIP award was based on error, or inaccurate or misleading information; and/or
- the action or conduct of a holder of a bonus award or LTIP award which, in the reasonable opinion of the Board, amounts to fraud or gross misconduct; and/or
- events or behaviour of a holder of a bonus award or LTIP award leading to the censure of the Company by a regulatory authority or having a significant detrimental impact on the reputation of the Company, provided that the Board is satisfied that the relevant holder of a bonus award or LTIP award was responsible for the censure or reputational damage and that the censure or reputational damage is attributable to him or her; and/or
- the Company, or entities representing a material proportion of the Group, becomes insolvent or otherwise suffers a corporate failure.

	Annual Bonus Plan	Deferred Share Bonus Plan	Long Term Incentive Plan
Malus	Up to the date of payment of a cash bonus	To the end of the three-year deferral period	To the end of the three-year vesting period
Clawback	Three years post the bonus determination	n/a	Two years post-vesting

A three-year clawback period following the determination of an annual bonus and a two-year period post-vesting of an LTIP award is considered appropriate on the basis that it is reasonable to assume that the circumstances in which clawback may apply would be discovered within these periods and is in line with UK market practice. In line with the UK Corporate Governance Code requirements, the Committee also confirms that there was no application of malus and clawback provisions in the reporting period.

Part B – Annual report on remuneration

Single total figure of remuneration (audited)

Executive Directors (audited)

The table below sets out the single total figure of remuneration and breakdown for each Executive Director in respect of FY2026 and FY2025.

	Salary		Taxable benefits[1]		Pension		Bonus[2]		LTIP[3]		Total	
	2026 £'000	2025 £'000	**2026 £'000**	2025 £'000	**2026 £'000**	2025 £'000	**2026 £'000**	2025 £'000	**2026 £'000**	2025 £'000	**2026 £'000**	2025 £'000
G Charlton (CEO)	**675.0**	585.0	**7.8**	5.9	**33.8**	29.2	**1,160.3**	792.5	**559.8**	334.0	**2,436.7**	1,746.6
K Mecklenburgh (CFO)[4]	**455.0**	381.1	**4.9**	4.3	**22.8**	19.1	**670.4**	516.3	**–**	–	**1,153.1**	920.8

Notes:

1. See section below setting out details of the benefits provided.
2. Details of the bonus targets, their level of satisfaction and the resulting bonus earned, including any proportion deferred into shares in FY2026 are set out below.
3. Further details on the LTIPs which vested and were exercised by Graham Charlton are set out below.
4. Katy Mecklenburgh was appointed CFO in June 2023 and no LTIPs vested for her either during FY2025 or FY2026.

Taxable benefits

Benefits in the year for the Executive Directors comprised health benefits such as private health insurance, health cash plan, critical illness, income protection and dental and life cover. Figures are reported where appropriate.

Pension entitlements (audited)

The Group operates a defined contribution pension scheme which the Executive Directors can participate in, or they can take a cash supplement in lieu of pension.

In FY2026, Graham Charlton and Katy Mecklenburgh were entitled to 5% of salary either as an employer pension contribution into the defined contribution scheme or as a pension cash allowance. This is in line with employer pension contributions available for the general workforce.

None of the Directors receive an entitlement under a defined benefit plan.

FY2026 annual bonus outcomes (audited)

In respect of FY2026, the bonus awards payable to Executive Directors were agreed by the Committee, having carefully reviewed:

- financial performance (80% weighting): the Committee considered the Group's year-end results and any relevant associated factors in respect of underlying performance; and
- non-financial performance (20% weighting): the Committee considered progress against key actions in respect of non-financial actions (employee engagement, customer satisfaction, sustainability and improving workplace accessibility for existing and prospective disabled employees) and noted the ongoing strong performance.

The performance measures and targets under the Annual and Deferred Bonus Plan for FY2026 and the extent to which they were satisfied are set out below:

						Actual as a % of maximum opportunity	Annual bonus payout	
Performance condition	Weighting	Threshold	Target	Maximum	Actual		Graham Charlton	Katy Mecklenburgh
Underlying operating profit[1]	80%	£173.9m	£183.0m	£201.3m	£215.1m	100%	£945,000	£546,000
Progress on strategic non-financial metrics and actions	20%		See below			91.11%	£215,250	£124,367
Overall outcome						**98.22%**	**£1,160,250**	**£670,367**
Portion of overall outcome paid in cash[2]							£1,160,250	£670,367
Portion of overall outcome deferred into shares[2]							£0	£0

Notes:

1. Following review, the Committee confirmed that no adjustment was required to take account of the contribution of Oakland Group Services Ltd during the year, given that this did not materially affect the actual performance outcome.
2. In respect of the annual bonus, in line with the current Remuneration Policy, 33% of the award is deferred into shares if the Executive Director has not met their minimum shareholding requirements. Once the minimum shareholding requirements is met, there is no deferral. Both Graham and Katy have met their respective minimum shareholding requirements at year end and hence there is no deferral for FY2026 and the bonus will be paid 100% in cash. See page 107 for further detail on the current shareholding levels of the Executive Directors.

Non-financial measures

Priorities and rationale for selection	Achievements and outcome
Employee engagement	
Maintain our high level of success on employee engagement. Highly engaged employees are vital to the success of Softcat. We receive frequent feedback that our culture is the vital ingredient to providing outstanding service which helps to retain and delight our existing customers and to win new customers.	The Committee set a target at the beginning of the financial year for industry-leading employee net promoter scores ('NPS') to be achieved in the all-employee survey for the year. The employee NPS for this year's survey was 56, which is an excellent result and above market norms. This is above target but below the maximum achievement set by the Committee. The Committee also took into account other relevant factors as part of its determination, including the below. • Management sought regular employee feedback with the annual engagement survey and through quarterly management surveys. The results of each survey were discussed with the Board/Nomination Committee, together with management's plans which addressed areas of concern. • An action plan was created and followed up from the annual survey results. • Overall employee engagement remained high at 91%. • The Group once again achieved excellent external rankings and awards for its workplace environment (see the People section on pages 32 to 36).
Customer satisfaction	
Continue our attention on market-leading customer excellence. Customer excellence is a vital underpin to our strategy to acquire more customers and to sell more to existing customers.	The Committee set a target at the beginning of the financial year for industry-leading customer NPS to be achieved in the annual customer satisfaction survey. The customer NPS for this year's survey was 64, which is an excellent result, above market norms and at the maximum of the target set by the Committee. The Committee also took into account other relevant factors as part of its determination, including the below. • Management undertook its most extensive ever annual customer experience survey 6,671 respondents in FY2026 (compared to 6,089 in FY2025). • An impressive level of customer satisfaction was achieved at 98%. • The Board reviewed the results of the customer survey and management's plan to make improvements for even better customer service.
Sustainability	
Identify and progress plans for sustainable solutions available to customers to view and purchase via Softcat's digital platforms. This includes considering functionality that supports customers in meeting their overall environmental targets.	• Management developed a plan which was presented to the Sustainability Committee to create a dedicated sustainability digital destination where customers can access sustainable solutions and support customers to achieve their own sustainability goals. The plan also demonstrated how management will gain better traction to work with vendors to develop credible sustainable product information with quantified metrics. • Management provided a progress update to the Sustainability Committee on work in Softcat's supply chain to determine the criteria for eco-labelling and circular solutions. The Sustainability Committee noted the planned work to have the solutions made available for customers on the Company's digital selling platform ('eCat'). • The Sustainability Committee noted plans to create a dedicated area on eCat with the ability to present eco-labelling, sustainable solutions and functionality that supports customers to meet their overall environmental targets. • The Sustainability Committee was pleased with the progress being made by management during the year and the next steps which had already been resourced and planned. The Sustainability Committee concluded, on behalf of the Remuneration Committee, that strong performance had been attained with maximum achievement in respect of this element of the bonus.
Employee disability inclusiveness	
Set out a plan to demonstrate ongoing improvements to employee experience and inclusion for existing and prospective employees with disabilities.	• Management developed a plan with the support of Softcat's People & Workplaces team which was discussed with the Nomination Committee. Under the plan, management started work with the Business Disability Forum, using the Disability Smart framework, to shape the Company's approach and to support our ambition to be fully disability inclusive by 2030. • A number of actions have been agreed under the framework and are being progressed. For FY2026, this focused on workplace accessibility, including the introduction of a workplace adjustments policy. Further support is being rolled out; for example, providing training to line managers on how to handle adjustment requests from disabled employees in their team. • Additional support and guidance has also been provided to our events team to ensure all Softcat events consider accessibility issues and any adjustments which may be needed for employees. • Softcat operates an Empowering Disability and Neurodiversity network ('EDN') for employees and the plan included seeking their feedback. The EDN gave constructive feedback and suggestions, which have been incorporated into the plan. • The Nomination Committee was pleased with the plan and with the actions taken and planned. The Nomination Committee concluded, on behalf of the Remuneration Committee, it was satisfied that strong performance had been delivered with maximum achievement for this element of the bonus.

Remuneration Committee report continued
Part B – Annual report on remuneration continued

Single total figure of remuneration (audited) continued
Non-financial measures continued

In respect of the non-financial measures, the Committee agreed at the beginning of the performance period a range of illustrative outcomes to consider at threshold, target and maximum to determine whether meaningful progress had been made across the metrics. This would be taken into account along with any other relevant actions or progress. The Committee reviewed the illustrative outcomes against the progress made at the end of the performance period, to ensure that a fair and comprehensive review of progress had been undertaken. The Committee concluded, overall, that excellent customer satisfaction and employee engagement outcomes were delivered and that tangible progress had been made on the sustainability and employee inclusivity metrics. The Committee determined an award of 91.11% of the maximum opportunity in respect of these measures.

No discretion was exercised by the Committee in relation to the outcome of any part of the annual bonus awards.

Long-term incentives vested in FY2026 (audited)

Awards under the Group's LTIP granted in November 2022 to Graham Charlton and to Graeme Watt (at which time Graeme was CEO) vested and were exercised in FY2026. Katy Mecklenburgh was appointed CFO in June 2023 and so did not participate in this LTIP. Vesting of the awards was subject to the following performance conditions (which were disclosed at the time of grant):

Measure	Weighting	Details
Underlying EPS	60%	• No vesting of this element for underlying EPS at end of performance period of below 55.8p • 20% vesting (threshold) for achieving 55.8p • 67% vesting for achieving 59.6p • Full vesting for achieving 67p or above • Straight-line vesting between 20% and 67% and between 67% and full vesting
Relative TSR – assessed against the constituents of the FTSE 250 (excluding real estate and equity investment trusts)	40%	• No vesting for below median performance against the comparators • 30% vesting (threshold) for median performance • Full vesting for upper quartile performance • Straight-line vesting between threshold and full vesting

Underlying EPS for FY2025 was 69.1p (diluted) per share and this element of the performance condition was achieved in full. TSR was ranked between median and upper quartile and as a result 46.6% of this element of the performance condition was achieved. Overall vesting was therefore 78.7% of maximum. Following formal review by the Committee, no discretion was applied to the LTIP vesting outcome.

As a result of the partial achievement of performance conditions, the table below details the LTIP granted in November 2022, the number of shares lapsed and the number vested and exercised. When Graeme retired as CEO on 31 July 2023, the Committee treated him as a 'good' leaver and he retained his LTIP awards subject to pro-rating from the date of retirement to the respective vesting dates.

Director	LTIP options granted in November 2022	LTIP options lapsed	LTIP options vested and exercised
G Watt[1]	64,266	53,033	11,233
G Charlton	42,844	9,144	33,700

Note:
1. The lapsed options shown for Graeme Watt consist of 3,048 shares which lapsed as the performance condition was not achieved in full and 49,985 shares which lapsed due to pro-rating on his retirement as CEO.

Vested LTIP awards are subject to a two-year holding period post-vesting in line with our Remuneration Policy.

The share price at the date of vesting (closing price on 28 November 2025, being the closest business day to the third anniversary of the grant) was £14.47 and the LTIP value shown above reflects this. The total value shown above comprises £487,639 (the value of the award at vesting) plus a dividend equivalent of £72,141. The value of the LTIP that is attributable to share price appreciation between grant and vest is £53,920.

Long-term incentives vesting in FY2027

Awards under the Group's LTIP granted in November 2023 to Graham Charlton and Katy Mecklenburgh will vest on 23 November 2026, following publication of this report. Vesting of the awards is subject to the following performance conditions (which were disclosed at the time of grant):

Measure	Weighting	Details
Underlying EPS	60%	• No vesting of this element for EPS at end of performance period of below 59.1p • 20% vesting (threshold) for achieving 59.1p • 67% vesting for achieving 66.1p • Full vesting for achieving 71.8p or above • Straight-line vesting between 20% and 67% and between 67% and full vesting
Relative TSR – assessed against the constituents of the FTSE 250 (excluding real estate and equity investment trusts)	40%	• No vesting for below median performance against the comparators • 30% vesting (threshold) for median performance • Full vesting for upper quartile performance • Straight-line vesting between threshold and full vesting

2023 awards are based 60% on underlying EPS performance and 40% on TSR performance. Based on our underlying EPS performance for FY2026 (see note 1 to the consolidated financial statements) of 82.6p (diluted), the maximum EPS target has been achieved. TSR performance will be assessed to the third anniversary of awards. Based on our current share price performance, it is likely that this element will vest between threshold and maximum and based on TSR performance to 15 September 2026 the estimated TSR vesting is currently tracking at 77.3% of maximum, giving an overall estimated vesting outcome of c.91% of maximum. It will be necessary to perform a final calculation of the TSR element post-vesting, assessing Softcat's performance against the comparator group to determine achievement of that part of the performance condition. In respect of all LTIPs, the Committee will, as usual consider all relevant matters before formally concluding on the vesting outcome. Based on the current estimated vesting levels and the three-month average share price to 31 July 2026 of £17.39, this award would have a value of £1,086k for Graham Charlton (excluding dividend equivalents) and £708k for Katy Mecklenburgh (excluding dividend equivalents). Of these amounts, £312k and £203k are attributable to share price appreciation for Graham Charlton and Katy Mecklenburgh, respectively.

Non-Executive Directors (audited)

The table below sets out the single total figure of remuneration and breakdown for each Non-Executive Director.

Non-Executive Director	**2026 fees**	**2026 other**	2025 fees	2025 other	Roles
G Watt[1]	**£280,000**	**£165,321**	£238,960	£243,437	Chairman
L Weedall	**£97,400**	**–**	£93,654	–	Chair of the Remuneration Committee and Chair of the Nomination Committee
M Prakash	**£66,200**	**–**	£63,654	–	Independent Non-Executive Director
J Ferguson	**£80,240**	**–**	£77,154	–	Senior Independent Director
R Perriss	**£97,400**	**–**	£88,313	–	Independent Non-Executive Director, Chair of the Audit and Risk Committee and the Chair of the Sustainability Committee

Note:

1. Graeme's Chairman fee for the year was £280,000. 2025 and 2026 'other' for Graeme relate to the gain on the exercise of LTIPs which were awarded to him when he was CEO. As previously reported, Graeme continues to receive his health benefits as Chairman. The cost of providing this cover during FY2026 and other P11D benefits was £4,853. This figure is included in 'other'.

Payments to past Directors/payments for loss of office (audited)

There were no payments for loss of office made to Directors or to past Directors in the year.

Graeme Watt share awards as former CEO

Graeme Watt was appointed Non-Executive Chairman with effect from 1 August 2023. Prior to that he was CEO and participated in Softcat's LTIP and Annual Bonus Plan, which included awards of deferred shares. As previously explained, the Committee approved that Graeme's outstanding LTIPs when he retired as CEO would be pro-rated for time served and that the deferred bonus shares shall not be pro-rated. LTIP and deferred share awards made in 2022 to Graeme vested during FY2026.

Details of Graeme's 2022 LTIP awards are set out above on page 104.

All of the 2022 deferred share awards over 31,555 ordinary shares vested and were exercised by Graeme during FY2026. The share price at the time of exercise was approximately £14.29 per share, resulting in a gain of approximately £450,776.

Executive Director participants in the LTIP and deferred share awards may also receive a cash payment representing the value of dividends (a dividend equivalent) on the shares over the performance period. A cash dividend equivalent payment was made to Graeme upon vesting of both the 2022 LTIP and 2022 deferred share awards of £14,805 and £41,589 respectively.

Remuneration Committee report continued
Part B – Annual report on remuneration continued

Scheme interests awarded (audited)

Long Term Incentive Plan awarded in FY2026 (audited)

On 27 November 2025, the following annual awards of nil-cost options under the Group's Long Term Incentive Plan ('LTIP') were made to the CEO and CFO.

Director	Award type	Basis of award (% of salary)	Face value of award £	Number of shares granted	Date of grant	Date of vesting	Share price[2]
G Charlton[1]	Nil-cost options	225%	1,518,747	107,789	27/11/25	27/11/28	£14.09
K Mecklenburgh	Nil-cost options	180%	819,000	58,126	27/11/25	27/11/28	£14.09

Notes:
1. Graham's award consists of 95,812 shares (200% of salary) granted on 27 November 2025 and an additional 11,977 shares (25% top up) which was added to the initial award in December 2025 after the approval of the Remuneration Policy by shareholders at the 2025 AGM.
2. The share price used to determine the award (including the above top-up) was calculated by reference to the prevailing market price of an ordinary share on the business day prior 27 November 2025.

30% of the award is subject to the Company's relative TSR performance against the FTSE 350 (excluding investment trusts) over a three-year performance period to the end of FY2028 and 70% subject to underlying EPS targets at the end of the period. These conditions are set out below:

Measure	Weighting	Details
Underlying EPS	70%	• Nil vesting of this element for underlying EPS for FY2028 of less than 74.1p • 25% vesting (threshold) for achieving 74.1p • 62.5% vesting for achieving 80.2p • Full vesting for achieving 91.9p or above • Straight-line vesting between 25% and 62.5% and between 62.5% and full vesting
Relative TSR – assessed against the constituents of the FTSE 350 (excluding investment trusts)	30%	• Nil vesting for below median performance against the comparators • 25% vesting (threshold) for median performance • Full vesting for upper quartile performance • Straight-line vesting between threshold and full vesting • TSR performance is assessed over the three-year period from the date of grant

The EPS targets were set following the end of the 2025 financial year based on an assessment of the business and were included in the 2025 Annual Report on Remuneration.

Deferred Bonus Plan awarded in FY2026 (audited)

On 27 November 2025, awards under the Group's Deferred Bonus Plan ('DBP') were made as set out below, in respect of achievement under the Annual Bonus Plan in FY2025. Deferred shares are not subject to further performance conditions and vest following a three-year holding period, subject to continued employment.

Director	Award type	Face value of award £	Number of shares granted	Date of grant	End of deferral period	Share price[1]
G Charlton	Nil-cost options	402,509	28,567	27/11/25	27/11/28	£14.09
K Mecklenburgh	Nil-cost options	262,215	18,610	27/11/25	27/11/28	£14.09

Note:
1. The share price used to determine the award was calculated by reference to the prevailing market price of an ordinary share on the business day prior to the award.

Long Term Incentive Plan to be awarded in FY2027

Vesting of the awards will be subject to the following performance conditions:

Measure	Weighting	Details
Underlying EPS	70%	• Please see below
Relative TSR – assessed against the constituents of the FTSE 350 (excluding investment trusts)	30%	• No vesting for below median performance against the comparators • 25% vesting (threshold) for median performance • Full vesting for upper quartile performance • Straight-line vesting between threshold and full vesting • TSR performance is assessed over the three-year period from FY2027

As set out in the Chair letter, the Committee has approved an LTIP grant in respect of FY2027 to the Executive Directors. In line with our Policy, the LTIP award will be 225% of salary and 180% of salary for the CEO and CFO respectively. These awards will be granted in November 2026. The Company announced in September 2026 that it had signed an agreement to acquire GDT, with the transaction expected to close by the end of the first calendar quarter of 2027, subject to customary regulatory filings and approvals. However, given the material size of the acquisition and the anticipated impact it will have on the enlarged Group, the Committee considered it appropriate delay the setting of the EPS performance conditions until once the transaction has closed in order to set robust and stretching EPS targets that reflect the enlarged group. Performance targets will be disclosed on our website once set and will be included in next year's Annual Report on Directors' Remuneration.

Share Incentive Plan ('SIP')

The Company announced in FY2026 the award of free shares to all eligible employees in service on 28 July 2026 (415,700 shares, FY2025: Nil). The free shares were awarded under the SIP. Participating employees who remain in service are required to hold the shares until the third anniversary of the award date. Graham Charlton and Katy Mecklenburgh were each awarded 176 free shares.

The Executive Directors, along with all eligible employees, may purchase partnership shares under the SIP. Graham Charlton purchased 123 partnership shares and Katy Mecklenburgh purchased 124 partnership shares during the year. The total SIP holdings are included in the table below.

Statement of Directors' shareholding and share interests (audited)

				Other shares held		Options			
Director[5]	Shareholding requirement (% of salary)[1]	Current shareholding (% of salary)[2]	Beneficially owned[3]	LTIP interests subject to performance conditions	Deferred shares not subject to performance conditions[4]	Vested and unexercised	Unvested	Exercised	Shareholding requirement met?
Executive Directors									
G Charlton	225	555	164,420[3]	231,334	63,221	–	–	–	Yes
K Mecklenburgh	200	296	52,658[3]	138,612	32,110	–	–	–	Yes
Non-Executive Directors									
G Watt	n/a	n/a	176,905	n/a	25,546	–	–	–	n/a
J Ferguson	n/a	n/a	3,038	n/a	n/a	n/a	n/a	n/a	n/a
M Prakash	n/a	n/a	–	n/a	n/a	n/a	n/a	n/a	n/a
L Weedall	n/a	n/a	1,300	n/a	n/a	n/a	n/a	n/a	n/a
R Perriss	n/a	n/a	15,000	n/a	n/a	n/a	n/a	n/a	n/a

Notes:

1. The Committee has adopted formal shareholding guidelines that encourage the Executive Directors to build up, over a five-year period, and then subsequently hold, a shareholding equivalent to at least 225% of base salary for the CEO and 200% of base salary for the CFO. The shareholding requirement is calculated as follows:
   - shares owned by the Executive Director (and their associates) count towards the ownership target;
   - shares which have vested, but which remain subject to a holding period and/or clawback, count towards the ownership target;
   - unvested shares, which are not subject to a further performance condition, count towards the ownership target on a net of tax basis. This includes deferred awards under the annual bonus plan; and
   - unvested awards and unexercised options which have performance conditions attached do not count towards the ownership target.
2. This is based on a closing share price of £19.30 on 31 July 2026 and the year-end salaries of the Executive Directors. The calculation includes the value of deferred shares not subject to performance conditions on a net of tax basis, based on the tax rates applicable on 31 July 2026. Values are not calculated for Non-Executive Directors as they are not subject to executive shareholding requirements.
3. This includes investment in partnership shares under the SIP. Graham purchased 23 partnership shares between the year end and the date of this report and Katy purchased 23. Graham and Katy were both awarded 176 free shares in September 2026 as part of SIP free share award. Neither of these are included above. There have been no other changes in beneficial ownership of shares between the year end and the date of this report.
4. This is in respect of previous awards of nil-cost options granted under the Deferred Share Bonus Plan.
5. All Directors subscribed to purchase ordinary shares during the equity fund raise in connection with the acquisition of GDT in September 2026. The shares will be allotted and issued to the Directors following the announcement of the preliminary results and when Softcat is in an open dealing period. Each Director has given a non-binding indication of the following number of shares, which have not been included in the current shareholdings above: Graeme Watt (5,291), Graham Charlton (529), Katy Mecklenburgh (1,322), Jacqui Ferguson (529), Mayank Prakash (2,645), Lynne Weedall (1,058) and Robyn Perriss (1,058).

Remuneration Committee report continued
Part B – Annual report on remuneration continued

Comparison of overall performance and pay

The graph below shows the value of £100 invested in the Company's shares since listing compared with the FTSE 250 index. The graph shows the total shareholder return generated by both the movement in share value and the reinvestment over the same period of dividend income.

The Committee considers that the FTSE 250 is the appropriate index because the Company has been a member of this since the first review of the index since the IPO. This graph has been calculated in accordance with the Regulations and covers the ten-year period to the end of the current financial year.



Chief Executive's historical remuneration

The table below sets out the total remuneration delivered to the Chief Executive valued using the methodology applied to the single total figure of remuneration.

Chief Executive		2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
G Charlton	Total single figure	**£2,436,567**	£1,746,627	£1,607,879	–	–	–	–	–	–	–
G Watt[1]		**–**	–	–	£1,837,361	£2,867,134	£2,588,093	£991,372	£919,518	£305,539	–
M Hellawell[1]		**–**	–	–	–	–	–	–	–	£532,716	£774,908
G Charlton	Annual bonus payment level achieved (% of maximum opportunity)	**98**	90	78	–	–	–	–	–	–	–
G Watt[1]		**–**	–	–	83	96	100	72	100	100	–
M Hellawell[1]		**–**	–	–	–	–	–	–	–	100	100
G Charlton	LTIP vesting level achieved (% of maximum opportunity)	**79**	65	92	–	–	–	–	–	–	–
G Watt[1]		**–**	–	–	97	100	n/a	n/a	n/a	n/a	n/a
M Hellawell[1]		**–**	–	–	n/a	n/a	n/a	n/a	n/a	n/a	n/a

Note:
1. Martin Hellawell and Graeme Watt retired as Chief Executive on 31 March 2018 and 31 July 2023 respectively.

