DICKER DATA

ANNUAL REPORT

2023

ABN 95 000 969 362

DICKER DATA

Dicker Data is the largest locally owned and operated ICT distributor in Australia and New Zealand.

Dicker Data's mission is to inspire, educate and enable ICT resellers to achieve their full potential through the delivery of unparalleled service, technology and logistics.

Table of Contents

2023 Highlights

$3.3b
Total Gross Revenue
▲ Up +5.6% YOY

$150.7m
EBITDA*
▲ Up +16.1% YOY

$823.2m
Recurring Gross Revenue
▲ Up +10.7% YOY

$82.1m
Net Profit After Tax
▲ Up +12.5% YOY

45.59c
Earnings Paid Per Share
▲ Up +9.1% YOY

Dicker Data is an Australian owned and operated, ASX listed distributor of computer hardware, software and related products with over 45 years of experience.

Incorporated in 1978, Dicker Data's mission is to inspire, educate and enable ICT resellers to achieve their full potential through the delivery of unparalleled service, technology and logistics. Dicker Data is Australia's largest locally owned and operated ICT distributor. Serving in excess of 12,000 registered reseller partners annually, Dicker Data finished the FY23 year with gross revenue of $3.3b. Since listing on the ASX in January 2011, Dicker Data has delivered consistently profitable results for shareholders whilst maintaining a 100% dividend policy.

10,000+
ACTIVE AU PARTNERS

2,300+
ACTIVE NZ PARTNERS

ARN
Hardware Distributor of the Year
11TH CONSECUTIVE YEAR

Diversity and Inclusion Champion
2021, 2022 & 2023

CRN
Large Distributor of the Year
Channel Champion - Sustainability
Channel Choice Distributor of the Year

CEO Commentary

The last few years have been somewhat difficult. Last year, another one. However, we still increased gross sales by over 5% and profits by 12.5%.

Our NZ operation continues to improve and our security business has great growth potential.

All in all, a very satisfying result, especially when compared to our direct competitors, and the more general market.

Things are starting to look up on the general front and 2024 looks promising.

David Dicker
CEO AND CHAIRMAN

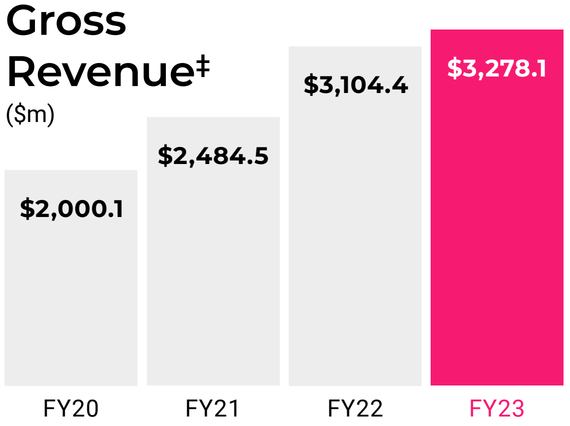
Results Summary

Key Financial Data	2023 $'000	2022 $'000
Gross Revenue‡	3,278,063	3,104,408
Total revenue from ordinary activities	2,267,711	2,213,157
Gross Profit	315,539	283,660
Earnings before interest, tax, depreciation [EBITDA]*	150,731	129,849
Net operating profit before tax*	117,325	106,977
Net statutory profit before tax	116,412	104,853
Net profit after tax [NPAT]	82,145	73,047
Earnings per share (cents)	45.59	41.80
Dividends paid	58,553	94,311
Dividends per share (cents)	32.50	54.00

* Add back one-off costs of $0.9m (2022: $2.1m)

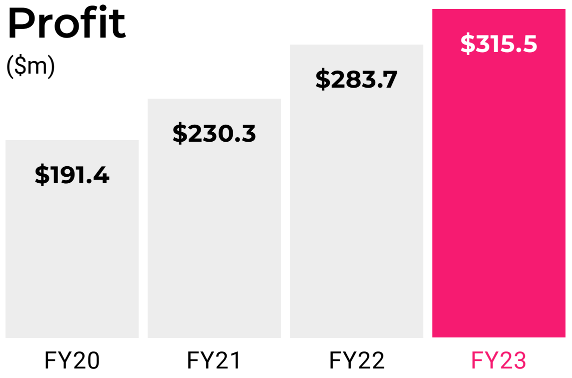
Gross Revenue‡

($m)



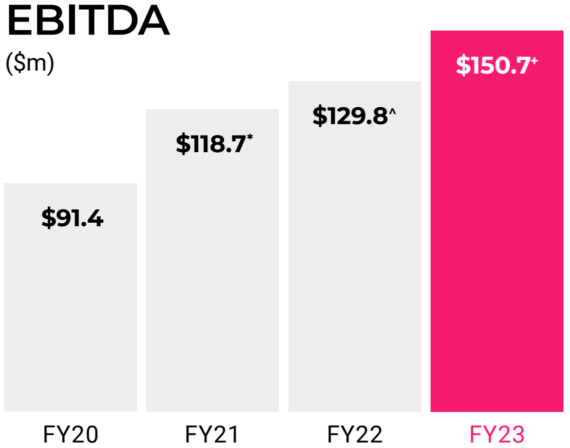
Gross Profit

($m)



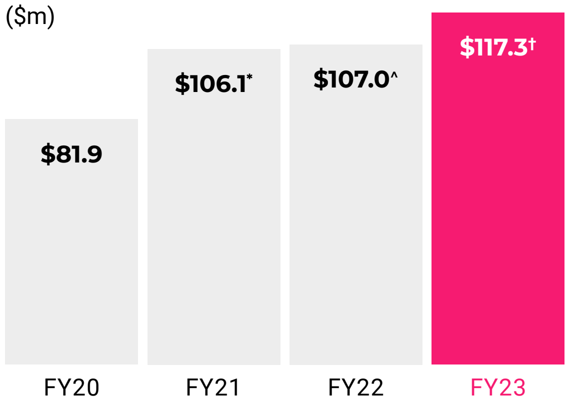
EBITDA

($m)



Net Profit before Tax

($m)



* FY21 – Operating Profit before tax excludes one off acquisition transaction costs of $1.0m.
^ FY22 – Operating Profit before tax excludes one off acquisition and restructure costs of $2.1m.
† FY23 – Operating Profit before tax excludes one off acquisition and restructure costs of $0.9m
‡ Gross revenue is non-IFRS financial information and does not represent revenue in accordance with Australian Accounting Standards. This represents gross proceeds from sale of goods and services, both as agent and principal and other revenue. Refer to Operating and Financial Review for reconciliation of statutory to underlying results

Who We Are

We are the catalyst for new technology adoption, operating at the centre of the digital transformation of Australia and New Zealand for over 45 years. Our mission is to inspire, educate and enable our network of over 12,300 technology partners to achieve their full potential through the unparalleled delivery of technology, services, marketplaces and logistics.

We are the largest technology distributor in the corporate and commercial markets in both Australia and New Zealand. We are Dicker Data.

Widely recognised as one of the most profitable technology distributors in the world, Dicker Data's success has been built on delivering consistent, predictable and sustainable growth for our shareholders, all whilst delivering the highest level of technical and sales support for our partners. Despite our size and scale, we operate differently to our competition, which enables us to adapt faster, create bespoke solutions tailored to the needs of the ANZ market and operate at the cutting-edge of the technology sector. Our investment into hiring and retaining the best people in their respective fields has continued to pay dividends and has embedded our role in the success of the thousands of technology partners we service each year.

Dicker Data is a vital link in the technology value and supply chain. We support our partners by scoping, designing, configuring, delivering and deploying solutions that span the entire technology ecosystem.

Over
12,300
active partners in Australia & New Zealand

We represent a large number of the world's leading vendors who trust us to grow their partner base across a range of highly diversified technologies each year. Our team of technical and sales professionals help our partners to maximise the synergies of our highly diversified vendor portfolio by leveraging technology alliances and through helping our partners to create new business opportunities with their end-customers.

Listed on the Australian Securities Exchange since 2011 (ASX: DDR), Dicker Data has been a consistently strong performer, cementing our place as a true Australian success story. Renowned for our customer centric culture, flexibility, agility and foresight to help our technology partners prepare and successfully capitalise on emerging market trends, our relevance, importance and significance in the technology industry continues to grow each year. Our performance-based culture and management incentives are highly aligned to the interests of our shareholders and have underpinned our consistent growth and success in the Australian and New Zealand markets.

Dicker Data Services team members at our Kurnell headquarters

Over
6,300
partners purchased from our marketplace Australia & New Zealand

founded
1978

- **2000** Annual revenue exceeded $100m
- **2011** Listed on the ASX (ASX: DDR)
- **2014** Acquired Express Data Holdings
- **2015** Annual revenue exceeded $1b and CloudPortal Launched
- **2019** Awarded Cisco Global Distributor of the Year
- **2020** Annual revenue exceeded $2b
- **2021** Relocated to new facility in Kurnell and acquired Exeed Group
- **2022** Launched DAS and annual revenue exceeded $3b
- **2023** Completed warehouse extension to Kurnell HQ

Board of Directors & Executive Management

The following persons were Directors of Dicker Data Limited during the financial year end and up to the date of this report. Directors were in office for this entire period unless otherwise stated.

BOARD OF DIRECTORS

EXECUTIVE MANAGEMENT

David Dicker
Chairman and Chief Executive Officer

- Founded Dicker Data
- Has been Director of the Company since inception in 1978
- Focuses on business strategy and decision making

Fiona Brown
Non-Executive Director

- Founded Dicker Data
- Has been Director of the Company since 1983
- Focuses on business strategy and decision making

Kim Stewart-Smith
Non-Executive Director

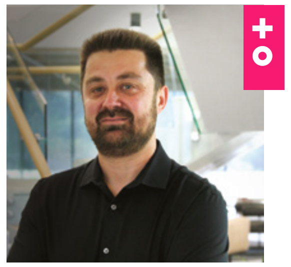
- Joined the Board 29 March 2021
- Experienced governance professional
- Extensive Executive experience
- Skilled business, finance and tax advisor

Leanne Ralph
Non-Executive Director

- Joined the Board 13 December 2019
- Experienced governance professional
- Ex-CFO in the importing, wholesaling & retail sector
- Extensive ASX-related experience

Ian Welch
Executive Director, Chief Information Officer and Director of Operations

- Joined Dicker Data in March 2013 as General Manager IT
- Was appointed Executive Director in August 2015
- Responsible for all IT systems and business technologies, as well as operational processes, warehousing and logistics



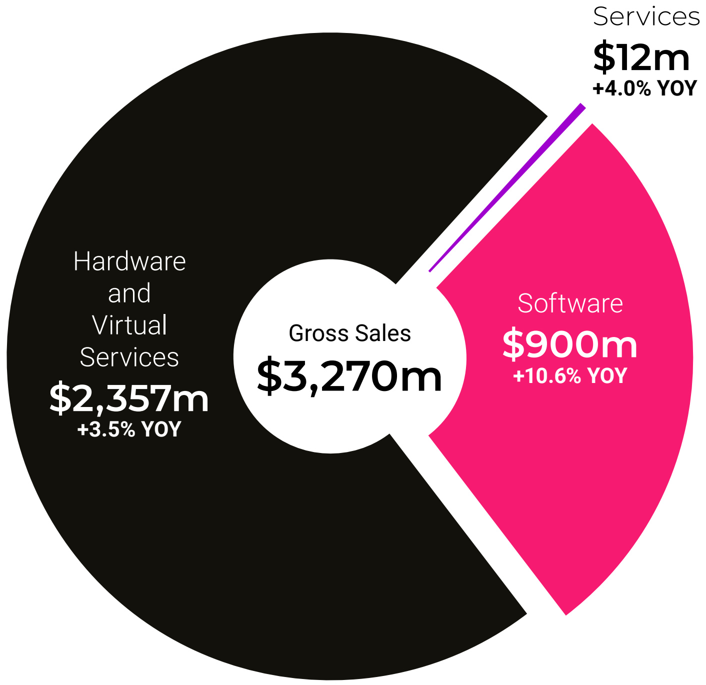
Vladimir Mitnovetski
Executive Director and Chief Operating Officer

- Joined Dicker Data as Category Manager in 2010
- Appointed to the Board as Executive Director in 2014
- Brings over 20 years' of distribution industry experience having previously worked for Tech Pacific and Ingram Micro

Mary Stojcevski
Executive Director and Chief Financial Officer

- Joined Dicker Data as Financial Controller in 1999
- Responsibilities include all the financial management, administration and compliance functions of the Company
- Has been an Executive Director of the Company since August 2010

2023 in Review



In 2023, the IT sector in both Australia and New Zealand continued to be a dynamic and innovative force.

Despite the year being marred by ongoing economic uncertainty, intensified competition, and deferred demand, our people demonstrated remarkable resilience, delivering year on year growth in revenue and profit yet again. They adapted to our partners' needs, enhanced the value we provide, and maximised every opportunity to the benefit of our entire ecosystem.

We forged new partnerships with key technology vendors, including AJAX, Cloudflare, Eaton, NetApp, Netgear, Riverbed and WatchGuard, among others. We also expanded our Australian distribution agreement with Juniper into New Zealand, laying the groundwork to become one of the country's largest networking distributors. These additions align with our strategy to offer a diversified portfolio of technologies from the world's leading brands to enable our partners to design and deploy comprehensive, best-practice solutions to meet their end-customers' needs.

The supply chain disruptions experienced over several previous years eased in 2023, and access to stock has largely returned to normal. However, increased competitive pressures and ongoing macroeconomic uncertainty have created a more price-conscious market. To maintain margin quality in the FY23 period, the Company adopted a selective approach to the available opportunities, forgoing particular deals to ensure overall results align with shareholder expectations.

As forecasted in our FY22 Annual Report, demand for devices softened in 2023. However, PC refresh cycles have not yet returned to pre-pandemic levels. The advent of Artificial Intelligence (AI), particularly Generative AI, and the potential for PCs to natively run the burgeoning technology, have contributed to the delay in refresh cycles. Major manufacturers have announced plans to launch versions of the "AI PC", which is expected to materialise in the second half of 2024 and trigger larger PC refresh projects.

The Company saw a 20% increase in active partners in Australia in 2023, reaching over 10,000 active partners in the period. In New Zealand, there was also significant growth in active partners of over 15% in 2023 to 2,300, coupled with an increase in partners purchasing from our marketplace. However, the YoY number of active partners on our marketplace in Australia was relatively flat, attributable to market consolidation and increased competitive pressures in the SMB segment. Overall, these trends highlight the growing demand for the Company, the importance of our team's adaptability and the value our locally-based teams bring via their continued engagement with the Company's partners.

The Company's access and surveillance (DAS) division achieved strong results in FY23, reaching several milestones and expanding its portfolio of brands. The division completed a branch network overhaul in FY23, covering 10 sites across the country, including the launch of four new locations and six renovations. The division also integrated into the Kurnell distribution centre, saving on costs by closing the Seven Hills warehouse. Revenue for the DAS business was $153.3m, which includes $6.7m contribution from New Zealand with the Connect Security Products Ltd (CSP) acquisition. In addition to the brands acquired in NZ, the division added six new brands to its offering, including, I-Pro, Ajax and Halo, whilst in the IT segment added Eaton, Watchguard and leading enterprise storage vendor, NetApp. The division has now successfully completed integrating all previous access and surveillance acquisitions and has created a foundation for accelerated growth in FY24 and beyond, marked notably by the addition of Hikvision, the world's second-largest surveillance vendor by market share, in February 2024.

19.9% of revenue was generated from New Zealand marketplace

11.7% of revenue was generated from Australian marketplace

Industry Recognition

ARN
Hardware Distributor of the Year
11TH CONSECUTIVE YEAR
-
Diversity & Inclusion Champion Company
3RD CONSECUTIVE YEAR

MEA
National Exhibition of the Year - TechX
-
NSW Exhibition of the Year - TechX

RESELLERNEWS
Distributor Innovation Creativity Award - NZ
-
HIGHLY COMMENDED Diversity & Inclusion Champion - Company

CRN
Channel Champion Sustainability
-
Channel Choice Distributor of the Year
-
Large Distributor of the Year

arcserve – Distributor of the Year - NZ

HPE aruba networking – Distributor of the Year - NZ

HPE aruba networking – Aruba Instant On Distributor of the Year - AU

APC – Distributor of the Year - AU

APC – Best in Marketing Campaigns

ASUS – Distributor of the Year - AU

Check Point – Growth Distributor of the Year - AU

Dell Technologies – Distributor of the Year - ANZ, 7TH CONSECUTIVE YEAR

Harvey Norman – Distributor of the Year - NZ, 3RD CONSECUTIVE YEAR

Hewlett Packard Enterprise – Partner Growth & Reactivation Distributor of the Year

Lenovo – ISG New Zealand Technical Excellence Partner of the Year

Ruckus – Distributor of the Year - ANZ

veeam – Distributor of the Year - AU

2024 Outlook

2024 is set to be a year of accelerated transformation for the Australian and New Zealand technology sectors.

