



# Placement and Share Purchase Plan

# IMPORTANT INFORMATION

This presentation ("Presentation") has been prepared by and is the sole responsibility of Dicker Data Limited (ABN 95 000 969 362) ("Dicker Data" or the "Company") in connection with an institutional placement of new fully paid ordinary shares in Dicker Data ("Placement"). The Placement is fully underwritten by J.P. Morgan Securities Australia Limited (ABN 61 003 245 234) (the "Lead Manager")

This Presentation has been prepared in relation to:

- a placement of fully paid ordinary shares ("Shares") in the Company ("New Shares") to institutional investors under section 708A of the Corporations Act 2001 (Cth) ("Corporations Act") as modified by ASIC Corporations (Disregarding Technical Relief) Instrument 2016/73 ("Placement"); and
- an offer of New Shares to eligible shareholders in Australia and New Zealand under a share purchase plan in accordance with ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547 ("Unit Purchase Plan").

## Summary information

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An investment in Shares is subject to known and unknown risks, some of which are beyond the control of the Company. The Company does not guarantee any particular rate of return or the performance of the Company, nor does it guarantee any particular tax treatment. Persons should have regard to the investor risks set out in this this Presentation.

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Several figures, amounts, percentages, estimates and calculations of value in this Presentation are subject to the effect of rounding.

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## **No offer to acquire Dicker Data shares**

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# IMPORTANT INFORMATION

Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements, as well as statements about market and industry trends, which are based on interpretations of current market conditions. You are strongly cautioned not to place undue reliance on forward-looking statements, particularly in light of the current economic climate and the significant volatility, uncertainty and disruption caused by the outbreak of COVID-19. The forward-looking statements reflect views and assumptions with respect to future events as at the date of this presentation, however they are not guarantees of future performance. Such forward-looking statements involve known and unknown risks, uncertainties, assumptions, contingencies, and other factors which are, in many instances, beyond the control of Dicker Data and the Relevant Parties, and may involve significant elements of subjective judgement and assumptions as to future events that may or may not be correct. The success of any of these strategies is subject to uncertainties and contingencies beyond the Company's control, and no assurance can be given that any of the strategies will be effective or that the anticipated benefits from the strategies will be realised in the period for which the forward-looking statements may have been prepared or otherwise. Refer to the key risks set out in this Presentation for a non-exhaustive summary of certain key business, offer and general risk factors that may affect Dicker Data.

There can be no assurance that actual outcomes and results will not differ materially from those predicted or implied by any forward-looking statements. Several important factors could cause actual results or performance to differ materially from the forward-looking statements, including (without limitation) the risks and uncertainties associated with the ongoing impacts of COVID-19, the Australian and global economic environment and capital market conditions and other risk factors set out in this Presentation. No representation or warranty is made or given by or on behalf of Dicker Data or the Relevant Parties that any projection, forecast, calculation, forward-looking statement, assumption or estimate contained in this presentation should or will be achieved or that actual outcomes will not differ materially from any forward-looking statements. The forward-looking statements are based on information available to the Company as at the date of this Presentation.

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This Presentation does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States. The Shares have not been, and will not be, registered under the US Securities Act of 1933, as amended ("US Securities Act") or the securities laws of any US state or other jurisdiction of the United States. Accordingly, the Shares may not be offered or sold in the United States unless they have been registered under the US Securities Act (which Dicker Data has no obligation to do or procure) or are offered and sold in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act and any other applicable state securities laws.