Relative importance of the spend on pay

The table below sets out the relative importance of spend on pay in the 2026 financial year. All figures provided are taken from the relevant Group accounts.

	Disbursements from profit in 2026 financial year	Disbursements from profit in 2025 financial year
Profit distributed by way of dividend	**£92.5m**	£95.7m
Total tax contributions[1]	**£88.1m**	£71.5m
Overall spend on pay, including Executive Directors	**£297.6m**	£239.0m

Note:
1. Includes corporation tax and employer's National Insurance contributions. The total tax contributions have been included because of the size of the contributions in comparison to other payments.

CEO pay ratios

The UK Government requires certain companies with over 250 employees to disclose annually the ratio of their CEO's single figure total remuneration to that of the UK workforce. CEO pay ratio data is presented below for 2026, with comparative figures since 2019, which were disclosed in previous Directors' Remuneration Reports. The data shows how the CEO's single figure remuneration for 2026 (as taken from the single figure remuneration table) compares to equivalent single figure remuneration for full-time equivalent UK employees, ranked at the 25th, 50th and 75th percentiles.

Year	Method	25th percentile pay ratio	Median pay ratio	75th percentile pay ratio
2026	**Option A**	**70:1**	**45:1**	**27:1**
2025	Option A	59:1	37:1	21:1
2024	Option A	57:1	37:1	21:1
2023	Option A	72:1	44:1	24:1
2022	Option A	100:1	64:1	36:1
2021	Option A	89:1	57:1	32:1
2020	Option A	33:1	21:1	12:1
2019	Option A	35:1	22:1	12:1

The Government's methodology of Option 'A' has been used to calculate the remuneration of 3,314 employees (FY2025: 2,636) who were employed on the assessment date of 31 July for each respective financial year. All individuals in employment at this date were included in the calculation, with applicable components of individual remuneration annualised for employees not employed for the full twelve months. This option was selected given as it was considered to be the most efficient and robust approach in respect of gathering the required data and in particular was considered to be the most accurate way of identifying the best equivalents of the 25th, 50th and 75th percentiles.

We calculated our total remuneration for full-time equivalent employees to include:

- annual salary and allowances;
- annual bonus earnings (for the period relating to the respective financial year);
- gains realised from exercising awards granted under the SIP or LTIP share plans; and
- the value of taxable benefits (including pension contributions).

The increase in ratio after 2020 primarily reflects the value of LTIP awards which vested and were exercised by the relevant CEO. No LTIPs had vested up to 2020. Further information on the Company's remuneration philosophy, its approach to reward across the business and how this aligns with executive remuneration is provided in the letter from the Chair of the Committee on pages 94 to 97.

Pay in respect of the CEO and UK workforce is shown in the table below.

	CEO	All employees		
	(See single figure table, page 102)	25th percentile	Median	75th percentile
2026 salary	£675,000	£26,661	£32,000	£50,044
2026 total pay	£2,436,567	£34,813	£54,361	£91,581

Remuneration Committee report continued
Part B – Annual report on remuneration continued

Alignment of CEO pay and wider employee pay

The Committee has oversight of workforce remuneration and related policies across the Group and takes this into account when setting remuneration for the CEO, CFO and the Senior Leadership Team. The table below summarises the remuneration alignment between the CEO and the wider workforce.

	Softcat CEO	Below Board level
Base salary	For FY2027, the CEO will receive an increase in base salary of 3%. Base is set reflecting the responsibilities of the role and supporting the attraction and retention of talented employees.	For FY2027, a 3% salary increase across workforce, with higher or lower percentages depending on performance. Base is set reflecting the responsibilities of the role and supporting the attraction and retention of talented employees.
Variable pay	Overall remuneration includes a higher level of variable pay to incentivise and reward performance and increase the focus on driving shareholder value. Share-based long-term incentives operate to drive performance over a longer period and increase alignment to driving shareholder value.	Bonus plans and commission schemes operate to incentive and reward performance. Selected senior managers participate in share-based long-term incentives to drive performance over a longer-term period.
Taxable benefits	Benefit packages are broadly aligned with those of other employees.	Benefit packages are broadly aligned across the Group for all employees.
Pension	Pension contribution of up to 5% of salary, in line with rate applicable to the workforce.	Pension contribution of up to 5% of salary.
Share ownership	Shareholding targets are in place to strengthen alignment with shareholders. All eligible employees may participate in the Share Incentive Plan ('SIP') to broaden share ownership and share in Softcat's success.	All eligible employees may participate in the SIP to broaden share ownership and share in Softcat's success. All eligible employees were given a free share award under the SIP in FY2026 to reward contribution and strengthen alignment with shareholders.

Executive Director contracts and letters of appointment for Chairman and Non-Executive Directors

Executive Directors

			Notice periods		
Name	Date of service contract	Nature of contract	From Company	From Director	Compensation provisions for early termination
G Charlton	29 October 2015	Rolling	Twelve months	Twelve months	None
K Mecklenburgh	1 December 2022	Rolling	Twelve months	Twelve months	None

Non-Executive Directors

Name	Date of letter of appointment
G Watt	11 July 2022
R Perriss	21 May 2019
L Weedall	21 March 2022
M Prakash	31 July 2023
J Ferguson	31 July 2023

Note:
The Committee's policy for setting notice periods is that a twelve-month period will apply for Executive Directors.

The Non-Executive Directors (including the Chairman) do not have service contracts. The Non-Executive Directors are appointed by letters of appointment. Each independent Non-Executive Director's term of office runs for a three-year period. The Chairman is subject to three months' notice from either the Company or the Chairman. The other Non-Executive Directors do not have notice periods.

The initial terms of the Non-Executive Directors' positions are subject to their re-election by the Company's shareholders at the AGM and to re-election at any subsequent AGM at which the Non-Executive Directors stand for re-election. All Directors who wish to be re-elected will be put forward for re-election by shareholders on an annual basis.

Committee governance and considerations of pay across the Group

The Board has delegated to the Committee, under agreed terms of reference, responsibility for the Remuneration Policy and for determining specific packages for the Executive Directors, other selected members of the senior management team and the Chairman's fee. The Group consults with key shareholders in respect of the Remuneration Policy and the introduction of new incentive arrangements.

The terms of reference for the Committee are available on the Group's website, www.softcat.com/about-us/investor-centre/governance, and from the Company Secretary at the registered office.

Our main responsibilities are:

- to determine and agree with the Board the broad Remuneration Policy for the Executive Directors and other selected members of the senior management team;
- to review the ongoing appropriateness and relevance of the Remuneration Policy; and
- to review any major changes in employee benefit structures throughout the Group and to administer all aspects of any share scheme.

The Committee receives assistance from the Company Secretary, who attends meetings. The Chief Executive Officer, the Chief Financial Officer, the Chief People Officer and the Head of Reward, Payroll and People Services attend by invitation and when appropriate.

The remuneration strategy for all employees is determined in terms of best practice and ensuring that the Group is able to attract and retain the best people. In setting the Remuneration Policy for Directors, the pay and conditions of other employees of the Group are taken into account, including any base salary increases awarded and the level of employer pension contribution. During the year, the Committee received updates on pay and benefits across the general workforce and a wider briefing on external pay trends. The Committee also reviews and approves the remuneration structure for the management-level tier below the Executive Directors and the proposed framework for annual pay rises and uses this information to ensure consistency of approach.

The Group does not use remuneration comparison measurements. A formal employee forum has been established within the business where staff can raise any issue they feel to be relevant with the Designated Non-Executive Director for Workforce Engagement (Lynne Weedall). There are also regular employee engagement meetings led by the CEO and CFO. The Non-Executive Directors also between them engage directly with each of the Softcat offices and report back to the Board following their engagements.

The Committee Chair directly engaged with employee representatives on a number of topics including the Group's remuneration philosophy. Feedback from some employees indicated a good interest in participating in employee share schemes. All employees have base pay, certain employment benefits and a pension plan and Softcat operates a Share Incentive Plan for all eligible employees. The Committee regularly reviews our approach to employee share ownership and most employees own shares in Softcat following an allocation of free shares under the Share Incentive Plan in 2026.

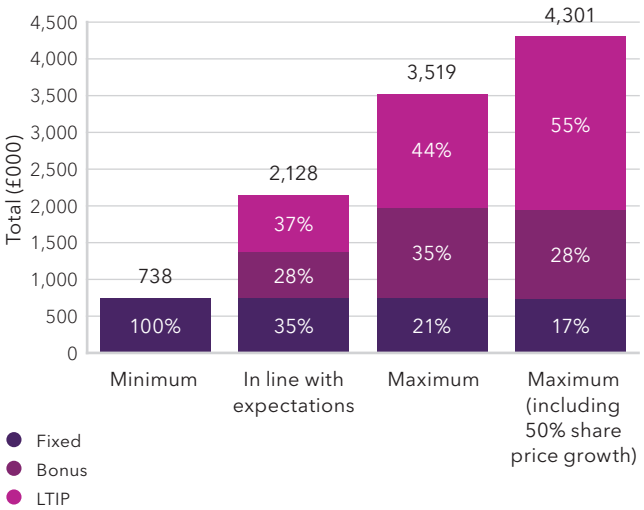
Workforce engagement and regular updates received by the Committee on pay throughout the business provides further assurance that executive remuneration is well aligned with the Group's wider philosophy on pay, particularly in respect of the importance of setting appropriate benchmarks for fixed pay and on the importance of variable pay as an incentive to drive stretching performance. The Committee believes there is strong alignment between executive pay, wider workforce pay, the Group's culture and strategy.

Illustrations of the application of the Remuneration Policy

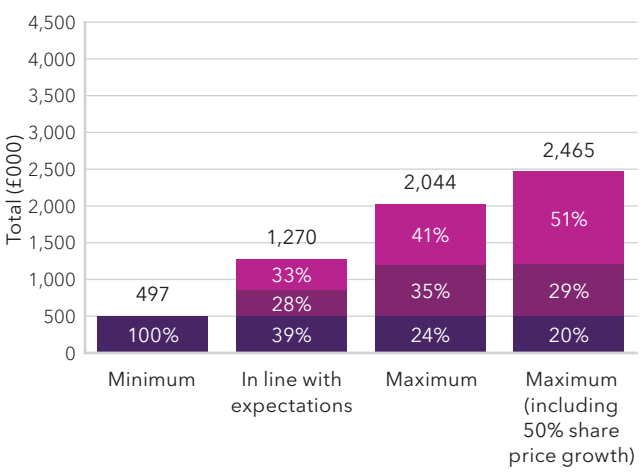
The charts below illustrate the remuneration that would be paid to each of the Executive Directors for the 2027 financial year under three different performance scenarios: (i) minimum; (ii) in line with expectations; and (iii) maximum. The elements of remuneration have been categorised into three components: (i) fixed; (ii) annual bonus (including deferred bonus); and (iii) LTIP.

In line with the regulations on policy scenarios, we have also included an additional reference point to show indicative share price growth of 50% over three years (being the performance period of the LTIP) at maximum.

Graham Charlton



Katy Mecklenburgh



Remuneration Committee report continued
Part B – Annual report on remuneration continued

Illustrations of the application of the Remuneration Policy continued

The table below sets out the assumptions used to calculate the elements of remuneration for each of the scenarios set out in the charts on the previous page.

Element	Description	Minimum	In line with expectations	Maximum	Maximum including 50% share price growth
Fixed[1]	Salary, benefits and pension	Included	Included	Included	Included
Annual bonus[2]	Annual bonus (including any deferred shares) Maximum opportunity of 175% of salary for the CEO and 150% for the CFO	No annual variable	50% of the maximum bonus	100% of the maximum bonus	100% of the maximum bonus
LTIP[2,3]	Award under the LTIP of 225% of salary for the CEO and 180% for the CFO	No LTIP	50% of the maximum award	100% of the maximum award	100% of the maximum award plus 50% share price growth

Notes:
1. Based on FY2026 benefits values as per the single figure table. Salaries and pension entitlement reflect expected FY2027 values for the CEO and CFO.
2. Share price growth has been included in the final illustration in accordance with required regulations. Dividend equivalents have not been added to the deferred share bonus and LTIP share awards.
3. Participation in the SIP has been excluded given the relative size of the opportunity levels.

Statement of voting at general meeting

The table below shows the binding vote approving the Directors' Remuneration Policy at the 2025 AGM and the advisory vote on the Annual Report on Remuneration at the 2025 AGM.

	Votes for	%	Votes against	%	Votes withheld
Directors' Remuneration Policy (2025 AGM)	149,824,459	96.28	5,793,081	3.72	630,318
Annual Report on Remuneration (2025 AGM)	152,984,593	97.94	3,222,497	2.06	40,768

Statement of consideration of shareholder views

The Committee takes the views of the shareholders seriously and these views are taken into account in shaping Remuneration Policy and practice. Shareholder views are considered when evaluating and setting the remuneration strategy and the Committee commits to consulting with key shareholders prior to any significant changes to its Remuneration Policy.

The Remuneration Policy was last approved by shareholders at the Company's Annual General Meeting held in December 2025 and prior to that time the Committee had consulted with its major shareholders on the Policy revisions which had been proposed. Shareholder support remains strong for the remuneration practices of the Group and both the resolutions for the Remuneration Policy and the advisory vote for the Annual Report on Remuneration at the 2025 received high levels of votes in favour. Given there have been no material changes in the remuneration approach in the last year and the ongoing high level of support from shareholders, the Committee did not consider it was necessary or appropriate to consult with its shareholders on executive remuneration since the most recent Policy was approved.

Advisers to the Remuneration Committee

During the financial year, Deloitte advised the Committee on all aspects of the Remuneration Policy for Executive Directors and selected members of the senior management team. Deloitte was appointed as the Committee's adviser in 2025. The Committee is satisfied that no conflict of interest exists or existed in the provision of Deloitte's services.

Deloitte is a member of the Remuneration Consultants Group and adheres to its Voluntary Code of Conduct which is designed to ensure objective and independent advice is given. During FY2026, Deloitte also provided tax advisory and compliance services, technology and business resilience support, transaction and corporate advisory services, and other consulting services. Fees of £108,500 (excluding VAT) (2025: £124,000) were received by Deloitte for materially assisting the Committee.



Lynne Weedall
Chair of the Remuneration Committee
13 October 2026

Directors' report

The following is the report of the Directors of the Company for the financial year ended 31 July 2026.

Non-Financial and Sustainability Information Statement

In accordance with Sections 414CA and 414CB of the Companies Act 2006, the following chart summarises where you can find further information in this Annual Report on each of the key areas of disclosure that these sections require.

Environmental, social and employee-related matters	• We provide disclosure on Softcat's environmental commitments, including reporting on the Climate-related Financial Disclosures ('CFD'). Our Green teams continue to raise awareness of the importance of environmental issues through their activities. • Our positive and inclusive culture, as well as good employee engagement, is integral to Softcat's success. Both the Board and management understand this and a considerable amount of time is spent ensuring these are maintained. • We discuss each of these areas in the Social Value section and in the CFD and Sustainability section on pages 30 to 56. This includes the sustainability disclosures required to comply with the Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022 (SI 2022/31). Please also see the Governance Report on pages 64 to 119.
Human rights and anti-bribery-related matters	• Human rights abuse and modern slavery risks are not considered a material issue for the Company. • We operate anti-bribery, corruption and tax evasion procedures which support compliance with the UK Bribery Act and other legislation. • We discuss each of these areas in the Social Value section on pages 30 to 37.
Diversity policy and approach	• We put great importance on the positive benefits that diversity of gender, ethnicity, experience, background and viewpoints bring to the business. • We support numerous initiatives to help improve diversity and inclusion. Progress on these is monitored by both senior management and the Board. The Board acknowledges there is more we need to do to improve diversity in areas of our business and we will continue with our efforts. • We discuss our approach to diversity in the Social Value section on pages 30 to 37, and in the Nomination Committee Report on pages 87 to 90.
Business model, policies, principal risks and KPIs	• We operate a business model which includes non-financial factors. Our business model is underpinned by our simple and consistent strategy framework. • Risks, including financial and non-financial risks, are monitored by management and by the Audit and Risk Committee. The Audit and Risk Committee also considers the key internal controls for the business. • The Board regularly reviews both financial and non-financial KPIs, which are relevant for monitoring the performance of the business and have a clear link to delivering against our strategy. We disclose performance against our key KPIs. • We discuss our business model on pages 8 and 9 and key risks on pages 60 to 62 and selected KPIs are reported on pages 18 and 19. Our strategy is discussed in various places in the Strategic Report, including pages 14 to 17.

Directors' Report

The Directors present their report for the year to 31 July 2026.

Softcat plc is a public company limited by shares, incorporated in England and Wales, and its shares are traded on the equity shares (commercial companies) segment of the Main Market of the London Stock Exchange.

Directors' report continued

Disclosures incorporated by reference

For the purposes of compliance with Disclosure Guidance and Transparency Rules ('DTR') DTR 4.1.5 R (2) and DTR 4.1.8 R, the required content of the 'Management Report' can be found in the Strategic Report and this Directors' Report. The following disclosures required to be included in this Directors' Report have been incorporated by way of reference to other sections of this report and should be read in conjunction with this report:

- Corporate Governance Statement – refer to page 64 of this report;
- statement explaining how the Directors have had regard to the need to foster the Group's business relationships with suppliers, customers and others, and the effect of that regard, including on the principal decisions taken by the Group during the financial year – refer to pages 24 to 29 of this report;
- strategy and relevant future developments – refer to pages 10 to 17 of the Strategic Report; and
- financial risk management objectives and policies – refer to the Risk Management' section included in the Strategic Report on pages 57 to 62 and note 24 to the financial statements.

The information in respect of the Non-Financial Reporting Directive appearing in this Directors' Report is also incorporated by reference as required in the Strategic Report.

Directors of the Company

The following Directors have held office since 1 August 2025:

Name	Position	Date of appointment
G Watt	Chairman	Appointed as Chief Executive on 1 April 2018 and Chairman on 1 August 2023
G Charlton	Chief Executive	Appointed Chief Financial Officer on 19 March 2015 and Chief Executive on 1 August 2023
K Mecklenburgh	Chief Financial Officer	Appointed 19 June 2023
R Perriss	Independent Non-Executive Director	Appointed 1 July 2019
L Weedall	Independent Non-Executive Director	Appointed 3 May 2022
M Prakash	Independent Non-Executive Director	Appointed 1 September 2023
J Ferguson	Independent Non-Executive Director	Appointed 1 January 2024

Biographies of the Directors as at 13 October 2026 can be found on pages 66 and 67.

Powers of Directors

The general powers of the Directors are contained within UK legislation and the Company's Articles of Association (the 'Articles'). The Directors are entitled to exercise all powers of the Company, subject to any limitations imposed by the Articles or applicable legislation.

Directors' interests

The interests of the Directors in the issued shares of the Company at 31 July 2026 are disclosed in the Remuneration Report on page 107. The Remuneration Report also sets out details of any changes in those interests between the year end and up to the date of this report.

No Director had a material interest in any contract of significance with the Group at any time during the financial year.

Appointment and replacement of Directors

The rules about the appointment and replacement of Directors are contained in the Articles. They provide that Directors may be appointed by ordinary resolution of the members or by a resolution of the Directors. Any Director so appointed must retire and put themselves forward for election at the next Annual General Meeting ('AGM'). Directors wishing to continue to serve as members of the Board will seek re-election annually in accordance with the UK Corporate Governance Code (the 'Code').

In accordance with the Code, at the 2026 AGM, all Directors will stand for re-election.

Indemnification of Directors

The Directors have the benefit of an indemnity provision contained in the Articles. The provision was in force during the year ended 31 July 2026 and remains in force and relates to certain losses and liabilities which the Directors may incur to third parties in the course of acting as Directors of the Company. In addition, Directors and officers of the Company and its subsidiaries are covered by directors' and officers' liability insurance.

Compensation for loss of office and change of control

There are no agreements in place with any Director that would provide compensation for loss of office or employment resulting from a change of control. Change of control provisions for the Group's share plans may cause options and awards granted under such plans to vest on a takeover.

The Company is not party to any other significant agreements that take effect after, or terminate upon, a change of control.

Articles of Association

The Articles may be amended by a special resolution of the members. At the AGM held on 12 November 2015, shareholders approved by special resolution the amended Articles which took effect at the date of the initial public offering ('IPO') on 18 November 2015.

Share capital and control

The Company's ordinary issued share capital as at 31 July 2026 was 196,891,493 ordinary shares of 0.05p each, which have a listing on the equity shares (commercial companies) segment of the Main Market on the London Stock Exchange. The ordinary share class represents over 99.9% of the Company's total issued share capital.

In addition to the ordinary shares, the Company also has a class of 18,933 deferred shares which were created following the share capital reorganisation at IPO and which are not admitted to trading on a regulated market.

Shares acquired through the Group's share schemes and plans rank equally with the other shares in issue and have no special rights. The Group has a Share Incentive Plan Trust ('SIP Trust') for the benefit of employees of the Group. As at 31 July 2026, the SIP Trust held 106,596 shares (2025: 116,539) awarded to employees as part of the free share award made in 2015. A further 425,516 shares (2025: 388,425) were held on behalf of employees who have taken part in the Group's voluntary partnership share purchase programme. The SIP Trust also held 51,041 unallocated shares (2025: 51,041).

During the year ended 31 July 2026, share options were exercised pursuant to the Long-Term Incentive Plan and the Annual and Deferred Bonus Plan, resulting in the additional listing and allotment of 297,392 new ordinary shares.

Subsequent to the financial year end, the Company allotted 18,730,158 new ordinary shares in connection with a placing and a retail offer to part-fund the acquisition of GDT. This additional allotment has not been reflected in the share capital balances reported for the period.

Holders of ordinary shares are entitled to attend and speak at general meetings of the Company, and to appoint one or more proxies and, if they are corporations, corporate representatives who are entitled to attend general meetings and to exercise voting rights.

The deferred shares carry no voting rights or rights to receive any of the profits of the Group available for distribution by way of dividend or otherwise. On a return of capital on a winding up of the Group (but not otherwise), the holder is entitled only to the repayment of the amount paid up on that share after payment of the capital paid up on each other share in the capital of the Company and the further payment of £10,000,000 on each such share. The deferred shares represent less than 0.01% of the Company's total issued share capital.

Further information on the Company's issued share capital can be found in note 20 to the financial statements.

The Company passed the following resolutions on 15 December 2025:

- an ordinary resolution providing the Directors with authority to:
  - (i) allot ordinary shares up to a maximum nominal amount of £33,324, to be reduced by the nominal amount allotted or granted under paragraph (ii) below in excess of such sum; and
  - (ii) allot ordinary shares up to a maximum nominal amount of £66,648 in connection with a pre-emptive offer by way of a rights issue, such amount to be reduced by any allotments made under paragraph (i) above;
- special resolutions providing the Directors with authority to:
  - (i) allot shares or sell treasury shares for cash up to a maximum nominal amount of £9,997 (with additional authority for the purposes of making a follow-on offer up to an additional aggregate amount equal to 20% of any allotment under the resolution); and
  - (ii) allot shares or sell treasury shares for cash up to a maximum nominal amount of £9,997 (with additional authority for the purposes of making a follow-on offer up to an additional aggregate amount equal to 20% of any allotment under the resolution), in connection with an acquisition or other capital investment,

  otherwise than to existing shareholders pro-rata to their shareholding; and
- a special resolution providing the Directors with authority to make market purchases of up to 19,994,626 of the Company's ordinary shares.

These authorities are due to expire at the Company's AGM to be held on 15 December 2026 and proposals for the renewal of the authority to allot ordinary shares and to make market purchases of the Company's own ordinary shares are set out in the Notice of the Annual General Meeting.

During the year the Company completed a share buyback programme which repurchased a total of 3,352,161 ordinary shares for an aggregate consideration of £45m, including stamp duty and expenses. This represented 1.67% of the issued share capital of the Company when the programme commenced. The volume weighted average price of the shares repurchased was 1,333.082p per share. All shares purchased under the programme were cancelled. The Company does not hold any shares in treasury.

The Directors will consider, in line with Board's capital allocation framework, (see pages 74 and 75) the most appropriate way to return excess cash to shareholders. The Directors will consider exercising the authority in respect of the purchase of the Company's own shares in the best interests of shareholders to allow the flexibility to react promptly where such market purchases may be desirable.

There are no restrictions on the transfer or limitations on the holding of ordinary shares and no requirements to obtain approval prior to any transfers other than: certain restrictions which may from time to time be imposed by laws and regulations (for example, insider trading laws); pursuant to the Market Abuse Regulation and the Company's own rules whereby Directors and certain employees of the Company require the approval of the Company to deal in the ordinary shares; and pursuant to the Articles where there is default in supplying the Company with information concerning interests in the Company's ordinary shares. There are no special control rights in relation to the Company's ordinary shares.

There are no agreements between holders of securities that are known to the Company which may result in restrictions on the transfer of securities or on voting rights.

Directors' report continued

Substantial shareholders

The substantial shareholdings in the table below represent those interests notified to the Company as at 31 July 2026 in accordance with the Disclosure Guidance and Transparency Rules of the Financial Conduct Authority, and those holdings may have changed since notification to the Company.