The landscape in which we operate continues to evolve at an unprecedented pace, driven on one side by the innovations that improve the way we live, work and connect with those around us.

On the other, an insatiable appetite for growth, improved efficiency and increased productivity from individuals, businesses, communities and governments as they look to technology to further extend their competitive advantage and elevate their customer experiences.

The Company expects overall economic conditions to improve in the second half of FY24, which will deliver growth across a number of technology categories. Our keys to success in 2024 revolve around six key pillars: Artificial Intelligence (AI), Cybersecurity, Data and Analytics, Collaboration, Digital Transformation and Diversification.

USER FOCUSED
Generative AI

Capable of generating text, images and other media using generative models. Easily accessible via conversational language by any user anywhere with an internet connection, and eventually locally on their devices.

- Microsoft Copilot
- Chat GPT
- Siri

ORGANISATION FOCUSED
Embedded AI

AI technology that's built into products to provide common model management, data collection and preprocessing to enable real-time decision making by AI to deliver better outcomes.

- Cybersecurity
- Wireless Networking
- Security Cameras
- Microsoft Azure
- AI PC

FOUNDATIONAL
Full Stack AI

Integrated, interconnected components in a cohesive platform to collect, analyse and supply business data. Includes guardrails, easy to use interfaces and ensures security, privacy and governance

- NVIDIA
- Microsoft Azure

Artificial Intelligence (AI)

ChatGPT revolutionized the AI landscape when it launched on 30 November 2022, attracting over 100 million unique users in just two months. OpenAI, the creator of ChatGPT, made AI simple and user-friendly for the public, creating a widespread awareness of the technology's potential. Soon after, Microsoft and other major vendors distributed by the Company announced their plans to commercialise AI solutions.

Microsoft unveiled its first major commercial AI product, Microsoft 365 Copilot in January 2024, which aims to eliminate the drudgery of work. The launch was met with glowing feedback from customers worldwide, however, AI also has created new challenges and opportunities for the IT channel. Technology partners are now building AI readiness capability to ensure their end-customers are prepared for AI adoption and to help them avoid potential risks. This is an area the Company is working with its partners in to drive the safe and ethical uptake of AI in ANZ.

However, there is more to AI than Microsoft Copilot and ChatGPT, which are examples of Generative AI. Whilst Generative AI is expected to have the most impact on technology users worldwide, Dicker Data also sees two other key areas of AI that offer additional strong potential for the Company: Embedded AI, which targets organisational needs, and Full Stack AI, which provides the foundational needs to build customised AI solutions that include easy to use interfaces and ensures security, privacy and governance.

The wave of impact of user-focused AI, or Generative AI, has commenced with products and solutions in this segment now readily available. Interest from the Company's technology partner community has been significant, although layered with caution. The materiality of the impact of Generative AI on the Company is expected to build through-out 2024 as the technology becomes mainstream and the challenges and risks experienced by early adopters are overcome.

The Company is optimistic on the uptake of Embedded AI solutions and expects these will have a positive impact on technology buying cycles in FY24. Whilst this category is not new, there will be new innovations and technology solutions brought to market in FY24 that will make the power of AI a reality for IT professionals. Areas such as cybersecurity, networking and PCs stand to benefit the most.

One major innovation expected to materialise in the Company's FY24 period is the world's first AI PCs, boasting the ability to run AI solutions natively. The release of the AI PC is expected to positively impact PC refresh cycles as businesses move to capitalise on the potential of AI. IDC is predicting that AI PCs will represent 22% of all device sales in FY24 and 42% in FY25. New AI PCs are expected to become a must-have item for businesses looking to unleash the full potential of AI with their people.

Lastly, Foundational, or Full Stack AI, is expected to grow in ANZ in 2024. The Company's recent appointment as the only end-to-end distributor for all NVIDIA products in ANZ will underpin our success in delivering Foundational AI solutions. Coupled with the Company's strength in Microsoft Azure, all of the required elements to assist businesses and governments to build Full Stack AI solutions are in place. Full Stack AI is also the most technical and complex component of the Company's AI landscape view, further creating a need and demand for the Company's technical experts. 2024 is already showing early signs of a talent shortage of AI professionals, meaning businesses will look externally for support from their technology partner businesses, who we expect will look to their distributors as they scale Foundational AI solutions.

In summary, Artificial Intelligence is expected to have one of the most profound impacts yet on the way people live and work, and the way in which businesses operate. The Company is at the centre of the AI revolution and has every technology required to help businesses across ANZ realise the full potential of AI. The impact of AI on technology procurement is expected to be widespread, although it will take time to accelerate. Dicker Data's top priority is working with its partners on the safe and ethical adoption of AI solutions across ANZ throughout 2024 and beyond.

> "In no more than 3 years, anything that is not connected to AI will be considered broken or invisible"
>
> **Sam Schillace, Deputy CTO, Microsoft**

Cybersecurity

Cybersecurity will continue to be an area of focus and growth for the Company in 2024. The cyber threat landscape is continually evolving and the Company's role in helping businesses, communities and governments across Australia and New Zealand understand, assess and protect against attacks is growing. Hackers are becoming more sophisticated and are leveraging new technology to find new ways to exploit systems and gain unauthorised access to data.

> "The IT Professional has to be right every time, the hacker only has to be right once."
>
> **Andrew S. Grove, Co-Founder and former CEO, Intel Corporation.**

To help our partner address the growing threats the Company has onboarded new cybersecurity vendors and increased our investment in building technical and sales excellence around the technologies. The Company's technical presales people have since been recognised as the best in ANZ by our vendors. The Company has also shared a three-tier modelon approaching cybersecurity to assist partners in determining the best way forward for their business, with the Company having an active role to play in each tier:

1. Turnkey: Low barrier to entry, low investment, reliance on vendor tools and solutions.
2. Hybrid: Partner takes on internal investments with hybrid services. Hiring support resources internally for basic enquiries and escalates to distributor or vendor for more complex issues.
3. DIY: Partners become self-sufficient, all resources and security services are in-house, reliant on distribution for new solutions, technical assistance and ongoing upskilling and procurement.

Just as hackers are leveraging new technologies, such as AI, to increase their effectiveness, so are the Company's cybersecurity vendors. Cybersecurity solutions with embedded AI detect attacks faster, reduce human intervention and adapt to the evolving cyber threat landscape. By increasing the resiliency of organisations, the technology is also reducing cybersecurity professional burnout. Demand for advanced, AI-driven solutions is expected to continue growing in FY24.

Data and Analytics

As businesses become more digitised and reliant on technology, their people, processes, customers and transactions all generate more data that must be appropriately managed and secured, creating a significant opportunity for the Company and its technology partner community. Data is regularly the target of hackers and any loss of data, or degradation in data integrity and quality, can have significant negative impacts on a business. Increasingly, the Company's technology partner community are the go-to experts for Australian and New Zealand businesses and governments who are seeking best practice solutions to safeguard one of their most important assets, data.

Warehouse Expansion

The recently completed warehouse expansion and configuration centre upgrade at our Kurnell headquarters will provide the platform for the Company to significantly scale its DAS business into the IT market. The convergence of IT and security is expected to deliver double digit growth for DAS in FY24. The warehouse expansion will also enable the Company to expand its third-party logistics (3PL) offering and onboard new customers. The expansion also provides capacity for the Company to expand the number of consumer brands it represents, with a strong focus on the brands that require full value-added distribution, rather than simple fulfilment.

Collaboration

The Company has seen a tremendous uptake of digital collaboration solutions following the pandemic. However, it is estimated by IT channel research firm Canalys that there are millions more meeting rooms globally that are still yet to be enabled. The Company has invested in forming partnerships with every major technology provider in the Professional AV segment to create a compelling ecosystem of solutions to help businesses across ANZ digitise their meeting spaces. The Company is now the largest Australian distributor for Professional AV solutions, having overtaken other distributors that traditionally operated in the meeting room market only. The convergence of IT with this market is more prevalent than ever, with technology partners now accounting for the majority of the Company's sales in this segment.

The introduction of AI powered meetings, particularly with Microsoft Teams, is expected to drive further growth in the Company's Professional AV business in 2024. With new capabilities, such as live translating meetings into different languages concurrently, or the inclusion of a new AI-assistant that transcribes meetings and notifies users of when they were mentioned and what their actions from the meeting are, will make the digitisation of traditional meeting spaces more imperative than ever.

Digital Transformation

A common theme for many years, the digital transformation of businesses, communities and governments has been a key underlying factor of success. The uptake of new technology is now widely regarded as an imperative and the question among leaders is not if, but when, they will adopt new technology, such as AI. To date, the digital transformation many have undergone has delivered strong competitive advantages and has enabled businesses to grow in the face of uncertain economic conditions.

The next wave of digital transformation, largely expected to be powered by AI, will enable everyone to become more efficient and more productive. Many will undertake AI-powered digital transformation to not only accelerate the impact of their workforces, but also to make their operating environments more accessible and inclusive, lowering the barriers to workforce participation. Digital transformation within the datacentre is also expected to also continue in FY24, as organisations pursue efficiencies in their systems and focus on making their operations more sustainable.

Diversification

The diversification of the Company's technology portfolio has enabled it to navigate periods of uncertainty and continues to prove successful. It has enabled the Company to be well-positioned for the shifts in technology spend and to be a more reliable and capable distribution partner. We operate at the centre of Australia and New Zealand's continued digital transformation and our strategy of offering a highly diversified technology portfolio from the world's leading technology vendors will continue in 2024.

Our diversification strategy enables the Company to invest into new technologies, solutions and business practices early, all whilst maintaining the nimble and agile culture we're renowned for. In turn, this has seen the Company engaging more deeply with its technology partner community and helping its vendors to accelerate their success. In 2024, the Company's advanced relationships with all technology vendors that underpin success in Artificial Intelligence will be key, particularly Microsoft and NVIDIA.

Environmental, Social & Governance

Our commitment to Environmental, Social and Governance (ESG) principles is not just a responsibility, but a key driver of our long-term success.

Our ESG strategy is deeply integrated into our business model and corporate culture, guiding our actions and decisions. We are dedicated to minimising our environmental footprint, fostering a safe, diverse and inclusive workplace, and maintaining the highest standards of corporate governance.

The Australian Information Industry Association's 2023 Tech and Sustainability report* underscores the pivotal role of technology in achieving emissions targets and sustainable outcomes. This further highlights the opportunity for the Company and its ecosystem to help ANZ businesses to deliver on their sustainability ambitions, using technologies that are represented by the Company. The Company is also committed to helping its partners further their impact through the use of new, advanced technologies, such as Artificial Intelligence.

* AIIA - Tech and Sustainability White Paper 2023.

Our key areas of impact in our FY23 reporting period were:

Our People
High-performing, empowered people from diverse backgrounds who thrive in our inclusive environment build their own, and our Company's, success.

Our Operations
Taking positive steps to reduce our environmental impact and increase our environmental awareness with every decision we make.

Our Wider Impact
Enabling our staff and leveraging our success to increase the positive impact we're collectively making.

Governance
Dicker Data lodges a separate Corporate Governance Statement. To view the latest version of this document, please visit the Investor Centre on our website: https://www.dickerdata.com.au/investors/policies/CGS

Our People

Dicker Data continues to build its workforce following the guiding principles of embracing and celebrating diversity and inclusion.

We empower our people to do their best work and provide them with a unique platform to build their own success, in turn driving the success of our business. Turnover amongst Executive and Senior Management remained at 0% in FY23, further extending the years of consistency and continuity that have underpinned the Company's success.

Staff, vendors and partners celebrating a successful quarter.

2023 Dicker Data Staff Christmas Party

Caring for our People

We believe that the health and well-being of our people are integral to our success. Our commitment to fostering a healthy, safe and supportive work environment is reflected in the range of services we offer to promote healthier lifestyles. These include daily lunches, an onsite gym at our Kurnell headquarters, biweekly yoga and Pilates sessions available onsite and via broadcast links, and fortnightly lunch and learn sessions with external experts on important topics such as managing personal finances.

We also provide access to an Employee Assistance Program (EAP) that offers our people three company-funded confidential sessions with a counsellor to assist with any mental health concerns. We began offering our staff 10 days of funded leave for domestic and family violence (DFV) well ahead of the government mandate which came into effect on 1 February 2023. We also provide a support toolkit developed in conjunction with Banksia Women and Challenge DV to help employees manage their unique situations. In addition, we offer 10 days of paid DFV leave for perpetrators of domestic and family violence who can demonstrate they are actively seeking rehabilitation.

In 2023, we introduced several new initiatives to further support our people. The Dicker Data Mentor Connect program was launched to facilitate traditional mentoring, reverse mentoring, and cross-departmental connections. This program encourages the sharing of knowledge and ideas, fostering a culture of continuous learning and innovation.

We also added a Menopause support education pack to our Management Toolkit to help managers support staff experiencing menopause. This is part of our efforts to destigmatise this stage of life and address potential barriers to workforce participation.

57%

female representation on our Board of Directors and 48% in Senior Management

In line with our culture of collaborative, future-focused leadership and open communication, we deployed the Performance module of our centralised People and Culture Management system, ELMO, in FY23. The module provides managers and staff with a consultative process to follow that encourages and enables constructive dialogue. The ELMO platform was also used to deploy a benefits suite for staff in FY23, offering a wide range of discounts to help with the cost of living.

To combat employee burnout rates and address leave liability, we partnered with HelloWorld Travel and Flight Centre to provide onsite and online leisure travel consultations as an employee benefit in FY23. We also expanded our corporate wellness initiatives to include free onsite naturopath consultations.

Our People and Culture team launched the Power of Praise initiative in FY23, encouraging all staff to regularly recognise each other's efforts, highlighting the significant impact of regular praise on cooperation, loyalty, and performance. In conjunction, the team started Good News posts on our corporate intranet, where employees can share personal or work-related good news. Lastly, Box Fit classes were added in FY23, which have been well-received, with a high level of staff uptake.

Staff volunteering their time to prepare meals

Staff hosting vendors and partners at a concert in Sydney.

Our People

Workforce Representation

Dicker Data continues to be one of the best performing Companies in the ASX300 with 57% female representation on our Board, which was stable year on year. Senior management gender diversity also remained the same year on year, with 48% female representation in this group across ANZ.

In the Company's FY22 Annual Report, overall gender diversity had taken a backward step as a result of acquisitions of companies with predominantly male staff. The Company is pleased to report that it has made some progress towards re-establishing gender parity within its business. In FY23, female representation in our ANZ workforce increased by 2% to 42% of the overall business. Dicker Data is committed to continuing this positive trajectory and to using its strength in diversity and inclusion to help its ecosystem of partners and vendors to improve.

The Company's longest serving employee brings 46 years of experience, joining the Company as part of an earlier acquisition in 2022. The number of staff with tenures over 15 years grew to 56 in FY23, and the number of staff with over 20 years tenure grew to 20. These outstanding statistics further highlight the Company's unique ability to retain high performing people, in turn providing our technology partners and vendors with an unmatched level of continuity.

People Engagement

Each year, the Company provides an opportunity for staff to provide feedback across a number of areas via an anonymous staff survey. Pleasingly, 87% of staff across ANZ indicated that people treat one another with respect at Dicker Data, in line with the result from the FY22 survey. Employee engagement improved slightly year on year, reaching a new high of 81%.

We remain steadfast in our commitment to being receptive to our team's voices, adapting our strategies to accommodate their requirements, and cultivating a positive work atmosphere.

People Development

Providing continuous learning and development opportunities for our people is a key strategy in retaining and upskilling our staff. This approach somewhat insulates the Company from talent shortages, as we look to promote internally as often as possible. Our longstanding commitment to developing our people also plays a key role in the growing number of staff with exceptionally long tenures. Building on the foundation laid in 2022 with the launch of the ELMO Learning platform, we have introduced several new initiatives in 2023 to further support our team's growth.