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# BUSINESS UPDATE

## Dicker Data is well positioned to assist its partners through the journey of digital transformation



### Value added partner

- Dicker Data is a **leading value added technology distributor**
- We remain **committed** to assisting all of our partners through the journey of **digital transformation**
- We continue to have **active discussions with new and existing vendors** regarding further expansion and **emerging opportunities for our business portfolio<sup>1</sup>**



### Demonstrated resilience

- Dicker Data has **not experienced any material adverse change** to its overall sales pipeline or earnings as a result of the COVID-19 pandemic
- The Company has seen a **surge in demand** as companies have shifted to remote working, **highlighting IT distribution's role as an essential component for business continuity**



### Strong Q1 financial performance

- Total revenue for the quarter was **\$463.9m**, up **19.9%** on Q119
- Net profit before tax for the quarter was **\$18.4m**, up **36.3%** on Q119
- March 2020 was **the highest ever revenue month** as a result of significant mobilisation to remote working solutions

<sup>1</sup>Investors are cautioned that any such discussions may not lead to an expansion of Dicker Data's business portfolio

# APRIL TRADING UPDATE

## The Company has achieved strong year to date revenue growth

\$m	Apr-20	Apr-19	Increase
Total monthly revenue	163.7	118.9	37.7%
Year to date revenue	627.6	505.8	24.1%

- Total monthly revenue for Apr-20 was \$163.7m, **up 37.7%** on the comparative period last year
- For April, we benefited from elevated demand for remote working solutions across both hardware and software portfolios, reinforcing IT distribution's role as an essential component for business continuity
- Whilst this provides a strong start for Q220, at this stage it is too early to determine the market conditions for the second half of the year and as such the Company cannot provide guidance in terms of expected growth for year on an annualised basis

Note: Investors are cautioned against extrapolating Dicker Data's full year financial performance based on Dicker Data's April and year to date revenues numbers alone

# ● CAPITAL RAISING TO **ACCELERATE GROWTH**

**Proceeds from the equity raising will support the Company's long-term growth objectives**

*"The equity raising will be used to support Dicker Data's long-term growth objectives, and ensure we remain well positioned as Australia's leading value added technology distributor"*

**David Dicker**  
**Chairman and CEO**

- \$50 million institutional placement ("Placement") and up to \$5 million via a Share Purchase Plan ("SPP")
- Partially fund Dicker Data's new distribution centre
- Continue investment in Dicker Data Financial Services ("DDFS")
- Provide balance sheet flexibility and broaden Dicker Data's share register, increasing free-float to above 30% and potentially improving trading liquidity

# USE OF PROCEEDS

Sources	A\$m
Offer proceeds	50 <sup>1</sup>
<b>TOTAL</b>	<b>50</b>

Uses	A\$m
Construction of new distribution centre	30
Investment in DDFS	10
Balance sheet flexibility / general corporate purposes	8
Transaction costs	2
<b>TOTAL</b>	<b>50</b>

## Immediate impact on credit metrics (Pro-forma for equity raising)

<b>Pro forma borrowings<sup>2</sup></b> <b>~\$80m</b>	<b>Debt / Equity<sup>2</sup></b> <b>0.6x</b>	<b>Debt service coverage ratio<sup>2</sup></b> <b>16.1x</b>
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**New  
distribution  
centre**

- Construction is underway on our new distribution centre, which will nearly double our existing footprint
- Expected completion is October 2020 with ~\$30m of staged payments remaining until completion

**Investment  
in DDFS**

- In FY20 we will work to accelerate the uptake of our DDFS offering, creating long-term renewable contract-based revenues
- Investment will finance DDFS' instalment based product

**Balance  
sheet  
flexibility**

- Proceeds provide financial flexibility to support our long-term growth prospects

<sup>1</sup> Gross proceeds exclude proceeds from the SPP

<sup>2</sup> Pro forma assumes proceeds (excluding SPP) are applied to the FY19 balance sheet, as reported in February 2020



# EQUITY RAISING SUMMARY

## Fully underwritten Placement to raise \$50m accompanied by non-underwritten SPP

### Placement size and structure

- Fully underwritten Placement to raise \$50m
- Approximately 7.5 million new Dicker Data ordinary shares will be issued in connection with the Placement (equivalent to 4.6% of existing shares on issue)

### Placement price

- Placement price will be \$6.70 per share representing a 6.7% discount to the closing price of \$7.18 per share on Wednesday, 6 May 2020

### Use of proceeds

- Partially fund Dicker Data's new distribution centre
- Provide funds for further investment in Dicker Data's DDFS product
- Provide balance sheet flexibility and broaden Dicker Data's share register, increasing free-float to above 30% and potentially improving trading liquidity