	As at 31 July 2026		As at 13 October 2026[1]	
	Ordinary shares	**Voting rights**	Ordinary shares	Voting rights
Peter Kelly[2]	**64,948,778**	**32.99%**	71,053,778	32.95%
JPMorgan Asset Management Holdings Inc.[3]	**10,926,595**	**5.55%**	–	–
Mawer Investment Management Limited	**9,943,553**	**5.05%**	9,943,553	4.61%
Capital Group	**9,938,753**	**5.05%**	9,938,753	4.61%

Note:

1. Holdings as at 13 October 2026 include any increases as a result of a shareholder participating in an equity issue of 18,730,158 ordinary shares (representing 9.5% of the issued ordinary share capital of the Company prior to the equity issue) in September 2026 to part-fund the acquisition of GDT. Voting rights have been recalculated to reflect the increased share capital following the equity issue.
2. The ordinary shares held by Peter Kelly include shares held beneficially via various entities or connected persons.
3. On 13 October 2026, JPMorgan Asset Management Holdings Inc.notified the Company that its shareholding had fallen below the minimum notification threshold.

Principal shareholder and Relationship Agreement

Set out below is a statement describing the Relationship Agreement entered into by Softcat plc with its principal shareholder (the 'Relationship Agreement'). As at 13 October 2026, Peter Kelly, the founder of Softcat plc, held approximately 33% of the issued ordinary share capital of the Company.

On 13 November 2015, Softcat plc and Peter Kelly entered into the Relationship Agreement. The principal purpose of the Relationship Agreement is to ensure that the Group will be capable of carrying on its business independently of Peter Kelly and certain persons deemed to be connected with him ('Connected Persons').

Pursuant to the Relationship Agreement, Peter Kelly, inter alia:

- shall procure that all transactions, agreements or arrangements entered into between the Group and Peter Kelly (or any of his Connected Persons) are conducted on an arm's length basis and on normal commercial terms. Peter Kelly shall abstain from voting on any resolution relating to a transaction with Peter Kelly (or any of his Connected Persons) as the related party; and
- shall (and shall procure that each of his Connected Persons shall): (i) not take any actions that would reasonably be expected to have the effect of preventing the Group from complying with its obligations under the UK Listing Rules or be prejudicial to the Group's status as a listed company or the Group's eligibility for listing; (ii) not propose or procure the proposal of a shareholder resolution that would circumvent or appear to circumvent the proper application of the UK Listing Rules; and (iii) not exercise his voting rights or other rights to procure any amendment to the Articles which would be contrary to the maintenance of the Group's independence, including its ability to operate and make decisions independently from Peter Kelly, or otherwise inconsistent with the provisions of the Relationship Agreement.

Furthermore, it is agreed that for so long as Peter Kelly (together with any of his Connected Persons) holds 10% of the issued share capital in Softcat plc, he shall be entitled to appoint one Non-Executive Director, although no such Director has been appointed to date.

The Relationship Agreement will remain in effect for so long as: (a) Peter Kelly (and/or any of his Connected Persons) holds at least 10% of the issued share capital; and (b) the ordinary shares are admitted to the equity shares (commercial company) segment of the Official List maintained by the Financial Conduct Authority.

The Group has and, in so far as it is aware, Peter Kelly and his Connected Persons have complied with the independence provisions set out in the Relationship Agreement from the date of the agreement.

Risk regarding financial instruments

The financial risk management objectives and policies are disclosed in note 24 to the financial statements.

Research and development

The Group did not carry out any research and development activities during the 2026 financial year (2025: £Nil).

Political donations

The Company did not make any political donations during the 2026 financial year (2025: £Nil).

A resolution to authorise the Company to make political payments up to an aggregate amount of £100,000 has been included for shareholder consideration in the Notice of AGM for 2026. The Group does not intend to make any payments to political organisations or to incur other political expenditure; however, this resolution has been proposed to ensure there is authority under the wide definition used in the Companies Act 2006 of matters constituting political donations.

Greenhouse gas emissions and energy consumption

Information relating to the following is detailed in the CFD and Sustainability section on pages 38 to 56 of the Strategic Report including:

- greenhouse gas emissions; and
- energy consumption and energy efficiency.

Corporate social responsibility

Details on our commitment to corporate social responsibility can be found in the report on Social Value on pages 30 to 37 of the Strategic Report.

Equality and diversity

The Group operates an equal opportunities policy which aims to treat individuals fairly and not to discriminate on the basis of gender, disability, race, national or ethnic origin, sexual orientation or marital status. Applications for employment are fully considered on their merits, and employees are given appropriate training and equal opportunities for career development and promotion.

The Group is committed to ensuring that adequate policies and procedures are in place to enable disabled applicants to receive training to perform safely and effectively and to provide development opportunities to ensure they reach their full potential. Where an individual becomes disabled during their employment, we will seek to provide, wherever possible, continued employment on normal terms and conditions.

Adjustments will be made to the environment and duties or, alternatively, suitable new roles within the business will be secured with additional training where necessary.

Details of the Group's gender and ethnicity breakdown are given in the Social Value section on page 31.

We place considerable value on the involvement of employees and continue to keep them informed on matters affecting them as employees. This is undertaken through a variety of methods including, but not limited to, regular meetings, team briefings, emails and the intranet. Lynne Weedall serves as the Designated Non-Executive Director for Workforce Engagement.

At team meetings, managers are responsible for ensuring that information sharing, discussion and feedback take place on a regular basis. As a result of these meetings, management can communicate the financial and economic factors affecting the business and ensure that the views of employees are taken into account in Group decisions which are likely to affect their interests.

Post-balance sheet events

Dividend

The Board recommends a final ordinary dividend of 21.6p per ordinary share to be paid on 21 December 2026 to all ordinary shareholders who were on the register of members at the close of business on 13 November 2026. Shareholders will be asked to approve the final dividend at the AGM on 15 December 2026.

The Group's dividend and distributions policy is detailed in the Governance Report on page 75.

Requirements of the UK Listing Rules

The following table provides references to where the information required by UK Listing Rule 6.6.1R is disclosed:

UK Listing Rule requirement	Location in Annual Report
A statement of the amount of interest capitalised during the period under review and details of any related tax relief.	Not applicable.
Information required in relation to the publication of unaudited financial information.	Not applicable.
Details of any long-term incentive schemes and Directors' interests.	Directors' Remuneration Report, pages 94 to 112.
Details of any arrangements under which a Director has waived emoluments or agreed to waive any future emoluments, from the Group.	Directors' Remuneration Report, pages 94 to 112.
Details of any non-pre-emptive issues of equity for cash.	Directors' Report, page 115.
Details of any non-pre-emptive issues of equity for cash by any unlisted major subsidiary undertaking.	No such share allotments.
Details of parent participation in a placing by a listed subsidiary.	Not applicable.
Details of any contract of significance in which a Director is or was materially interested.	Not applicable.
Details of any contract of significance between the Company (or one of its subsidiaries) and a controlling shareholder.	Not applicable.
Details of waiver of dividends by a shareholder.	Not applicable.

Directors' report continued

Auditor

Ernst & Young LLP ('EY') has signified its willingness to continue in office as auditor and the Group is satisfied that EY is independent and that there are adequate safeguards in place to safeguard its objectivity. A resolution to reappoint EY as the auditor will be proposed at the 2026 AGM.

Subsidiaries and branches

The Group operates five subsidiary companies: one in the UK, one in Germany, one in Canada and two companies in the United States of America. Softcat also has branches in Australia, the United States of America, the Netherlands, Singapore, Hong Kong and Ireland.

Going concern

The Group and Company financial statements have been prepared on a going concern basis. The Directors' assessment is based on detailed trading and cash flow forecasts, using the same assumptions and methods as the viability assessment.

The going concern assessment covers at least the twelve-month period from the date of the signing of the financial statements, and the going concern basis is dependent on the Group maintaining adequate levels of resources to operate during the period. To support this assessment, detailed trading and cash flow forecasts were prepared for the 18-month period to 31 January 2028. Based on the going concern assessment (which is provided in note 1 of the financial statements), the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for 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.

Disclosure of information to the auditor

The Directors in office at the time of approval of the Directors' Report are listed on pages 66 and 67 and have each confirmed that:

- so far as they are aware, there is no relevant audit information of which the Group's auditor is unaware; and
- they have taken all the steps that he or she ought to have taken as a Director to make himself or herself aware of any such relevant audit information and to establish that the auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

2026 Annual General Meeting

The Company's 2026 AGM will take place on 15 December 2026 at the Company's registered office: Softcat plc, Fieldhouse Lane, Marlow, Buckinghamshire SL7 1LW.

The Chairman of the AGM intends for a poll to be called in respect of each of the resolutions to be voted on at the AGM. In the event of a show of hands every holder of ordinary shares who is present in person or by proxy at a general meeting has one vote on each resolution and, on a poll, every holder of ordinary shares who is present in person or by proxy has one vote on each resolution for every ordinary share of which he/she is the registered holder. The Notice of AGM specifies deadlines for exercising voting rights. The Notice of AGM can be found in the Investor Centre section of the Group's website, www.softcat.com, and is being posted at the same time as this Annual Report. The Notice of AGM sets out the business of the meeting and provides explanatory notes on all resolutions. Separate resolutions are proposed in respect of each substantive issue.

A holder of ordinary shares may usually vote personally or by proxy at a general meeting. Any form of proxy must be delivered to the Company not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the appointment proposes to vote (for this purpose, the Directors may specify that no account shall be taken of any part of a day that is not a working day). A corporation which is a holder of ordinary shares in the Company may authorise such persons as it thinks fit to act as its representatives at a general meeting.

No holder of ordinary shares shall be entitled to attend or vote, either personally or by proxy, at a general meeting in respect of any ordinary share if any call or other sum presently payable to the Company in respect of such ordinary share remains unpaid or in certain other circumstances specified in the Articles where there is default in supplying the Company with information concerning interests in the Company's ordinary shares. The results of each of the resolutions to be voted on at the 2026 AGM will be published to the London Stock Exchange and will be available on the Group's website.

The AGM is the principal forum for communication with private shareholders and the Directors recognise its important role. The Chairman of the Board and the Chairs of the Committees, together with the other Directors, will be available to answer shareholders' questions at the meeting. Additionally, shareholders will be given the opportunity to submit questions via email to the Directors ahead of the meeting. Questions may be submitted to cosec@softcat.com or by letter addressed to the Company Secretary at the registered office. Questions should be received up to 24 hours in advance of the meeting and a response will be provided. Further information and requirements can be found within the Notice of AGM.

Statement of Directors' responsibilities in relation to the financial statements

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the Group's financial statements in accordance with UK-adopted International Accounting Standards ('IFRSs'). 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 Group and of the profit or loss of the Group for that period.

In preparing these financial statements the Directors are required to:

- select suitable accounting policies in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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 in IFRSs is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Group's financial position and financial performance;
- state that UK-adopted International 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 Group will continue in business.

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

Under applicable law and regulations, the Directors are also responsible for preparing a Strategic Report, Directors' Report, Directors' Remuneration Report and Corporate Governance Statement which comply with applicable laws and regulations. The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Group's website.

Fair and balanced reporting

Having taken advice from the Audit and Risk Committee, the Board considers that the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and that it provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy.

Responsibility statement pursuant to FCA's Disclosure Guidance and Transparency Rule 4 ('DTR 4')

Each Director of Softcat plc (whose names and functions appear on pages 66 and 67) confirms that (solely for the purpose of DTR 4) to the best of his or her knowledge:

- the financial statements, prepared in accordance with UK-adopted International Accounting Standards give a true and fair view of the assets, liabilities, financial position and profit of the Group;
- the Annual Report, including the Strategic Report, includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal risks and uncertainties that they face; and
- they consider the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position, performance, business model and strategy.

The responsibility statement has been approved by the Board of Directors and is signed on its behalf by:



Graham Charlton
Chief Executive Officer
13 October 2026



Katy Mecklenburgh
Chief Financial Officer
13 October 2026

The Directors' Report has been approved by the Board of Directors and is signed on its behalf by:



Luke Thomas
Company Secretary
13 October 2026

Independent auditor's report
To the members of Softcat plc

Opinion

In our opinion:

- Softcat plc's group financial statements and parent company financial statements (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 July 2026 and of the group's profit 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.

We have audited the financial statements of Softcat plc (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 July 2026 which comprise:

Group	Parent company
Consolidated statement of financial position as at 31 July 2026	Company statement of financial position as at 31 July 2026
Consolidated statement of profit and loss and other comprehensive income for the year then ended	Company statement of changes in equity for the year then ended
Consolidated statement of changes in equity for the year then ended	Related notes A to T to the financial statements including material accounting policy information
Consolidated statement of cash flows for the year then ended	
Related notes 1 to 30 to the 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 FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the group and parent 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 public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the group or the parent company and we remain independent of the group and the parent company in conducting the audit.

Conclusions relating to going concern

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. Our evaluation of the directors' assessment of the group and parent company's ability to continue to adopt the going concern basis of accounting included:

- understanding management's process and controls related to the assessment of going concern;
- reviewing the underlying terms, including covenant requirements, of the revolving credit facility entered into during the period by examination of executed documentation;
- checking the arithmetical accuracy of the cash flow forecast models and assessing the Group's historical forecasting accuracy;
- obtaining management's going concern models which included a base case (testing for consistency with the board approved three-year plan), a severe yet plausible downside cash flow scenario, and a reverse stress test covering the going concern assessment period. This also included assessing management's scenario reflecting the expected completion of the acquisition of GDT, as announced on 17 September 2026, and the associated stress testing. These forecasts include an assessment of available cash balances and available revolving credit facilities as well as understanding how the impact of the ongoing macro-economic uncertainty had been reflected in the forecasts;
- considering the downside scenarios, including the reverse stress case, identified by management, independently assessing whether there are any other scenarios which should be considered, and assessing the quantum of the impact on the available cash flows of the downside scenarios in the going concern period;
- challenging management's assumptions within the cash flow forecasts in relation to the forecast revenue growth rates, operating cost inflation and working capital in the going concern period, including searching for sources of contradictory evidence in our assessment of management's forecasting, such as assessing historical budgeting accuracy and comparing the forecast with analyst expectations and other external data sources;

Conclusions relating to going concern continued

- challenging management's reverse stress test scenario, including comparison to historic growth rates, analyst expectation and other external data sources to corroborate that this scenario is considered remote;
- assessing the reasonableness of management's potential mitigating actions, principally the removal of forecast, undeclared dividends;
- assessing whether any material climate-related risks that should be incorporated into Softcat's forecasts to 31 October 2027;
- assessing the adequacy of the going concern assessment period until 31 October 2027, considering whether any events or conditions foreseeable after the period indicated a longer review period would be appropriate;
- enquiring of management as to their knowledge of events or conditions beyond the period of their assessment that may cast significant doubt on the entity's ability to continue as a going concern;
- comparing management's forecasts to actual results through the subsequent events period and performing enquiries to the date of this report; and
- assessing if the going concern disclosures in the financial statements are appropriate and in accordance with the revised ISA (UK) 570 going concern standard.

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 and parent company's ability to continue as a going concern for a period to 31 October 2027.

In relation to the group and parent company's reporting on how they have applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the directors' statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the group's ability to continue as a going concern.

Overview of our audit approach

Audit scope	• We performed an audit of the complete financial information of Softcat plc, with the exception of one component.
Key audit matters	• Overstatement of performance through the misstatement of revenue recognised at or near year end. • Presentation of revenue in respect of principal versus agent. • Misstatement of rebate income at period end through a misstatement of rebate income accrual.
Materiality	• Overall Group materiality of £11.0m which represents 5% of profit before tax adjusted for acquisition costs and major system development costs.

An overview of the scope of the parent company and group audits

We have followed a risk-based approach when developing our audit approach to obtain sufficient appropriate audit evidence on which to base our audit opinion. We performed risk assessment procedures to identify and assess risks of material misstatement of the Group financial statements and identified significant accounts and disclosures. When identifying components at which audit work needed to be performed to respond to the identified risks of material misstatement of the Group financial statements, we considered our understanding of the Group and its business environment, the potential impact of climate change, the applicable financial framework, the Group's system of internal control at the entity level, the existence of centralised processes, applications and any relevant internal audit results.

The Group's operations are primarily based in the United Kingdom with a single head office and finance function and therefore all audit procedures are completed by one audit team at this location.

We determined that centralised audit procedures can be performed on the entire consolidated financial statements, with the exception of one component which was not identified as an individually relevant component. All audit work performed for the purposes of the audit was undertaken by the Group audit team.

Our scoping to address the risk of material misstatement for each key audit matter is set out in the Key audit matters section of our report.

Climate change

Stakeholders are increasingly interested in how climate change will impact the Group. The Group has determined that the most significant future impacts from climate change on their operations will be from business interruption driven by extreme climate or failure to evolve technology product offerings in line with consumer and investor demands. These are explained on pages 47 to 51 in the required Task Force On Climate Related Financial Disclosures and on pages 60 to 62 in the principal risks and uncertainties. They have also explained their climate commitments on page 53. All of these disclosures form part of the "Other information," rather than the audited financial statements.

Our procedures on these unaudited disclosures therefore consisted solely of considering whether they are materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appear to be materially misstated, in line with our responsibilities on "Other information".

Independent auditor's report continued
To the members of Softcat plc

An overview of the scope of the parent company and group audits continued

Climate change continued

In planning and performing our audit we assessed the potential impacts of climate change on the Group's business and any consequential material impact on its financial statements.

The Group has explained in note 1, the basis of preparation, how they have reflected the impact of climate change in their financial statements including how this aligns with their commitment to the aspirations of the Paris Agreement to achieve net zero emissions by 2050. There are no significant judgements or estimates relating to climate change in the notes to the financial statements.

Our audit effort in considering the impact of climate change on the financial statements was focused on evaluating management's assessment of the impact of climate risk, physical and transition, their climate commitments, the effects of material climate risks disclosed on pages 47 to 51. As part of this evaluation, we performed our own risk assessment, supported by our climate change internal specialists, to determine the risks of material misstatement in the financial statements from climate change which needed to be considered in our audit.

We also challenged the Directors' considerations of climate change risks in their assessment of going concern and viability and associated disclosures. Where considerations of climate change were relevant to our assessment of going concern, these are described above.

Based on our work we have not identified the impact of climate change on the financial statements to be a key audit matter or to impact a key audit matter.

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 which 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 our opinion thereon, and we do not provide a separate opinion on these matters.

Risk	Our response to the risk
Overstatement of performance through the misstatement of revenue recognised at or near year-end (2026: £1,975.1m, 2025: £1,458.4m) *Refer to the Audit and Risk Committee Report (page 79); Accounting policies (page 132); and Note 2 of the Group Financial Statements (page 145 and 146)* Management's process for accounting for certain revenue transactions, particularly the review process at year end to record revenue in the appropriate period, is mostly manual and therefore susceptible to error (either deliberate or without intent). The accounting is made more challenging due to the reliance on suppliers to notify the Company of delivery, and for international shipments which results in a longer delivery lead time needing to be built into the assumptions utilised by management. There is a risk that revenue is recognised prematurely or fictitiously. We performed full scope audit procedures over this risk in one location, which covered 99.5% of the risk amount.	We performed the following procedures: • Performed walkthroughs to update our understanding of the revenue recognition processes and key controls. • Updated our understanding of management's cut off assessment, including the delivery lead time assumptions utilised, which we validated to historic averages. • Tested revenue cut off by obtaining management's sales cut off assessment and independently testing a sample of transactions therein by vouching to invoices and proof of delivery. • Tested unbilled receivables by obtaining management's analysis and independently testing a sample of transactions therein by vouching to invoices and proof of delivery. • Tested an independent sample of transactions invoiced in the two weeks either side of the year end. We stratified the population between revenue type and selected our sample based on the following criteria: – key items based on a quantitative threshold or specific qualitative factors; and – statistical sample of items invoiced within seven days either side of the balance sheet date, which we considered to be of higher risk based on average delivery lead times. We tested our sample by vouching to invoices and proof of delivery, to confirm these had been recorded in the correct period. • To address the risk of management override, we tested a sample of journal entries recorded at or near year end as well as top-side adjustments by verifying to appropriate supporting documentation in order to verify that the entry is supported by an appropriate business rationale, authorisation and has been accounted for correctly. • Tested a statistical sample of sales transactions deferred at the year end. We recalculated the split of revenue recognised and the deferred elements based on a review of the supporting documentation to obtain assurance over the recognition of revenue. We also selected a sample of invoices from billing data and assessed whether the revenue was appropriately recognised or deferred, based on completion of the performance obligation. • Analysed sales related journal entry data to track sales from revenue through to accounts receivable through to cash collection using data analytics tools. We used this analysis to validate the appropriateness of transaction flows and tested a sample of transactions to determine if the journals accurately reflected the substance of transactions recorded. • Assessed appropriateness of disclosures in the Annual Report and Accounts by comparing the disclosures against the requirements under IFRS 15.

Key audit matters continued

Key observations communicated to the Audit and Risk Committee
We concluded that the revenue recognised at or near year end was properly accounted for and that revenue has appropriately been recognised in accordance with IFRS.
We concluded that management's disclosures in relation to revenue, including disclosed accounting policies and those relating to critical accounting judgements, are appropriate.

Risk	Our response to the risk
Presentation of revenue in respect of principal versus agent (2026: £1,975.1m, 2025: £1,458.4m) *Refer to the Audit and Risk Committee Report (page 79); Accounting policies (page 132); and Note 2 of the Group Financial Statements (page 145 and 146)* There is a risk that the reported revenue may be incorrectly presented on a gross basis as a result of the incorrect assessment of whether the Company has control over the products or services sold and consequently if the Company is principal or agent in its arrangements with customers. As products and services offered continually evolve the assessment of control needs to be revisited on an ongoing basis. The nature of the current systems is to process all revenue streams gross, and a manual adjustment is made by management at year end to record revenue on a net basis where Softcat are the agent in the arrangement. We performed full scope audit procedures over this risk in one location, which covered 100.0% of the risk amount.	We performed the following procedures: • Performed walkthroughs to update our understanding of the revenue recognition processes and key controls. • Updated our understanding of management's judgement over the classification of transactions between gross and net presentation. • Assessed management's judgement made for any significant new product types by independently assessing the nature of such products and meeting with key members of the sales and solutions teams to develop an understanding of Softcat's responsibilities in relation to the sale. We challenged whether Softcat has primary responsibility for fulfilling the promise of the goods or service and whether Softcat is exposed to inventory risk during the delivery period, in order to help ascertain the exercise of control of goods prior to their delivery, and ultimately concluded if the principal (gross) or agent (net) treatment applied was appropriate according to the criteria set out within IFRS 15 and management's revised accounting policies. • Tested a sample of transactions across the year to determine the Company's control over the product or service including: – verifying the product type to external sources, such as supplier websites, and met with key members of the sales and solutions teams to develop an understanding of Softcat's responsibilities in relation to the sale. For each sample selected, we challenged whether Softcat has primary responsibility for fulfilling the promise of the goods or service and whether Softcat is exposed to inventory risk during the delivery; – corroborating the related cost for each sample item to supporting purchase invoices; and – assessing if principal (gross) or agent (net) treatment should be applied and compared this to management's conclusion to determine if this was appropriate according to the criteria set out within IFRS 15. • Reperformed management's calculation of the adjustment to record revenue on a net basis. • Assessed appropriateness of disclosures in the Annual Report and Accounts by comparing the disclosures against the requirements under IFRS 15.

Independent auditor's report continued
To the members of Softcat plc

Key audit matters continued

Key observations communicated to the Audit and Risk Committee
We concluded that the judgements made by management are consistent with the evidence we have observed, the presentation and disclosure of revenue is materially correct, and has been recognised in accordance with IFRS. We concluded that managements disclosures in relation to revenue, including disclosed accounting policies and those relating to critical accounting judgements, are appropriate.

Risk	Our response to the risk
Misstatement of rebate income to overstate reported results at or near year-end (2026: £28.1m, 2025: £17.6m) *Refer to the Audit and Risk Committee Report (page 79); Accounting policies (page 132); and Note 12 of the Consolidated Financial Statements (page 152)* Rebates are recorded through a primarily manual process. While most rebates are agreed with the supplier and received during the year, there is an opportunity to misstate results through adjustments to the balance sheet rebate receivable. We performed full scope audit procedures over this risk in one location, which covered 100.0% of the risk amount.	We performed the following procedures: • Performed walkthroughs to update our understanding of the rebate processes and key controls. • Tested key controls within the rebate process. • Obtained confirmations from a sample of sales and vendor management personnel to confirm no rebate agreements outside of standard practice. • Tested the year end accrued income by confirming a statistical sample of rebates due from suppliers to third party source documentation. • Analysed the rebate receivable by vendor and compared the largest vendor level balances (making up 85% of the balance) against the 31 July 2025 comparative balances to identify unusual movements that are not in line with our expectation or understanding of the business. We performed analysis to understand the drivers of increases or decreases in the underlying balances. • Assessed the cash conversion of rebates accrued at the year end and tested a sample to subsequent receipts. • Tested a statistical sample of rebate transactions recorded in the statement of profit and loss throughout the year and obtained underlying support to consider whether the transactions have been recorded in the correct period. • Assessed appropriateness of disclosures in the Annual Report and Accounts by comparing the disclosures against the requirements under International Financial Reporting Standards.