We conducted three Leadership Workshops across 2023, aimed at fostering self-awareness and enhancing human-centric leadership capabilities. The workshop included modules on feedback giving and performance management. We also focused on Managing Staff Performance, Conduct, Conflict & Personal Circumstances, equipping our team with the necessary tools to navigate complex professional situations.

For those new to leadership roles, or for those seeking to refresh their knowledge, we introduced the Leadership Foundations program. This initiative, along with our ongoing sponsorship of courses from nationally accredited and recognised providers, underscores our dedication to the professional growth of our team. Uptake of the Leadership Foundations program was strong in FY23 as the Company promoted more internal staff into newly created or vacated management roles. The Company will continue with these programs in FY24 and is looking to expand the training offered into areas such as mental health as well.

Data Bites

Launched in 2022, the Company's lunch and learn sessions, named Data Bites, continued in the FY23 period. With sessions run twice per month on average, the Company sourced expert external speakers to help staff upskill in areas related to their personal and professional lives. Topics ranged from tips on buying a first home and managing cost of living pressures, to mental health and wellbeing, superannuation, economic updates, wildlife conservation and more. In addition, individual consultation sessions were offered for staff to provide personalised insights into wellbeing, private health insurance and banking. The sessions were well attended throughout the year and the individual consultations also had strong uptake. The Data Bites initiative will continue in the Company's FY24 period, with topics to be sourced from staff feedback and aligned to helping our people thrive.

Staff celebrating at the 2023 Christmas Party

Staff enjoying mini-golf at our Kurnell headquarters

Staff completing vendor training in Kurnell.

86%
of our staff are proud to tell people that I work at Dicker Data & feel employees treat each other with respect

Our Award Winners

Laura McKenzie
Rising Star Distributor
ARN WIICTA

Marilyn Li
Aruba Instant On FY23
Marketing Champion

Darko Raic
Aruba Instant On FY23
Training Champion

Mark Simpson
Aruba Instant On FY23
Business Excellence

Tillie Riley
HP Marketing Excellence

Shelly Sharma
Veeam Distribution
Excellence & ARN Shining
Star Distributor

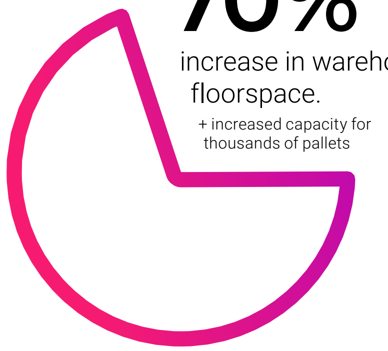
Tina Kuleski
APC Distributor Sales
Champion of the Year

Chris Georgio
Check Point – Most Valuable
Player

Our Operations

As our operations expand in both size and scope, we maintain a keen awareness of the environmental implications of our business activities.

We actively bring a sustainability perspective into our decision-making processes, striving to embed sustainability as a fundamental principle within our operational framework.



70% increase in warehouse floorspace.

+ increased capacity for thousands of pallets

Our commitment to reducing the environmental impact of our operations continued in FY23. This is of particular importance as the number of shipments dispatched from our warehouses across Australia and New Zealand, and those we direct ship from our vendors, is growing each year. As a member of the Australian Packaging Covenant Organisation (APCO), we are actively contributing to the development of a circular economy for packaging in Australia. In FY23, further reduced our reliance on new boxes for outbound shipments, building on the progress made in FY22. We are committed to assisting the APCO in achieving its 2025 goal of ensuring 100% of packaging is reusable, recyclable, or compostable, and we are committed to recycling all eligible waste materials handled by our business. In line with this commitment, we have significantly reduced the number of single-use plastics and increased our use of recycled materials in our shipments.

The Company continued with its waste initiatives in the FY23 period. E-waste programs ensured decommissioned or damaged technology avoided landfill and the Company continued with its efforts to separate bio waste generated at its Kurnell headquarters, also to ensure that it avoids landfill. Recycled cardboard has continued to be used in place of traditional petrochemical void fill, and the Company is reusing intact, discarded packaging materials to reduce our reliance on purchased recycled shipping materials. The Company is also working with its partner community on e-waste initiatives to create a means for decommissioned technology to avoid landfill, which may potentially also reward the partner financially in the process. The Company complies with the Australian National Television and Computer Recycling Scheme (NTCRS), and is a member of an approved coregulatory e-waste provider. The Company is actively working to divert hazardous materials from landfill and assist in the recovery of reuseable materials in a safe way.

The Company's custom designed Kurnell headquarters was extended in FY23 with warehouse capacity expanded to over 39,000m², representing a 70% increase in warehouse floorspace and an increase of thousands of pallet spaces. The expansion was needed to facilitate the Company's continued growth and will enable the Company to capitalise on commercial opportunities that were previously limited due to capacity constraints. Furthermore, the warehouse expansion enables the Company to expand its vendor portfolio and continue to capitalise on the digital transformation requirements of Australian businesses.

To counter the expected increase in power consumption generated by the recent warehouse expansion, a further 912 additional solar panels were installed as part of the build, representing an increase of over 130%.

Greenhouse Gas Emissions

The Company has commenced tracking its greenhouse gas emissions, aligning its reporting to the Greenhouse Gas Protocol, beginning with five key areas. They are:

- Scope One Emissions
- Scope Two Emissions
- Scope Three Emissions
  - Category 1: Purchased goods and services
  - Category 6: Business travel
  - Category 7: Employee commuting

The Company expects to report on these for the FY24 period and will share the results with shareholders in the corresponding Annual Report at the conclusion of the FY24 period.

912 additional solar panels were installed (+130%)

Workplace Safety

Workplace safety continues to be a high priority for the Company. In 2023, we observed an increase in reported incidents compared to previous years, with 10 injuries or illnesses, 3 hazards, 22 near misses, and 26 instances of damage or loss. However, it's important to note that the rise in reported incidents is a result of our enhanced reporting culture rather than a decrease in safety.

In terms of injuries or illnesses, we saw a 50% decrease in Lost Time Injuries (LTI) from 2 in 2022 to 1 in 2023, and no change in Medical Treatment Injuries (MTI) year on year, with 2 reported MTIs in 2022 and 2023. The Lost Time Injury Frequency Rate (LTIFR) decreased from 2.2 in 2022 to 0.8 in 2023, and the Medically Treated Injury Frequency Rate (MTIFR) decreased from 2.2 in 2022 to 1.7 in 2023.

The Company is committed to further enhancing its safety culture and ensuring safety reporting practices are adhered to diligently across the organisation. To improve warehouse safety, our team has implemented daily Toolbox Talks and Safety Walkarounds. Both of these have been received well by the warehouse teams and are playing a key role in furthering our warehouse safety.

Third-Party Logistics delivering a partner project

On track for 2025 goal to ensure **100%** of packaging is reusable, recyclable, or compostable,

Our Wider Impact

As our commercial achievements continue to grow, so does our commitment to using our resources and influence to make a positive difference.

As our commercial achievements continue to grow, so does our commitment to using our resources and influence to make a positive difference. We believe that our corporate responsibility extends beyond our core operations and includes supporting various causes that align with our values and vision. We continued to work with our chosen social pillar partners in 2023, enabling them to increase their impact using the resources made available by the Company.

Microsoft and Dicker Data

In March 2023, Dicker Data was selected as Microsoft's go-to-market distributor for the Non-Profit sector in Australia and New Zealand. The announcement unlocked material incremental support from Microsoft to enable Dicker Data, and its partner community, to assist Non-Profits in leveraging the technology giant's solutions. Since launching, Dicker Data has worked with several technology partners to deliver impactful solutions to a range of Non-Profits in both Australia and New Zealand. With dedicated people focused on further growing this opportunity, the Company believes it can help its partners to extend the benefits of Microsoft technology to more Non-Profits in FY24, in turn accelerating their impact.

Foundation for National Parks and Wildlife

Launched in December 2020, Dicker Data's partnership with FNPW enables the Company's reseller partners to donate towards protecting the environment for the future and enabling land acquisition to grow the footprint of our National Parks. This partnership continued in FY23, with the Company passing partner contributions onto the foundation monthly. The Company matches the donations made by our partners.

National Parks and Wildlife Services

In May 2023 the Company invited the National Parks and Wildlife Services to tour our Kurnell facility and experience the conservation works completed by the Company firsthand. Following the tour, representatives from the National Parks and Wildlife Services proceeded to run a Data Bites session for staff explaining the challenges facing the local environment surrounding our Kurnell facility. Staff were provided with a detailed overview of the local flora and fauna, as well as with tips on how they can help to improve and preserve the surrounding local area. The session concluded with an engaging Q&A where staff were provided with the opportunity to engage with the National Parks and Wildlife Services team on topics close to their heart.

Modern Slavery

In 2023, we conducted a thorough examination of our supply chain through a Modern Slavery audit and action plan. The outcomes of our Modern Slavery audits have consistently inspired us. We are dedicated to persistently scrutinizing our supply chain to guarantee adherence to Modern Slavery practices and expectations. This commitment strengthens the trust of our investors and stakeholders in our ethical conduct.

Our Technology

The technology we distribute has consistently been at the innovation vanguard, and we're pleased to observe the surge of sustainability-focused innovation from our vendors. As sustainability factors increasingly influence technology buying decisions, we're proud to offer our IT partners and their clients innovative solutions that address these needs. From laptops with components made from recycled ocean plastic to refurbished technology that extends the lifespan of physical components, Dicker Data is dedicated to offering our partner network more sustainable technology choices. As a distributor, our long-standing role is to assist our partners in designing solutions that address their end-customers' challenges. We're working towards aiding our partners in making eco-friendly choices by clearly displaying products that meet globally recognized standards, such as EPEAT and Energy Star, on our website and quotes. We continually emphasise the significant impact of today's technology choices on the environment when the technology reaches its end of life. We're collaborating with our vendors to broaden access to Total Cost of Ownership (TCO) calculators, enabling our partners to understand the full impact of their choices before they purchase. We're also working with our partner ecosystem to demonstrate the commercial viability of sustainable technology. The transparency of our vendor community on sustainability is improving, allowing us to provide our partners with more insights and enabling them to make more informed technology decisions. Some vendors now provide pre-purchase environmental impact reports on the technology procured from Dicker Data, with some also offering end-of-life reporting to demonstrate a particular technology's environmental impact over its lifespan. These reports also detail how the technology will be recycled to minimize its end-of-use impact on the planet, or they provide information on how the technology can be repurposed. We remain committed to sharing sustainability information on the products we distribute with our partners and are working to enhance the visibility and accessibility of sustainable solutions through various partner interaction channels. Dicker Data remains at the heart of Australia's digital transformation. With sustainability rapidly becoming a key requirement of the next digital transformation wave, the Company is well-positioned to support and enable its partner community to capitalize on the business opportunities this transition is creating. We're also proactively offering information sessions on sustainable technology for our partners. These sessions assist our partners in understanding how to monetize sustainable solutions, how to position them competitively, and use sustainability as a differentiator.

OCEAN IMPACT ORGANISATION

Dicker Data continued its partnership with the Ocean Impact Organisation in FY23. The Company was a headline sponsor and contributor to their Pitchfest event held at the Australian Maritime Museum in Sydney in October. As the sponsor of the Ocean Monitoring Spotlight Award again in 2023, the Company's involvement supported startups in the ocean health segment and has assisted the winner of the category, OnDeck Fisheries AI, accelerate their next round of growth. The Ocean Monitoring Spotlight Award aligns closely to the Company, with entrants using technology to improve global ocean health.

In June 2023 Ocean Impact Organisation Co-Founder, Tim Silverwood, visited the Company's Kurnell headquarters to provide a Data Bites, or lunch and learn, session to staff on the state of our oceans. Tim provided tips for the team to consider next time they're visiting the ocean, from cleaning to preserving the spaces we all enjoy. The session was well-attended and staff feedback on the presentation and learnings was positive. Time was also spent showing staff the impact the Company's investment has made over the past three years of partnership with Ocean Impact Organisation.

Directors' Report

The Directors' present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Dicker Data Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 31 December 2023.

The following persons were Directors of Dicker Data Limited during the financial year end up to the date of this report. Directors were in office for this entire period unless otherwise stated.

Directors

- David J Dicker
- Fiona T Brown
- Mary Stojcevski
- Vladimir Mitnovetski
- Ian Welch
- Leanne Ralph
- Kim Stewart-Smith

Principal Activities

The principal activities of the consolidated entity during the year were wholesale distribution of IT hardware, software, cloud, access control, surveillance and emerging technologies. There were no significant changes in the nature of the activities carried out during the year.

Dividends

Dividends paid during the financial year were as follows:

Record Date	Payment Date	Dividend /Share (in Cents)	Amount (in 000's)	Type	FY	Amount Franked
14-Feb-23	01-Mar-23	2.50	4,502	Final	2022	100%
15-May-23	01-Jun-23	10.00	18,010	Interim	2023	100%
17-Aug-23	01-Sep-23	10.00	18,017	Interim	2023	100%
16-Nov-23	01-Dec-23	10.00	18,024	Interim	2023	100%
Total		**32.50**	**58,553**			

The total dividends declared and paid during the financial year were 32.5 cents per share or a total of $58.5m, fully franked (2022: 54.0 cents per share, $94.3m), representing a decrease of 39.8%.

Our dividend policy provides for fully franked dividends to be paid on a quarterly basis, with the intent to pay out 100% of the underlying after-tax profits from operations after taking into account projected capital expenditure and cash requirements. The Dividend Reinvestment Plan (DRP) introduced in March 2014 has been retained for the 2023 year. Of the $58.5m dividends paid, $56.7m were paid as cash dividends and $1.8m participated in the DRP.

A final dividend for FY23 of 15.00 cents per share was declared on 9 February 2024 with a record date of 15 February 2024 and a payment date of 1 March 2024. With the three interim dividends paid during FY23, this will bring total dividends paid for the FY23 year to 45.00 cents per share. The FY23 dividend paid represents an increase of 8.4% up from 41.50 cents paid for FY22.

Type	FY	Payment Date	Dividend /Share (in Cents)	FY	Payment Date	Dividend /Share (in Cents)
Interim	2023	01-Jun-23	10.00	2022	01-Jun-22	13.00
Interim	2023	01-Sep-23	10.00	2022	01-Sep-22	13.00
Interim	2023	01-Dec-23	10.00	2022	01-Dec-22	13.00
Final	2023	01-Mar-24	15.00	2022	01-Mar-23	2.50
TOTAL	**2023**		**45.00**	**2022**		**41.50**

Operating and Financial Review

A snapshot of the operations of the consolidated entity for the full year and the results of those operations are as follows:

	Note	Dec-23 $'000	Restated Dec-22 $'000	Increase $ $'000	Increase %
Statutory revenue		2,267,711	2,213,157	54,553	2.5%
Gross profit		315,539	283,660	31,879	11.2%
Net operating profit before tax*		117,325	106,977	10,348	9.7%
Net statutory profit before tax		116,412	104,853	11,559	11.0%
Net profit after tax		**82,145**	**73,047**	**9,098**	**12.5%**
Gross revenue	1	3,278,063	3,104,408	173,654	5.6%

*add back one off costs of $0.9m (2022: $2.1m)

Gross Revenue Non-IFRS	Note	Dec-23 $'000	Dec-22 $'000
Statutory revenue	1	2,267,711	2,213,157
Non-IFRS adjustment		1,010,352	891,251
Gross sales and other revenue	1	3,278,063	3,104,408
Other income		8,327	742
Gross sales		3,269,736	3,103,666

Note 1 – Gross sales is non-IFRS financial information and does not represent revenue in accordance with Australian Accounting Standards. This represents gross proceeds from sale of goods and services, both as agent and principal and other revenue. Refer to table above for reconciliation of statutory to underlying results. Changes in presentation of revenue are detailed in Note 2 to the Financial Statements. The above results are based on restated FY22 results and therefore revenue and gross margin outcomes vary to the prior year report.