### Ranking

- New Shares issued via the Placement will rank equally with existing shares from the date of issue

### Underwriting

- The Placement is fully underwritten by J.P. Morgan Securities Australia Limited

### Share Purchase Plan

- Dicker Data will offer eligible Australian and New Zealand shareholders the opportunity to acquire up to \$30,000 in New Shares via a SPP
- The issue price for New Shares issued under the SPP will be the lower of the Placement price and a 2% discount to the 5-day Volume Weighted Average Price ("VWAP") of Dicker Data shares up to, and including, the closing date of the SPP
- The SPP will be capped at \$5m, may be subject to scale backs and is not underwritten
- No brokerage or transaction costs are payable for New Shares issued under the SPP and New Shares issued under the SPP will rank equally with existing shares from the date of issue
- An SPP Offer Booklet containing further details of the SPP will be sent to eligible shareholders on Thursday, 14 May 2020

# EQUITY RAISING TIMETABLE

Event	Date <sup>1</sup>
Record date for SPP	Wednesday, 6 May 2020
Trading halt and announcement of the Placement	Thursday, 7 May 2020
Placement executed	Thursday, 7 May 2020
Announcement of the outcome of the Placement	Friday, 8 May 2020
Trading halt lifted and trading of Shares recommences on ASX	Friday, 8 May 2020
Settlement of New Shares under the Placement	Tuesday, 12 May 2020
Allotment and normal trading of New Shares issued under the Placement	Wednesday, 13 May 2020
SPP offer opens and SPP offer booklet is dispatched	Thursday, 14 May 2020
SPP offer closes	Friday, 29 May 2020
Announcement of results of the SPP	Wednesday, 3 June 2020
SPP allotment date	Friday, 5 June 2020
Normal trading of New Shares issued under the SPP	Tuesday, 9 June 2020
Dispatch of holding statements in respect of New Shares issued under the SPP	Wednesday, 10 June 2020

<sup>1</sup> Dates are indicative and subject to change

# KEY RISKS



Risk factor	Summary
Key supplier relationships	<p>Dicker Data has significant exposure to certain suppliers including Hewlett Packard, Cisco, Microsoft and Lenovo. Supplier agreements entered into with these suppliers (and others) are on a non-exclusive basis and do not contain minimum supply obligations. Most of the supplier agreements can be terminated on short notice and without cause. Also, purchases from the suppliers are restricted by credit terms that can be modified unilaterally by the supplier. Any adverse change to the terms of these agreements and credit lines may have a negative impact on the Company. However, although agreements can be terminated on short notice and without cause, current relationships with key suppliers have been in place for many years.</p>
Reliance on key personnel	<p>The Company's industry, commercial and strategic expertise and experience resides within a relatively small number of key senior executives and division/line managers. The loss of any of these key senior executives and/or division/line managers may potentially have a materially adverse impact on the Company's operational efficiency and/or strategic direction/decision making capability. In such circumstances, the Company may experience a materially adverse impact on its operational, strategic and financial performance, position and prospects.</p>
Loss of key customers/vendors or changes to vendor rebate strategies	<p>While the Company does not have a significant concentration of key customers/vendors (noting that no single customer represents more than 10% of the Company's total revenue), the successive (or simultaneous) loss of a large number of key customers/vendors or the successive (or simultaneous) change in vendor rebate strategies by a large number of key customers/vendors would likely have a materially adverse impact on the Company's financial performance, position and prospects.</p>
Key supplier market share	<p>Events that impact the Company's suppliers or changes to their market share or operations may have a corresponding impact on Dicker Data's operations.</p>
Competition	<p>The industry in which the Company is involved is subject to domestic and global competition. The Company faces competition from a number of organisations, some of which may have greater financial, technical and marketing resources than the Company does. Increased competition could result in margin reductions, under-utilisation of employees, reduced operating margins and loss of market share. Any of these occurrences could adversely affect the Company's business, operating results and financial condition. Whilst the Company undertakes reasonable due diligence in relation to all of its business decisions and operations, the Company has no influence or control over the activities or actions of its competitors, whose activities or actions may, positively or negatively, affect the operating and financial performance of the Company.</p>