Key observations communicated to the Audit and Risk Committee
We concluded that the rebate receivable and corresponding income are materially correct and have been recognised in accordance with IFRSs. We concluded that management's disclosures in relation to accrued income, including disclosed accounting policies, are appropriate. As part of our procedures, we noted no indication of deliberate or other manipulation of accrued income or management override.

Our application of materiality

We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion.

Materiality

The magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the financial statements. Materiality provides a basis for determining the nature and extent of our audit procedures.

We determined materiality for the Group to be £11.0 million (2025: £9.2 million), which is 5% (2025: 5%) of profit before tax adjusted for acquisition costs and major system development costs. We believe that profit before tax adjusted for acquisition costs and major system development costs provides us with the most appropriate basis as it drives shareholders returns and it a key measure of the Group's performance.

We determined materiality for the Parent Company to be £11.0 million (2025: £9.1 million), which is 5% (2025: 5%) of Profit before tax adjusted for acquisition costs and major system development costs.

Starting basis	• Profit before tax – £202.8m
Adjustments	• Acquisition costs – contingent consideration liability – £2.4m • Major system development costs – £15.6m
Materiality	• Profit before tax adjusted for acquisition costs and major system development costs – £220.8m • Materiality of £11.0m (5% of materiality basis)

Performance materiality

The application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.

On the basis of our risk assessments, together with our assessment of the Group's overall control environment, our judgement was that performance materiality was 50% (2025: 50%) of our planning materiality, namely £5.5m (2025: £4.6m). We have set performance materiality at this percentage to reflect the quantum of audit adjustments identified in the prior period.

Reporting threshold

An amount below which identified misstatements are considered as being clearly trivial.

We agreed with the Audit and Risk Committee that we would report to them all uncorrected audit differences in excess of £0.55m (2025: £0.46m), which is set at 5% of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion.

Independent auditor's report continued
To the members of Softcat plc

Other information

The other information comprises the information included in the annual report set out on pages 1 to 119, 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 this 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 course of 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 this gives rise to 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 the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, the part of the directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

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.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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 and the part of the Directors' Remuneration Report to be audited 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.

Corporate Governance Statement

We have reviewed the directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the group and company's compliance with the provisions of the UK Corporate Governance Code specified for our review by the UK Listing Rules.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements or our knowledge obtained during the audit:

- Directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 118;
- Directors' explanation as to its assessment of the company's prospects, the period this assessment covers and why the period is appropriate set out on page 63;
- Directors' statement on whether it has a reasonable expectation that the group will be able to continue in operation and meets its liabilities set out on page 63;
- Directors' statement on fair, balanced and understandable set out on page 119;
- Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 57;
- the section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on page 57; and
- the section describing the work of the Audit and Risk Committee set out on page 79.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 119, 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 and 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.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the company and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the group and determined that the most significant are those related to the reporting framework (IFRS, the Companies Act 2006 and the UK Corporate Governance Code 2024), relevant tax compliance regulations in the UK, relevant employment law in the UK and the Data Protection Act 2018. In addition, we concluded that there are certain significant laws and regulations which may have an effect on the determination of the amounts and disclosures in the financial statements, being the Listing Rules of the London Stock Exchange.
- We understood how Softcat plc is complying with those frameworks by making enquiries of management, those responsible for legal and compliance procedures and the Company Secretary. We corroborated our enquiries through our review of board minutes, discussions with the Audit and Risk Committee and any correspondence received from regulatory bodies.
- We assessed the susceptibility of the group's financial statements to material misstatement, including how fraud might occur by meeting with management to understand where they considered there was susceptibility to fraud. We also considered performance targets and their propensity to influence efforts made by management to manage earnings or influence the perceptions of analysts. Where this risk was considered to be higher, we performed audit procedures to address each identified fraud risk. The key audit matters section above addresses procedures performed in areas where we have concluded the risks of material misstatement are highest (including where due to the risk of fraud). In addition, we completed procedures to conclude on the compliance of the disclosures in the Annual Report and Accounts with the requirements of the relevant accounting standards, UK legislation and the UK Corporate Governance Code 2024.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved journal entry testing, review of board minutes to identify non-compliance with such laws and regulations, review of reporting to the Audit and Risk Committee on compliance with regulations, review of reporting of internal audit, enquires of the Company Secretary and management and review of any instances of whistleblowing reporting. Where relevant, our procedures include engaging internal forensics specialists to support on concluding on matters identified.

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

Other matters we are required to address

- Following the recommendation from the Audit and Risk Committee we were appointed by the company on 15 December 2025 to audit the financial statements for the year ending 31 July 2026 and subsequent financial periods.

  The period of total uninterrupted engagement including previous renewals and reappointments is fourteen years, covering the years ending 31 July 2013 to 31 July 2026.

- The audit opinion is consistent with the additional report to the audit and risk committee.

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.

Marcus Butler (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
13 October 2026
London

Consolidated statement of profit or loss and other comprehensive income
For the year ended 31 July 2026

	Notes	2026 £m	2025 £m
Revenue	2	**1,975.1**	1,458.4
Cost of sales		**(1,358.8)**	(964.1)
Gross profit		**616.3**	494.3
Administrative expenses		**(401.2)**	(314.2)
Underlying operating profit		**215.1**	180.1
Non-underlying costs	1	**(18.7)**	(7.2)
Operating profit	3	**196.4**	172.9
Finance income	4	**8.5**	7.3
Finance cost	4	**(2.1)**	(2.0)
Profit before tax		**202.8**	178.2
Income tax expense	5	**(52.5)**	(45.2)
Profit for the year		**150.3**	133.0
Other comprehensive income			
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:			
Foreign exchange differences on translation of foreign branches and subsidiaries		**(2.1)**	(0.9)
Net gain on cash flow hedge		**0.3**	–
Total other comprehensive loss		**(1.8)**	(0.9)
Total comprehensive income for the year		**148.5**	132.1
Profit attributable to:			
Owners of the Parent Company		**150.3**	133.0
Total comprehensive income attributable to:			
Owners of the Parent Company		**148.5**	132.1
Earnings per ordinary share (p)			
Basic	21	**75.8**	66.6
Diluted	21	**75.3**	66.2

The Consolidated statement of profit or loss and other comprehensive income has been prepared on the basis that all operations are continuing operations.

The notes on pages 132 to 164 form part of these consolidated financial statements.

Consolidated statement of financial position
As at 31 July 2026

	Notes	2026 £m	2025 £m
Non-current assets			
Property, plant and equipment	7	**18.4**	16.9
Right-of-use assets	8	**33.2**	31.8
Intangible assets and goodwill	9	**16.8**	20.6
Investments		**0.1**	0.1
Deferred tax asset	18	**4.4**	0.8
		72.9	70.2
Current assets			
Inventories	11	**12.2**	151.9
Trade and other receivables	12	**894.3**	713.1
Derivative financial assets		**1.2**	–
Income tax receivable		**–**	1.8
Contract fulfilment assets	13	**–**	72.6
Cash and cash equivalents	17	**199.9**	182.3
		1,107.6	1,121.7
Total assets		**1,180.5**	1,191.9
Current liabilities			
Trade and other payables	14	**(688.3)**	(471.4)
Contract liabilities	16	**(59.4)**	(333.2)
Provisions	15	**(10.9)**	–
Income tax payable		**(3.1)**	–
Derivative financial liabilities		**(1.1)**	–
Lease liabilities	8	**(5.6)**	(4.3)
		(768.4)	(808.9)
Non-current liabilities			
Contract liabilities	16	**(15.8)**	(13.3)
Lease liabilities	8	**(32.3)**	(30.9)
		(48.1)	(44.2)
Total liabilities		**(816.5)**	(853.1)
Net assets		**364.0**	338.8
Equity			
Issued share capital	20	**0.1**	0.1
Share premium account		**5.0**	5.0
Capital redemption reserve		**–**	–
Cash flow hedge reserve		**–**	(0.3)
Foreign exchange translation reserve		**(0.3)**	1.8
Retained earnings		**359.2**	332.2
Total equity		**364.0**	338.8

The notes on pages 132 to 164 form part of these consolidated financial statements.

The financial statements on pages 128 to 131 were approved by the Board of Directors and authorised for issue on 13 October 2026.

On behalf of the Board

Graham Charlton
Chief Executive Officer

Katy Mecklenburgh
Chief Financial Officer

Softcat plc company registration number: 02174990

Consolidated statement of changes in equity
For the year ended 31 July 2026

Equity attributable to owners of the Parent

	Notes	Share capital £m	Share premium account £m	Capital redemption reserve £m	Cash flow hedge reserve £m	Foreign exchange translation reserve £m	Retained earnings £m	Total £m
Balance at 1 August 2024		0.1	5.0	–	(0.3)	2.7	290.5	298.0
Profit for the year		–	–	–	–	–	133.0	133.0
Impact of foreign exchange on reserves		–	–	–	–	(0.9)	–	(0.9)
Total comprehensive (expense)/income for the year		–	–	–	–	(0.9)	133.0	132.1
Share-based payment transactions		–	–	–	–	–	4.2	4.2
Dividends paid		–	–	–	–	–	(95.7)	(95.7)
Dividend equivalents paid		–	–	–	–	–	(0.1)	(0.1)
Tax adjustments		–	–	–	–	–	0.3	0.3
Balance at 31 July 2025		0.1	5.0	–	(0.3)	1.8	332.2	338.8
Profit for the year		–	–	–	–	–	150.3	150.3
Impact of foreign exchange on reserves		–	–	–	–	(2.1)	–	(2.1)
Net gain on cash flow hedge		–	–	–	0.3	–	–	0.3
Total comprehensive income/(expense) for the year		–	–	–	0.3	(2.1)	150.3	148.5
Share-based payment transactions	28	–	–	–	–	–	13.6	13.6
Share buyback	20	–	–	–	–	–	(45.0)	(45.0)
Dividends paid		–	–	–	–	–	(92.5)	(92.5)
Dividend equivalents paid		–	–	–	–	–	(0.1)	(0.1)
Tax adjustments		–	–	–	–	–	0.7	0.7
Balance at 31 July 2026		**0.1**	**5.0**	**–**	**–**	**(0.3)**	**359.2**	**364.0**

The notes on pages 132 to 172 form part of these consolidated financial statements.

The share capital and share premium accounts represent the nominal value and premium arising on the issue of equity shares.

During the year ended 31 July 2026, 297,392 share options (2025: 181,801) were exercised and new shares were issued to satisfy this exercise. Proceeds of £Nil (2025: £Nil) were realised from the exercise of these share options.

As at 31 July 2026, the SIP Trust held 106,596 shares (2025: 116,539) awarded to employees as part of the FY2015 free share award, subject to service conditions. A further 425,516 shares (2025: 388,425) were held on behalf of employees who have taken part in the Group's voluntary partnership share purchase programme. The SIP also held 51,041 unallocated shares (2025: 51,041).

In the year, the Group announced and completed a Share Repurchase Programme to purchase the Group's shares for an aggregate value of £45.0m. The broker, J.P. Morgan Securities plc, managed the purchases on a non-discretionary basis, purchasing shares within pre-set parameters on the open market and making their trading decisions independently of the Group. The share repurchase scheme commenced on 8 January 2026 and completed on 13 February 2026, with 3,352,161 shares repurchased in the year for a total consideration of £44.7m plus stamp duty and commission costs of £0.3m. The purchase has been treated as a distribution through retained earnings. All shares repurchased were subsequently cancelled.

The capital redemption reserve represents the nominal value of the share buyback completed in the year and totals £1,676 (2025: £Nil).

Consolidated statement of cash flows
For the year ended 31 July 2026

	Notes	2026 £m	2025 £m
Net cash generated from operating activities	22	**157.5**	140.7
Investing activities			
Finance income	4	**8.5**	7.3
Acquisition of subsidiaries, net of cash acquired	10	**–**	(7.4)
Acquisition associated costs		**–**	(0.7)
Purchase of property, plant and equipment	7	**(6.0)**	(11.8)
Purchase of intangible assets	9	**(0.6)**	(3.4)
Net cash generated from/(used in) investing activities		**1.9**	(16.0)
Financing activities			
Purchase of own shares	20	**(45.0)**	–
Dividends paid	6	**(92.5)**	(95.7)
Payment of principal portion of lease liabilities	8	**(2.7)**	(0.4)
Payment of interest portion of lease liabilities	4,8	**(2.1)**	(2.0)
Net cash used in financing activities		**(142.3)**	(98.1)
Net increase in cash and cash equivalents		**17.1**	26.6
Cash and cash equivalents at beginning of year	17	**182.3**	158.4
Exchange gains/(losses) on cash and cash equivalents		**0.5**	(2.7)
Cash and cash equivalents at end of year	17	**199.9**	182.3

The notes on pages 132 to 164 form part of these consolidated financial statements.

Notes to the consolidated financial statements
For the year ended 31 July 2026

1 Material accounting policies

1.1 Corporate information

The principal activity of Softcat plc (the 'Company') and its subsidiaries (together the 'Group') is that of a value-added IT reseller and IT infrastructure solutions provider to the corporate and public sector markets.

The Company is a public limited company incorporated and domiciled in England and Wales and whose shares are publicly traded. The registered office is Solar House, Fieldhouse Lane, Marlow, Buckinghamshire SL7 1LW, in the United Kingdom.

The registered number of the Company is 02174990.

The material accounting policies applied in the preparation of the consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

1.2 Basis of preparation

The Group has prepared the consolidated financial statements in accordance with UK-adopted international accounting standards (IFRS) in accordance with the requirements of the Companies Act 2006. IFRS includes the application of International Financial Reporting Standards ('IFRS') as issued by the International Accounting Standards Board ('IASB') and the IFRS Interpretations Committee ('IFRIC') interpretations.

The consolidated financial statements of the Group have been prepared under the historical cost convention and are presented in the Group's presentational and functional currency of Pounds Sterling, and all values are rounded to the nearest hundred thousand ('£m') except when otherwise stated.

The Group applied all standards and interpretations issued by the IASB that were effective as at 1 August 2025. The accounting policies set out below have, unless otherwise stated (see below), been applied consistently to all periods presented in these financial statements.

The consolidated financial statements include the results of Softcat plc, a company registered in the UK, and all its subsidiary undertakings made up to the same accounting date. Subsidiary undertakings are those entities controlled by Softcat plc. Control exists where the Group is exposed to, or has the rights to variable returns from its involvement with, the investee and has the ability to use its power over the investee to affect its returns.

Consideration of climate change matters

The potential climate change-related risks and opportunities to which the Group and Company are exposed, as identified by management, are disclosed in the Group's Task Force on Climate-related Financial Disclosures ('TCFD') disclosures in the Annual Report. Management has assessed the potential financial impacts relating to the identified risks and exercised judgement in concluding that there are no material financial impacts of the Group and Company's climate-related risks and opportunities on the financial statements. These judgements will be kept under review by management as the future impacts of climate change depend on environmental, regulatory and other factors outside of the Group and Company's control which are not all currently known.

Going concern

Overview

The consolidated Group and Company financial statements have been prepared on a going concern basis covering at least the twelve-month period from the date of signing the financial statements.

In considering the going concern basis for preparing the financial statements, the Directors considered the Group and Company's objectives and strategy, their principal risks and uncertainties in achieving their objectives and their review of business performance and financial position, which are set out in the Strategic Report (see pages 14 to 17) and Chief Financial Officer's Review sections (see pages 20 to 23) of this Annual Report. The Directors have undertaken a comprehensive going concern review.

The Group has modelled four scenarios in its assessment of going concern. These are:

- the base case;
- a severe but plausible downside scenario;
- reverse stress testing; and
- a scenario incorporating the proposed acquisition of GDT.

Further details, including the analysis performed and conclusion reached, are set out below.

The Directors have reviewed detailed financial forecasts for a twelve-month period from the date of this report to October 2027. The modelling has been extended beyond this period to provide visibility over the 31 January 2028 £50m Revolving Credit Facility ('RCF') covenant reporting date and to provide a robust basis for the downside analysis.

Liquidity and financing position

At 31 July 2026, the Group held instantly accessible cash and cash equivalents of £199.9m, with net current assets of £339.2m. Note 1 to the financial statements in the Annual Report includes the Group's objectives, policies and processes for managing its capital, its financial risk management and its exposures to credit risk and liquidity risk.

Operational cash flow forecasts for the going concern period are sufficient to support the Group in maintaining its target liquidity headroom throughout the going concern assessment period with the existing RCF remaining undrawn.

1 Material accounting policies continued

1.2 Basis of preparation continued

Going concern continued

Challenging economic environment

The Directors have, in all four scenarios, considered the principal challenges to short-term business performance which are expected to be:

- a deterioration in economic conditions across the markets in which the Group and its customers operate, including the effects of inflation and interest rates; and
- higher risk of credit losses.

Despite the challenging economic environment, the Group and Company have traded well, delivering double-digit year-on-year growth in gross profit and operating profit growth ahead of expectations. The Board continues to monitor the economic environment and organise operations accordingly.

Base case

The base case takes into account the FY2027 Budget and three-year plan, including estimated growth and increased costs across the going concern period. The key inputs and assumptions in the base case include:

- continued GII growth;
- working capital assumptions reflecting recent historical experience and trends;
- employee commissions incurred in line with gross margin;
- increased levels of cost reflecting continued investment in our people and the business; and
- ordinary dividends paid in accordance with the Group's dividend policy with additional distribution of excess cash, either through special dividends or buybacks, based on historical trends.
- The base case also reflects the net proceeds from the equity issue completed in September 2026, which are not contingent on completion of the proposed acquisition.

The Group has taken a measured approach to the base case and has balanced expected trading conditions with the opportunities available to the business. The Group remains highly cash generative and maintains significant liquidity throughout the going concern period, with the existing RCF remaining undrawn.

Year to date trading to the end of September 2026 is consistent with the base case forecast.

Severe but plausible case

Given the potential economic challenges facing the Group's customer base and supply chain, the Directors have also modelled a severe but plausible scenario. This scenario considers the combined impact of lower sales and margins, slower customer payments and increased credit losses.

The key inputs and assumptions, compared with the base case, include:

- a 5% reduction in GII/revenue;
- a 0.5% reduction in gross margin;
- extending debtor days by an additional three days;
- additional bad debt or other material profit and loss write-offs of £5m per annum;
- a reduction in commission costs in line with gross margin; and
- ordinary dividends continuing to be paid in accordance with the Group's dividend policy.

The purpose of this scenario was to consider if there was a significant risk that the Group and Company would not meet its target liquidity headroom or breach the Group's debt covenants in any of the months in the going concern period. Even at these lower levels of activity, which the Directors believe is a highly unlikely outcome, the Group continues to be profitable and maintains a positive cash balance at all times, with no breach of the Group's debt covenants. The Directors therefore did not consider it necessary to assume further mitigating actions in assessing this scenario.

Reverse stress test

The Directors have performed reverse stress testing to understand the level of deterioration that would be required to threaten the going concern status of the Group.

Given the Group's significant cash resources and liquidity under the base case, the reverse stress testing considered the level of deterioration that would be required to result in a breach of the Group's financing covenants.

The analysis indicates that an exceptionally significant reduction in profitability, together with a substantial deterioration in the Group's forecast liquidity position, would be required before a covenant breach occurs.

The Board considers the assumptions required to result in such an outcome, and the events that could lead to them, to be remote.

Proposed GDT acquisition

As part of the going concern assessment, the Directors have also considered the potential impact of the proposed acquisition of GDT, announced on 17 September 2026. A separate scenario was prepared incorporating GDT's forecast financial performance, the anticipated acquisition consideration and financing structure including covenants, associated financing costs and the expected post-acquisition liquidity requirements and the desired group leverage. Under this scenario, the combined Group retains sufficient liquidity and remains compliant with the expected financing covenants throughout the assessment period.

Notes to the consolidated financial statements continued
For the year ended 31 July 2026

1 Material accounting policies continued

1.2 Basis of preparation continued

Going concern continued

Proposed GDT acquisition continued

The Directors also performed additional stress testing of the expected financing covenants, including a scenario assuming materially all available external debt facilities were drawn, which is materially worse than the base GDT acquisition scenario. The testing demonstrated significant headroom against the covenants. The Directors consider the circumstances necessary to result in a covenant breach under these scenarios to be remote. Accordingly, the analysis performed in respect of the proposed acquisition does not change the Directors' conclusion regarding the appropriateness of the going concern basis of preparation.

Going concern conclusion

Based on the forecasts and scenarios modelled, together with the performance and financial position of the Group and Company to date, the Directors consider that the Group and Company have sufficient liquidity headroom to continue in operational existence throughout the going concern assessment period to October 2027.

Accordingly, at the October 2026 Board meeting, the Directors concluded from this analysis it was appropriate to continue to adopt the going concern basis in preparing the consolidated financial statements. Should the impact of these conditions be even more prolonged or severe than currently forecast by the Directors under the severe but plausible case scenario, the Group and Company would need to implement additional operational or financial measures.

In relation to the identified potential climate change-related risks and opportunities, the Directors do not believe there would be a material impact on cash flows in the going concern period.

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 July 2026. Control is achieved when the Group 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. Specifically, the Group controls an investee if, and only if, the Group has:

- power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- exposure, or rights, to variable returns from its involvement with the investee; and
- the ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption, and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- the contractual arrangement(s) with the other vote holders of the investee;
- rights arising from other contractual arrangements; and
- the Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

1.3 Adoption of new and revised standards

A number of new or amended standards became applicable for the current reporting period. These standards, amendments or interpretations have not had a material impact on the Group in the current or future reporting periods:

- Amendments to IAS 21 Lack of Exchangeability.

New standards and interpretations not yet applied

The following new or amended IFRS accounting standards, amendments and interpretations are not yet adopted and it is expected that, where applicable, these standards and amendments will be adopted on each respective effective date:

- Amendments to IAS 21 Translation to a Hyperinflationary Presentation Currency.
- Amendments to IFRS 9 and IFRS 7 Classification and Measurement of Financial Instruments.
- Annual improvements to IFRS accounting standards – Volume 11.
- Amendments to IFRS 9 and IFRS 7 Contracts referencing nature-dependent electricity.
- IFRS 18 Presentation and disclosure in financial statements.
- IFRS 19 Subsidiaries without public accountability.

With the exception of IFRS 18, these standards, amendments or interpretations are not expected to have a material impact on the Group in the current or future reporting periods. The Group is currently assessing the impact of IFRS 18, which is effective for periods beginning on or after 1 January 2027, and will therefore apply to the Group's financial year ending 31 July 2028, with comparative information for the year ending 31 July 2027 restated on adoption.

1 Material accounting policies continued

1.4 Critical accounting judgements and key sources of estimation uncertainty

When applying the Group's accounting policies, management must make a number of key judgements involving estimates and assumptions concerning the future. These estimates and judgements are based on factors considered to be relevant, including historical experience that may differ significantly from the actual outcome. The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year include:

Revenue cut-off

The Group's management information systems are configured to recognise revenue upon notification of dispatch from the supplier or distributor which in instances, especially regarding physical shipments, may not be aligned to when control has been transferred to the customer and the performance obligation has been met by the Group. Management therefore performs an exercise to capture items that may have been dispatched from the distributor but not delivered in the financial year, and subsequently defers the recognition of revenue and associated cost into the following year. This gives rise to a deferred income, which is recognised as a contract liability, and associated inventory in the Consolidated statement of financial position. The exercise applied includes assumptions, which management believes are reasonable, in order to identify items that fit the criteria for deferral. Separately, management reviews individual large transactions on a case-by-case basis, which reduces the opportunity for error.

The key judgements that are made in the cut-off process are as follows:

- When identifying transactions to review in the cut-off process, management limits the review period to a fixed number of days before and after the period end and validates the date of dispatch.
- Management incorporates a one-day shipment delay assumption onto the sale of hardware items to reflect the time taken between vendor shipment and customer delivery. Management further assesses a five-day risk window for international hardware shipments.

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

Principal versus agent

Significant judgement is required in determining whether the Group is acting as principal, reporting revenue on a gross basis, or agent, reporting revenue on a net basis. Softcat evaluates each revenue stream against the following indicators when determining whether it is acting as principal or agent in a transaction: (i) primary responsibility for fulfilling the promise to provide the specified goods or service; (ii) inventory risk before the specified good or service has been transferred to a customer; and (iii) discretion in establishing the price for the specified good or service. Certain revenue streams present a more balanced judgement than others when assessed against the above criteria and the conclusion may be reliant on the weighting applied to the responses to these criteria. When applying the weighting and concluding on whether principal or agent treatment is appropriate, the Group exercises significant levels of judgement due to the balanced nature of the assessment. The specific judgements made for each revenue category are discussed in the accounting policy for revenue as disclosed below.

1.5 Revenue recognition

Revenue is recognised based on the completion of performance obligations at the transaction price allocated to the performance obligation. The transaction price is determined by the price specified in the underlying contract or order. Where the contracts include multiple performance obligations, the transaction price will be allocated to each performance obligation based on the standalone selling prices. There are no variable price elements arising from discounts or returns offered to customers. All performance obligations are separately listed as individual items on the order and the price is allocated on this basis. A performance obligation is satisfied when control of the promised good or service is transferred to the customer. The following indicators are used by the Group in determining when control has passed to the customer:

(i) the Group has a right to payment for the product or service;

(ii) the customer has legal title to the product;

(iii) the Group has transferred physical possession of the product to the customer;

(iv) the customer has the significant risks and rewards of ownership of the product; and

(v) the customer has accepted the product.