Revenue

Change in presentation – revenue recognition for contracts with customers

The Company is a value-added distributor of IT hardware, software, cloud, access control, surveillance and emerging technology solutions for the corporate and commercial market. With changes to our vendor software programs over time the Company undertook a detailed review of new and updated software agreements. The Company considered revenue recognition in respect of revenue from different contracts with our customers to reassess if the Company is acting as principal or agent in the resale of software licensing, warranty and maintenance products. It was concluded that the Company does not control the service before it is transferred to the customer, and therefore it has been determined that the Company is acting as an agent in respect of the sales. The Company has revised its accounting policy for the recognition of sales of virtual services and software to account for this revenue as agent and therefore recognises revenue as the agency fee made up of standard commission and other incentives driven by volume and other metrics. The prior period has been restated and detailed explanation of changes to revenue recognition is provided at Note 2 in the financial statements. The statutory revenue for the consolidated entity for the 12 months to 31 December 2023 was $2,267.7m (Dec22: $2,213.2m) up by $54.5m, or 2.5%.

Whilst there is a change in presentation of statutory revenue, the underlying gross sales as reported in previous years for the consolidated entity for the 12 months to 31 December 2023 were $3,269.7m (Dec22: $3,103.7m), up by $166.0m (+5.4%). Gross sales represent the gross proceeds from sale of goods and services, both as agent and principal. Underlying sales growth on the prior year of 5.4%, is partly attributed to a full 12 month's contribution from the Hills acquisition, which was completed on 1 May 2022, with the balance attributable to organic growth from existing and new vendors. Having only eight months contribution in the comparative period the Hills acquisition, together with the CSP acquisition in NZ which was completed 28 February 2023, contributed incremental $70.5m, which includes the addition of new vendors in the DAS business unit, with a full year contribution in FY23 of $153.3m (2022: $82.8m).

At a country level, in Australia sales grew by $166.0m (+6.5%) and and in New Zealand whilst sales were flat driven by decline in consumer sales with slow down in PC demand, gross margins significantly improved as did profitability. At a sector level, we experienced growth across all product segments, with hardware and virtual services gross sales at $2,357.1m (+$79.1m, +3.5%), software sales at $900.3m (+$86.5m, +10.6%) and representing 27.5% of our underlying gross sales, with our services revenue increasing to $12.3m (+$0.5m, +4.0%). We continue to see strong growth in both subscription and recurring revenue software businesses (+10.7%), reflecting the ongoing trend toward recurring revenue models by vendors, as well as Dicker Data's increased market share.

Gross Profit

Gross profit for the reporting period was up 11.2% at $315.5m (2022: $283.7m). Gross profit margins as measured against net revenue improved in the current year at 13.9% (2022: 12.8%), with improvement in gross margins in our New Zealand business. In addition to improvement in margins in New Zealand, margin improvement also attributable to increase in breadth of higher margin vendors with Australian gross profit margin finishing at 14.6% (2022: 13.7%) and New Zealand improving to 10.6% (2022: 8.8%).

Expenses

Operating Expenses

Operating expenses (excluding one-off costs) were $172.1m for the reporting period (2022: $154.0m), up by 11.8%, also increasing as a proportion to revenue at 7.6% (2022: 7.0%), as the company continues to invest in servicing the customer and vendor relationships it has added as a result of the acquisition of the Exeed, Hills and CSP businesses.

The increase in expenses is attributed primarily to an increase in salary related expenses. Salary costs were $141.9m (2022: $130.6m) an increase of $11.3m (2022: +8.7%), and increasing as a proportion of revenue to 6.3% (2022: 5.9%). The increase in salary and headcount is attributed mainly to the full year impact of addition of staff with the acquisition of the Hills business. Employee costs also grew with the increase in the superannuation guarantee rates. In addition the Company continues to maintain strong performance based remuneration packages, the increase in salary costs is also driven by the increase in revenue and operating profit growth experienced. Headcount across the group finished at 899 (2022: 859), an increase of 4.6%.

Other operating expenses, excluding one-off costs increased by $6.8m to $30.2m (2022: $23.4m), increasing as a proportion of sales to 1.3% (2022: 1.1%), mainly driven by increase in provision for doubtful debts, as well as increases in travel and full year of branch costs for the DAS business.

Depreciation, Amortisation and Interest

Depreciation and amortisation for the reporting period was $13.9m (2022: $12.3m), an increase of $1.7m, predominantly relating to increase in depreciation for right of use assets. Depreciation on the Right of Use Assets (ROUA) for capitalised leases amounted to $4.2m (2022: $3.1m). Included in this number is also $4.7m (2022: $4.5m) for amortisation of identifiable intangibles, of which $2.1m related to New Zealand and $2.6m to Australia.

Finance costs in the reporting period were $20.4m, up by $9.3m from the prior year (2022: $11.1m), attributed to the full year effect of incremental interest rate rises significantly increasing the Company's cost of debt.

Net Profit

Operating profit before tax finalised at $117.3m (2022: $107.0m) up by 9.7%, after adding back one off costs of $0.9m (2022: $2.1m) related to cost restructure initiatives associated with the recent acquisitions continuing from the prior year. Statutory profit before tax finalised at $116.4m (2022: $104.9m) up by $11.5m or 11.0%. Net profit after tax increased to $82.1m (2022: $73.0m), up by $9.1m increasing 12.5%. Weighted average earnings per share increased to 45.59 cents per share (2022: 41.80 cents), up by 9.1%.

Statement of Financial Position

Total assets as at 31 December 2023 were $927.0m (2022: $1,002.9m) with cash finalising at $11.6m, down by $0.7m (2022: $12.3m)

The statement of financial position reflects a significant improvement in working capital efficiency as supply chains normalised in 2023. Inventory and debtors days have lowered by 20.2% and 12.3% respectively, with these improvements offset by reduced payables days as the company has taken advantage of some vendor early payment discount options.

Total investment in net working capital was $384.5m up by $25.4m from previous year (2022: $359.1m). Trade and other receivables were down from the previous year to $485.7m (2022: $525.6m), a decrease of $39.9m. The company also continued to improve its inventory efficiency, with inventories finishing at $218.9m (2022: $261.7m), down by $42.8m. Inventory days decreased to 27.0 days (2022: 33.8 days). Trade and other payables finalised at $320.0m (2022: $428.1m), down by $108.1m

Property, plant and equipment increased to $96.7m during the period (2022: $87.6m) an increase of $9.1m as the company completed works on the expansion of the distribution centre.

Total liabilities as at 31 December 2023 were $671.7m, significantly down from the prior period (2022: $772.7m). Current borrowings comprising the drawn amount on the receivables purchase facility with Westpac was at $197.0m as at 31 December 2023, $12.0m higher than the prior year (2022: $185.0m). A $50.0m acquisition facility remains for the Exeed acquisition maturing in August 2024. The balance of drawn debt of $53.9m relates to a Bank of New Zealand (BNZ) cash advance facility used to fund the NZ operations. Overall borrowings are $300.9m, up $9.2m (2022: $291.7m), representing an improvement to the debt to equity ratio of 1.18 (2022: 1.27)

Equity has increased to $255.3m during the year (2022: $230.1m).

Equity Movement	$'000
Equity 31 Dec 2022	**230,145**
Comprehensive Income for FY23	81,923
Share Issue – DRP	1,821
Dividends Paid	(58,553)
Equity 31 Dec 2023	**255,336**

Significant changes in the state of affairs

Acquisition of Connect Security Products Ltd in NZ

On 9th February 2023 the Company entered into a binding Sale and Purchase Agreement (SPA) to acquire the business of Connect Security Products Limited (CSP), New Zealand's leading distributor of access control, surveillance and fire products. The acquisition completed on 28 February 2023 and the purchase price was NZD$5.0m comprising of $3.5m for goodwill with the balance for net business assets of $1.5m being predominantly for inventory.

CSP represents a highly strategic acquisition and a valuable addition to our 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 operates in parallel to Dicker Data's existing New Zealand operation and leverages shared services such as finance, warehousing, logistics and marketing, with the product and sales functions operating independently.

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.

Westpac Receivables Facility

In June 2023 the limit on the Westpac Receivables Facility was increased from $220m to $270m, an increase of $50m. This increase in limit will help support the ongoing growth and working capital requirements of the business. The Receivables Facility is to be renewed in May 2024.

There were no other significant changes in the state of affairs of the consolidated entity during the FY23 year.

Matters subsequent to the end of the financial year

Extension of Westpac Receivables Facility

The Westpac Receivables Facility matures in May 2024 and a credit approved term sheet has been received to roll this facility for a further 3 years with increased limit of $320m, up from $270m previously approved. The renewal of the facility is on same terms and pricing as existing facility. The Company is in the process of having documentation prepared to formally extend this facility.

Extension of Bank of New Zealand Facility

The Bank of New Zealand facility in NZ is also maturing in May 2024. The Company has received a credit approved facility amendment letter to increase this facility to $88.9m, comprising of cash advance facility for $68m, up from $58m previously approved, with the balance being available for stand by letter of credit facility to support supplier trade credit arrangements. The extension of the facility is to May 2025.

There were no other significant matters subsequent to the end of the financial year.

Likely developments and expected results of operations

2024 is set to be a year of accelerated transformation for the Australian and New Zealand technology sectors. The landscape in which we operate continues to evolve at an unprecedented pace, driven on one side by the innovations that improve the way we live, work and connect with those around us. On the other, an insatiable appetite for growth, improved efficiency and increased productivity from individuals, businesses, communities and governments as they look to technology to further extend their competitive advantage and elevate their customer experiences.

The Company expects overall economic conditions to improve in the second half of FY24, which will deliver growth across a number of technology categories. Our keys to success in 2024 revolve around six key pillars: Artificial Intelligence (AI), Cybersecurity, Data and Analytics, Collaboration, Digital Transformation and Diversification.

Artificial Intelligence (AI)

ChatGPT revolutionized the AI landscape when it launched on 30 November 2022, attracting over 100 million unique users in just two months. OpenAI, the creator of ChatGPT, made AI simple and user-friendly for the public, creating a widespread awareness of the technology's potential. Soon after, Microsoft and other major vendors distributed by the Company announced their plans to commercialise AI solutions. Microsoft unveiled its first major commercial AI product, Microsoft 365 Copilot in January 2024. The launch was met with glowing feedback from customers worldwide, however, AI also has created new challenges and opportunities for the IT channel. Technology partners are now building AI readiness capability to ensure their end-customers are prepared for AI adoption and to help them avoid potential risks. This is an area the Company is working with its partners in to drive the safe and ethical uptake of AI in ANZ.

However, there is more to AI than Microsoft Copilot and ChatGPT, which are examples of Generative AI. Whilst Generative AI is expected to have the most impact on technology users worldwide, Dicker Data also sees two other key areas of AI that offer additional strong potential for the Company: Embedded AI, which targets organisational needs, and Full Stack AI, which provides the foundational needs to build customised AI solutions that include easy to use interfaces and ensures security, privacy and governance.

The wave of impact of user-focused AI, or Generative AI, has commenced with products and solutions in this segment now readily available. Interest from the Company's technology partner community has been significant, although layered with caution. The materiality of the impact of Generative AI on the Company is expected to build through-out 2024 as the technology becomes mainstream and the challenges and risks experienced by early adopters are overcome.

The Company is optimistic on the uptake of Embedded AI solutions and expects these will have a positive impact on technology buying cycles in FY24. Whilst this category is not new, there will be new innovations and technology solutions brought to market in FY24 that will make the power of AI a reality for IT professionals. Areas such as cybersecurity, networking and PCs stand to benefit the most.

One major innovation expected to materialise in the Company's FY24 period is the world's first AI PCs, boasting the ability to run AI solutions natively. The release of the AI PCs is expected to positively impact PC refresh cycles as businesses move to capitalise on the potential of AI. IDC is predicting that AI PCs will represent 22% of all device sales in FY24 and 42% in FY25. New AI PCs are expected to become a must-have item for businesses looking to unleash the full potential of AI with their people.

Lastly, Foundational, or Full Stack AI, is expected to grow in ANZ in 2024. The Company's recent appointment as the only end-to-end distributor for all NVIDIA products in ANZ will underpin our success in delivering Foundational AI solutions. Coupled with the Company's strength in Microsoft Azure, all of the required elements to assist businesses and governments to build Full Stack AI solutions are in place. Full Stack AI is also the most technical and complex component of the Company's AI landscape view, further creating a need and demand for the Company's technical experts. 2024 is already showing early signs of a talent shortage of AI professionals, meaning businesses will look externally for support from their technology partner businesses, who we expect will look to their distributors as they scale Foundational AI solutions.

In summary, Artificial Intelligence is expected to have one of the most profound impacts yet on the way people live and work, and the way in which businesses operate. The Company is at the centre of the AI revolution and has every technology required to help businesses across ANZ realise the full potential of AI. The impact of AI on technology procurement is expected to be widespread, although it will take time to accelerate. Dicker Data's top priority is working with its partners on the safe and ethical adoption of AI solutions across ANZ throughout 2024 and beyond.

Cybersecurity

Cybersecurity will continue to be an area of focus and growth for the Company in 2024. The cyber threat landscape is continually evolving and the Company's role in helping businesses, communities and governments across Australia and New Zealand understand, assess and protect against attacks is growing. Hackers are becoming more sophisticated and are leveraging new technology to find new ways to exploit systems and gain unauthorised access to data.

To help our partner address the growing threats the Company has onboarded new cybersecurity vendors and increased our investment in building technical and sales excellence around the technologies. The Company's technical presales people have since been recognised as the best in ANZ by our vendors. The Company has also shared a three-tier model on approaching cybersecurity to assist partners in determining the best way forward for their business, with the Company having an active role to play in each tier:

1. Turnkey: Low barrier to entry, low investment, reliance on vendor tools and solutions.
2. Hybrid: Partner takes on internal investments with hybrid services. Hiring support resources internally for basic enquiries and escalates to distributor or vendor for more complex issues.
3. DIY: Partners become self-sufficient, all resources and security services are in-house, reliant on distribution for new solutions, technical assistance and ongoing upskilling and procurement.

Just as hackers are leveraging new technologies, such as AI, to increase their effectiveness, so are the Company's cybersecurity vendors. Cybersecurity solutions with embedded AI detect attacks faster, reduce human intervention and adapt to the evolving cyber threat landscape. By increasing the resiliency of organisations, the technology is also reducing cybersecurity professional burnout. Demand for advanced, AI-driven solutions is expected to continue growing in FY24.

Data and Analytics

As businesses become more digitised and reliant on technology, their people, processes, customers and transactions all generate more data that must be appropriately managed and secured, creating a significant opportunity for the Company and its technology partner community. Data is regularly the target of hackers and any loss of data, or degradation in data integrity and quality, can have significant negative impacts on a business. Increasingly, the Company's technology partner community are the go-to experts for Australian and New Zealand businesses and governments who are seeking best practice solutions to safeguard one of their most important assets, data.

Collaboration

The Company has seen a tremendous uptake of digital collaboration solutions following the pandemic. However, it is estimated by IT channel research firm Canalys that there are millions more meeting rooms globally that are still yet to be enabled. The Company has invested in forming partnerships with every major technology provider in the Professional AV segment to create a compelling ecosystem of solutions to help businesses across ANZ digitise their meeting spaces. The Company is now the largest Australian distributor for Professional AV solutions, having overtaken other distributors that traditionally operated in the meeting room market only. The convergence of IT with this market is more prevalent than ever, with technology partners now accounting for the majority of the Company's sales in this segment.

The introduction of AI powered meetings, particularly with Microsoft Teams, is expected to drive further growth in the Company's Professional AV business in 2024. With new capabilities, such as live translating meetings into different languages concurrently, or the inclusion of a new AI-assistant that transcribes meetings and notifies users of when they were mentioned and what their actions from the meeting are, will make the digitisation of traditional meeting spaces more imperative than ever.

Digital Transformation

A common theme for many years, the digital transformation of businesses, communities and governments has been a key underlying factor of success. The uptake of new technology is now widely regarded as an imperative and the question among leaders is not if, but when, they will adopt new technology, such as AI. To date, the digital transformation many have undergone has delivered strong competitive advantages and has enabled businesses to grow in the face of uncertain economic conditions.

The next wave of digital transformation, largely expected to be powered by AI, will enable everyone to become more efficient and more productive. Many will undertake AI-powered digital transformation to not only accelerate the impact of their workforces, but also to make their operating environments more accessible and inclusive, lowering the barriers to workforce participation. Digital transformation within the datacentre is also expected to also continue in FY24, as organisations pursue efficiencies in their systems and focus on making their operations more sustainable.