# KEY RISKS (CONT'D)



Risk factor	Summary
Credit Risk	<p>The main source of credit risk to the Company relates to its trade and other receivables. Although the Company has no significant concentration of credit risk with respect to any single counterparty or group of counterparties, an unlikely simultaneous default of a significant portion of the Company's business partners may jeopardise the Company's financial liquidity and solvency. To mitigate this risk, the Company carries insurance over its trade receivables. As a result of the insurance held, the Company's exposure to bad debts with respect to its trade and other receivables is limited to 10% of the individual debtor's balance plus any excess payable under the policy.</p>
Currency	<p>Although most supplier transactions are in Australian dollars, there are a few suppliers for which payment is made in US dollars. Therefore, variations in currency can impact the Company's cost of sales and gross margin. The Company seeks to manage a portion of its foreign exchange risk exposure (noting that about 15% of the Company's revenue and expenses are denominated in foreign (but predominantly US dollars) currency) by entering into hedging contracts from time to time as appropriate.</p>
Business investment	<p>Dicker Data services the small and medium size business market as well as the enterprise market. Consequently, sales are exposed to general trends in business investment.</p>
Value of the Company's assets	<p>The market value of the Company's assets that are used as collateral for the financing facilities may diminish in the future. Therefore the Company may realise less than the fair value of these collateralised assets as reflected in the Company's financial statements. Such a decline may have a negative impact on Dicker Data's liquidity and solvency as the Company may fail to repay its borrowings or to obtain the necessary funds for its operation.</p>
IT and telecommunications systems	<p>Any material damage to the Company's IT (including all hardware and software) and telecommunications systems may materially and adversely affect the Company's operational and financial performance. The Company is dependent on its systems and telecommunications facilities for the effective day-to-day operation of the Company's business. Notwithstanding this risk, the Company's systems and telecommunications facilities have, to date, been stable, with high levels of availability, and no known outage has resulted in any material impact on the day-to-day operation of the Company's business.</p>

# KEY RISKS (CONT'D)



Risk factor	Summary
Laws, regulations and government policy	Changes in laws, regulations, Listing Rules and government policy as well as political decisions may affect the Company and the attractiveness of an investment in the Company.
Economic conditions	The Company may be adversely affected by a protracted slowdown of the Australian economy or other economies in which it currently operates or intends to operate. Factors such as inflation, exchange rates, fiscal policy, interest rates, and industrial disruption may impact on operating costs and prices. The Company's income may also be affected by changes in the supply and demand for goods and services offered by its technology and licensing partners within its chosen market sectors.
"Black swan" events	Events beyond the control of the Company including but not limited to fire, flood, earthquake, other natural disaster, pandemics (for example, the Covid-19 pandemic (as to which, see below)), civil unrest, war, terrorist attack and/or industrial action can lead to delays or cancellation of the delivery of products to the customers of Dicker Data and accordingly may adversely affect the Company's revenue and profitability.
Operational risk	Operating costs can be influenced by a wide range of factors, many of which may not be under the control of the Company, including the breakdown or failure of equipment or processes, supply chain constraints (which may be caused by any number of factors including global or macroeconomic events), labour disputes, increases in freight costs, wages, insurance expenses, depreciation of equipment, industrial accidents and the need to comply with the directives of central and local government authorities. Other operational impacts may be caused by damage caused to the Company's distribution facilities (one of which is currently under construction). Significant increases in operational costs may adversely affect the Company's revenue and profitability.
Risks associated with the COVID-19 pandemic	The events relating to the ongoing COVID-19 pandemic have resulted in significant financial market volatility and economic uncertainty both in Australia and internationally. There is therefore continued uncertainty as to the ultimate impact that the COVID-19 pandemic will have on Australia's economy and the other economies in which the Company operates and in particular, what the impact of the COVID-19 pandemic will be on the aggregate IT spend of the Company's key customers (many of whom are "SMBs" and "SMEs" which the company services through its resellers)) including as a consequence of continuing supply chain constraints, work stoppages, reduced productivity as a result of workers working remotely, travel restrictions, lockdowns and quarantines and generally because of weak and deteriorating macroeconomic conditions. Reduced IT spending generally by the Company's key customers and/or operational impacts on the Company specifically in each case as a result of the COVID-19 pandemic may have a materially adverse impact on the Company's operational and financial performance, position and prospects.