Principal versus agent

The Group evaluates the following indicators amongst others when determining whether it is acting as a principal or agent in the transaction and recording revenue on a gross, or net, basis:

(i) the Group is primarily responsible for fulfilling the promise to provide the specified goods or service;

(ii) the Group has inventory risk before the specified good or service has been transferred to a customer; and

(iii) the Group has discretion in establishing the price for the specified good or service.

Notes to the consolidated financial statements continued
For the year ended 31 July 2026

1 Material accounting policies continued

1.5 Revenue recognition continued

Principal versus agent continued

Hardware revenue

The Group sells hardware that is sourced from and delivered by multiple vendors and distributors. Revenues from sales of hardware products are recognised on a gross basis as the Group is acting as a principal in these transactions, with the gross value of the consideration from the customer recorded as revenue with the exception of public sector partner business revenue as explained below. The Group is acting as principal as it has primary responsibility for the acceptability of goods sold following the provision of consulting services which are not considered to be separately identifiable. Softcat is also exposed to inventory risk during the delivery period and establishes the selling price itself. Revenue from the sale of these goods is recognised when the control has passed to the buyer and therefore the Group has satisfied its performance obligation. In line with industry standard terms, payment is generally due 30 days after the invoice date.

Vendors typically provide standard warranties on most of the hardware products the Group sells. These manufacturer warranties are assurance-type warranties and are not considered separate performance obligations. The warranties are not sold separately and only provide assurance that products will conform with the manufacturer's specifications.

Software revenue

Revenue from software licence sales is recognised on a net basis as the Group is acting as an agent in these transactions at the point the software licence is delivered to the customer. The Group is deemed to be acting as agent in these transactions as these products are intangible, customer specific and in most cases sent directly to customers by the vendor electronically, removing inventory risk for the Group prior to delivery. Despite the ability to set pricing, the lack of inventory risk and the vendor having primary responsibility for the product meeting customer specifications, through largely standardised products, underline that these sales should be recorded as agent.

The revenue associated with the licence sale is recognised upon the transfer of the licence, or licensing confirmation, to the customer. At this point Softcat has satisfied its performance obligations. Payment is generally due 30 days from the invoice date.

For multi-year arrangements invoiced on an annual basis, the Group may satisfy its arranging obligation at the start of the contractual term. The margin attributable to future renewal periods, however, remains dependent on customer confirmation of licence volumes and the vendor pricing applicable at each anniversary date. As these factors result in variable consideration, IFRS 15 requires revenue to be recognised only when it is highly probable that a significant reversal will not subsequently arise. The Group therefore recognises revenue for the initial year when its arranging obligation has been fulfilled and the consideration is known, with revenue relating to subsequent years recognised once licence volumes and vendor pricing are confirmed and the variable consideration constraint is no longer applicable.

The Group sells cloud computing solutions which include Software as a Service ('SaaS'). SaaS solutions utilise third-party partners to offer the Group's customers access to software in the cloud that enhances office productivity, provides security or assists in collaboration. As the Group has satisfied its performance obligations by arranging the transfer of the licensing to the customer, revenue is recognised in full at that point on a net basis as the Group is acting as an agent in the transaction, with an invoice subsequently raised. Payment is generally due within 30 days of the invoice date.

The Group offers access to corporate enterprise agreements, a specific licensing programme for eligible customers, exclusively through a single vendor. For these transactions the Group introduces the customer to the vendor which then fulfils the sale, including transfer of licensing, invoicing and cash collection, without further involvement of the Group. In return for this introduction the vendor compensates the Group with a fee as the Group has satisfied its performance obligations at the point of initial transaction being completed between the vendor and the customer. This fee is recognised net as the Group is acting as an agent in these transactions. Payment is generally due within 30 days of the initial transaction between the vendor and the customer.

Service revenue

Softcat sells professional services days which are fulfilled by either Softcat's own internal team of consultants or by consultants provided by third parties. The Group recognises the revenue on these transactions, irrespective of whether they are fulfilled internally or externally, when confirmation has been received from the customer that the work has been satisfactorily completed. In most cases there is a short timeframe between a customer order and subsequent delivery of the sold service days. As such, the Group does not recognise revenue on a percentage completion basis as this would not have a material impact.

On rare occasions the Group will sell professional service days which cover an extended period. For these transactions, management assesses the individual contract and, if required, recognises the revenue over time according to the output method. Softcat recognises revenue on the basis of direct measurements of the value to the customer which for professional days would be days completed as a percentage of total days. Revenue is recognised on a gross basis; the Group is deemed to be acting as principal in these transactions as it is responsible for selecting the external party, where relevant, for the acceptability of the services and for determining the price charged to the customer.

The Group also provides hosted managed services to its customers offering Infrastructure as a Service ('IAAS') and managed print services among others. The Group hosts these services using internal resources and recognises revenue on a straight-line basis over the contractual service period. The Group recognises the respective revenue on a gross basis as the Group is acting as a principal in the transaction as it has both managerial involvement and effective control over the services being provided throughout the contract period.

1 Material accounting policies continued

1.5 Revenue recognition continued

Principal versus agent continued

Service revenue continued

Softcat also sells extended or enhanced warranty products provided by third parties. These warranties are sold separately to hardware and provide the customer with a service in addition to assurance that the product will function as expected. For these enhanced warranty products, the Group is arranging for those services to be provided by the third party over an extended period and therefore is acting as an agent in the transaction and records revenue on a net basis at the point of sale. Revenue from such services is recognised in full at the point of service commencement as the Group has no ongoing obligation in relation to delivery of the underlying service.

Payments for these goods are generally received on industry standard terms of 30 days from the date of invoice.

Public sector partner business revenue

The Group transacts with several partners in the public sector where the partner is responsible for the solution and customer relationship. These transactions incorporate the provision of hardware, software or services to the end customer. For this business, the Group's responsibilities of invoicing and cash collection are more aligned to those of an agent and therefore this business is recognised as agent and presented net of cost of sales.

Revenue is recognised in full on satisfactory completion of the work by the partner, as this is the point the Group has satisfied its performance obligations. Payment is generally due within 30 days from completion of the work.

Contract fulfilment assets

IFRS 15 requires certain costs to fulfil a contract to be recognised as a separate asset. Contract fulfilment assets relate to goods or services delivered to the customer, but which do not meet the revenue recognition criteria under IFRS 15. These costs are deferred until the performance obligation to which they relate has been met. Contract fulfilment assets are measured at the purchase price of the associated goods or services received. Contract fulfilment assets are released from the Consolidated statement of financial position in line with the recognition of revenue on the specific transaction. There are no significant or material judgements made by management in the measurement or recognition of these deferred costs, as costs are matched to an associated sale and the period of deferral is typically short.

Deferred costs

IFRS 15 requires certain costs to fulfil a contract to be recognised as a separate asset. Deferred costs relate to goods or services billed by the vendor, but not yet shipped. These costs are deferred until the performance obligation to which they relate has been met. Deferred costs are measured at the purchase price of the associated goods or services received. Deferred costs are released from the Consolidated statement of financial position in line with the recognition of revenue on the specific transaction. There are no significant or material judgements made by management in the measurement or recognition of these deferred costs, as costs are matched to an associated sale and the period of deferral is typically short.

Commissions have been incurred in respect of contracts whereby the performance obligation has not yet been satisfied; however, the Group has applied the practical expedient and recognised the commission as an expense when incurred given that the period over which the commission would have been recognised is less than a year.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which Softcat has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before Softcat transfers goods or services to the customer, a contract liability is recognised when the payment is made, or the payment is due (whichever is earlier). This occurs infrequently and is usually to support the wishes of the customer who sometimes may prefer to provide funds up front which can then be allocated to future orders. Contract liabilities are recognised as revenue when Softcat performs obligations under the contract. Further details of contract balances are provided in note 16.

1.6 Cost of sales

The Group recognises cost of sales at the point at which it recognises revenue as explained above. Cost of sales predominantly relates to the cost of goods or services purchased from suppliers and then sold to customers. In addition to these costs, the following elements are also included within cost of sales:

Rebates

Included within cost of sales are rebates received from commercial partners. Further details are provided on rebates in note 1.7 below.

Managed service infrastructure costs

The Group operates its own network operating centre which facilitates the selling of Softcat hosted managed services. The costs of maintaining this capability include, but are not limited to, the rental of space in data warehouses, energy and licensing costs. These costs represent the cost of sale of selling hosted managed service solutions and are included within cost of sales.

Funded training costs

The Group carries out numerous funded training programmes, activities and schemes that aim to educate its sales force and internally promote the products the business resells. The costs of these funded activities are recognised within cost of sales.

Early settlement discounts

Through the normal course of business, the Group receives credits from distributors for the prompt settlement of invoices in advance of agreed terms. Softcat considers these a discount and have therefore recognised them as a reduction in cost of sales.

Notes to the consolidated financial statements continued
For the year ended 31 July 2026

1 Material accounting policies continued

1.7 Rebates

Rebates from vendors and distributors are accounted for in the period in which they are earned and are based on commercial agreements with suppliers. Rebates earned are mainly sales volume related and are generally short term in nature, with rebates earned but not yet received typically relating to the preceding quarter's trading. Other forms of rebate received from commercial partners include income from training provided to staff. Rebate income is recognised in cost of sales in the Consolidated statement of profit or loss and other comprehensive income and rebates earned but not yet received are included within accrued income in the Consolidated statement of financial position.

1.8 Interest income

Interest income is accrued on a time basis by reference to the principal outstanding and at the effective interest rate ('EIR') applicable. The EIR is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability. Interest income is included in finance income in the income statement.

1.9 Property, plant and equipment

Property, plant and equipment other than freehold land is stated at cost, net of accumulated depreciation and/or impairment losses, if any. If the costs of certain components of an item of property, plant and equipment are significant in relation to the total cost of the item, they are accounted for and depreciated separately. Depreciation is provided at rates calculated to write off the cost of each asset over its expected useful life, as follows:

Freehold buildings	fifty years straight line
Building improvements	ten years straight line, or the lease term if shorter
Computer equipment	three to five years straight line
Fixtures, fittings and equipment	six years straight line
Motor vehicles	three years straight line

Land is not depreciated.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in the income statement when the asset is derecognised.

Building improvements relate to expenditure on improving both leasehold property and the freehold property of Solar House in Marlow. Improvements to Solar House are depreciated over a ten-year period, which represents their useful life. Leasehold improvements are depreciated over their useful life which is the lesser of the remaining length of the lease or ten years.

The residual values, useful lives and methods of depreciation are reviewed for reasonableness at each financial year end and adjusted for prospectively if appropriate.

1.10 Intangible assets

Intangible assets are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Intangible assets with a finite useful life are assessed for impairment whenever there is an indication that the intangible asset may be impaired. Amortisation is provided for at rates calculated to write off the cost of each asset over its expected useful life, as follows:

Customer relationships	four years straight line
Brands	three years straight line
Computer software	three to fifteen years straight line

Costs associated with maintaining software programs are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets where the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use;
- management intends to complete the software and use it;
- there is an ability to use the software;
- it can be demonstrated how the software will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use the software are available; and
- the expenditure attributable to the software during its development can be reliably measured.

The amortisation expense on intangible assets with finite lives is recognised in the income statement in the expense category consistent with the function of the intangible assets. The amortisation period and the amortisation method are reviewed at least at the end of each reporting period. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the income statement when the asset is derecognised.

1 Material accounting policies continued

1.11 Impairment of assets

Goodwill and intangible assets with indefinite useful lives are not amortised but are tested for impairment annually, or more frequently if events or changes in circumstances indicate that they may be impaired. Other assets are tested for impairment whenever events or changes in circumstances suggest that the carrying amount may not be recoverable.

An impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets or groups of assets (cash-generating units).

Non-financial assets other than goodwill that have suffered an impairment are reviewed at the end of each reporting period for possible reversal of the impairment.

Management takes into account the different nature of the Group's operations in determining the most appropriate methods for assessing the recoverable amounts of CGU assets. When testing goodwill for impairment, goodwill is allocated to the CGU or group of CGUs that are expected to benefit from the synergies of the business combination from which it originally arose.

1.12 Cloud software licence agreements

Licence agreements to use cloud software are treated as service contracts and expensed in the Group's income statement, unless the Group has both a contractual right to take possession of the software at any time without significant penalty, and the ability to run the software independently of the host vendor. In such cases, the licence agreement is capitalised as software within intangible assets. Costs to configure or customise a cloud software licence are expensed alongside the related service contract in the Group's income statement, unless they create a separately identifiable resource controlled by the Group, in which case they are capitalised.

1.13 Leases

A lease is a contract or part of a contract that conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Group's leases, which predominantly relate to property leases, are recognised in line with IFRS 16.

The leases policy under IFRS 16 is as follows:

i) Right-of-use assets

Softcat recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Property lease assets	three to ten years straight line
Motor vehicles	two to five years straight line

The right-of-use assets are also subject to impairment reviews.

ii) Lease liabilities

At the commencement date of the lease, Softcat recognises lease liabilities measured at the present value of lease payments to be made over the lease term adjusted for any termination options. The lease payments include fixed payments, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. Payments to be made under the reasonably certain extension option are also included.

In calculating the present value of the lease payments, Softcat uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments from a change in index or rate, or a change in the assessment of an option to purchase the underlying asset.

iii) Short-term leases and leases of low-value assets

Softcat applies the short-term lease recognition exemption to any short-term leases it enters into (i.e. those leases that have a lease term of twelve months or less from the commencement date and do not contain a purchase option). Softcat also applies the lease of low-value assets recognition exemption to leases that are considered to be low value and under £5,000. Lease payments on low-value assets and short-term leases are recognised as an expense on a straight-line basis over the lease term.

1.14 Inventories

Inventories are valued at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs to sell.

Inventories include goods in transit and other products ordered to fulfil customer orders where the right of ownership is yet to transfer.

Notes to the consolidated financial statements continued
For the year ended 31 July 2026

1 Material accounting policies continued

1.15 Financial instruments

Financial assets

The Group's financial assets include cash and cash equivalents and trade and other receivables. All financial assets are recognised when the Group becomes party to the contractual provisions of the instrument.

i) Trade receivables

Trade receivables are recognised and measured at the transaction price less allowance for expected credit losses. Trade receivables do not carry interest.

The simplified approach on expected credit losses ('ECLs') for trade receivables and contract fulfilment assets has been used as there is not a significant financing component to these assets. In accordance with the simplified approach for impairment of trade receivables and accrued income under IFRS 9, the loss allowance for trade receivables is always measured at an amount equal to lifetime expected credit losses and includes a forward-looking element as well as an assessment based on history and experience. Factors considered when assessing the expected credit losses include prior experience, specific customer credit ratings, communication quality, industry factors and the current economic climate.

Due to the size of the receivables ledger and the volume of smaller balances, it is not possible to review all balances individually and therefore a portion of the ledger is reviewed collectively and provided for as such. More material or higher risk balances are reviewed individually looking at specific circumstances including payment history, the forecast of economic conditions in the sector the customer operates in, communication quality and responsiveness, to determine future expected credit losses, and are provided for individually with respect to the perceived level of risk. In addition, any entities that are in administration or have been passed to debt collection are provided for individually.

Unbilled receivables are recognised when a contract results in completion of a performance obligation in advance of the customer being invoiced.

ii) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand, call deposits and bank overdrafts. Cash and cash equivalent balances have a maturity of three months or less and are subject to an insignificant level of risk to change in value.

iii) Accrued income

Accrued income predominantly relates to supplier rebates and is recognised according to both rebate agreements and supplier spend in the financial year.

As accrued income has a contractual right to receive cash, it is a financial asset and therefore also subject to loss allowances under IFRS 9. The loss allowance for accrued income is measured at an amount equal to lifetime expected credit losses and includes a forward-looking element as well as an assessment based on history and experience. Factors considered when assessing the expected credit losses include prior experience, supplier credit ratings, communication quality, industry norms and the current economic climate.

Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into. The Group's financial liabilities comprise trade and other payables. All financial liabilities are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

i) Trade payables

Trade payables are initially measured at fair value. Trade payables due after one year are measured at amortised cost using the effective interest rate method.

Derecognised financial instruments

Softcat can act as an intermediary to provide financing arrangements between the customer and a third-party financing provider. Following the delivery of the goods or services, which represents our performance obligation in full, Softcat receives settlement of the customer invoice by the third-party financing company. Receivables are derecognised only when Softcat has transferred the receivable, meaning that it has retained the contractual rights to the cash flows, but has assumed an obligation to pay those cash flows to the finance provider, in the case where all three of the following conditions are met:

- Softcat has no obligation to pay amounts to the finance provider unless it collects equivalent amounts from the receivable;
- Softcat is prohibited from selling or pledging the receivable; and
- Softcat has an obligation to remit the cash received without material delay.

The transfer described above qualifies for derecognition as Softcat has transferred substantially all the risks and rewards of ownership of the receivable. Its only continuing involvement following delivery is to act as agent in the receipt and transfer of cash payments and, in line with the derecognition criteria set out above, the customer receivable is derecognised. Softcat does not retain or regain ownership of any assets at the end of these arrangements and the finance provider takes on the credit risk of future cash flows from the customer.

Cash flows in respect of these arrangements are recognised within cash generated from operations and typically result in a £Nil impact given that the Group acts as agent in the receipt and transfer of cash payments.

1 Material accounting policies continued

1.15 Financial instruments continued

Derecognised financial instruments continued

Derivative financial instruments and hedge accounting

The Group uses forward foreign exchange contracts to manage foreign currency risk arising from forecast and contracted foreign currency cash flows, primarily USD-denominated purchase cash flows.

Derivative financial instruments are recognised from the date the Group becomes party to the contractual arrangements and are measured at fair value. Fair values are reassessed at each reporting date using observable market inputs, including relevant foreign exchange rates and forward market data, and are supported by counterparty valuations where appropriate. Derivative balances are presented as derivative financial assets where the fair value is positive and as derivative financial liabilities where the fair value is negative.

For each designated hedge, the Group documents the underlying exposure being hedged, the derivative used to manage that exposure, the foreign currency risk being addressed and the basis on which the effectiveness of the hedge will be assessed. This includes documenting the hedge ratio and assessing whether changes in the cash flows of the hedging instrument are expected to offset changes in the cash flows of the hedged item attributable to the hedged risk.

The Group's cash flow hedges primarily address variability in sterling-equivalent cash flows arising from highly probable foreign currency denominated purchases. The objective of these hedges is to reduce volatility in cash flows arising from movements in foreign exchange rates.

The effective element of fair value movements on designated cash flow hedges is recognised in other comprehensive income and held in the cash flow hedge reserve. Any ineffective element is recognised immediately in profit or loss.

Amounts accumulated in the cash flow hedge reserve are reclassified to profit or loss in the same period in which the underlying hedged transaction affects profit or loss, and in the same line item as the underlying hedged transaction.

Where the hedged forecast transaction is no longer expected to occur, the associated cumulative gain or loss deferred in the cash flow hedge reserve is recognised immediately in profit or loss. If a hedging relationship ends because the derivative matures, is terminated or no longer qualifies for hedge accounting, amounts already deferred in the cash flow hedge reserve remain in equity until the related forecast transaction is recognised in profit or loss, unless that transaction is no longer expected to occur.

Gains and losses arising from changes in the fair value of derivative financial instruments that do not qualify for hedge accounting, together with any hedge ineffectiveness arising on qualifying cash flow hedges, are recognised immediately in profit or loss.

During the year, the Group expanded its application of hedge accounting to include a rolling cash flow hedging programme for forecast foreign currency cash outflows, in addition to transactional hedging of specific contracted exposures previously undertaken. This has increased the scale and scope of hedge accounting applied by the Group and has resulted in additional disclosures under IFRS 7. The change has not altered the measurement basis of derivative financial instruments.

1.16 Pensions

The pension costs charged in the financial statements represent the contributions payable by the Group during the year on the defined contribution pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The amounts charged to the income statement represent the contributions payable to the scheme in respect of the accounting period and represent the full extent of the Group's liability.

1.17 Deferred taxation

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts 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 generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it 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 calculated at the tax rates that are expected to apply in the period when the liability is settled, or the asset is realised.

Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Notes to the consolidated financial statements continued
For the year ended 31 July 2026

1 Material accounting policies continued

1.17 Deferred taxation continued

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

For deferred tax on leases, under the general approach of IAS 12, the depreciation of the right-of-use asset is regarded as reducing the temporary difference that arose on initial recognition of the asset, and therefore gives rise to no tax effect. However, the accretion of the finance costs on the liability gives rise to an additional deductible temporary difference arising after initial recognition of the liability, requiring recognition of a deferred tax asset. This gives rise to an immaterial deferred tax asset for the years ended 31 July 2025 and 31 July 2026.

1.18 Current taxation

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the Consolidated statement of profit or loss and other comprehensive income. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate. Softcat applies judgement in identifying uncertainties over income tax treatments and considers whether it has any uncertain tax positions and determines that it is highly probable that its tax treatments will be accepted by the taxation authorities. Where it is not probable that an uncertain tax treatment will be accepted the most likely amount or expected amount is recognised depending on which method better predicts the resolution of the uncertainty.

1.19 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into Pounds Sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the income statement.

The assets and liabilities of foreign operations are translated into Pounds Sterling at the rates of exchange ruling at the balance sheet date. Income and expense items are translated using average exchange rates, which approximate to actual rates, for the relevant accounting period. Exchange differences arising, if any, are classified as other comprehensive income and recognised in the foreign exchange translation reserve in the Consolidated statement of financial position.

1.20 Share-based payments

During the year the Group operated the following equity-settled share option schemes:

Share Incentive Plan ('SIP')

FY2015 free share award

The Group operates a SIP for employees who were awarded free shares following the initial public offering in November 2015. Shares were allocated to employees on the basis of length of service. Free shares awarded to an employee under the SIP are subject to a minimum holding period of three years following the date on which beneficial interest in the relevant ordinary shares is conferred by the SIP Trustee to the employee.

The fair value of the SIP shares was determined by the share price at date of grant, on 9 December 2015. A fair value charge was recognised as an expense in the income statement over the vesting period with a corresponding increase in equity. The charge was recognised only on the expected number of shares to vest. The assumption used for expected leavers within three years from the date of award was calculated with reference to historical employee retention rates.

FY2026 free share award

During the year, the Group granted a one-off award of free shares to eligible employees under the SIP. The award was approved and communicated to employees prior to the financial year end, with no forfeiture provisions attached. Accordingly, employees became unconditionally entitled to the shares in FY2026 and the full fair value of the award was recognised as an expense in the year.

The FY2026 award was granted to eligible employees based on length of service. The award was initially valued as at 30 July 2026 and subsequently awarded on 7 September 2026. The value awarded was proportionate to employees' completed service at the date of grant, with employees with three years' service receiving the full award and those with shorter service receiving a corresponding proportion.

The fair value of the service-based award is recognised as an expense in the income statement, with a corresponding increase in equity. As the award does not contain performance conditions, the expense is recognised based on the expected number of awards that will vest, with expected employee attrition estimated using historical employee retention rates.

In addition, the Group's voluntary partnership share purchase programme, which is open to all eligible employees, is administered through the SIP. Through this programme, employees have the option to purchase shares from their gross income, the cost of which is not borne by the Group.

1 Material accounting policies continued

1.20 Share-based payments continued

Long Term Incentive Plan ('LTIP')

Details in relation to the Softcat LTIP awards to Executive Directors are included in the Directors' Remuneration Report on page 99.

LTIP awards will only vest and become exercisable upon achievement of performance targets, linked to earnings per share and total shareholder return, as well as being conditional upon continued employment with the Group. The fair value is measured using a suitable valuation model where appropriate. Non-market vesting conditions are taken into account by adjusting the number of LTIP shares expected to vest at each reporting date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of LTIP shares that will eventually vest. Market vesting conditions are factored into the fair value of the LTIP shares granted. The cumulative expense is not adjusted for failure to meet a market vesting condition. The resulting fair value charge is charged as an expense in the income statement over the vesting period with a corresponding increase in equity. Employer's National Insurance contributions are payable, on exercise, on the market value of the award and are accrued for within the share-based payments expense in the Consolidated statement of profit or loss and other comprehensive income.

Deferred shares

One-third of the Executive Directors' annual target bonus is paid in deferred shares, unless the minimum shareholder requirements are met. The Group accrues for the cost of the non-cash bonus over a four-year period, including the year in which the bonus targets are assessed and the following three-year vesting period. Employer's National Insurance contributions are payable, on exercise, on the market value of the award and are accrued for within the share-based payments expense in the Consolidated statement of profit or loss and other comprehensive income.

1.21 Adjusted Performance Measures

The Group uses a number of non-Generally Accepted Accounting Practice ('non-GAAP') financial measures in addition to those reported in accordance with IFRS. The Directors believe that these non-GAAP measures, set out below, assist in providing additional useful information on the underlying trends, sales performance and position of the Group.

Consequently, non-GAAP measures are used by the Directors and management for performance analysis, planning and reporting. These non-GAAP measures comprise gross invoiced income, underlying cash conversion, underlying operating profit, underlying profit before tax, underlying profit for the year, and underlying basic and diluted earnings per share.

Gross invoiced income reflects gross income billed to customers adjusted for deferred and accrued revenue as reported in the IFRS measure. A reconciliation of IFRS revenue to gross invoiced income is provided within note 2, Segmental information.