Diversification

The diversification of the Company's technology portfolio has enabled it to navigate periods of uncertainty and continues to prove successful. It has enabled the Company to be well-positioned for the shifts in technology spend and to be a more reliable and capable distribution partner. We operate at the centre of Australia and New Zealand's continued digital transformation and our strategy of offering a highly diversified technology portfolio from the world's leading technology vendors will continue in 2024.

Our diversification strategy enables the Company to invest into new technologies, solutions and business practices early, all whilst maintaining the nimble and agile culture we're renowned for. In turn, this has seen the Company engaging more deeply with its technology partner community and helping its vendors to accelerate their success. In 2024, the Company's advanced relationships with all technology vendors that underpin success in Artificial Intelligence will be key, particularly Microsoft and NVIDIA.

Warehouse Expansion

The recently completed warehouse expansion and configuration centre upgrade at our Kurnell headquarters will provide the platform for the Company to significantly scale its DAS business into the IT market. The convergence of IT and security is expected to deliver double digit growth for DAS in FY24. The warehouse expansion will also enable the Company to expand its third-party logistics (3PL) offering and onboard new customers. The expansion also provides capacity for the Company to expand the number of consumer brands it represents, with a strong focus on the brands that require full value-added distribution, rather than simple fulfilment.

Material Business Risks

Risks	Key Drivers	Mitigations
Supply chain and transportation disruption Dicker Data operates within and relies on a global supply chain, which requires the ability to access, and transport products to our customers. Intrinsic dependencies on suppliers or regions can result in the risk of disruption to our supply chain, including shortages or delays associated with geopolitical uncertainty, extreme weather, or pandemic induced slowdowns.	• Evolving global and geopolitical risk landscape. • Freight and transportation dependencies. • Points of sensitivity in the supply chain. • Component/raw material shortages	• Ability to flex working capital holdings where shortages are foreseen. • Robust contractual agreements and protections. • Ongoing program to ensure diversification of suppliers across multiple regions.
Macroeconomic and competitor landscape The external risk environment continues to be influenced by uncertainties in the macroeconomic and geopolitical landscape, including international disputes and trade tensions, and broader environmental threats including extreme weather events and continued pandemic induced slowdowns. Dicker Data's competitive markets can also be impacted by local forces such as a slowing economy, disruptive product innovation, increased competitor activity, new entrants, and changes in customer strategies and preferences.	• Competitor activity. • Movement in economic conditions. • Evolving geopolitical risk landscape. • Environmental factors including extreme weather and pandemics.	• Regular oversight and monitoring across our markets. • Adapting processes and business continuity discipline to respond to changing conditions. • Scenario modelling to enable changes to spending and investment approaches in response to changes in economic and business conditions.
IT resilience and cybersecurity Dicker Data recognises the importance of protecting its systems, applications and data, and maximising its ability to recover rapidly in the event of a disruption. In particular, cybersecurity risks continue to pose an increased threat to all organisations, including risks associated with major 'denial of service' type attacks, ransomware, malware and other malicious hacking activities, all of which can lead to a significant disruption to operations.	• Increasing complexity and transformation of the IT environment. • Dynamic cybersecurity risk landscape. • Technology changes including additional adoption of cloud and AI technology.	• Proactive IT environment testing, monitoring, and maintenance. • Clearly defined strategy, and control environment. • Governance and oversight mechanisms and Audit and Risk Management Committee risk updates. • Data security and awareness programs for all Dicker Data employees. • Investment in best practice tools and processes to provide multi-layer protection against unauthorised access.

Risks	Key Drivers	Mitigations
Refinance risk Dicker Data currently has in place a working capital facility with Westpac Banking Corporation in Australia and Bank of New Zealand (BNZ) in New Zealand and both facilities are to be renewed in May 2024. Whilst the Board is confident on the Company's ability to refinance these facilities there is no guarantee that in the future Dicker Data will be able to extend, renew or refinance its existing bank facilities at the required time, or access additional debt facilities if desired. Any new debt may also be available on terms that are less favourable to Dicker Data. If Dicker Data is unable to access adequate debt financing when desired, or debt that is provided on commercially less favourable terms, this may affect its financing costs, or its ability to fund its operations, meet its growth aspirations or respond to competitive pressures. This in turn may affect Dicker Data's financial performance.	• Tightening of monetary policy resulting in higher interest rates. • Strengthening of banking risk profiles.	• Dicker Data has the ability to reassess its current 100% dividend payout policy. • Ability to raise more capital through a share issue. • Maintaining strong relationships with our bankers. • The Company has received credit approved term sheets to renew each of these facilities on same terms and pricing, whilst increasing facility limits.
People and talent Dicker Data requires highly skilled talent to continue to ensure we have the right expertise to continue to drive growth in the business. Retention and recruiting are expected to remain challenging due to low unemployment rates, as a result we need to actively manage key talent risks within the business.	• Competitive talent market where demand is exceeding supply. • Increasing expectations from the workforce in the current labour market. • Evolution of flexibility in role design in the post-COVID-19 environment.	• Employer of choice by continuing to build strong organisation culture and leadership. • Succession planning process for key roles • Remuneration structure reviews and benchmarking. • Attraction and retention strategies with broad employee value proposition.
Legal and compliance risk Dicker Data must comply with a broad range of laws and regulations, as well as its legally binding contracts and agreements, whilst also ensuring that any breaches (potential or actual) are identified and handled in a timely and proactive manner. The ever expanding complexity of regulatory and contractual obligations is also growing as the Dicker Data business evolves.	• Growing span and complexity of Dicker Data's regulatory landscape. • Increasing regulatory requirements across a range of areas (e.g. ESG). • Large volume of contracts and agreements across the business.	• Dedicated in-house HSE, procurement and legal personnel. • Mandatory policies, procedures, training and education provided covering • Key regulatory and compliance areas.

Risks	Key Drivers	Mitigations
Environmental, social, and corporate governance (ESG)		
Dicker Data's operations must continue to progress our journey to reducing our impact on the environment and respond to legislative requirements in this area. We also recognise the reputational risk associated with any failure against ESG reporting or disclosure obligations.	• Source of growing stakeholder expectations. • Depth and complexity of the supply chain. • Increasing regulatory landscape surrounding ESG.	• ESG governance framework in place. • Developing integrated reports and ESG targets. • Dedicated team committed to advancing our ESG credentials. • Member of APCO. • Regular review and oversight of ESG initiatives and risks by leadership team.
Wellbeing, health and safety		
The health and safety of the Dicker Data team and customers is a central focus, and remains fundamental to the daily and weekly routines of our teams. Dicker Data is committed to creating a safe working environment where people are protected from both physical and psychological harm.	• Inherent safety risks arising in the normal course of business. • Diverse network of physical infrastructure and equipment across sites.	• Dedicated safety team, including supporting systems and controls. • Safety monitoring, inspection and training programs. • Investment in programs and resources that support our employees. • Structured incident and injury management processes.
Technological disruption and transformation		
Dicker Data must keep pace with technological advancements that disrupt our operational and competitive landscape. Evolving technologies, including advanced robotics and artificial intelligence (AI), have the potential to impact Dicker Data and its broader markets, together with rapid developments in data science, machine learning and predictive modelling.	• Increasing speed and volume of technological disruption. • Changing consumer behaviours and expectations. • Impact of legacy infrastructure and environments.	• Technology strategy and roadmap. • Working with our partners on the safe and ethical adoption of AI solutions. • Ensuring our teams have the right resources and training to adapt quickly to the changing environment.
Foreign Exchange		
Dicker Data undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations.. Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency.	• Increasing purchases from vendors that trade with us in a foreign currency • Instability in global financial markets.	• In order to protect against exchange rate movements, Dicker Data has entered into forward foreign exchange contracts. • Management has a risk management policy to hedge between 30% and 80% of anticipated foreign currency transactions for the subsequent 4 months, with occasionally requiring a hedge for up to 12 months on specific transactions.

Environmental regulation

The consolidated entity is subject to the requirements of the Australian National Television and Computer Recycling Scheme (NTCRS), and the Company is a member of an approved co-regulatory e-waste provider. There have been no instances of non-compliance throughout the year.

Information on Directors

David Dicker

Chief Executive Officer (CEO) and Chairman

David is the co-founder of the company and has been a director of the company since its inception. David's role as CEO requires focus on Dicker Data's business strategy and decision making and under David's strategic guidance the company has enjoyed material growth, establishing Dicker Data as one of the leading Australia-based distributors of IT products.

Interest in Equities as at Report Date:

8,651,041	Ordinary shares in Dicker Data Limited
48,000,000	Ordinary shares held by Rodin Ventures Limited

Interest in Contracts:
Nil

Special Responsibilities:
Chairman and responsible for the overall business management and strategy as Chief Executive Officer.

Other Current Listed Company Directorships:
None

Other Current Listed Company Directorships held in Previous 3 Years:
None

Fiona Brown

Non-Executive Director

Fiona Brown is the co-founder of Dicker Data and currently serves as Non-Executive Director of the company. Fiona has been involved with the business since it started in 1978 and has been a director of the company since 1983. As a Non-Executive Director, Fiona brings her knowledge and experience in the IT distribution industry for over 40 years, of which the first 26 years was in the role of General Manager of the business.

Interest in Equities as at Report Date:

25,741,673	Ordinary shares in Dicker Data Limited
21,800,000	Ordinary shares held by BTR No 2 Pty Ltd
5,117,172	Ordinary shares held by Fi Brown Trust No 1
2,988,598	Ordinary shares held by BTR Investments No 1 Pty Ltd
106,128	Ordinary shares held by South Coast Developments Pty Ltd as trustee for the Brown Family Superfund
23,539	Ordinary shares held by related parties

Interest in Contracts:
Nil

Special Responsibilities:
Member of the Audit and Risk Management Committee
Member of the People & Culture Committee

Other Current Listed Company Directorships:
None

Other Current Listed Company Directorships held in Previous 3 Years:
None

Vladimir Mitnovetski

Executive Director and Chief Operating Officer

Vlad joined the company in 2010 in his role as Category Manager. In this role he was responsible for the establishment and growth of key volume vendors and was instrumental in the introduction of new vendors to Dicker Data's portfolio. Vlad is a business technology professional with over 20 years of distribution industry experience. Vlad started his career at Tech Pacific and then Ingram Micro where he worked in various roles before progressing to business unit manager roles in enterprise and personal systems, working closely with many leading vendors. Vlad holds a Bachelor of Business degree from University of Technology and a master's degree in advanced marketing and management from the University of New South Wales. Vlad was appointed to the position of Chief Operating Officer on 8th September 2014.

Interest in Equities as at Report Date:

829,992 Ordinary shares in Dicker Data Limited
53,184 Ordinary shares held by Mitnovetski Pty Ltd as Trustee for Mitnovetski Superannuation Fund
20,627 Ordinary shares held by his wife

Interest in Contracts:
Nil

Special Responsibilities:
Responsible for the sales, vendor alliances and operations of the consolidated entity.

Other Current Listed Company Directorships:
None

Other Current Listed Company Directorships held in Previous 3 Years:
None

Mary Stojcevski

Executive Director and Chief Financial Officer

Mary joined Dicker Data as Financial Controller in 1999. Her responsibilities include all of the financial management, administration and compliance functions of the company. Prior to joining Dicker Data Mary had over 15 years' experience in accounting and taxation. Mary holds a Bachelor of Commerce Degree with a major in Accounting from the University of New South Wales. Mary is also an Executive Director of the company and has been a director since 31 August 2010.

Interest in Equities as at Report Date:

69,335 Ordinary shares in Dicker Data Limited
248,666 Ordinary shares held by Stojen Pty Ltd as trustee for Stojinvest Superannuation Fund

Interest in Contracts:
Nil

Special Responsibilities:
Responsible for the overall financial management and compliance functions of the consolidated entity.

Other Current Listed Company Directorships:
None

Other Current Listed Company Directorships held in Previous 3 Years:
None

Ian Welch

Executive Director, Chief Information Officer and Director of Operations

Ian joined Dicker Data in March 2013 as General Manager – IT before he was appointed Chief Information Officer on 6th August 2015. Prior to officially joining Dicker Data Ian spent more than 15 years consulting to Dicker Data in various roles. During this period Ian had been instrumental in establishing and maintaining the IT Systems for Dicker Data and as a result has a deep understanding of the business and all related processes. Ian started his career as an IT Professional working as consultant to businesses in various sectors. A large proportion of these were in the logistics space which have allowed Ian to develop a fundamental understanding of such operations. Ian is also an Executive Director of the company and was appointed 6th August 2015.

Interest in Equities as at Report Date:

78,000 Ordinary shares in Dicker Data Limited

Interest in Contracts:
Nil

Special Responsibilities:
Responsible for IT operations, systems and processes

Other Current Listed Company Directorships:
None

Other Current Listed Company Directorships held in Previous 3 Years:
None

Leanne Ralph

Non-Executive Director

Leanne was appointed as an independent non-executive director on 13 December 2019. Prior to her appointment Leanne was the founder and director of Boardworx Australia Pty Ltd, a provider of outsourced company secretarial services, growing the business for its sale in 2017. Leanne is a highly experienced governance professional with over 15 years in this field, having held the role of Company Secretary for a number of ASX-listed entities across a diverse range of industries and clients based in the US, Singapore, Germany and New Zealand. She currently holds the role of Company Secretary for various listed entities and has significant experience in capital raisings, corporate transactions and IPOs. Leanne's prior executive positions focussed on accounting and finance for almost 20 years, as CFO of International Brand Management Pty Ltd, a business of importing, wholesaling and retailing luxury fashion brands, and Principal Client Advisor with Altus Financial, providing management accountant and company secretarial services to clients. Leanne holds a Bachelor of Business with majors in Accounting and Finance, is a Graduate Member of the Australian Institute of Company Directors and a Fellow of the Governance Institute of Australia

Interest in Equities as at Report Date:

3,507 Ordinary shares in Dicker Data Limited

Interest in Contracts:
Nil

Special Responsibilities:
Chair of the People & Culture Committee
Member of the Audit & Risk Management Committee

Other Current Listed Company Directorships:
None

Other Current Listed Company Directorships held in Previous 3 Years:
None

Kim Stewart-Smith
Non-Executive Director

Kim was appointed as an independent non-executive director on 18 March 2021. Kim is an experienced ASX independent Non-Executive Director and is also currently an independent Non-Executive Director and ARC Chair for AMA Group (ASX : AMA) and WTFN Entertainment & Media. Kim is also the Founder and Managing Director of Stewart & Smith Advisory, a business advisory, corporate services and chartered accounting firm. Prior to this, Kim has had significant experience in senior roles in commercial and professional services. Kim was a Partner at Ernst & Young, Oceania responsible for the Outsourced Finance & Accounting services for 3 years. Kim holds a Senior Executive MBA from Melbourne Business School and studied Strategy in Europe at WHU – Otto Beisheim School of Management, Strategic Innovation at Berkeley Haas School of Business at University of California, a Bachelor of Business with majors in Accounting and Finance, a Master of Applied Finance (M&A), is a Fellow of the Governance Institute of Australia, a member of the Australian Institute of Company Directors and holds a Public Practice Certificate from the Institute of Chartered Accountants Australia and New Zealand.

Interest in Equities as at Report Date:
4,941 Ordinary shares held by Stewart & Smith Pty Ltd as Trustee for Stewart-Smith Superannuation Fund

Interest in Contracts:
Nil

Special Responsibilities:
Chair of the Audit and Risk Management Committee
Member of the People & Culture Committee

Other Current Listed Company Directorships:
Non-Executive Director and Chair of Audit and Risk Committee at AMA Group Ltd

Other Current Listed Company Directorships held in Previous 3 Years:
None

Erin McMullen
Company Secretary

Erin McMullen was appointed to the position of Company Secretary on 6th November 2018. Erin has over 11 years' experience in Company secretarial roles for various publicly listed and unlisted entities. Prior to this Erin worked in Executive Support and Managerial roles across a number of sectors.

Director Meetings

The number of meetings of the company's board of directors and of each board committee held during the year and the number of meetings attended by each director were:

	Board		Audit & Risk Committee		Nomination & Remuneration Committee	
	Meetings eligible to attend	Meetings attended	Meetings eligible to attend	Meetings attended	Meetings eligible to attend	Meetings attended
Mr David Dicker	12	11	-	-	-	-
Ms Fiona Brown	12	12	3	3	2	2
Mr Vladimir Mitnovetski	12	12	-	-	-	-
Ms Mary Stojcevski	12	12	-	-	-	-
Mr Ian Welch	12	12	-	-	-	-
Ms Leanne Ralph	12	11	3	3	2	2
Ms Kim Stewart-Smith	12	12	3	3	2	2

Remuneration Report

Introduction from the Chair of the People & Culture Committee

Dear Shareholders,

On behalf of Dicker Data's People & Culture Committee, I am pleased to present our Remuneration Report for the year ended 31 December 2023.