# KEY RISKS (CONT'D)

Risk factor	Summary
Share market risk	<p>The price of Shares may rise or fall depending upon a range of factors beyond the Company's control some of which are unrelated to the Company's operational performance. The price of Shares quoted on ASX may also be affected by a range of factors including the Company's financial performance and/or by changes in the business environment either generally or specifically affecting the IT sector. The Shares carry no guarantee in respect of profitability, dividends, return on capital, or the price at which they may trade on the ASX. There are a number of national and international market factors that may affect the Share price including movements on international stock markets, economic conditions and general economic outlook, interest rates and exchange rates, inflation rates, commodity supply and demand, government taxation and royalties, legislation, fiscal and other policy changes and general investors' perceptions. Neither the Company nor its Directors have control of these factors.</p>
Taxation	<p>There may be tax implications arising from applications for Shares, the receipt of dividends (both franked and unfranked) (if any) from the Company, participation in any on-market Share buy-back and on the disposal of Shares.</p>
Litigation risk	<p>The Company is subject to the usual business risk that disputes or litigation may arise from time to time in the ordinary course of its business activities. Litigation risks relating to the Company include, but are not limited to, debtor claims, contractual claims, occupational health and safety claims, employee claims and regulatory disputes. There is a risk that material or costly disputes could affect the financial performance or condition of the Company.</p>
Accounting	<p>Changes in accounting or financial reporting standards may impact the financial performance and position of the Company.</p>
Insurance	<p>The availability of insurance at an appropriate price and terms is important to the Company's operations and is not guaranteed. The occurrence of an event that is not fully covered, or covered at all, by insurance, may have an adverse effect on the Company's future financial performance and position.</p>
Construction risk	<p>There is a risk (including because of the ongoing COVID-19 pandemic) of cost overruns or unforeseen delays to the completion date in relation to the Company's new distribution facility which is currently being built at 238 Captain Cook Drive in Kurnell in NSW. While this development is currently being completed within budget and on-schedule, there is a risk that additional capital (i.e. capital in addition to that which will be deployed to this development by the Company using part of the proceeds raised under the Placement) will need to be deployed by the Company to ensure that the distribution facility is completed as designed and on-schedule.</p>
Other risks	<p>The above risks are not exhaustive of the risks faced by Shareholders. The risks outlined above and other risks may have an adverse effect on the Company's future financial performance and position. Therefore, no assurances or guarantees of future performance, profitability, distributions or return of capital are given by the Company in respect of the Company.</p>

# FOREIGN SELLING RESTRICTIONS

This document does not constitute an offer of New Shares by the Company in any jurisdiction in which it would be unlawful. In particular, this document may not be distributed to any person, and the New Shares may not be offered or sold, in any country outside of Australia except to the extent permitted below.

## New Zealand

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- is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

## Hong Kong

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No advertisement, invitation or document relating to the New Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to New Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors. No person allotted New Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the Placement. If you are in doubt about any contents of this document, you should obtain independent professional advice.

# FOREIGN SELLING RESTRICTIONS (CONT'D)

## Singapore

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This document has been given to you on the basis that you are (i) an existing holder of the Shares, (ii) an "institutional investor" (as defined in the SFA) or (iii) an "accredited investor" (as defined in the SFA). In the event that you are not an investor falling within any of the categories set out above, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the New Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire New Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

## European Union

This document has not been, and will not be, registered with or approved by any securities regulator in the European Union. Accordingly, this document may not be made available, nor may the New Shares be offered for sale, in the European Union except in circumstances that do not require a prospectus under Article 1(4) of Regulation (EU) 2017/1129 of the European Parliament and the Council of the European Union (the **Prospectus Regulation**). In accordance with Article 1(4)(a) of the Prospectus Regulation, an offer of New Shares in the European Union is limited to persons who are "qualified investors" (as defined in Article 2(e) of the Prospectus Regulation).