Gross invoiced income is a measure which correlates closely to the cash received by the business and therefore aids the user's understanding of working capital movements in the Consolidated statement of financial position and the relationship to sales performance and the mix of products sold.

Underlying operating profit reflects statutory operating profit, adding back non-underlying costs.

Non-underlying costs comprise items which, in the opinion of management, should be identified and excluded to provide a consistent and comparable view of the underlying performance of the Group's ongoing business. They are unusual because of their size, nature (one-off, non-trading costs) or incidence.

When evaluating the nature of an item, management considers the following factors, both individually and in combination:

- whether the item is related to activities outside the Group's primary business activities;
- the specific circumstances that led to the recognition of the item;
- the likelihood that the item will recur; and
- whether an item is cash or non-cash.

	2026 £m	2025 £m
Non-underlying costs		
Oakland acquisition costs	**3.1**	1.9
Major system development costs	**15.6**	5.3
Total	**18.7**	7.2

Oakland acquisition costs comprise:

- professional and advisory fees related to the acquisition;
- the fair value of the contingent consideration with service conditions, which is not classified as consideration transferred under IFRS 3 and is disclosed as other employment costs; and
- the amortisation of the Customer Relationships and Brand acquired.

Major system development costs is comprised of costs associated with the implementation of the new HR system and cloud-based sales system, neither of which meet the criteria for capitalisation under IAS 38.

Notes to the consolidated financial statements continued
For the year ended 31 July 2026

1 Material accounting policies continued

1.21 Adjusted Performance Measures continued

A reconciliation between operating profit and underlying operating profit for the year is provided below:

	2026 £m	2025 £m
Operating profit	**196.4**	172.9
Non-underlying costs	**18.7**	7.2
Underlying operating profit	**215.1**	180.1

Underlying cash conversion ratio comprises net cash generated from operating activities before taxation and any acquisition related cash flows, including deferred consideration outflows, net of capital expenditure, as a percentage of underlying operating profit. Underlying cash conversion is an indicator of the Group's ability to convert profits into available cash.

A reconciliation to the adjusted measure for underlying cash conversion is provided below:

	Notes	2026 £m	2025 £m
Net cash generated from operating activities	22	**157.5**	140.7
Income taxes paid	22	**50.5**	46.8
Cash generated from operations		**208.0**	187.5
Purchase of property, plant and equipment	7	**(6.0)**	(11.8)
Purchase of intangible assets	9	**(0.6)**	(3.4)
Cash generated from operations, net of capital expenditure		**201.4**	172.3
Underlying operating profit		**215.1**	180.1
Cash conversion ratio		**93.6%**	95.6%

Net cash generated from operating activities includes £15.6m (2025: £5.3m) of non-underlying costs. Acquisition related cash flows not included in the underlying cash conversion ratio are the acquisition of subsidiaries net of cash acquired of £Nil (2025: £7.4m) and acquisition fees of £Nil (2025: £0.7m), both of which are included in investing activities.

Underlying basic earnings per ordinary share and underlying diluted earnings per ordinary share reflect statutory basic and diluted earnings per ordinary share, adjusted for the profit after tax impact of non-underlying costs.

	2026 p	2025 p
Underlying earnings per share		
Underlying basic earnings per ordinary share (pence)	**83.2**	69.5
Underlying diluted earnings per ordinary share (pence)	**82.6**	69.1

The calculation of the underlying basic earnings per share and underlying diluted earnings per share is based on the following data:

	2026 £m	2025 £m
Earnings		
Earnings for the purposes of earnings per share, being profit for the year	**150.3**	133.0
Non-underlying costs	**18.7**	7.2
Tax effect of non-underlying costs	**(4.1)**	(1.4)
Underlying earnings for the purposes of earnings per share, being underlying profit for the year	**164.9**	138.8

The tax effect on non-underlying costs varies depending on the nature of the costs.

The weighted average number of shares is given below:	2026 m	2025 m
Number of shares used for basic earnings per share	**198.3**	199.7
Number of shares expected to be issued at nil consideration following exercise of share options	**1.3**	1.2
Number of shares used for diluted earnings per share	**199.6**	200.9

1 Material accounting policies continued

1.22 Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at the acquisition-date fair value, and the amount of any non-controlling interest in the acquiree. Acquisition costs incurred are expensed and included in administrative expenses. The measurement of non-controlling interest is at the proportionate share of the acquiree's net identifiable assets.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

Any contingent consideration to be transferred will be recognised at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IFRS 9 Financial Instruments is measured at fair value with the changes in fair value recognised in the income statement in accordance with IFRS 9.

Goodwill is initially measured at cost, being the excess of the aggregate of the acquisition-date fair value of the consideration transferred and the amount recognised for the non-controlling interest (where the business combination is achieved in stages, the acquisition-date fair value of the acquirer's previously held equity interest in the acquiree) over the net identifiable amounts of the assets acquired and the liabilities assumed in exchange for the business combination.

2 Segmental information

The information reported to the Group's Chief Executive, who is considered to be the chief operating decision maker for the purposes of resource allocation and assessment of performance, is based wholly on the overall activities of the Group. The Group has therefore determined that it has only one reportable segment under IFRS 8, which is that of 'value-added IT reseller and IT infrastructure solutions provider'. The Group's revenue, results and assets for this one reportable segment can be determined by reference to the Consolidated statement of profit or loss and other comprehensive income and Consolidated statement of financial position. An analysis of revenues by product, which form one reportable segment, is set out below:

Revenue by type:	**2026 £m**	2025 £m
Software	**278.5**	227.2
Hardware	**1,399.4**	985.7
Services	**297.2**	245.5
	1,975.1	1,458.4

Gross invoiced income by type:	**2026 £m**	2025 £m
Software	**2,598.6**	2,074.5
Hardware	**1,405.2**	992.2
Services	**715.9**	550.3
	4,719.7	3,617.0

Revenue and gross invoiced income can also be disaggregated by type of business[1]:

Revenue by type of business:	**2026 £m**	2025 £m
Small and medium	**1,409.5**	914.2
Enterprise	**352.0**	318.4
Public sector	**213.6**	225.8
	1,975.1	1,458.4

Note:

1. Types of business are split by entity staff size. Small and medium business represents workforces of up to 2,000 seats. Enterprise is above 2,000 seats and public sector represents government and other public bodies.

Notes to the consolidated financial statements continued
For the year ended 31 July 2026

2 Segmental information continued

Gross invoiced income by type of business:	2026 £m	2025 £m
Small and medium	**2,479.3**	1,730.3
Enterprise	**898.8**	675.6
Public sector	**1,341.6**	1,211.1
	4,719.7	3,617.0

Gross invoiced income reflects gross income billed to customers adjusted for deferred and accrued revenue items. Softcat continues to report gross invoiced income as an alternative financial KPI as this measure allows a consistent, year-on-year understanding of gross income billed, business performance and position and correlates closely to working capital movements. The impact of IFRS 15 and principal versus agent consideration is an equal reduction to both revenue and cost of sales.

	2026 £m	2025 £m
Gross invoiced income	**4,719.7**	3,617.0
Income to be recognised as agent under IFRS 15	**(2,744.6)**	(2,158.6)
Revenue	**1,975.1**	1,458.4

The total revenue for the Group for the year has been derived from its principal activity as an IT reseller and IT infrastructure solutions provider.

During the year there was one direct customer that individually accounted for greater than 10% of the Group's total revenue, and a considerably lower proportion of gross profit. Revenue generated from this customer in FY2026 was £502.2m, predominantly derived from the UK subsidiary. (2025: one direct customer that accounted for £326.7m of revenue, predominantly derived within the US subsidiary and representing substantially all the Group's FY2025 non-UK business).

Overall revenue derived from the US subsidiary in FY2026 was £231.5m with substantially all of the remaining revenue relating to trading undertaken in the UK.

3 Operating profit

Operating profit is stated after charging/(crediting):	2026 £m	2025 £m
Depreciation of property, plant and equipment	**4.2**	3.1
Depreciation of right-of-use assets	**4.0**	3.8
Amortisation of intangible assets	**4.4**	3.6
Low-value asset and short-term lease expense	**0.4**	0.3
Foreign exchange (gain)/loss	**(3.6)**	5.1
Inventories expensed in the year	**1,223.3**	856.4
Movement in trade receivables provision as potentially uncollectable, recovered or written off during the year	**3.3**	1.4
Auditor's remuneration		
Fees payable for the audit of the Company's annual accounts and consolidated annual statements	**0.8**	0.8
Fees payable for audit-related services	**–**	–
Total for statutory audit services	**0.8**	0.8
Fees payable for the half-year review of the condensed financial statements	**0.1**	0.1
Total for non-audit-related services	**0.1**	0.1

For details on employee numbers and employee costs, please see note 27.

4 Finance income and finance cost

	2026 £m	2025 £m
Bank interest income	**8.5**	7.3
Lease liability interest cost	**(2.1)**	(2.0)

5 Income tax

The major components of the income tax expense for the years ended 31 July 2026 and 31 July 2025 are:

	2026 £m	2025 £m
Consolidated statement of profit or loss		
Current income tax charge in the year	**54.9**	44.1
Adjustment in respect of current income tax of previous years	**0.7**	(0.3)
Foreign tax relief/other relief	**(0.6)**	(0.4)
Foreign tax suffered	**0.5**	0.4
Total current income tax charge	**55.5**	43.8
Deferred tax		
Current year	**(2.9)**	1.1
Adjustments in respect of prior periods	**(0.1)**	0.3
Deferred tax charge	**(3.0)**	1.4
Total tax charge	**52.5**	45.2
Reconciliation of total tax charge		
Reconciliation of tax expense and accounting profit multiplied by the Group's domestic tax rate for 2026 and 2025:		
Profit on ordinary activities before taxation	**202.8**	178.2
Profit on ordinary activities before taxation multiplied by the standard rate of UK corporation tax of 25% (2025: 25%)	**50.7**	44.6
Effects of:		
Non-deductible expenses	**1.3**	0.6
Adjustment to previous periods	**0.6**	–
Share options	**(0.1)**	–
	1.8	0.6
Income tax charge reported in profit or loss	**52.5**	45.2

In the year ended 31 July 2026, £0.1m (2025: £0.1m) of current tax was credited to equity and £0.6m (2025: £0.2m) of deferred tax was credited to equity.

The Group has assessed its exposure to the OECD Pillar Two global minimum tax rules for the year ended 31 July 2026. As the Irish permanent establishment failed the Transitional CbCR Safe Harbour assessment in FY2025, a full GloBE calculation was performed for FY2026. Based on the assessment performed, the effective tax rate attributable to the Irish permanent establishment exceeds the 15% minimum tax rate required under Pillar Two. As a result, no Pillar Two Top-up Tax liability arises in respect of Ireland and no Pillar Two provision has been recognised in these financial statements.

6 Dividends

	2026 £m	2025 £m
Declared and paid during the year		
Special dividend on ordinary shares (16.1p per share (2025: 20.9p))	**32.2**	41.8
Final dividend on ordinary shares (20.4p per share (2025: 18.1p))	**40.8**	36.1
Interim dividend on ordinary shares (9.9p per share (2025: 8.9p))	**19.5**	17.8
	92.5	95.7

A final dividend of 21.6p per share has been recommended by the Directors and if approved by shareholders will be paid on 21 December 2026. The final ordinary dividend will be payable to shareholders whose names are on the register at the close of business on 13 November 2026. Shares in the Company will be quoted ex-dividend on 12 November 2026. The last day for dividend reinvestment plan ('DRIP') elections is 30 November 2026.

The Board recommends the final dividend for shareholders' approval.

Notes to the consolidated financial statements continued
For the year ended 31 July 2026

6 Dividends continued

Softcat's ordinary dividend policy remains a progressive one which targets an annual dividend of between 40% and 50% of the Group's profits after tax in each financial year before any exceptional items. In determining the level of dividend in any year in accordance with the policy, the Board considers a number of other factors that influence the proposed dividend, which include but are not limited to:

- the level of available distributable reserves in the Company;
- future cash commitments and investment needs to sustain the long-term growth prospects of the business; and
- potential strategic opportunities.

Softcat's constitution does not limit or oblige the Group to any minimum or maximum dividend payments. However, no dividend may exceed the amount recommended by the Directors and all dividends shall be paid in accordance with any relevant legislation.

The Audit and Risk Committee on behalf of the Board reviews the distributable reserves of the Group as part of its half-year and full-year reviews. The Board then considers the Audit and Risk Committee's review as part of its process to approve or recommend dividends.

Softcat intends to continue to fund its dividends through the cash generated by the business. Details of the Group's continuing viability and going concern can be found on page 63 and pages 132 to 134 respectively.

7 Property, plant and equipment

	Note	Freehold land and buildings £m	Building improvements £m	Computer equipment £m	Fixtures, fittings and equipment £m	Motor vehicles £m	Total £m
Cost							
At 1 August 2024		3.4	9.1	2.6	5.5	0.6	21.2
Additions		–	8.1	1.8	1.9	–	11.8
Acquired through business combinations	10	–	–	–	0.1	–	0.1
Disposals		–	(1.3)	–	(0.8)	–	(2.1)
At 31 July 2025		3.4	15.9	4.4	6.7	0.6	31.0
Additions		–	3.7	1.7	0.6	–	6.0
Disposals		–	(3.0)	–	(0.2)	–	(3.2)
At 31 July 2026		**3.4**	**16.6**	**6.1**	**7.1**	**0.6**	**33.8**
Depreciation							
At 1 August 2024		0.3	5.4	2.1	3.3	0.3	11.4
Disposals		–	(1.2)	–	(0.5)	–	(1.7)
Impairment charge		1.3	–	–	–	–	1.3
Charge for the year		0.1	1.5	0.6	0.7	0.2	3.1
At 31 July 2025		1.7	5.7	2.7	3.5	0.5	14.1
Disposals		–	(2.8)	–	(0.1)	–	(2.9)
Charge for the year		0.1	1.9	1.1	1.0	0.1	4.2
At 31 July 2026		**1.8**	**4.8**	**3.8**	**4.4**	**0.6**	**15.4**
Net book value							
At 31 July 2026		**1.6**	**11.8**	**2.3**	**2.7**	**–**	**18.4**
At 31 July 2025		1.7	10.2	1.7	3.2	0.1	16.9

Additions in the year related to the new office fit outs in the year.

Freehold land amounting to £1.4m (2025: £1.4m) has not been depreciated.

There is no material difference between the carrying and fair value of the underlying assets as at both 31 July 2026 and 31 July 2025.

As at 31 July 2026 and 31 July 2025, Clydesdale Bank Plc held a fixed and floating charge over certain assets held by the Group, in respect of secured liabilities/debenture.

8 Right-of-use assets and lease liabilities

Leases – as a lessee

Softcat has lease contracts for various offices across the country and overseas used for its operations. Property leases generally have lease terms of between three and ten years. A number of these contracts include extension and termination options which are discussed below.

Softcat also has lease contracts for electric vehicles to facilitate an employee benefit programme, which generally have lease terms of between two and five years.

Set out below are the carrying amounts of right-of-use assets recognised and movements during the year:

	Note	**2026 £m**	2025 £m
Opening right-of-use asset as at 1 August		**31.8**	10.1
Lease additions and modifications		**5.4**	27.6
Acquired through business combinations	10	**–**	1.1
Disposals		**–**	(3.2)
Depreciation		**(4.0)**	(3.8)
Closing right-of-use asset as at 31 July		**33.2**	31.8

The weighted average incremental borrowing rate as used for the year is 5.6% (2025: 4.8%).

Set out below are the carrying amounts of lease liabilities included under current and non-current liabilities and the movements during the year:

	Note	**2026 £m**	2025 £m
Opening lease liability as at 1 August		**35.2**	10.4
Lease additions and modifications		**5.4**	27.6
Acquired through business combinations	10	**–**	1.1
Disposals		**–**	(3.5)
Accretion of interest		**2.1**	2.0
Payments		**(4.8)**	(2.4)
Closing lease liability as at 31 July		**37.9**	35.2
Split as:			
Short term		**5.6**	4.3
Long term		**32.3**	30.9

Lease additions in the year related to new property and electric vehicle leases.

Softcat had no variable lease expenses charged or income from sub-leases credited to the Consolidated statement of profit or loss and other comprehensive income, nor any sale and leaseback transactions.

Softcat has several lease contracts that include termination options. These options are negotiated by management to provide flexibility in managing the leased asset portfolio to align to business needs. Management exercises judgement in determining whether these options are reasonably certain to be exercised.

As at 31 July 2026, the undiscounted potential future rental payments relating to periods following the exercise date of termination options that are not included in the lease term were £Nil (2025: £Nil). The total value of lease charges for low-value and short-term leases charged to the Consolidated statement of profit or loss and other comprehensive income for the year was £0.4m (2025: £0.3m).

Notes to the consolidated financial statements continued
For the year ended 31 July 2026

9 Intangible assets

	Note	Goodwill £m	Customer relationships £m	Brands £m	Software under development £m	Computer software £m	Total £m
Cost							
At 1 August 2024		–	–	–	3.8	12.0	15.8
Additions		–	–	–	0.7	2.7	3.4
Acquired through business combinations	10	6.7	1.9	0.5	–	–	9.1
Reclassifications		–	–	–	(3.8)	3.8	–
Disposals		–	–	–	–	(0.4)	(0.4)
At 31 July 2025		6.7	1.9	0.5	0.7	18.1	27.9
Additions		–	–	–	0.6	–	0.6
Reclassifications		–	–	–	(0.7)	0.7	–
At 31 July 2026		**6.7**	**1.9**	**0.5**	**0.6**	**18.8**	**28.5**
Amortisation							
At 1 August 2024		–	–	–	–	4.2	4.2
Charge for the year		–	0.2	0.1	–	3.3	3.6
Disposals		–	–	–	–	(0.5)	(0.5)
At 31 July 2025		–	0.2	0.1	–	7.0	7.3
Charge for the year		–	0.5	0.2	–	3.7	4.4
At 31 July 2026		**–**	**0.7**	**0.3**	**–**	**10.7**	**11.7**
Net book value							
At 31 July 2026		**6.7**	**1.2**	**0.2**	**0.6**	**8.1**	**16.8**
At 31 July 2025		6.7	1.7	0.4	0.7	11.1	20.6

Software under development capitalised relates to enhancements to existing capitalised software, along with new systems being designed and built internally.

The material asset included within computer software relates to the enterprise resource planning ('ERP') system that went live in FY2022. The net book value on this asset as at the end of the year was £3.8m (2025: £5.3m). The remaining useful economic life is three years.

The amortisation of intangible assets is included in administrative expenses within the Consolidated statement of profit or loss and other comprehensive income. See note 3.

Goodwill

An impairment review has been performed over the goodwill attributable to the Group's Oakland business. The impairment review has been based on the value in use of the Oakland cash-generating unit, which was acquired in FY2025. In assessing value in use, the impairment review draws on the business's three-year plan. Post-acquisition the business performed broadly in line with expectations. Other key assumptions in the cash flow projections are those regarding revenue growth and EBITDA margins. Long-term growth rates are set no higher than the long-term economic growth projections of the UK, which is where the business operates. Management applies pre-tax discount rates in the value in use estimation that reflect current market assessments of the time value of money and the risks specific to the CGUs and businesses under review. The discount rates and long-term growth rates applied in the annual impairment reviews conducted in the current and prior year are as follows:

	2026		2025	
	Long-term growth rate	**Discount rate**	Long-term growth rate	Discount rate
Oakland	**2.0%**	**10.2%**	2.0%	12.5%

For the year ended 31 July 2026, no impairment has been recognised against the goodwill. The valuation based on the current three-year plan results in a recoverable amount that exceeds the asset value, with significant headroom available.

10 Business combinations

Acquisitions in the prior year:

On 4 April 2025, the Group acquired 100% of the share capital of Oakland Group Services Limited, a non-listed company based in the United Kingdom and specialising in the provision of data platform, data strategy, data governance, data analytics and artificial intelligence consultancy. The Group acquired Oakland Group Services Limited because it significantly enhances the Group's capability in providing these services to existing and new customers.

The business was acquired for a total cash consideration of £8.0m with total identifiable net assets of £2.7m, generating goodwill of £6.7m.

10 Business combinations continued

Acquisitions in the prior year: continued

The fair value of the identifiable assets and liabilities of Oakland Group Services Limited as at the date of acquisition was:

	Notes	Fair value recognised on acquisition £m
Non-current assets		
Property, plant and equipment	7	0.1
Right-of-use assets	8	1.1
Intangible assets	9	2.4
Investments		0.1
		3.7
Current assets		
Trade and other receivables	12	2.0
Cash and cash equivalents	17	0.6
		2.6
Total assets		6.3
Current liabilities		
Trade and other payables	14	(1.8)
Lease liabilities	8	(0.3)
		(2.1)
Non-current liabilities		
Deferred tax liability	18	(0.7)
Lease liabilities	8	(0.8)
		(1.5)
Total liabilities		(3.6)
Total identifiable net assets at fair value		2.7
Goodwill on acquisition		6.7
Consideration transferred settled in cash		(8.0)
Cash and cash equivalents acquired		0.6
Net cash outflow on acquisition		(7.4)

The purchase agreement included additional contingent consideration with service conditions and contingent consideration without service conditions. The additional contingent consideration without service conditions of up to £1.6m is payable only if the average profit performance for Oakland's 2026, 2027 and 2028 financial years exceeds targeted levels agreed by both parties. The additional contingent consideration will be payable on 31 March 2027 and 31 March 2028. The additional contingent consideration liability recognised represents the present value of the Group's probability-weighted estimate of the cash outflow. It reflects management's probability-weighted estimate of achieving the base case, downside case and upside case targets. The liability for additional contingent consideration with service conditions is not classified as consideration transferred under IFRS 3, and is disclosed as other employment costs (Note 27).

As part of the acquisition, the Group obtained a minority equity interest in a private limited company. The investment does not provide the Group with control or significant influence over the investee and has therefore been recognised as a financial asset.

11 Inventories

	2026 £m	2025 £m
Finished goods and goods for resale	**12.2**	151.9

The decrease in inventories at the year end is predominantly driven by the prior year end consisting of stock held and in transit for a specific customer order yet to be delivered. As control of the goods had not passed to the customer at the year end, the revenue and cost of sale were not recognised.

The amount of any write down of inventory recognised as an expense in the year was £Nil (2025: £Nil).

Notes to the consolidated financial statements continued
For the year ended 31 July 2026

12 Trade and other receivables

	2026 £m	2025 £m
Trade receivables	**737.8**	547.4
Provision against receivables	**(7.8)**	(4.5)
Net trade receivables	**730.0**	542.9
Unbilled receivables	**83.8**	59.4
Prepayments	**11.9**	10.3
Accrued income	**28.1**	17.6
Deferred costs	**40.5**	82.9
	894.3	713.1

The decrease in deferred costs is predominantly driven by the prior year end consisting of a specific order where Softcat had settled the purchase invoice, the supplier had not yet shipped the goods and Softcat had not yet fulfilled their contractual obligation to the customer at the year end.

The provision against receivables follows the expected credit loss model under IFRS 9. The Directors consider that the carrying amount of trade and other receivables approximates to their fair value.

The ageing profile of trade receivables was as follows:

	2026 £m	Related provision £m	Net £m	2025 £m	Related provision £m	Net £m
Current	**599.2**	**(5.1)**	**594.1**	425.8	(2.3)	423.5
0–30 days	**98.6**	**(0.7)**	**97.9**	82.5	(0.7)	81.8
31–60 days	**21.4**	**(0.3)**	**21.1**	18.6	(0.2)	18.4
61–90 days	**7.7**	**(0.2)**	**7.5**	7.9	(0.3)	7.6
Over 90 days	**10.9**	**(1.5)**	**9.4**	12.6	(1.0)	11.6
Total due	**737.8**	**(7.8)**	**730.0**	547.4	(4.5)	542.9

The Group provides against its trade receivables using the forward-looking expected credit loss model under IFRS 9. An impairment analysis is performed at each reporting date. Provisions against future recoverability are set to reflect probability-weighted outcomes, analysis of prior events and current conditions. Further details on how the Group manages its credit risk can be found in note 24. Movement in the provision for trade receivables was as follows:

	2026 £m	2025 £m
Balance at beginning of year	**4.5**	3.1
Increase for trade receivables regarded as potentially uncollectable	**5.3**	3.1
Decrease in provision for trade receivables recovered, or written off, during the year	**(2.0)**	(1.7)
Balance at end of year	**7.8**	4.5

Set out below is the information about the credit risk exposure on Softcat's trade receivables:

31 July 2026	Current £m	<30 days £m	31–60 days £m	61–90 days £m	>91 days £m	Total £m
Expected credit loss rate	**0.85%**	**0.78%**	**1.40%**	**2.37%**	**13.50%**	**1.06%**
Estimated total gross carrying amount at default	**599.2**	**98.6**	**21.4**	**7.7**	**10.9**	**737.8**
Expected credit loss	**(5.1)**	**(0.7)**	**(0.3)**	**(0.2)**	**(1.5)**	**(7.8)**

31 July 2025	Current £m	<30 days £m	31–60 days £m	61–90 days £m	>91 days £m	Total £m
Expected credit loss rate	0.54%	0.83%	0.83%	3.75%	7.90%	0.81%
Estimated total gross carrying amount at default	425.8	82.5	18.6	7.9	12.6	547.4
Expected credit loss	(2.3)	(0.7)	(0.2)	(0.3)	(1.0)	(4.5)

Unbilled receivables and accrued income have been reviewed by management and have been determined to have an immaterial impact on our expected credit losses. The Group does not hold collateral as security.