The intention of this report is to describe the linkage between our strategy, remuneration principles and remuneration framework and how these have been driving the significant shareholder returns Dicker Data has achieved.

In a highly competitive industry that does not provide for the development or maintenance of any economic moats, annual profit growth and, as a consequence, our dividends, is the primary driver of value. The primary driver of market value is also the primary determinant of executive remuneration. Incentives make up almost 90% of executive remuneration. The determinants of incentive payments are based on minimum net profit margin of 2.5% as measured against gross revenue. This ensures alignment with shareholder interests, it varies executive pay levels with profit levels and the company's capacity to pay. It is also transparent, audited, simple to understand, and straightforward to administer.

The short-term profit focus (fed primarily by winning new business) feeds into long term wealth, since new business turns into annual recurring revenue, contributing to profits in future years.

This is evident from the table below.

Dicker Data Growth	10yr	5yr	1yr
Gross Revenue	624.24%	119.01%	5.35%
Net Operating Profit Before Tax	784.77%	151.76%	9.67%
EPS	526.24%	125.47%	9.07%
Dividends per Share	364.29%	80.56%	(39.81%)
TSR	3,470.72%	462.33%	22.31%

FY23 Outcomes

FY23 saw companies classified as technology stocks outperform all other sectors. This has been the market's response to seeing an end to increases in the cost of capital, and so in the way it values technology companies. Against this, Dicker Data provided products and services to the SME sector, which was still suffering from high interest rates and a subdued real economy. Despite the market conditions for the SME sector, our revenues, net profit after tax (NPAT) and earnings per share (EPS) all increased, and whilst dividend paid in the calendar year was lower due to higher interim dividends the prior year, total dividends for the FY23 year increased by 8.4%. Overall, the more optimistic outlook and Dicker Data's sound fundamentals have been recognised by the market. Our share price increased by 17.4% over the year. We remain capital light, focussed on business-to-business sales rather than to end consumers, have a loyal and sticky customer base, tried and tested customer solutions, and have a small share of a very large and fragmented small medium enterprise market for technology equipment and support.

Our strategy reflects our shareholder base, who are primarily retail shareholders and not Institutional investors. Consistent years of high profit and relatively generous dividend payouts have allowed us to reward shareholders. While dividends per share are down from FY22 at 32.5 cents, they remain consistent with the 5-year average, and above the 10-year average of 25.4 cents. As mentioned dividends paid were lower in the year due to higher interim dividends being paid the prior year but the Company maintained its 100% dividend policy and dividends in respect of the FY23 year increased by 8.4% with a final dividend of 15 cents per share to be paid 1 March 2024.

Incentives and realisable remuneration (base pay plus incentives) were again highly correlated with profit and dividends realised by shareholders, consistent with prior years. Our executive pay alignment with our fundamental driver of value is a key advantage of the Dicker Data framework. As FY23 Net Operating Profit Before Tax has not just been sustained from the prior year but has grown, so has the pay of the executive KMPs whose incentives are expressed as a direct percentage of this profit. However, it would be disingenuous to suggest that all of the Executive pay growth is due to profit growth. It also reflects a slightly higher share of profit. We increased the contracted profit share of CFO Mary Stojcevski and CIO Ian Welch from 1.5% to 2.0% from 1st October 2023. The increase narrowed the gap to the COO's 4.0% share, recognised the extent that our performance would not be possible without these three critical people operating as a close-knit team to drive our performance, and addressed a misalignment with remuneration of other, non-KMP, executives at Dicker Data.

Response to First Strike

At our AGM held in May 2023, 73.62% of the votes received supported the remuneration report for the financial year ended 31 December 2022. Votes cast against the FY22 Remuneration Report were 26.38%, which has resulted in 'strike' against the FY22 remuneration report. Following a spill resolution at the 2022 AGM that did not pass based on a second strike for the FY21 Remuneration Report, the cycle renewed, so that last year's vote resulted in a 'first strike' under the *Corporations Act 2001 (cth).*

Proxy advisors and shareholder feedback indicated concern with the uncapped nature of the profit share plan, the absence of a long-term incentive plan and the lack of equity payments and/or deferral on the profit share plan. This feedback probably does not reflect the views of most shareholders, given the majority support for our remuneration, but is probably a fair reflection of the minority that voted against the remuneration report. We do not agree with placing a cap on how much incentive an executive can earn providing it can be funded and is proportional to profit, as this would be a misalignment with the interests of shareholders, and act as a disincentive for better performance. It would be akin to saying to our team to stop making profit when they reach a prescribed level and that we as directors would be happy with this. To do so would be artificially capping the dividends that our shareholders could receive. Directors, and we believe our shareholders, would not be happy with this. Tolerance of modest performance is not part of our culture. We have risk bounds, including gearing and working capital. We share risk with executives, whose pay varies with profit. Within these risk bounds we want maximum performance.

If executives did not own substantial Dicker Data stock we would consider deferral of the annual incentive in stock. But given that they already hold stock that greatly exceeds normative standards within the ASX 200 this is not necessary.

We believe this combination of annual cash that varies in direct proportion to profit and high stock ownership is ideal for our company. It recognises our value is not a function of an economic moat, with executives benefiting from the legacy of others. Rather, our value lies in achieving high performance every year.

The remuneration report vote outcome was disappointing. It reflected the views of shareholders who held 10.3% of our shares, so that the strike was, in effect, an outcome of votes from 2.7% of shares held. Even if shares held by related parties are excluded, the proportion of shares voting against was just 7.4%. The votes were from mainly institutional shareholders, the majority of whom receive proxy advice derived in most cases from a standardised set of guidelines applicable to all issuers irrespective of the nature and type of company, and its business strategy. The board seriously considered their feedback, and considered whether it was a valid reflection of most shareholders views, rather than just 7.4% of shares held. However, there is insufficient evidence either way that this was a valid reflection of shareholder views more broadly. We also considered the extent that the framework is in the best interests of our shareholders. On balance, we decided that it was, purely because it has been successful in attracting and retaining the best executives in the industry, based

upon the level of sustained performance delivered over the tenure of their employment to date.
Rationally, the only responsible recommendation that the independent directors can make to the full board is that no changes be made to the remuneration framework because:

- no changes to a structure that reflects the need for greater profit every year
- it operates within the risk parameter confines set by the board, and shared by management
- management have attained, and are required to maintain, a high level of stock ownership
- it continues to work well

FY23 Remuneration

We completed a NED fee review in 2022 which determined that our NED fees were below market.
Almost 95% of shareholders voted for an increase in the NED fee pool from $270,000 to $750,000. This allowed for NED fees to be increased in FY23. The increased fees are tabled in the remuneration report and are reflective of the market median for listed companies of Dicker Data's size.

As noted, Mary Stojcevski and Ian Welch both had their profit share percentage increase from 1.5% to 2.0% from October 2023. There was no change to their base pay. The increase in profit share percentage was made to address a misalignment with remuneration of other, non-KMP, executives at Dicker Data and reduce the gap to the COO share. It is also worth noting that the CEO David Dicker does not receive any executive remuneration so that overall executive compensation needs to be viewed in the context of all roles and responsibilities.

Concluding Comments

Dicker Data's remuneration is directly linked to performance. It is the most transparent and simple executive remuneration structure among listed peers. Our policy whereby almost all executive remuneration is tied to our profitability sets us apart from competitors, and ensures we attract, retain and focus the industry's best talent on the key driver of shareholder returns and sustainable value. Moreover, unlike peers, it has a symmetry in that it can decline as easily as it can increase.

Dicker Data remains focused on delivering growth. We believe that our remuneration structure combined with executives who have significant "skin in the game" positions us well to continue providing our shareholders with strong returns, ensures executive pay varies with performance, and exposes and aligns executives personal asset holdings with the long term interests of shareholders. The fact that all executive KMP (excluding the founder, David Dicker), purchased more shares in FY23, stresses the confidence of our executive team in our strategy and value.

We remain open to remuneration frameworks that are simpler, transparent and aligned. To that end we will continue to have ongoing dialogue with proxy advisers, our shareholders and our staff to ensure our framework continues to deliver on that promise.

Leanne Ralph
Chair of the People & Culture Committee

27 February 2024

Remuneration Report (Audited)

All information in this remuneration report has been audited as required by section 308(3C) of the *Corporations Act 2001 (cth)*. The remuneration report is set out under the following main headings:

a. Consideration of FY22 strike feedback
b. Key management personnel
c. Principles used to determine the nature and amount of remuneration
d. Details of remuneration
e. Service agreements
f. Share-based compensation
g. Additional disclosures relating to key management personnel

(a) Consideration of FY22 Strike Feedback

At our 2022 AGM held in May 2023, 73.62% of the votes received supported the remuneration report for the financial year ended 31 December 2022. Votes cast against the FY22 Remuneration Report were 26.38%, which has resulted in 'strike' against the remuneration report for FY22. Following a spill resolution at the 2022 AGM that did not pass based on second strike for the FY21 Remuneration Report, this has now resulted in a 'first strike' under the *Corporations Act 2001 (cth)* for the FY22 year.
The following table summarises the issues raised by our shareholders and their proxy advisors in connection with the FY22 Remuneration Report resolution. Our assessment and consideration of these concerns are also in the table below.

Issue raised	Consideration by Company
No proportion of executive remuneration is deferred/delivered in equity	If executives did not own Dicker Data shares, or were not actively acquiring our shares to meet ownership expectations, the absence of equity as part of remuneration would be a valid concern. However, Dicker Data executives already have accumulated our shares with after tax proceeds from their incentive payments. Their personal exposure to total shareholder returns, and hence alignment with shareholder interests, is significant. Their "skin in the game" is considerably higher than executives in peer companies. In FY23 all executives excluding the CEO/founder have purchased shares. This shows the executives have confidence in our Company's underlying value and or business strategy. The following table breaks down the current shareholding levels as a proportion of base pay for each executive:

Name	Shareholding ($) as at 31 December 2023	Shareholding as a multiple of Base Pay
Vladimir Mitnovetski	$10,809,484	18.02
Mary Stojcevski	$3,803,292	15.21
Ian Welch	$932,880	3.73

There is an argument that remuneration deferral with equity would assist in executive retention. In considering this we note that each member of the Dicker Data executive team has been at the company for over 9 years, exceeding the current average ASX 300 company executive tenure by about 4 years. This suggests that the current policy has been effective at retention of talented executives that deliver performance.

Therefore deferral would serve no further purpose given their levels of ownership and exposure, while detracting from the simplicity and attractiveness of our incentive plans for talented executives who get results.

In FY22 a formal mandatory shareholding requirement was introduced for executives to have shareholdings equal to 300% of base pay to ensure all current and future executives achieve and maintain significant shareholdings. Although our executives have binding employment agreements currently in force, they have nevertheless fully endorsed this change. All have voluntarily agreed with this requirement. These requirements are matched only by very few of the larger ASX 300 companies.

Issue raised	Consideration by Company
No LTI plan	We have deliberately configured our business to be agile, with limited long term risk exposure. That is, we are asset light. Most capital deployment is in inventory, which we turn over quickly to further reduce capital risk from obsolescence and write downs. This permits us to focus primarily on sales and service, agilely responding to our customers' needs. Unlike competitors, we do not want to be weighed down by legacy systems in a fast moving world of technology. Vendors that we stock invest the capital, so we do not have to. The spread of vendors and their products permits us to always have solutions for our customers, providing we are agile enough to identify new technology opportunities to configure to their needs. This pressure to respond in the short term is the reason we have maintained consistently high levels of profit growth since we have listed. Our incentive plan is essential to this strategy, while executive share ownership has ensured good levels of alignment.
Executives are entitled to a percentage of net operating income before tax without a limit on outperformance	The executive team has low levels of base pay in comparison to market practice. A larger proportion of executives' realised remuneration is at risk relative to market practice. In the event that the gateway (a net profit margin of 2.5%) is not achieved no profit share incentive will be earned. Based on the feedback, it appeared that the uncapped profit share was an issue for some proxy advisors and investors because it can result in very high remuneration relative to similarly sized companies. This appeared to outweigh, for the few that noted it, the very low remuneration relative to others that could equally result if performance was poor. It also appeared to ignore performance relative to other companies. Dicker Data values remuneration and performance symmetry. It does not subscribe to the view that executive pay can go up but not down. Hence our philosophy more equitably shares the risk between executives and shareholders. In FY23 our net profit before tax increased by 11.1% and executive pay increased accordingly. To cap the executive pay upside, we would have to increase the floor on the executive pay downside. We do not want to condemn shareholders with mediocrity by in effect saying to executives we do not want them to outperform. We do. Introducing a cap on outperformance of executives would be demotivating, reduce executive retention, require Dicker Data to raise base pay and undermine the model that has increased shareholder wealth so significantly since listing as a public company.
Only one performance measure	Some proxy advisors and investors were concerned that there was a singular focus on one measure. To some investors this would increase risk that other important aspects would be disregarded, resulting in loss of value. We have considered this within the context of the nature of the company and executive shareholdings. We are reasonably satisfied from this review that the primary driver of value is profit. Since 2019, the net operating profit before tax has grown at an average rate of 17% and earnings per share and as such shareholders worth has increased at an average rate of 8.4% per annum over this period. While there are other important performance factors, they are primarily hygiene measures. That is, they are necessary as leading indicators of ongoing organisational health. While they are not primary value drivers, failure to attend to these can be risky, and consequently impact share price and dividends. Hence as a Board we do set standards for our executives, and measure and monitor these. Rather than signalling any of these out, assigning a weight, and varying pay according to a formula, we believe the impact of these is best managed through requiring high levels of executive share ownership. This has now been formalised with the Mandatory Shareholding Requirement (MSR).

(b) Key management personnel

Key management personnel (KMP) covered in this report are detailed below:

	Name	Position Held	Tenure
Executive Directors	David Dicker	Chief Executive Officer	Full Year
	Vladimir Mitnovetski	Chief Operating Officer	Full Year
	Mary Stojcevski	Chief Financial Officer	Full Year
	Ian Welch	Chief Information Officer and Director of Operations	Full Year
Non-Executive Directors	Fiona Brown	Non-Executive Director	Full Year
	Leanne Ralph	Independent Non-Executive Director	Full Year
	Kim Stewart-Smith	Independent Non-Executive Director	Full Year

(c) Principles used to determine the nature and amount of remuneration

In determining the remuneration packages of its executives, the board adopts principles that ensures the level and composition of remuneration aligns with the interests of shareholders and allows us to retain our high performing talent.

These key principles are:

- A focus on the performance of the business – executives are paid on the performance of the business;
- A minimum performance threshold has to be met before any performance awards are paid. This ensures the variable reward is only available when value has been created for shareholders and when profit is in line with the approved budget;
- The remuneration framework is simple, clear and transparent;
- Competitive remuneration packages to ensure the retention of highly skilled long-serving personnel.

Executive remuneration and other terms of employment are reviewed annually by the board having regard to performance against goals set at the start of the year and relevant comparative information. Remuneration arrangements are specified in each executive's employment agreement. Any changes to remuneration can only be legally amended with the consent of the executives.

Remuneration is intended to attract and retain executives capable of managing the company's operations, achieving the company's strategic objectives, and increasing shareholder wealth.

Executives Remuneration Framework

The executive pay and reward framework includes the following components:

- Base pay and benefits
- Performance-related cash incentives
- Other statutory-based remuneration components such as superannuation.

The combination of these comprises executives' remuneration.

Base pay
Base pay is structured as a total employment cost package which may be delivered as a combination of cash and prescribed non-financial benefits at the executive's discretion. There are no guaranteed base pay increases included in any senior executives' contracts.

The following table summarises the executives base pay in FY23 as well as FY22:

Name	FY23 Base Pay	FY22 Base Pay
David Dicker	-	-
Vladimir Mitnovetski*	$600,000	$600,000
Mary Stojcevski	$250,000	$250,000
Ian Welch	$250,000	$250,000

* The remuneration payable to Mr Mitnovetski will be a performance-based salary of the higher amount of either: (i) $50,000 per month; or (ii) 4% of net operating profit before tax in the quarter. Profit incentive is subject to the company achieving a net profit margin of 2.5% as measured against gross revenue, in a calendar quarter.