## United Kingdom

Neither this document nor any other document relating to the Placement has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended (**FSMA**)) has been published or is intended to be published in respect of the New Shares.

The New Shares may not be offered or sold in the United Kingdom by means of this document or any other document, except in circumstances that do not require the publication of a prospectus under section 86(1) of the FSMA. This document is issued on a confidential basis in the United Kingdom to "qualified investors" (within the meaning of Article 2(e) of the Prospectus Regulation (2017/1129/EU), replacing section 86(7) of the FSMA). This document may not be distributed or reproduced, in whole or in part, nor may its contents be disclosed by recipients, to any other person in the United Kingdom.



# FOREIGN SELLING RESTRICTIONS (CONT'D)

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the New Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to the Company.

In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 (**FPO**), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together "relevant persons"). The investments to which this document relates are available only to, and any offer or agreement to purchase will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

## **United States**

This document may not be distributed or released in the United States.

This document does not constitute an offer to sell, or a solicitation of an offer to buy, any securities in the United States or any other jurisdiction in which such an offer would be illegal.

The New Shares to be offered and sold in the Placement and the SPP have not been, and will not be, registered under the U.S. Securities Act or the securities laws of any state or other jurisdiction of the United States. Accordingly, the New Shares to be offered and sold in the Placement may not be offered or sold in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and any other applicable U.S. state securities law.

# ● UNDERWRITING RISK

## Underwriting risk

Dicker Data has entered into an underwriting agreement under which the Lead Manager of the Placement has agreed to fully underwrite the Placement, subject to the terms and conditions of the Placement Agreement between Dicker Data (ABN 95 000 969 362) ("Dicker Data" or the "Issuer") and the Lead Manager ("Placement Agreement"). The Lead Manager's obligation to underwrite the Placement is conditional on certain customary matters. Further, if certain events occur, the Lead Manager may terminate the Placement Agreement. Such events include, but are not limited to, insolvency, fraud or misrepresentation by the Issuer, change of law, or the ASX refusing unconditional approval or a delay in the timetable. Termination of the Placement Agreement is likely to have an adverse impact on the amount of proceeds raised under the Placement, and could materially adversely affect Dicker Data's business, cash flow, financial performance, financial conditions and unit price.

# ANNEXURE

## Annexure

### Termination

- (a) The Lead Manager may in its sole discretion, by notice to the Issuer, terminate the Placement Agreement (Terminate or Termination), without cost or liability to itself, at any time, if any one or more of the following occur before 4.00pm on the Settlement Date:
- (i) (market fall) the S&P/ASX 200 Index has fallen, as at the close of trading on the day of the Bookbuild, by 10% or more from its level at the close of last trading day prior to the Launch Date;
  - (ii) (listing) ASX announces that the Issuer will be removed from the official list or that any Shares will be:
    - (A) removed from official quotation; or
    - (B) suspended from quotation by ASX for any reason (for the avoidance of doubt, excluding a trading halt arising from the Placement);
  - (iii) (Disclosure deficiency) any Placement Document or Publication (in each case, as defined in clause 10) includes content that is misleading or deceptive or likely to mislead or deceive or omits to state a material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading or deceptive in any statement of opinion or belief in any Placement Document or Publication, is not truly and honestly held or there are no reasonable grounds for making any such statement;
  - (iv) (Proceedings) any of the following occurs:
    - (A) there is an application to a Governmental Authority for an order, declaration or other remedy, or a Governmental Authority commences any investigation or hearing or announces its intention to do so, in each case in connection with the Placement (or any part of it) or any agreement entered into in respect of the Placement (or any part of it) which, in the Lead Manager's reasonable opinion, has reasonable prospects of success and is likely to have a material adverse effect on the Issuer or the Placement or on the market price of the Shares;
    - (B) proceedings are commenced or there is a public announcement of an intention to commence proceedings before a court or tribunal of competent jurisdiction in Australia seeking an injunction or other order in relation to the Placement, which in the Lead Manager's reasonable opinion, has reasonable prospects of success and are likely to have a material adverse effect on the Issuer or the Placement;
  - (v) (regulatory action) ASIC:
    - (A) makes an application for an order under Part 9.5 of the Corporations Act in relation to the Placement, and any such application becomes public or is not withdrawn within 2 business days after it is made or where it is made less than 2 business days before the Settlement Date it has not been withdrawn before the Settlement Date;
    - (B) commences, or gives notice of its intention to commence, any investigation or hearing under Part 3 of the Australian Securities and Investments Commission Act 2001 (Cth) in relation to the Placement and any such investigation or hearing (or intention) becomes public or is not withdrawn within 2 business days after it is commenced or where it is commenced less than 2 business days before the Settlement Date it has not been withdrawn before the Settlement Date; or
    - (C) there is an application to a Government Authority (which in the Lead Manager's bona fide opinion, is a serious action with reasonable prospects of success) for any other order, declaration or other remedy, or a Government Authority commences any other investigation or hearing or announces its intention to do so, in each case in connection with the Placement (or any part of it);