As part of our assessment of expected credit losses, we assess for specific potentially uncollectable debt as well as wider macro-economic factors that may require provision. See note 24 for details on how the Group approaches its exposure to credit risk.

13 Contract fulfilment assets

	2026 £m	2025 £m
Contract fulfilment assets	–	72.6

The decrease in contract fulfilment assets at the year end is driven by a specific order in the prior year end where Softcat had delivered goods to the customer but had not yet met the revenue recognition criteria under IFRS 15.

14 Trade and other payables

	2026 £m	2025 £m
Trade payables	**476.0**	285.9
Other taxes and social security	**16.6**	20.8
Accruals	**195.7**	163.9
Other creditors	–	0.8
	688.3	471.4

The Directors consider that the carrying amount of trade and other payables approximates to their fair value.

Softcat benefits from a strong credit profile and established relationships with technology vendors and other suppliers. Certain suppliers provide trade credit directly, while others choose to sell receivables arising from customer transactions to financial institutions, which subsequently manage collections. These arrangements are standard industry practice and do not alter the underlying commercial terms agreed with Softcat, with payment terms typically ranging from 30 to 60 days.

For a supplier that participates in such programmes, Softcat's involvement is generally limited to receiving payment instructions and settling invoices in accordance with the original contractual terms. The arrangement is established by the supplier as part of their wider customer and reseller programmes and was not initiated or negotiated by Softcat to obtain extended payment terms or additional financing benefits.

Management has assessed the accounting and presentation of these arrangements based on their specific terms and conditions. Following this assessment, Softcat has concluded that the arrangements do not result in a substantive change to the nature of the related liabilities, payment terms, or the Group's exposure to liquidity risk. Accordingly, the Group has determined that the arrangements do not have a material impact on its working capital management and that the additional disclosure requirements of IFRS 7 and IAS 7 in respect of supplier finance arrangements are not material to the Group.

15 Provisions

	Property £m	Legal and other £m	Total £m
At 1 August 2025	–	–	–
Reclassifications from accruals	1.3	1.4	2.7
Charge recognised in profit or loss	0.9	8.8	9.7
Utilised during the year	(0.6)	(0.9)	(1.5)
At 31 July 2026	**1.6**	**9.3**	**10.9**

The reclassification from accruals relates to provisions previously reported within accruals and are presented separately in the current year.

The legal and other provisions relate to customer, supplier, employee and other related matters.

16 Contract liabilities

	2026 £m	2025 £m
Deferred income	**75.2**	346.5

Deferred income is split as follows:

	2026 £m	2025 £m
Short-term deferred income	**59.4**	333.2
Long-term deferred income	**15.8**	13.3
	75.2	346.5

Notes to the consolidated financial statements continued
For the year ended 31 July 2026

16 Contract liabilities continued

Contract balances

Deferred income includes short-term and long-term goods or services to be delivered to a customer by Softcat for which there is a contractual obligation arising from receipt of consideration or amounts due from the customer. During the current year, £333.2m (2025: £32.0m) has been recognised in revenue resulting from these contract liabilities existing as at 31 July 2025. As at 31 July 2026, £61.9m remains on the Consolidated statement of financial position as a contract liability resulting from transactions arising from the year to 31 July 2026. Softcat expects that £59.4m of the balance as at 31 July 2026 will be released in FY2027 with the balance released within two to five years of the end of FY2026.

17 Cash and cash equivalents

	2026 £m	2025 £m
Cash at bank and in hand	**199.9**	182.3

Cash and cash equivalents comprise cash at bank and cash in hand. Cash at bank earns interest at floating rates based on daily bank deposit rates. All cash held is accessible and is not restricted for any period of time.

18 Deferred tax

The deferred tax asset is made up as follows:

	2026 £m	2025 £m
Accelerated capital allowances	**(2.3)**	(2.1)
Share-based payments	**5.7**	2.7
Other temporary differences	**1.4**	0.7
Intangibles acquired in the year	**(0.4)**	(0.5)
Deferred tax assets	**4.4**	0.8

	2026 £m	2025 £m
Reconciliation of deferred tax asset		
Balance at beginning of year	**0.8**	2.6
Adjustment in respect of prior years	**0.1**	(0.3)
Profit and loss account	**2.9**	(1.1)
Credit to equity	**0.6**	0.2
Movement arising from the acquisition of business	**–**	(0.6)
Balance at end of year	**4.4**	0.8

The Group recognises all deferred tax movements in the year within the income statement, except for £0.6m credited (2025: £0.2m credited) to equity in relation to deferred tax movements on share-based payments.

The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

	2026			2025		
	Income statement £m	**SOCIE £m**	**Total £m**	Income statement £m	SOCIE £m	Total £m
Current tax						
Movement in respect of prior years	**0.7**	**–**	**0.7**	(0.3)	–	(0.3)
Movement in respect of current year	**54.8**	**(0.1)**	**54.7**	44.2	(0.1)	44.1
Total current tax	**55.5**	**(0.1)**	**55.4**	43.9	(0.1)	43.8
Deferred tax						
Movement in respect of prior years	**(0.1)**	**–**	**(0.1)**	0.3	–	0.3
Movement in respect of current year:						
Share options	**(2.4)**	**(0.6)**	**(3.0)**	(0.3)	(0.2)	(0.5)
Fixed assets	**0.1**	**–**	**0.1**	1.3	–	1.3
Other temporary differences	**(0.6)**	**–**	**(0.6)**	–	–	–
Total deferred tax	**(3.0)**	**(0.6)**	**(3.6)**	1.3	(0.2)	1.1
Total tax	**52.5**	**(0.7)**	**51.8**	45.2	(0.3)	44.9

19 Pension and other post-retirement benefit commitments

Defined contribution pension scheme

The Group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund. At the year end, pension contributions of £1.3m (2025: £1.1m) were outstanding.

	2026 £m	2025 £m
Contributions payable by the Group for the year	**5.9**	5.0

20 Share capital

Authorised share capital

In accordance with the Companies Act 2006, the Company no longer has authorised share capital. The Company's Articles of Association have been amended to reflect this change.

	2026 £m	2025 £m
Allotted and called up		
196,891,493 (2025: 199,946,262) ordinary shares of 0.05p each	**0.1**	0.1
18,933 (2025: 18,933) deferred shares of 1p each	**–**	–
	0.1	0.1

Note:
At 31 July 2026 deferred shares had an aggregate nominal value of £189.33 (2025: £189.33).

In the year ended 31 July 2026, 244,801 (2025: 146,211) new ordinary shares were issued to satisfy the exercise of share options and 52,591 ordinary shares (2025: 35,590) were issued to satisfy exercises under the Deferred Share Bonus Plan.

On 7 January 2026 the Group entered into an irrevocable non-discretionary share buyback programme up to a maximum of £45.0m. The share repurchase scheme commenced on 8 January 2026, with 3,352,161 shares repurchased and cancelled in the year for a total consideration of £45.0m (including stamp duty and commission). The Group completed the share buyback process on 13 February 2026.

No issued ordinary shares of 0.05p each were unpaid at 31 July 2026 (2025: £Nil unpaid).

All ordinary shares rank pari passu in all respects.

Deferred shares do not have rights to dividends and do not carry voting rights.

Own share transactions

In the year ended 31 July 2026, the SIP Trust returned £Nil (2025: £Nil) to the Group through share recycling.

21 Earnings per share

	2026 p	2025 p
Earnings per share		
Basic	**75.8**	66.6
Diluted	**75.3**	66.2

The calculation of the basic earnings per share and diluted earnings per share is based on the following data:

	2026 £m	2025 £m
Earnings		
Earnings for the purposes of earnings per share, being profit for the year	**150.3**	133.0

The weighted average number of shares is given below:

	2026 m	2025 m
Number of shares used for basic earnings per share	**198.3**	199.7
Number of shares expected to be issued at nil consideration following exercise of share options	**1.3**	1.2
Number of shares used for diluted earnings per share	**199.6**	200.9

Notes to the consolidated financial statements continued
For the year ended 31 July 2026

22 Notes to the Consolidated statement of cash flows

Reconciliation of operating profit to net cash inflow from operating activities

	2026 £m	2025 £m
Operating profit	**196.4**	172.9
Depreciation of property, plant and equipment	**4.2**	3.1
Depreciation of right-of-use assets	**4.0**	3.8
Amortisation of intangibles	**4.4**	3.6
Impairment of property, plant and equipment	**–**	1.3
Loss on disposal of property, plant and equipment	**0.3**	0.4
Gain on disposal of right-of-use assets	**–**	(0.3)
Dividend equivalents paid	**(0.1)**	(0.1)
Acquisition associated costs	**–**	0.7
(Gain)/loss on foreign exchange	**(3.1)**	2.7
Cost of equity-settled employee share schemes	**13.6**	4.2
Operating cash flow before movements in working capital	**219.7**	192.3
Decrease/(increase) in inventory	**139.7**	(149.0)
Increase in trade and other receivables and contract fulfilment assets	**(108.6)**	(199.3)
(Decrease)/increase in trade and other payables and contract liabilities	**(42.8)**	343.5
Cash generated from operations	**208.0**	187.5
Income taxes paid	**(50.5)**	(46.8)
Net cash from operating activities	**157.5**	140.7

23 Financial commitments

Guarantees

As at 31 July 2026 and 31 July 2025, Softcat Plc has no guarantees or other financial commitments.

24 Financial instruments and financial risk management

The Group's principal financial liabilities comprise trade and other payables, lease liabilities, and derivative financial liabilities. The primary purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets comprise trade and other receivables, derivative financial assets, and cash that derive directly from its operations.

Financial assets

The financial assets of the Group were as follows:

	2026 £m	2025 £m
Financial assets held at amortised cost:		
Cash at bank and in hand	**199.9**	182.3
Trade and other receivables	**841.8**	619.9
	1,041.7	802.2
Financial assets held at fair value through profit and loss:		
Derivative financial assets not designated as hedging instruments	**0.2**	–
Financial assets held at fair value through other comprehensive income:		
Derivative financial assets designated as hedging instruments	**1.0**	–

The Directors consider that the carrying amount for all financial assets approximates to their fair value.

24 Financial instruments and financial risk management continued

Financial liabilities

The financial liabilities of the Group were as follows:

	2026 £m	2025 £m
Financial liabilities held at amortised cost:		
Trade payables	**(476.0)**	(285.9)
Accruals	**(195.7)**	(163.9)
Lease liabilities	**(37.9)**	(35.2)
	(709.6)	(485.0)
Financial liabilities held at fair value through profit and loss:		
Derivative financial liabilities not designated as hedging instruments	**(0.2)**	–
Financial liabilities held at fair value through other comprehensive income:		
Derivative financial liabilities designated as hedging instruments	**(0.9)**	–

The Directors consider that the carrying amount of financial liabilities (excluding lease liabilities) approximates to their fair value.

Financial risk management

The Group is exposed to interest rate risk, foreign currency risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risks and ensures that the Group's financial risk taking is governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with Group policies and Group risk appetite. During the year, no external debt was required. The Group entered into a revolving credit facility in the year, however as at 31 July 2026, this had not been drawn down upon.

The Board of Directors reviews and agrees the policies for managing each of these risks, which are summarised below:

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. At the year end, the Group has no borrowings and therefore the exposure to interest rate risk is limited to the rates received as interest income on cash deposits. The Group accepts the risk of losing interest on deposits. Due to the limited exposure to interest rate risk, no sensitivity analysis has been prepared.

Foreign currency risk

The Group is exposed to foreign exchange risk primarily on USD-denominated purchases. To manage this risk, the Group enters into forward foreign exchange contracts to hedge forecast cash outflows. The objective of the hedging programme is to reduce variability in forecast sterling-equivalent foreign currency cash flows arising from movements in exchange rates. Hedges are generally executed in advance of the forecast exposure in line with the Group's treasury policy and are designated as cash flow hedges under IFRS 9.

The fair values of cash flow hedging instruments are presented as derivative financial assets and derivative financial liabilities on the balance sheet.

The Group uses foreign exchange forward contracts to hedge foreign currency risk arising on forecast and contracted foreign currency cash flows. These are used both in a rolling cash flow hedging programme, currently focused on forecast USD cash outflows, and in transactional hedges for specific larger or longer-dated exposures.

The designated hedged risk is the foreign currency risk component of the forecast or contracted foreign currency cash flows. This component represents the variability in sterling-equivalent cash flows arising from movements in the relevant foreign exchange rate, principally GBP/USD. The Group determines this risk component by reference to forecast and contracted purchases denominated in foreign currencies and measures it using observable spot and forward exchange rates. The fair value of derivative financial instruments is classified as level 2 in accordance with IFRS 13. The designated risk component relates only to the foreign exchange element of the overall purchase cash flow. Other factors that may affect the total purchase cost, including supplier pricing, product mix, volumes, rebates and other commercial factors, are not designated as part of the hedged item.

The Group determines the economic relationship between the hedged item and the hedging instrument by comparing their critical terms, including the amount, maturity, timing and currency, and by assessing whether they are expected to offset each other in response to the same foreign exchange risk. The hedge ratio reflects the quantity of exposure that the Group actually hedges and the quantity of forward contracts used for that purpose, and is typically 1:1. Sources of hedge ineffectiveness include changes in the timing or amount of the forecast cash flows, differences in critical terms between the hedged item and the hedging instrument, and changes in credit risk. Ineffectiveness is recorded within the consolidated statement of profit and loss and other comprehensive income as administrative expenses.

Notes to the consolidated financial statements continued
For the year ended 31 July 2026

24 Financial instruments and financial risk management continued

Financial risk management continued

Foreign currency risk continued

Details of the Group's undiscounted contractual future cash flows are detailed below:

Notional principal amounts	Average rate	Less than 3 months millions	3–6 months millions	More than 6 months millions	**Total at 31 July 2026 millions**
FX forwards designated as cash flow hedges – buy USD/sell GBP	1.34	$89.3	$8.9	$66.1	**$164.3**
FX forwards designated as cash flow hedges – buy GBP/sell USD	0.77	–	£1.4	£18.4	**£19.8**

A schedule of movements recorded in the cash flow hedge reserve is shown below:

	2026 £m	2025 £m
At 1 August	**(0.3)**	(0.3)
Recognised in other comprehensive income		
Gains recognised in OCI on cash flow hedges	**1.0**	–
Amounts reclassified from cash flow hedge reserve to profit or loss – hedged item affected profit or loss	**(0.7)**	–
At 31 July	**–**	(0.3)

Details of the material foreign currencies in which the Group's trade receivables, cash and cash equivalents, and trade payables are denominated are set out below:

	2026		2025	
	USD £m	**EUR £m**	USD £m	EUR £m
Trade receivables	**114.6**	**23.3**	52.6	16.3
Cash and cash equivalents	**26.5**	**14.7**	25.9	1.8
Trade payables	**(148.7)**	**(18.6)**	(87.1)	(10.7)
	(7.6)	**19.4**	(8.6)	7.4

The following table demonstrates the profit before tax sensitivity to possible changes in currency exchange rates with GBP, all other variables held constant.

	2026		2025	
	USD £m	**EUR £m**	USD £m	EUR £m
5% increase in rate	**0.4**	**(0.9)**	0.4	(0.4)
5% decrease in rate	**(0.4)**	**1.0**	(0.5)	0.4

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables and committed customer orders awaiting fulfilment) and from its financing activities, including deposits with banks and financial institutions.

24 Financial instruments and financial risk management continued

Financial risk management continued

Trade receivables

Credit risk from trade receivables is managed in accordance with the Group's established policy, procedures and control relating to customer credit risk management. A customer's credit quality is assessed based on an extensive credit rating scorecard as well as third-party inputs and individual credit limits are defined in accordance with this assessment. The assessment also incorporates the consideration of the length of the exposure which is especially relevant for orders with longer lead times or multi-year commitments.

The Company operates a trade credit insurance policy providing the Group with insurance coverage over approved customer balances, within policy parameters.

Outstanding customer receivables are regularly monitored. At 31 July 2026, the Group had 1,114 customer accounts (2025: 897 customers) that owed the Group more than £100,000 each. These accounts accounted for approximately 9% (2025: 8%) of the total number of receivable accounts and 83% (2025: 80%) of the total value of amounts receivable. There were 118 customers (2025: 70 customers) with balances greater than £1,000,000 accounting for approximately 1% (2025: 1%) of the total number of receivable accounts and 45% (2025: 36%) of the total value of amounts receivable. There were 5 customers (2025: 2 customers) with balances greater than £10,000,000 accounting for approximately 0.04% (2025: 0.02%) of the total number of receivable accounts and 11% (2025: 6%) of the total value of amounts receivable.

The Group continues to monitor the impact of the current macro-economic environment, for example the low GDP growth, inflationary and higher interest rate environments, and how this impacts our customer base. The receivables balance continues to be well diversified and individual customers typically represent a very small proportion of the outstanding balance.

The requirement for impairment is analysed at each reporting date. The calculation is based on actual incurred historical data and expected credit losses. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Group does not hold collateral as security. The Group has evaluated the concentration of risk with respect to trade receivables, as there is limited reliance on single or few customers; instead, sales are typically small in size but large in volume as is the number of customers; therefore, the Group considers concentration risk to be low. This is reflected by the fact that as at 31 July 2026, no more than 2.7% (2025: 3.3%) of receivables are due from any one customer.

The Group provides against its customer credit exposure using the forward-looking expected credit loss model under IFRS 9.

Financial instruments and cash deposits

Credit risk from cash balances with banks and financial institutions is managed in accordance with Group policy. The Group has significant cash reserves which are accessible immediately and without restriction. Credit risk with respect to cash deposits is managed by carefully selecting the institutions with which cash is deposited and spreading its deposits across more than one such institution to ease concentration risk. Cash balances are only held across a number of financial institutions and only with financial institutions with a credit rating at or above investment grade. Credit ratings are reviewed on a regular basis.

Liquidity risk

The Group generates positive cash flows from operating activities and these fund short-term working capital requirements. The Group aims to maintain significant cash reserves and none of its cash reserves are subject to restrictions. Access to cash is not restricted and all cash balances could be drawn upon immediately if required. The Board carefully monitors the levels of cash deposits and is comfortable that for normal operating requirements, no external borrowings are currently required.

The following table details the Group's remaining contractual maturity for its financial liabilities based on undiscounted contractual payments:

	Within 1 year £m	1 to 2 years £m	2 to 5 years £m	Over 5 years £m	Total £m
2026					
Trade payables	**(476.0)**	**–**	**–**	**–**	**(476.0)**
Accruals	**(195.7)**	**–**	**–**	**–**	**(195.7)**
Lease liabilities	**(5.6)**	**(5.1)**	**(11.7)**	**(25.2)**	**(47.6)**
	(677.3)	**(5.1)**	**(11.7)**	**(25.2)**	**(719.3)**
2025					
Trade payables	(285.9)	–	–	–	(285.9)
Accruals	(163.9)	–	–	–	(163.9)
Lease liabilities	(4.3)	(4.3)	(12.2)	(24.7)	(45.5)
	(454.1)	(4.3)	(12.2)	(24.7)	(495.3)

In both the current year and the prior year, materially all of the financial liabilities above, other than lease liabilities, have a contractual settlement date of between zero and three months.

Notes to the consolidated financial statements continued
For the year ended 31 July 2026

24 Financial instruments and financial risk management continued

Capital risk management

The Group manages its capital to ensure that it will be able to continue as a going concern while also maximising the operating potential of the business. The capital structure of the Group consists of equity attributable to equity holders of the Group, comprising issued capital, reserves and retained earnings as disclosed in the Consolidated statement of changes in equity. The Group is not subject to externally imposed capital requirements.

25 Capital commitments

At 31 July 2026, the Group had £Nil capital commitments (2025: £Nil).

26 Directors' remuneration

	2026 £m	2025 £m
Remuneration for qualifying services	**3.7**	2.9
Company pension contributions to defined contribution schemes	**–**	–
	3.7	2.9

During the year ended 31 July 2026, the Directors of the Group were awarded a total of 165,915 LTIP shares (2025: 90,570) at an average exercise price of £Nil (2025: £Nil) and 47,177 shares (2025: 31,593) under the FY2017 Deferred Share Bonus Plan.

The number of Directors for whom retirement benefits are accruing under defined contribution schemes amounted to two (2025: two). The number of Directors who are entitled to receive shares under long-term incentive schemes during the year was two (2025: two).

Gains on share options exercised in the year were £1.4m (2025: £1.3m).

Share-based payment charges include £2.1m (2025: £0.8m) in respect of Directors.

For further information on Directors' remuneration, please also see pages 94 to 112.

27 Employees

Number of employees

The average monthly number of employees (including Directors) during the year was:

	2026 Number	2025 Number
Sales	**1,875**	1,751
Services	**525**	436
Administration	**525**	452
	2,925	2,639

Employment costs

	2026 £m	2025 £m
Salaries, commissions and bonus	**254.7**	207.1
Social security costs	**36.9**	26.9
Other pension costs	**5.9**	5.0
Other employment costs	**2.4**	1.0
Employment costs – subtotal	**299.9**	240.0
Share option charge	**13.6**	4.2
Total employment costs including share option charge	**313.5**	244.2

Other employment costs include £2.4m (2025: £1.0m) related to the contingent consideration liability related to Oakland Group Services Limited. The contingent consideration liability recognised represents the present value of the Group's probability-weighted estimate of the cash outflow. It reflects management's probability-weighted estimate achieving the base case, downside case and upside case targets.

28 Share option schemes

The Group operates a Long Term Incentive Plan ('LTIP') for Executive Directors and senior management and a Share Incentive Plan ('SIP') for all employees.

The Group recognised the following expenses related to equity-settled share-based payment transactions:

	2026 £m	2025 £m
Free share award	**8.6**	–
LTIP	**5.0**	4.2
Share option charge	**13.6**	4.2
Employer's National Insurance contributions payable on all plans	**2.2**	0.9
Share option charge including employer's National Insurance	**15.8**	5.1

All options vest at the end of the vesting period relating to that option or on the occurrence of a contingent event. This includes substantial sale or substantial business asset sale. If the options remain unexercised after a period of ten years from the date of grant, the options expire. Furthermore, the vesting of these share options is dependent on continued employment.

Following the public listing of shares in the Company, share options become readily convertible assets for which the Group is liable for employer's National Insurance contributions. The Group accrues for National Insurance contributions on a straight-line basis from the date of award to the vesting date.

LTIP

The LTIP provides share awards to Executive Directors and senior management.

Executive Directors

Details in relation to the Softcat LTIP awards to Executive Directors are included in the Directors' Remuneration Report on page 99.

During the year, 165,915 (2025: 90,570) share awards related to LTIP schemes were issued to two Executive Directors at £Nil exercise price with a performance period of three years. The fair value of these awards was £2.0m (2025: £1.2m). Performance conditions are linked to earnings per share and total shareholder return over the vesting period. The EPS linked element of the LTIPs awarded in the year was valued using the Black-Scholes model and a Monte-Carlo simulation was used for the TSR linked element of the award. The following assumptions were used to reach the below fair value:

	31 July 2026		31 July 2025	
	EPS	**TSR**	EPS	TSR
Proportion of LTIP award	**70%**	**30%**	60%	40%
Share price at grant date (£)	**14.25**	**14.25**	16.30	16.30
Weighted average exercise price at grant date	**–**	**–**	–	–
Risk-free interest rate	**3.68%**	**3.68%**	4.70%	4.70%
Expected volatility	**28%**	**28%**	30%	30%
Dividend yield	**–%**	**–%**	–%	–%
Performance period (years)	**3**	**3**	3	3
Fair value (£)	**14.25**	**7.71**	16.30	4.14

Expected volatility has been determined using historical data reflecting share price movements covering the financial year.

During the year, 44,933 (2025: 33,591) LTIP options were exercised with an average weighted share price at the date of exercise of £14.49 (2025: £15.22).

Deferred Share Bonus Plan

One-third of the Executive Directors' annual bonus is paid in deferred shares unless the minimum shareholder requirements are met. In the year, 47,177 (2025: 31,593) deferred shares relating to the 2025 Deferred Share Bonus Plan were issued to two Executive Directors with a £Nil exercise price and a further vesting period of four years. The fair value is calculated using the share price on the date of grant and the number of shares awarded. The fair value of deferred shares issued in the year is £0.7m (2025: £0.5m).

During the year, 52,591 (2025: 35,590) options arising from deferred share bonus plans were exercised with an average weighted share price at the date of exercise of £14.29 (2025: £15.40).

Notes to the consolidated financial statements continued
For the year ended 31 July 2026

28 Share option schemes continued

LTIP continued

Executive Directors continued

Senior management

An award of 318,696 (2025: 250,129) shares was made to members of the Executive Leadership Team and other senior management in the year. These shares had an exercise price of £Nil at the date of grant and a performance period of three years. The fair value of these awards was £3.8m (2025: £3.3m). As the exercise price of the options awarded in the year was £Nil, the charge has been calculated by multiplying the number of shares issued by the share price on the date of grant, adjusted for an expected forfeiture rate. The share price is the fair value of the equity instrument granted, which was £13.73 (2025: £15.57) at the grant date. The resultant fair value is then recognised over the performance period.