Performance-related incentives
Performance-related cash incentive entitlements are contingent on net operating profit before tax, but only if a minimum margin gateway has been achieved. Non-financial objectives are also assessed in rating executive performance in meeting the company's business objectives.

Using profit ensures variable reward is only available when value has been created for shareholders. Incentives vary with the company's capacity to pay incentives.

The executives' cash incentive entitlements are assessed and paid either monthly or quarterly based on the actual performance against the relevant monthly profit with reconciliation at the end of the financial year against the audited full-year actual profit. The performance-related award is un-capped after the threshold performance metric has been achieved. The chairman and CEO is responsible for assessing whether an individual's targets have been met.

The performance-related cash incentives align with Dicker Data's strategy by:
- Focussing executives on the key value driver for share price and dividends.
- Varying remuneration directly with the performance of the company and its capacity to pay.
- Establishing a performance gateway requiring a minimum margin to be achieved before any payment is made.
- Lowering risk through having relatively low fixed remuneration cost.
- Providing for zero incentives in the event of poor performance.
- Being simple to understand, monitor and audit.
- Providing remuneration that is highly competitive, but only for executives who perform.
- Aligning executive prosperity with shareholders via a high shareholding requirement.

Non-executive directors
Fees and payments to non-executive directors reflect the demands which are made on, and the responsibilities of, the directors. The Board determines remuneration of non-executive directors within the maximum amount approved by the shareholders from time to time.

We completed a non-executive director (NED) fee review in 2022 which determined that our NED fees were below market. At the FY23 AGM 94.56% of shareholder's approved the total maximum for non-executive director fees to be increased to $750,000 per annum, up from $250,000 pa previously.

The increase of the NED fee pool allowed NED fees to increase from 1st June 2023 as per table below. The fees reflect the market median identified in the 2022 review.

Leanne Ralph was appointed to the board as a non-executive independent director in December 2019. Kim Stewart- Smith was appointed to the board as a non-executive independent director in March 2021. Fiona Brown is also non-executive director, but is also a major shareholder, and therefore not considered independent.

The following table summarises the total non-executive director fees, inclusive of statutory superannuation payments:

Name	FY23 Director Fees	FY22 Director Fees
Non-Executive Director Fees	$130,000	$60,000
Committee Chair Fees	$30,000	$5,000
Committee Member Fees	$10,000	$5,000

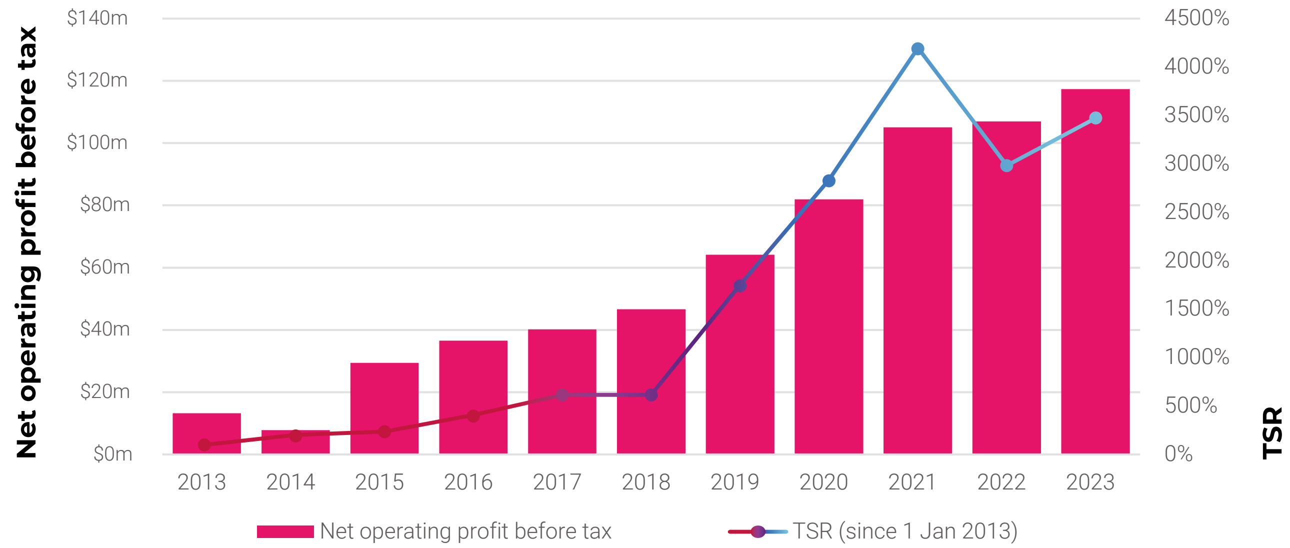
(d) Details of remuneration

Relationship between remuneration and company performance
The overall level of executive reward takes into account the performance over the financial year with greater emphasis given to improving performance over the prior year.

During the tenure of the current executive team, financial performance has improved significantly.

In FY22, Dicker Data's TSR was impacted by the re-rating of technology stock fundamentals. The correction has run its course and the decline has slowed, with TSR better reflecting Dicker Data's financial performance and high dividends.

The following graph summarises net operating profit before tax and TSR over the past eleven years:



The executive team increased the net operating profit on average over the last 5 years by 21.1%. As a large proportion of the executive's remuneration package is based on net operating profit outcomes the executive remuneration also increased. Earnings per share and as such shareholder wealth has increased at an average rate of 20.0% per annum over this 5-year period. For the financial year, earnings per share increased by 9.1% over FY22.

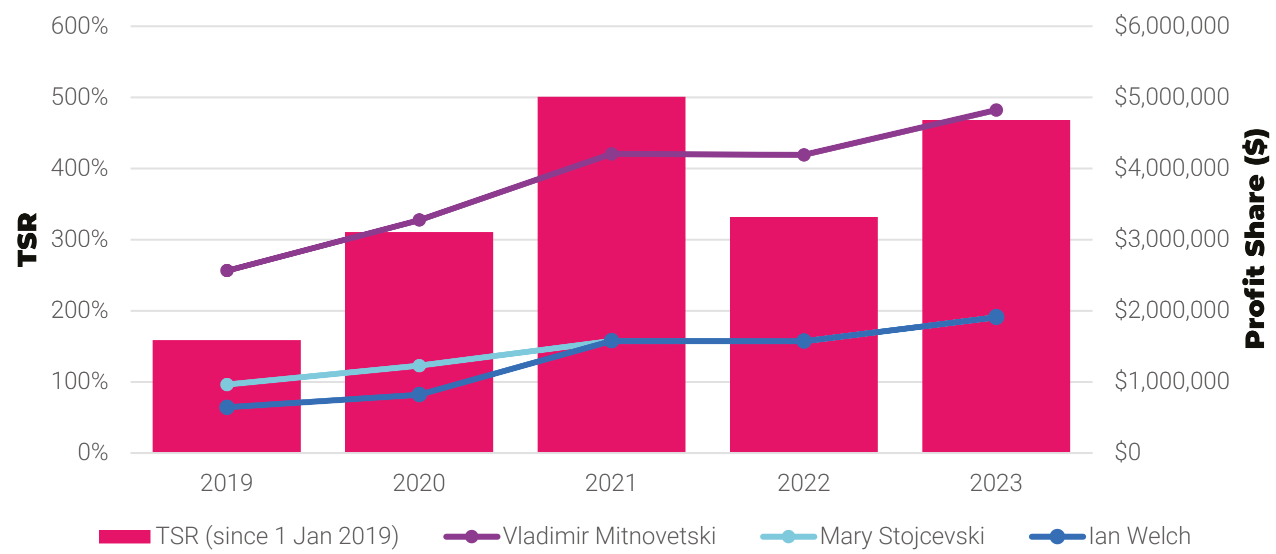
The following table summarises FY23 performance outcomes for the executive team:

Name	*Net Profit Before Tax Margin Threshold	*Net Profit Before Tax Margin Achieved	Net Profit Before Tax	Profit Share %	Profit Share $
Vladimir Mitnovetski	2.5%	3.4%	$116.4m	4.0%	$4,657,349
Mary Stojcevski				Up to Sep23 – 1.5% From Oct23 – 2.0%	$1,910,173
Ian Welch				Up to Sep23 – 1.5% From Oct23 – 2.0%	$1,910,173

*Target and achieved net profit margin is based on net profit before tax as a percentage of gross revenue

As the net profit before tax margin percentage performance gateway was achieved for FY23, each executive received their incentive based on net profit before tax. The net profit margin target and achievement is calculated based on gross revenue. From 1 October 2023 the board agreed to increase the profit share percentage for Mary Stojcevski and Ian Welch from 1.5% to 2.0%. The increase was granted to reduce the gap with the COO share and address a misalignment with remuneration of other, non-KMP, executives at Dicker Data with higher fixed remuneration.

The following graph compares each executive's performance to company outcomes over the last five years. This graph displays how the performance of the current executive team has driven growth over the past five years and how the executives have been paid for their performance.



Total Remuneration

Compensation paid to Key Management personnel is set out below. Key Management personnel include all Directors of the Company and Executives who, in the opinion of the Board and CEO, have authority and responsibility for planning, directing and controlling the activities of the group directly or indirectly.

		Short Term				Short Term	Long Term	Share Based Payments				
		Cash	Incentive Cash Bonus	Super	Non-Cash	Annual Leave	Long Service	Shares	Options	Total	Proportion of remuneration that is performance based	% of value of remuneration that consists of share Based Payments
	FY	Salary & Fees $	$	$	FBT Reportable $	Leave $	Leave $	$	$	$	%	%
Executive Directors												
David Dicker Chief Executive Officer	Dec-23	-	-	-	-	-	-	-	-	-	-	-
	Dec-22	-	-	-	-	-	-	-	-	-	-	-
Vladimir Mitnovetski Chief Operating Officer	Dec-23	-	4,657,349	458,008	11,741	177,636	10,002	-	-	5,314,736	100.00%	-
	Dec-22	-	4,191,992	398,239	-	36,740	16,221	-	-	4,643,191	100.00%	-
Mary Stojcevski Chief Financial Officer	Dec-23	250,000	1,910,173	205,216	-	8,198	4,166	-	-	2,377,753	87.97%	-
	Dec-22	250,000	1,572,000	173,090	-	421	7,051	-	-	2,002,562	85.96%	-
Ian Welch Chief Information Officer	Dec-23	250,000	1,910,173	205,216	-	10,363	4,166	-	-	2,379,918	87.89%	-
	Dec-22	250,000	1,572,000	173,090	-	11,284	6,120	-	-	2,012,494	85.53%	-
Non-Executive Directors												
Fiona Brown	Dec-23	101,474	-	11,026	-	-	-	-	-	112,500	-	-
	Dec-22	54,422	-	5,578	-	-	-	-	-	60,000	-	-
Leanne Ralph	Dec-23	113,871	-	12,379	-	-	-	-	-	126,250	-	-
	Dec-22	58,957	-	6,043	-	-	-	-	-	65,000	-	-
Kim Stewart-Smith	Dec-23	113,871	-	12,379	-	-	-	-	-	126,250	-	-
	Dec-22	58,957	-	6,043	-	-	-	-	-	65,000	-	-
TOTAL	Dec-23	829,216	8,477,695	904,224	11,741	196,197	18,334	-	-	10,437,407	-	-
	Dec-22	672,336	7,335,992	762,083	-	48,445	29,391	-	-	8,848,247	-	-

Notes:

(1) Superannuation is uncapped and paid at 9.5% under the Executive Services Agreement. The FY22 Remuneration Report incorrectly showed superannuation calculated at 10.5%. The figures for FY22 have been restated in this table to reflect superannuation calculated at 9.5%. Note 25 for FY22 has been restated to reflect the update in this table.

(2) 100% of short-term incentive incentive cash bonus has vested.

(e) Service agreements

Terms of employment for the executive directors and other key management personnel are by way of Consultancy Agreement or an Executive Service Agreement (ESA). The contract details the base salary and performance-related incentives.

Consultancy Agreement for David Dicker

The company has engaged Rodin FZC (a company incorporated in Dubai) to provide the services of David Dicker to act as the Chief Executive Officer and Executive Director of the company on an as-needed basis. The Consultancy Agreement is dated 26 October 2010. The engagement is for an indefinite term. Either party may terminate the agreement on the provision of 6 months' notice. No fee is payable by the company to Rodin FZC for the provision of the services. The agreement contains a number of post-termination restraints.

Deed of Adherence for David Dicker

The company and David Dicker have entered into a Deed of Adherence whereby Mr Dicker has agreed to adhere and comply with all covenants and obligations of Rodin FZC (a company incorporated in Dubai) set out in the Consultancy Agreement (between the company and Rodin FZC) to the maximum allowable extent permitted by law as if Mr Dicker was named as Rodin FZC therein. The Deed is dated 26 October 2010.

Executive Service Agreement for Vladimir Mitnovetski
The company has appointed Vladimir Mitnovetski as Chief Operating Officer and Director of the Board of the company by way of an Executive Service Agreement (ESA). The ESA is dated 1 September 2014. The appointment of Mr Mitnovetski is for an unspecified time. Either the company or Mr Mitnovetski may terminate the ESA with 3 months' notice. The remuneration payable to Mr Mitnovetski will be a performance-based salary of the higher amount of either: (i) $50,000 per month; or (ii) 4% of net profit before tax in the quarter. Profit incentive is subject to the company achieving a net profit margin before tax as measured against gross revenue, of not being less than 2.5% in a calendar quarter, unless otherwise agreed. Superannuation is uncapped and payable on total of base and performance payments at 9.5%. The ESA also contains a number of post-termination restraints.

Executive Service Agreement for Mary Stojcevski
The company has appointed Mary Stojcevski as Chief Financial Officer and Director of the Board of the company by way of an Executive Service Agreement (ESA). The ESA is dated 25 October 2010. The ESA confirms Ms Stojcevski's continuous service with the company commenced from 31 August 2010. The appointment of Ms Stojcevski is for an unspecified time. Either the company or Ms Stojcevski may terminate the ESA with 3 months' notice. The remuneration payable to Ms Stojcevski comprises of a base remuneration of $250,000 per annum. Ms Stojcevski is also entitled to a performance incentive equal to 2% of the company's net profit before tax. The performance incentive was increased effective 1st October 2023, up from 1.5%. The performance incentive is subject to net profit margin before tax as measured against gross revenue, of not being less than 2.5%, unless otherwise agreed. Superannuation is uncapped and payable at 9.5% on total of base and performance payments. The ESA also contains a number of post-termination restraints.

Executive Service Agreement for Ian Welch
The company has appointed Ian Welch as Chief Information Officer and Director of the Board of the company by way of an Executive Service Agreement (ESA). The ESA is dated 1 September 2015. The ESA confirms Mr Welch's continuous service with the company for all purposes commenced from 30 March 2013. The appointment of Mr Welch is for an unspecified time. Either the company or Mr Welch may terminate the ESA with 3 months' notice. The remuneration payable to Mr Welch comprises a base remuneration of $250,000 per annum. Mr Welch is also entitled to a performance incentive equal to 2% of the company's net profit before tax. The performance incentive was increased effective 1st October 2023, up from 1.5%. This is subject to net profit margin before tax as measured against gross revenue, of not being less than 2.5%, unless otherwise agreed. Superannuation is uncapped and payable at 9.5% on total of base and performance payments. The ESA also contains a number of post-termination restraints.

Mandatory Shareholding Requirement
The company has a policy that requires executive KMP and NEDs to have a minimum shareholding.

Executive KMP are required to hold shareholdings equal to 300% of base salary. This is expected to be met within 3 years of appointment or 3 years of the implementation of the policy. All executives comply with the policy.

NEDs are required to hold shareholdings equal to 100% of annual base fees. This is expected to be met within 3 years of appointment or 3 years of the implementation of the policy. This policy was implemented with effective date of 25 February 2022.

(f) Share-based compensation
No shares, rights, or options were granted to directors or key management personnel during the year ended 31 December 2023, no rights or options vested or lapsed during the year, and no rights or options were exercised during the year by directors.

(g) Additional disclosures relating to key management personnel shareholding
The number of shares in the company held during the financial year by each director and other members of key management personnel of the consolidated entity, including their related parties, is set out on next page.