# ANNEXURE (CONT'D)

- (vi) (quotation) ASX does not, or states that it will not, grant official quotation of all the Placement Shares on an unconditional basis (or on a conditional basis provided such condition would not, in the opinion of that Lead Manager, have a material adverse effect on the Placement by the Settlement Date);
- (vii) (prosecution) any of the following occurs:
  - (A) a director or senior manager of the Issuer is charged with an indictable offence;
  - (B) any regulatory body commences any public action against a director of the Issuer in his or her capacity as such or announces that it intends to take any such action; or
  - (C) any director of the Issuer is disqualified from managing a corporation under the Corporations Act;
- (viii) (timetable) any event specified in the Timetable is delayed by the Issuer for more than 1 Business Day without the prior written consent of the Lead Manager (other than where the delay is caused by the Lead Manager);
- (ix) (capital structure) the Issuer alters its capital structure (other than as contemplated by the Placement or the SPP) without the prior written consent of the Lead Manager, other than by issuing securities:
  - (A) required as a consequence of the exercise of any options currently on issue; or
  - (B) pursuant to a non-underwritten dividend or distribution plan or employee incentive scheme or as a result of the conversion or exercise of any securities issued pursuant to such a plan or scheme;
- (x) (forecasts) the Placement Documents or any Publication includes any forecast, expression of opinion, belief, intention or expectation which is not based on reasonable grounds (including having regard to ASIC Regulatory Guide 170) or any other announced forecast or expectation comes incapable of being met;
- (xi) (debt covenants) the Issuer or any Group member is in breach of any debt covenant;
- (xii) (fraud) the Issuer or any of its directors or officers (as that term is defined in the Corporations Act) engage in any fraudulent conduct or activity whether or not in connection with the Placement;
- (xiii) (force majeure) there is an event or occurrence, including any statute, order, rule, regulation, directive or request (including one compliance with which is in accordance with the general practice of persons to whom the directive or request is addressed) of any Government Authority which makes it illegal for the Lead Manager to satisfy an obligation under this document, or to market, promote or settle the Placement;
- (xiv) (withdrawal) the Issuer withdraws the Placement or any part of it;
- (xv) (change in senior management) a change to the board of directors, the chief executive officer or chief financial officer of the Issuer;
- (xvi) (Certificates) any Certificate which is required to be provided by the Issuer under this Placement Agreement is not provided when required;
- (xvii) (insolvency) any Group member is, or becomes, Insolvent; or
- (xviii) (condition) a condition precedent in clauses 1.2 or 1.3 of the Placement Agreement not being satisfied or waived by the Lead Manager by the time required in that clause.