During the year, 37,834 shares (2025: 49,684) were forfeited as members of senior management left the business prior to completion of the vesting period.

The weighted average remaining contractual life under the exercise period of all LTIP awards is 8.33 years (2025: 8.91 years).

Share Incentive Plan ('SIP')

FY2015 free share award

The Group awarded free shares to its employees following the initial public offering in November 2015. Shares were allocated to employees on the basis of length of service. Free shares awarded to an employee under the SIP were subject to a minimum holding period of three years.

Historical employee attrition rates were used to calculate the expected number of shares expected to vest. The resulting income statement charge was spread over the three-year vesting period with a corresponding entry in equity.

FY2026 free share award

During the year, the Group granted a one-off award of 415,700 free shares to eligible employees under the SIP. The award was approved and communicated to employees prior to the financial year end. As there is no forfeiture provision attached to the award, employees became unconditionally entitled to the shares in FY2026, and the full fair value of the award was recognised as an expense during the year.

The Group recognised an equity-settled share-based payment expense of £8.6m during the year (2025: £Nil), with a corresponding increase in equity. The shares were acquired and transferred to participants shortly after the reporting date, though the SIP Trust was funded prior to the financial year end. Employer's National Insurance contributions of £0.3m have also been recognised based on the estimated future tax liability.

In addition, the Group's voluntary partnership share purchase programme, which is open to all employees, is administered through the SIP.

As at 31 July 2026, the SIP Trust held 583,153 (2025: 556,005) ordinary shares in the Company. The market value of the shares held by the SIP Trust as at 31 July 2026 was £11.3m (2025: £9.1m).

The weighted average remaining contractual life of share-based payment arrangements at the year end was Nil (2025: 0.36 years).

28 Share option schemes continued

All share-based payment arrangements

The number and weighted average exercise price of all share-based payment arrangements (including LTIP) are as follows:

	Weighted average exercise price £	**No. of shares as at 31 July 2026**	Weighted average exercise price £	No. of shares as at 31 July 2025
Outstanding at 1 August	**–**	**1,259,224**	–	1,138,255
Granted during the year	**–**	**531,788**	–	369,443
Forfeited during the year	**–**	**(28,960)**	–	(49,684)
Exercised during the year	**–**	**(307,334)**	–	(198,790)
Outstanding at 31 July		**1,454,718**		1,259,224
Exercisable at 31 July		**46,074**		145,094

The fair value of share-based payment arrangements granted in the year was £6.5m (2025: £5.0m), relating entirely to Long Term Incentive Plan awards.

The weighted average remaining contractual life of share-based payment arrangements at the year end was 7.72 years (2025: 8.00 years).

29 Post-balance sheet events

GDT acquisition

On 17 September 2026, Softcat signed an agreement to acquire General Datatech, L.P. ('GDT'), a leading US-based, multi-vendor IT solutions provider. The transaction is expected to close no later than the end of Q1 CY2027, subject to customary regulatory filings and approvals. The Group is currently assessing the financial impact of the acquisition.

The consideration will be funded through a combination of cash, new debt facilities comprising a term loan and revolving credit facility, and the gross proceeds from the issuance of 18,730,158 new ordinary shares in the capital of the Company of £354m. The issuance of new ordinary shares took place after the reporting date and therefore has no impact on the amounts recognised at 31 July 2026. The timing and financial effect of the term loan and revolving credit facility cannot be estimated reliably at the date of the approval of these accounts.

Softcat is actively managing the foreign exchange exposure associated with the acquisition and subsequent to the year end, the Group entered into a derivative financial instrument to manage the foreign currency exposure. The instrument was entered into after the reporting date and therefore has no impact on the amounts recognised at 31 July 2026. The ultimate financial effect of the derivative will depend on the completion of the acquisition and movements in foreign exchange rates over the term of the instrument and therefore cannot be estimated reliably at the date of approval of these financial statements.

Dividends

A final dividend of 21.6p per share has been recommended by the Directors and if approved by shareholders will be paid on 21 December 2026. The final ordinary dividend will be payable to shareholders whose names are on the register at the close of business on 13 November 2026. Shares in the Company will be quoted ex-dividend on 12 November 2026. The last day for dividend reinvestment plan ('DRIP') elections is 30 November 2026.

Notes to the consolidated financial statements continued
For the year ended 31 July 2026

30 Related party relationships and transactions

Transactions with key management personnel

The remuneration of key management personnel, which consists of persons who have been deemed to be discharging managerial responsibilities, is set out below in aggregate for each of the categories specified in IAS 24 Related Party Disclosures.

	2026 £m	2025 £m
Short-term employee benefits	**4.2**	3.5
Key management personnel share-based payment charges	**2.3**	1.1
	6.5	4.6

Key management personnel received a total of 235,234 share awards (2025: 134,318) at a weighted average exercise price of £Nil (2025: £Nil).

The amounts disclosed in the table are the amounts recognised as an expense during the reporting period related to key management personnel.

Dividends to Directors and former Directors

	2026 £m	2025 £m
G Watt	**0.1**	0.1
G Charlton	**0.1**	0.1
R Perriss	**–**	–
V Murria	**–**	0.1
K Mecklenburgh	**–**	–
J Ferguson	**–**	–
M Prakash	**–**	–
L Weedall	**–**	–
	0.2	0.3

Vin Murria resigned as Non-Executive Director on 9 December 2024.

Company statement of financial position
As at 31 July 2026

	Notes	2026 £m	2025 £m
Non-current assets			
Property, plant and equipment	D	**18.3**	16.7
Right-of-use assets	E	**32.3**	30.5
Intangible assets	F	**8.5**	11.7
Investment in subsidiaries	Q	**12.3**	12.1
Deferred tax asset	C	**4.9**	1.4
		76.3	72.4
Current assets			
Inventories	G	**9.7**	151.9
Trade and other receivables	H	**860.2**	721.4
Derivative financial assets		**1.2**	–
Contract fulfilment assets		**–**	72.6
Income tax receivable		**–**	1.8
Cash and cash equivalents	K	**188.5**	158.8
		1,059.6	1,106.5
Total assets		**1,135.9**	1,178.9
Current liabilities			
Trade and other payables	I	**(648.1)**	(457.4)
Contract liabilities	J	**(57.3)**	(334.9)
Provisions		**(10.9)**	–
Income tax payable		**(2.8)**	–
Derivative financial liabilities		**(1.1)**	–
Lease liabilities	E	**(5.4)**	(3.9)
		(725.6)	(796.2)
Non-current liabilities			
Contract liabilities	J	**(13.3)**	(13.3)
Lease liabilities	E	**(31.6)**	(30.1)
		(44.9)	(43.4)
Total liabilities		**(770.5)**	(839.6)
Net assets		**365.4**	339.3
Equity			
Issued share capital	M	**0.1**	0.1
Share premium account		**5.0**	5.0
Capital redemption reserve		**–**	–
Cash flow hedge reserve		**–**	(0.3)
Foreign exchange translation reserve		**1.0**	2.1
Retained earnings		**359.3**	332.4
Total equity		**365.4**	339.3

As permitted by Section 408 of the Companies Act 2006, the Company's statement of profit or loss has not been included in these financial statements.

The Company generated a profit for the year to 31 July 2026 of £150.2m (2025: £133.3m).

Dividend payments are disclosed in notes 6 and 29 to the consolidated financial statements.

The notes on pages 167 to 172 are an integral part of these financial statements.

The financial statements on pages 165 to 166 were approved by the Board of Directors and authorised for issue on 13 October 2026.

On behalf of the Board

Graham Charlton
Chief Executive Officer

Katy Mecklenburgh
Chief Financial Officer

Softcat plc company registration number: 02174990

Company statement of changes in equity
For the year ended 31 July 2026

Equity attributable to owners of the Company

	Share capital £m	Share premium account £m	Capital redemption reserve £m	Cash flow hedge reserve £m	Foreign exchange translation reserve £m	Retained earnings £m	Total £m
Balance at 1 August 2024	0.1	5.0	–	(0.3)	2.8	290.4	298.0
Profit for the year	–	–	–	–	–	133.3	133.3
Impact of foreign exchange on reserves	–	–	–	–	(0.7)	–	(0.7)
Total comprehensive (expense)/income for the year	–	–	–	–	(0.7)	133.3	132.6
Share-based payment transactions	–	–	–	–	–	4.2	4.2
Dividends paid	–	–	–	–	–	(95.7)	(95.7)
Dividend equivalents paid	–	–	–	–	–	(0.1)	(0.1)
Tax adjustments	–	–	–	–	–	0.3	0.3
Other	–	–	–	–	–	–	–
Balance at 31 July 2025	0.1	5.0	–	(0.3)	2.1	332.4	339.3
Profit for the year	–	–	–	–	–	150.2	150.2
Impact of foreign exchange on reserves	–	–	–	–	(1.1)	–	(1.1)
Net gain on cash flow hedge	–	–	–	0.3	–	–	0.3
Total comprehensive income/(expense) for the year	–	–	–	0.3	(1.1)	150.2	149.4
Share-based payment transactions	28	–	–	–	–	13.6	13.6
Dividends paid	–	–	–	–	–	(92.5)	(92.5)
Share buyback	–	–	–	–	–	(45.0)	(45.0)
Dividend equivalents paid	–	–	–	–	–	(0.1)	(0.1)
Tax adjustments	–	–	–	–	–	0.7	0.7
Other	–	–	–	–	–	–	–
Balance at 31 July 2026	**0.1**	**5.0**	**–**	**–**	**1.0**	**359.3**	**365.4**

The share capital and share premium accounts represent the nominal value and premium arising on the issue of equity shares.

The reserve for own shares refers to ordinary shares held by a Share Incentive Plan ('SIP') Trust.

During the year ended 31 July 2026, 297,392 share options (2025: 181,801) were exercised and new shares were issued to satisfy this exercise. Proceeds of £Nil (2025: £Nil) were realised from the exercise of these share options.

As at 31 July 2026, the SIP Trust held 106,596 shares (2025: 116,539) awarded to employees as part of the free share award, subject to service conditions. A further 425,516 shares (2025: 388,425) were held on behalf of employees who have taken part in the Group's voluntary partnership share purchase programme. The SIP also held 51,041 unallocated shares (2025: 51,041).

In the year, the Company announced and completed a Share Repurchase Programme to purchase the Company's shares for an aggregate value of £45.0m. The broker, J.P. Morgan Securities plc, managed the purchases on a non-discretionary basis, purchasing shares within pre-set parameters on the open market and making their trading decisions independently of the Company. The share repurchase scheme commenced on 8 January 2026 and completed on 13 February 2026, with 3,352,161 shares repurchased in the year for a total consideration of £44.7m plus stamp duty and commission costs of £0.3m. The purchase has been treated as a distribution through retained earnings. All shares repurchased were subsequently cancelled.

The capital redemption reserve represents the nominal value of the share buyback completed in the year and totals £1,676 (2025: £Nil).

Notes to the Company financial statements

A. Accounting policies

A.1. Corporate information

The financial statements of Softcat plc (the 'Company') for the year ended 31 July 2026 were authorised for issue in accordance with a resolution of the Directors on 13 October 2026.

Softcat plc is a public limited company incorporated and domiciled in England and Wales and whose shares are publicly traded. The registered office is Solar House, Fieldhouse Lane, Marlow, Buckinghamshire SL7 1LW, in the United Kingdom.

The principal activity of the Company continued to be that of a value-added IT reseller and IT infrastructure solutions provider to the corporate and public sector markets.

The Directors of the Group manage the Group's risks at a Group level, rather than at an individual entity level. These risks are detailed in note 24 of the Group's financial statements (see pages 156 to 160).

A.2. Basis of preparation

The Company's financial statements are included in the Softcat plc (the 'Group') consolidated financial statements for the year ended 31 July 2026.

The financial statements of the Company have been prepared under the historical cost convention and are presented in the Company's presentational and functional currency of Pounds Sterling, and all values are rounded to the nearest hundred thousand ('£m') except when otherwise stated.

The following disclosure exemptions from the requirements of IFRS have been applied in the preparation of the Company financial statements, in accordance with FRS 101:

- The requirements of IFRS 7 Financial Instruments Disclosures.
- The requirements of paragraphs 45(b) and 46 to 52 of IFRS 2 Share-based Payment.
- The requirements of paragraphs 91 to 99 of IFRS 13 Fair Value Measurement.
- The requirement in paragraph 38 of IAS 1 Presentation of Financial Statements to present comparative information in respect of paragraph 79(a)(iv) of IAS 1 and paragraph 73(e) of IAS 16 and paragraph 118(e) of IAS 38.
- The requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134 to 136 of IAS 1 Presentation of Financial Statements.
- The requirements of IAS 7 Statement of Cash Flows.
- The requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.
- The requirements of paragraphs 17 and 18A of IAS 24 Related Party Disclosures.
- The requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.
- The requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d) to 134(f) and 135(c) to 135(e) of IAS 36 Impairment of Assets, provided that equivalent disclosures are included in the consolidated financial statements of the group in which the entity is consolidated.
- The requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers.
- The requirements of IFRS 16 Leases paragraphs 52 and 58, the second sentence of paragraph 89 and paragraphs 90, 91 and 93 of IFRS 16 Leases.

Where required, equivalent disclosures are given in the consolidated financial statements of Softcat plc.

SIP Trust

The Company operates a SIP Trust for the benefit of eligible employees. The Company recognises the assets and liabilities of this trust as its own until such assets held vest unconditionally with identified beneficiaries. The Company meets all costs incurred by the trust. The SIP Trust is treated as an extension of the Company and included in these Company accounts.

B. Auditor's remuneration

	2026 £m	2025 £m
Fees payable for audit-related services	**0.8**	0.8
Total for statutory audit services	**0.8**	0.8
Fees payable for the half-year review of the condensed financial statements	**0.1**	0.1
Total for non-audit-related services	**0.1**	0.1

Notes to the Company financial statements continued

C. Income tax

The Company recognises all deferred tax movements in the year within the income statement, except for £0.6m credited (2025: £0.2m credited) to equity in relation to deferred tax movements on share-based payments.

Deferred tax

The deferred tax asset is made up as follows:

	2026 £m	2025 £m
Accelerated capital allowances	**(2.3)**	(2.1)
Share-based payments	**5.7**	2.7
Other temporary differences	**1.5**	0.8
Deferred tax assets	**4.9**	1.4

	2026 £m	2025 £m
Reconciliation of deferred tax asset		
Balance at beginning of year	**1.4**	2.6
Adjustment in respect of prior years	**0.1**	(0.3)
Profit and loss account	**2.8**	(1.1)
Credit to equity	**0.6**	0.2
Balance at end of year	**4.9**	1.4

D. Property, plant and equipment

	Freehold land and buildings £m	Building improvements £m	Computer equipment £m	Fixtures, fittings and equipment £m	Motor vehicles £m	Total £m
Cost						
At 1 August 2025	3.4	15.9	4.4	6.4	0.6	30.7
Additions	–	3.7	1.7	0.6	–	6.0
Disposals	–	(3.0)	–	(0.2)	–	(3.2)
At 31 July 2026	**3.4**	**16.6**	**6.1**	**6.8**	**0.6**	**33.5**
Depreciation						
At 1 August 2025	1.7	5.7	2.7	3.4	0.5	14.0
Charge for the year	0.1	1.9	1.0	1.0	0.1	4.1
Disposals	–	(2.8)	–	(0.1)	–	(2.9)
At 31 July 2026	**1.8**	**4.8**	**3.7**	**4.3**	**0.6**	**15.2**
Net book value						
At 31 July 2026	**1.6**	**11.8**	**2.4**	**2.5**	**–**	**18.3**
At 31 July 2025	1.7	10.2	1.7	3.0	0.1	16.7

Additions in the year related to the new office fit outs in the year.

Freehold land amounting to £1.4m (2025: £1.4m) has not been depreciated.

No assets are subject to restrictions on title or are pledged as security for liabilities (2025: £Nil).

E. Right-of-use assets and lease liabilities

	2026 £m	2025 £m
Opening right-of-use asset as at 1 August	**30.5**	10.0
Lease additions and modifications	**5.4**	27.4
Disposals	**–**	(3.2)
Depreciation	**(3.6)**	(3.7)
Closing right-of-use asset as at 31 July	**32.3**	30.5

E. Right-of-use assets and lease liabilities continued

	2026 £m	2025 £m
Opening lease liability as at 1 August	**34.0**	10.3
Lease additions and modifications	**5.4**	27.4
Disposals	**–**	(3.5)
Accretion of interest	**2.0**	2.0
Payments	**(4.4)**	(2.2)
Closing lease liability as at 31 July	**37.0**	34.0
Split as:		
Short term	**5.4**	3.9
Long term	**31.6**	30.1

Lease additions in the year related to new property and motor vehicle leases.

F. Intangible assets

	Software under development £m	Computer software £m	Total £m
Cost			
At 1 August 2024	3.8	12.0	15.8
Additions	0.7	2.7	3.4
Disposals	–	(0.5)	(0.5)
Reclassifications	(3.8)	3.8	–
At 31 July 2025	0.7	18.0	18.7
Additions	0.6	–	0.6
Reclassifications	(0.7)	0.7	–
At 31 July 2026	**0.6**	**18.7**	**19.3**
Amortisation			
At 1 August 2024	–	4.2	4.2
Disposals	–	(0.5)	(0.5)
Charge for the year	–	3.3	3.3
At 31 July 2025	–	7.0	7.0
Charge for the year	–	3.8	3.8
At 31 July 2026	**–**	**10.8**	**10.8**
Net book value			
At 31 July 2026	**0.6**	**7.9**	**8.5**
At 31 July 2025	0.7	11.0	11.7

Software under development capitalised relates to enhancements to existing capitalised software, along with new systems being designed and built internally. This includes the implementation of a new IT service management and customer service system. Please refer to note 9 of the Group notes to the consolidated financial statements for details of material assets included within intangible assets.

G. Inventories

	2026 £m	2025 £m
Finished goods and goods for resale	**9.7**	151.9

The decrease in inventories at the year end is predominantly driven by the prior year end consisting of stock held and in transit for a specific customer order yet to be delivered. As control of the goods had not passed to the customer at the year end, the revenue and cost of sale were not recognised.

The amount of any write down of inventory recognised as an expense in the year was £Nil (2025: £Nil).

Notes to the Company financial statements continued

H. Trade and other receivables

	2026 £m	2025 £m
Trade receivables	**688.1**	533.2
Provision against receivables	**(7.8)**	(4.5)
Net trade receivables	**680.3**	528.7
Amounts owed from Group undertakings	**19.2**	33.7
Unbilled receivables	**81.3**	53.5
Prepayments	**11.7**	10.0
Accrued income	**28.1**	11.2
Deferred costs	**39.6**	84.3
	860.2	721.4

The provision against receivables follows the expected credit loss model under IFRS 9. The Directors consider that the carrying amount of trade and other receivables approximates to their fair value.

I. Trade and other payables

	2026 £m	2025 £m
Trade payables	**441.3**	285.3
Other taxes and social security	**14.7**	20.3
Accruals	**192.1**	151.0
Other creditors	**–**	0.8
	648.1	457.4

The Directors consider that the carrying amount of trade and other payables approximates to their fair value.

J. Contract liabilities

	2026 £m	2025 £m
Deferred income	**70.6**	348.2

Deferred income is split as follows:

	2026 £m	2025 £m
Short-term deferred income	**57.3**	334.9
Long-term deferred income	**13.3**	13.3
	70.6	348.2

Deferred income includes short-term and long-term goods or services to be delivered to a customer by Softcat for which there is a contractual obligation arising from receipt of consideration or amounts due from the customer.

K. Cash and cash equivalents

	2026 £m	2025 £m
Cash at bank and in hand	**188.5**	158.8

Cash and cash equivalents comprise cash at bank and cash in hand. Cash at bank earns interest at floating rates based on daily bank deposit rates. All cash held is accessible and is not restricted for any period of time.

L. Pension and other post-retirement benefit commitments

Defined contribution pension scheme

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund. At the year end, pension contributions of £1.2m (2025: £1.0m) were outstanding.

	2026 £m	2025 £m
Contributions payable by the Company for the year	**5.7**	4.9

M. Share capital

Authorised share capital

In accordance with the Companies Act 2006, the Company no longer has an authorised share capital. The Company's Articles of Association have been amended to reflect this change.

	2026 £m	2025 £m
Allotted and called up		
196,891,493 (2025: 199,946,262) ordinary shares of 0.05p each	**0.1**	0.1
18,933 (2025: 18,933) deferred shares of 1p each	**–**	–
	0.1	0.1

Note:
At 31 July 2026 deferred shares had an aggregate nominal value of £189.33 (2025: £189.33).

In the year ended 31 July 2026, 244,801 (2025: 146,211) new ordinary shares were issued to satisfy the exercise of share options and 52,591 ordinary shares (2025: 35,590) were issued to satisfy exercises under the Deferred Share Bonus Plan.

No issued ordinary shares of 0.05p each were unpaid at 31 July 2026 (2025: £Nil unpaid).

All ordinary shares rank pari passu in all respects.

Deferred shares do not have rights to dividends and do not carry voting rights.

Own share transactions

In the year ended 31 July 2026, the SIP Trust returned £Nil (2025: £Nil) to the Company through share recycling.

N. Financial commitments

Guarantees

As at 31 July 2026 and 31 July 2025, Softcat Plc has no guarantees or other financial commitments.

O. Capital commitments

At 31 July 2026, the Company had £Nil capital commitments (2025: £Nil).

P. Employees

Number of employees

The average monthly number of employees (including Directors) during the year was:

	2026 Number	2025 Number
Sales	**1,857**	1,743
Services	**456**	417
Administration	**513**	448
	2,826	2,608

Employment costs

	2026 £m	2025 £m
Salaries, commissions and bonus	**251.0**	205.9
Social security costs	**36.6**	26.8
Other pension costs	**5.7**	4.9
Other employment costs	**2.4**	1.0
Employment costs – subtotal	**295.7**	238.6
Share option charge	**13.6**	4.2
Total employment costs including share option charge	**309.3**	242.8

Details of Directors' remuneration are provided within the Group Directors' Remuneration Report. The Directors' Remuneration Report, on pages 94 to 112, includes details on salary, benefits, pension and share plans. These disclosures form part of the financial statements.

Notes to the Company financial statements continued

Q. Investment in subsidiaries

	2026 £m	2025 £m
Opening investment	**12.1**	1.8
Additions	**–**	10.2
Capital contribution	**0.2**	0.1
	12.3	12.1

R. Related parties

Details of Directors' emoluments and interests are provided within the Group Directors' Remuneration Report. The Directors' Remuneration Report, on pages 94 to 112, includes details on salary, benefits, pension and share plans. These disclosures form part of the financial statements.

S. Subsidiary undertakings

The registered address and principal place of business of each subsidiary undertaking are shown in the footnotes below the table. The financial performance and financial position of these undertakings have been consolidated in the consolidated financial statements.

			Nature of investment		
Name	Country of registration	Class of share capital	Direct	Indirect	Nature of business
Softcat US (Holdings) Inc[1]	USA	Ordinary	100%	–	Management company
Softcat US LLC[1]	USA	Ordinary	–	100%	Trading
Softcat Deutschland GmbH[2]	Germany	Ordinary	100%	–	Trading
Softcat Canada Inc[3]	Canada	Ordinary	100%	–	Trading
Oakland Group Services Limited[4]	England and Wales	Ordinary	100%	–	Trading

1. 1300 N 17th Street, Suite 1020, Arlington, VA 22209-3803.
2. Highlight Towers, Mies-Van-Der-Rohe-Strasse 6, 80807, Munich, Germany.
3. 15 Wellesley Street West, Suite 201, Toronto, Ontario M4Y 1G1, Canada.
4. 1 East Parade, Leeds, West Yorkshire LS1 2AD.

T. Information included in the notes to the consolidated financial statements

Some of the information included in the notes to the consolidated financial statements is directly relevant to the financial statements of the Company. Please refer to the following:

6 Dividends

15 Provisions

28 Share option schemes

29 Post-balance sheet events

Company information and contact details

Company number 02174990

Registered office

Softcat plc
Solar House
Fieldhouse Lane
Marlow
Buckinghamshire
SL7 1LW
United Kingdom

Tel: 01628 403 403

Website

www.softcat.com

Directors

Graeme Watt (Non-Executive Chairman)
Graham Charlton (CEO)
Katy Mecklenburgh (CFO)
Jacqui Ferguson (Senior Independent NED)
Robyn Perriss (Independent NED)
Lynne Weedall (Independent NED)
Mayank Prakash (Independent NED)

Company Secretary

Luke Thomas

Investor relations contact

investors@softcat.com

Softcat LEI

213800N42YZLR9GLVC42

Registrar

MUFG Corporate Markets
Central Square
29 Wellington Street
Leeds
LS1 4DL
United Kingdom

shareholderenquiries@cm.mpms.mufg.com

Tel: 0371 664 0300

Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open between 09:00 and 17:30, Monday to Friday excluding public holidays in England and Wales.

Corporate advisers

Auditor

Ernst & Young LLP
1 More London Place
London SE1 2AF

Joint corporate broker

J.P. Morgan Securities plc
25 Bank Street
London E14 5JP

Peel Hunt LLP
100 Liverpool Street
London EC2M 2AT

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Fieldhouse Lane
Marlow
Buckinghamshire SL7 1LW

Tel: 01628 403 403

www.softcat.com