



Dicker Data Announces Strategic Acquisition of Connect Security Products Ltd

SYDNEY, Australia - Feb 10, 2022 - Dicker Data Limited (ASX: DDR) (Company) is pleased to announce that it has entered into a binding Sale and Purchase Agreement (SPA) to acquire 100% of Connect Security Products Limited (CSP), New Zealand's leading distributor of access control, surveillance and fire products. CSP represents a highly strategic acquisition and a valuable addition to Dicker Data's Access and Surveillance (DAS) platform as it will accelerate the launch of the DAS business in the New Zealand market with key brands Bosch, Sony, Assa Abloy, HID, Motorola and more.

The combination of Dicker Data and CSP is expected to deliver compelling growth opportunities for both businesses through the combined Trans-Tasman network and expanded capabilities. Similar to DAS in Australia, CSP will run in parallel to Dicker Data's existing New Zealand operation and will leverage shared services such as finance, warehousing, logistics and marketing, with the product and sales functions operating independently. CSP's majority shareholder and Founder, Jason Mackie, will continue leading the business post-acquisition, including managing a team of 10 Auckland-based staff, 2 Christchurch-based staff and 2 Wellington-based staff, in addition to the three branch locations located throughout New Zealand. For its Financial Year ending 31 March 2023, CSP is on track to generate revenue in excess of NZD \$8.0m and deliver normalised EBITDA of approximately NZD \$780,000.

The acquisition is a net asset purchase and the purchase price of NZD\$5.0m comprises of \$3.5m for goodwill with the balance for net business assets estimated at \$1.5m at completion being predominantly for inventory. The SPA is subject to the satisfaction of a number of conditions, however, the transaction is expected to complete by the end of February 2023.

Chairman and CEO, David Dicker, Dicker Data Limited said "Our acquisition of CSP provides a strategic and fast-tracked entry to the New Zealand market for our access and surveillance business. Given the business holds a strong market share and is already delivering a profitable result, I'm confident that we'll be able to capitalise on the new



opportunities quickly, across both Australia and New Zealand to deliver a strong result for our shareholders.”

The competitive advantage a local distributor brings is deeply engrained in Dicker Data’s DNA, and every reseller partner who works with the CSP business today should be reassured that the seamless continuity of their business is the utmost priority as CSP is integrated into Dicker Data. There are strong cultural similarities between the two organisations that the Company believes will enable an expeditious integration process.

Dicker Data is constantly examining adjacent sectors to identify the next opportunity for growth and market share. This addition to Dicker Data’s portfolio is in line with the Company’s commitment to offer its partners access to a complete security solution from a range of market leading vendors. Convergence of physical and digital security is a natural progression to protecting the entire business value chain to ensure a stronger security posture.