# ANNEXURE (CONT'D)

- (b) The Lead Manager may in its sole discretion, by notice to the Issuer, terminate, without cost or liability to itself, at any time, if any one or more of the following occur before 4.00pm on the Settlement Date and the Lead Manager has reasonable grounds to believe that such event, matter or circumstance has or is likely to have a material adverse effect on the financial position or prospects of the Group or the outcome or success of the Placement (or any part of it) or the market price of, or ability to settle the Placement of, any of the Placement Shares, or could give rise to a contravention by the Lead Manager (or one of its Affiliates) of (or the involvement of the Lead Manager in a contravention of) or liability of the Lead Manager (or one of its Affiliates) under the Corporations Act or any other applicable law:
- (i) (breach) the Issuer is in breach of any terms and conditions of the Placement Agreement or any representation or warranty by the Issuer is or becomes incorrect, untrue or misleading;
  - (ii) (due diligence) there is an omission from or misstatement relating to the completed due diligence questionnaire or meetings with management provided by the Issuer pursuant to clauses 1.2(c) 2 of the Placement Agreement or any other information supplied by or on behalf of the Issuer to the Lead Manager;
  - (iii) (change in laws) there is introduced, or there is a public announcement of a proposal to introduce, into the Parliament of Australia or any State or Territory of Australia a new law, or the Reserve Bank of Australia, or any Commonwealth or State or Territory authority, adopts or announces a proposal to adopt a new policy (other than a law or policy which has been announced prior to the date of the Placement Agreement);
  - (iv) (compliance with laws) a contravention by the Issuer of the Corporations Act, its constitution, any of the ASX Listing Rules or any other applicable law or regulation (as amended or varied);
  - (v) (offer) any aspect of the Placement does not comply with the Corporations Act or the ASX Listing Rules;
  - (vi) (Certificate) any Certificate which is required to be provided by the Issuer under the Placement Agreement is untrue or incorrect;
  - (vii) (adverse change) there is an adverse change, or an event occurs which is likely to give rise to an adverse change, in the financial position, results, condition, operations or prospects of the Group other than as disclosed by the Issuer to the ASX before the date of the Placement Agreement;
  - (viii) (debt facilities)
    - (A) the Issuer or any other member of the Group breaches, or defaults under, any provision, undertaking, covenant or ratio of a material debt or financing arrangement or any related documentation to which that entity is a party which has an adverse effect on the Group; or
    - (B) an event of default or event which gives a lender or financier the right to accelerate or require repayment of the debt or financing, or other similar material event occurs under or in respect to any such debt or financing arrangement or related documentation which has an adverse effect on the Group;

# ANNEXURE (CONT'D)

- (ix) (banking disruption) there is:
  - (A) trading in all securities quoted or listed on ASX, the London Stock Exchange or the New York Stock Exchange is suspended or limited in a material respect for one day on which the exchange is open for trading (Trading Day) or substantially all of one Trading Day;
  - (B) any adverse change or disruption to the existing financial markets, political or economic conditions of Australia, Hong Kong, Singapore, the European Union, the United States or the United Kingdom or the international financial markets or any change in national or international political, financial or economic conditions;
  - (C) a general moratorium on commercial banking activities in Australia, the United States, the European Union, Hong Kong or Singapore declared by the relevant central banking authority in any of those countries, or a material disruption in commercial banking or security settlement or clearance services in any of those countries;
- (x) (hostilities) hostilities not presently existing commence (whether war has been declared or not) or a major escalation in existing hostilities occurs (whether war has been declared or not) or a major terrorist act is perpetrated involving any one or more of Australia, New Zealand, the United States of America, Japan, Hong Kong the People's Republic of China or the United Kingdom or a national emergency is declared by any of those countries, or a significant terrorist act is perpetrated anywhere in the world;
- (xi) (Issuer Information) the Issuer Information includes a statement which is or becomes misleading or deceptive or likely to mislead or deceive; or
- (xii) (change of control) a scheme of arrangement or reconstruction is announced by the Issuer, or another offer to security holders is announced by another person, which, if implemented, may result in a person and their associates acquiring a beneficial interest in, or voting power of, 50% or more of the interests in the Issuer.