December 2023	Balance at the start of the year	Additions	Disposals	Balance at the end of the year
Ordinary Shares				
David Dicker	58,010,000	-	(1,358,959)	**56,651,041**
Fiona Brown	55,753,261	23,849	-	**55,777,110**
Vladimir Mitnovetski	836,723	67,080	-	**903,803**
Mary Stojcevski	307,501	10,500	-	**318,001**
Ian Welch	68,000	10,000	-	**78,000**
Leanne Ralph	10,271	121	(6,885)	**3,507**
Kim Stewart-Smith	4,941	-	-	**4,941**
	114,990,697	**111,550**	**(1,365,844)**	**113,736,403**

December 2022	Balance at the start of the year	Additions	Disposals	Balance at the end of the year
Ordinary Shares				
David Dicker	58,010,000	-	-	58,010,000
Fiona Brown	55,722,836	30,425	-	55,753,261
Vladimir Mitnovetski	774,004	62,719	-	836,723
Mary Stojcevski	266,264	41,237	-	307,501
Ian Welch	64,528	3,472	-	68,000
Leanne Ralph	7,210	3,061	-	10,271
Kim Stewart-Smith	1,500	3,441	-	4,941
	114,846,342	**144,355**	**-**	**114,990,697**

This concludes the remuneration report which has been audited.

Transactions with Related Parties

There were a number of related party transactions during the year with the entity Rodin Cars Ltd, a New Zealand based entity owned by David Dicker. The transactions included sales of goods and services which are billed at arm's length to Rodin Cars Ltd both in Australia and New Zealand. Total amount billed to Rodin Cars Ltd for FY23 was $206,682.
Dicker Data Financial Services Pty Ltd has also provided finance to David Dicker at arm's length commercial rates. The amount payable as at 31 December 2023 was $45,559.39 which was fully repaid on 24th January 2024. The principal amount financed was $524,968.91.
In addition to these transactions there were also payments made on behalf of shareholders David Dicker and Rodin Ventures Ltd throughout the year that were subsequently reimbursed, or funds were deposited in advance to cover these expenses. As at 31 December 2023 there were no amounts owing to or from David Dicker or Rodin Ventures Ltd.
There was also a related party transaction during the year with shareholder and director Fiona Brown who provided the Company with a short-term loan of $20m which was repaid in full. Interest charged was at commercial market rates and total interest paid to Fiona was $368,213.92.

Share Options

There were no outstanding options at the end of this financial year.

Indemnification and Insurance of Directors and Officers

The company has indemnified the directors and executives of the company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the company paid a premium in respect of a contract to insure the directors and executives of the company against a liability to the extent permitted by the *Corporations Act 2001 (cth).* The contract of insurance prohibits disclosure of the nature of liability and the amount of the premium.

Indemnity and Insurance of Auditor

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young Australia, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount).
No payment has been made to indemnify Ernst & Young Australia during or since the financial year.

Proceedings on behalf of the company

No person has applied to the Court under section 237 of the *Corporations Act 2001 (cth)* for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

Non-Audit Services

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in note 26 to the financial statements. For the current year there were no non-audit services provided by the auditor.
For the comparable year the Directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001 (cth).*
The directors are of the opinion that the services as disclosed in note 26 to the financial statements do not compromise the external auditor's independence requirements of the *Corporations Act 2001 (cth)* for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the company, acting as advocate for the company or jointly sharing economic risks and rewards.

Officers of the Company who are former audit partners of Ernst & Young

There are no officers of the company who are former audit partners of Ernst & Young.

Rounding of Amounts

The company is of a kind referred to in ASIC Corporations (Rounding in Financial / Directors' Report) Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, the nearest dollar.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001 (cth)* is set out on page 103.

Auditor

Accounting firm Ernst & Young were appointed auditors for the FY23 year in accordance with section 327 of the *Corporations Act 2001 (cth).*

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the *Corporations Act 2001 (cth).*

On behalf of the directors

David Dicker
CEO AND CHAIRMAN
27 FEBRUARY 2024

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2023

	Note	Consolidated 31-Dec-23 $'000	Consolidated Restated 31-Dec-22 $'000
Revenue			
Sales revenue		2,259,384	2,212,415
Other revenue:			
Interest received		995	553
Recoveries		257	137
Other revenue		7,075	52
	5	**2,267,711**	**2,213,157**
Expenses			
Cost of goods sold	6	(1,943,845)	(1,928,755)
Employee benefits expense		(141,892)	(130,578)
Depreciation and amortisation	6	(13,974)	(12,295)
Finance costs	6	(20,427)	(11,129)
Other expenses		(31,161)	(25,547)
		(2,151,299)	**(2,108,304)**
Profit before income tax expense		**116,412**	**104,853**
Income tax expense	7	(34,267)	(31,806)
Profit after income tax expense for the year		**82,145**	**73,047**
Profit attributable to members of the Company		82,145	73,047
Other comprehensive income, net of tax			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation		(222)	(103)
Total comprehensive income for the year		**81,923**	**72,944**
Total comprehensive income attributable to members of the Company		**81,923**	**72,944**
Weighted Earnings per share		**Cents**	**Cents**
Basic earnings per share	33	45.59	41.80
Diluted earnings per share	33	45.59	41.80

The statement of profit or loss and other comprehensive income is to be read in conjunction with the attached notes.

Statement of Financial Position

As at 31 December 2023

	Note	Consolidated 31-Dec-23 $'000	Consolidated Restated 31-Dec-22 $'000
Assets			
Current Assets			
Cash and cash equivalents	11	11,607	12,263
Trade and other receivables	12	485,670	525,587
Inventories	13	218,885	261,703
Total Current Assets		**716,162**	**799,553**
Non-Current Assets			
Right of use asset	16	17,974	19,748
Property, plant and equipment	14	96,693	87,623
Intangible assets	15	94,458	95,968
Deferred tax assets	9	1,746	-
Total Non-Current Assets		**210,871**	**203,339**
TOTAL ASSETS		**927,033**	**1,002,892**
Liabilities			
Current Liabilities			
Trade and other payables	17	320,049	428,177
Lease liabilities	16	2,826	2,794
Borrowings	18	300,863	291,681
Current tax liabilities	8	1,765	1,867
Short-term provisions	19	22,042	21,849
Total Current Liabilities		**647,545**	**746,368**
Non-Current Liabilities			
Lease Liabilities	16	15,462	16,401
Deferred tax liabilities	10	4,521	6,074
Long-term provisions	19	4,169	3,904
Total Non-Current Liabilities		**24,152**	**26,379**
TOTAL LIABILITIES		**671,697**	**772,747**
NET ASSETS		**255,336**	**230,145**
Equity			
Equity attributable to Equity Holders			
Issued capital	20	214,563	212,742
Reserves	21	7	229
Retained profits		40,766	17,174
TOTAL EQUITY		**255,336**	**230,145**

The statement of financial position is to be read in conjunction with the attached notes

Statement of Changes in Equity

For the year ended 31 December 2023

	Note	Issued Capital $'000	Retained Profits $'000	Reserves $'000	Total Equity $'000
Balance at 1 January 2022		**139,527**	**38,438**	**332**	**178,297**
Profit after income tax for the year		-	73,047	-	**73,047**
Other comprehensive income for the year net of tax		-	-	(103)	**(103)**
Total comprehensive income for the year		-	**73,047**	**(103)**	**72,944**
Transactions with the owners in their capacity as owners:					
Share issue (DRP)	20	2,987	-	-	**2,987**
Share issue (Capital Raise)	20	70,228	-	-	**70,228**
Dividends paid	22	-	(94,311)	-	**(94,311)**
Balance at 31 December 2022		**212,742**	**17,174**	**229**	**230,145**

	Note	Issued Capital $'000	Retained Profits $'000	Reserves $'000	Total Equity $'000
Balance at 1 January 2023		**212,742**	**17,174**	**229**	**230,145**
Profit after income tax for the year		-	82,145	-	**82,145**
Other comprehensive income for the year net of tax		-	-	(222)	**(222)**
Total comprehensive income for the year		-	**82,145**	**(222)**	**81,923**
Share issue (DRP)	20	1,821	-	-	**1,821**
Dividends paid	22	-	(58,553)	-	**(58,553)**
Balance at 31 December 2023		**214,563**	**40,766**	**7**	**255,336**

The statement of changes to equity is to be read in conjunction with the attached notes

Statement of Cash Flows

For the year ended 31 December 2023

	Note	31-Dec-23 $'000	Restated 31-Dec-22 $'000
Cash flows from operating activities			
Receipts from customers and agency partners (includes GST)		3,643,979	3,358,731
Payments to suppliers, agency vendors and employees (includes GST)		(3,517,858)	(3,305,436)
Interest received	5	995	553
Interest and other finance costs paid		(19,338)	(10,272)
Income tax paid		(37,657)	(42,438)
Net cash from operating activities	31	**70,121**	**1,138**
Cash flows from investing activities			
Payments for property, plant and equipment		(14,155)	(11,125)
Proceeds from sale of property plant and equipment		123	373
Payments for intangibles		-	(285)
Payment for purchase of business, net of cash acquired		(4,777)	(21,267)
Net cash used in investing activities		**(18,809)**	**(32,304)**
Cash flows from financing activities			
Proceeds from share issue		-	70,228
Drawdown of borrowings		9,182	61,512
Principal paid on lease liabilities		(3,329)	(3,543)
Interest paid on lease liabilities		(1,089)	(857)
Payment of dividends		(56,732)	(91,324)
Net cash from financing activities		**(51,968)**	**36,016**
Net cash flows		**(656)**	**4,850**
Cash and cash equivalents at the beginning of the period		12,263	7,413
Cash and cash equivalents at the end of period	11	**11,607**	**12,263**

The statement of cash flows is to be read in conjunction with the attached notes.

Notes To The Financial Statements

For the year ended 31 December 2023

1. Material Accounting Policies

The principal accounting policies adopted in the preparation of the financial statements are set out below and in the following notes. These policies have been consistently applied to all the years presented, unless otherwise stated.

New, revised or amending Accounting Standards and Interpretations adopted
The consolidated entity has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any other new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the consolidated entity.

New Accounting Standards and Interpretations not yet Mandatory or early Adopted
Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, summarised below, have not been early adopted by the consolidated entity for the annual reporting period ended 31 December 2023, unless otherwise stated. The consolidated entity has not yet performed an assessment of the impact of these new or amended Accounting Standards and Interpretations.

Standards in issue but not yet effective - New or revised	When effective
AASB 2020-1 Amendment to Australian Accounting Standards - Classification of Liabilities as Current or Non-current and AASB 2020-6 Amendments to Australian Accounting standards - Classification of Liabilities as Current or Non-current - Deferral of Effective Date	Effective for annual reporting periods beginning on or after 1 January 2024
AASB 2022-5 Amendments to Australian Accounting Standards - Lease Liability in a Sale and Leaseback	Effective for annual reporting periods beginning on or after 1 January 2024
AASB 2023-1 Amendments to Australian Accounting Standards - Amendments to AASB 107 and AASB 7 - Disclosure of Supplier Finance Arrangements	Effective for annual reporting periods beginning on or after 1 January 2024
AASB 2023-3 Amendments to Australian Accounting Standards - Disclosure of Non-current Liabilities with Covenants Tier 2	Effective for annual reporting periods beginning on or after 1 January 2024
AASB 2014-10 Amendments to Australian Accounting Standards - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Effective for annual reporting periods beginning on or after 1 January 2024

Basis of preparation
These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the *Corporations Act 2001 (cth)* as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention
The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of available-for-sale financial assets, financial assets and liabilities at fair value through profit or loss, certain classes of property, plant and equipment and derivative financial instruments.

Critical accounting estimates
The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

Parent entity information
In accordance with the *Corporations Act 2001 (cth)*, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 28.

Principles of consolidation
The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Dicker Data Limited ('company' or 'parent entity') as at 31 December 2023 and the results of all subsidiaries for the year then ended. Dicker Data Limited and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.
Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the consolidated entity. Losses incurred by the consolidated entity are attributed to the non-controlling interest in full, even if that results in a deficit balance.

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Foreign Currency Translation
The financial statements are presented in Australian dollars, which is Dicker Data Limited's functional and presentation currency.

Foreign Currency Transactions
Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign Operations
The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rate at the date of the transaction, for the period.

All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

Current and Non-Current Classification
Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is current when: it is expected to be realised or intended to be sold or consumed in normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within twelve months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. All other assets are classified as non-current.

A liability is current when: it is expected to be settled in normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within twelve months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Goods and Services Tax ('GST') and Other Similar Taxes
Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from, or payable to, the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Business combinations
The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

On the acquisition of a business, the consolidated entity assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the consolidated entity's operating or accounting policies and other pertinent conditions in existence at the acquisition-date.

Where the business combination is achieved in stages, the consolidated entity remeasures its previously held equity interest in the acquiree at the acquisition-date fair value and the difference between the fair value and the previous carrying amount is recognised in profit or loss.

Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. Subsequent changes in the fair value of contingent consideration classified as an asset or liability is recognised in profit or loss. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition-date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquirer.

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition-date. The measurement period ends on either the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value.

Rounding of Amounts
The company is of a kind referred to in ASIC Corporations (Rounding in Financial / Directors' Reports) Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, the nearest dollar.

2. Changes in Accounting Policies

Revenue Recognition
The Company is a value-added distributor of IT hardware, software, cloud, access control, surveillance and emerging technology solutions for the corporate and commercial market. With changes to our vendor software programs over time the Company undertook a detailed review of new and updated software agreements. The Company considered revenue recognition in respect of revenue from different contracts with our customers to reassess if the Company is acting as principal or agent in the resale of software licensing and warranty and maintenance products. It was concluded that the Company does not control the service before it is transferred to the customer, and therefore it has been determined that the Company is acting as an agent in respect of the sales. The Company has revised its accounting policy for the recognition of sales of virtual services and software to account for this revenue as agent and therefore recognises revenue as the agency fee made up of standard commission and other incentives driven by volume and other metrics. The prior period has been restated and detailed explanation of changes to revenue recognition is provided at Note 5 in the financial statements. This change has impacted the Income Statement, Note 4 and Note 5.

Restatement of Financial Statements

Effects of restated Income Statement

	Reported 31-Dec-22 $'000	Restatement $'000	Restated 31-Dec-22 $'000
Revenue			
Sales revenue	3,103,666	(891,251)	2,212,415
Other revenue:			
Interest received	553	-	553
Recoveries	137	-	137
Other revenue	52	-	52
	3,104,408	**(891,251)**	**2,213,157**
Expenses			
Changes in inventories	60,428	(60,428)	-
Cost of goods sold	(2,880,434)	951,679	(1,928,755)
Employee benefits expense	(130,578)	-	(130,578)
Depreciation and amortisation	(12,295)	-	(12,295)
Finance costs	(11,129)	-	(11,129)
Other expenses	(25,547)	-	(25,547)
	(2,999,555)	**891,251**	**(2,108,304)**
Profit before income tax expense	104,853	-	104,853
Income tax expense	(31,806)	-	(31,806)
Profit after income tax expense for the year	**73,047**		**73,047**
Profit attributable to members of the company	**73,047**	**-**	**73,047**
Other comprehensive income, net of tax			
Foreign currency translation	(103)	-	(103)
Total comprehensive income for the year	72,944	-	72,944
Total comprehensive income attributable to members of the Company	**72,944**	**-**	**72,944**

3. Critical Accounting Judgements, Estimates and Assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below:

Income tax

The consolidated entity is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The consolidated entity recognises liabilities for anticipated tax audit issues based on the consolidated entity's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

Recovery of deferred tax assets

Deferred tax assets are recognised for tax deductible differences only if the consolidated entity considers it probable that future taxable amounts will be available to utilise those temporary differences and losses. Refer Note 7 for further information.

Impairment of receivables

A degree of estimation and judgement is required to provide for the impairment of receivables. The expected loss rates are based on the Group's movement of balances from one ageing category to the next to indicate increase in collection time which is an indicator of the probability of default. The value of debtors insurance is then applied to these balances to indicate the exposure at default. These loss rates are then applied to the individual ageing categories to calculate an expected credit loss. The entity has used their ability to apply the effects of debtor's insurance as a suitable collateral to reduce the exposure of default.

Impairment of inventory

The provision for impairment of inventories assessment requires a degree of estimation and judgement. The level of the provision is assessed by taking into account the recent sales experience, the ageing of inventories and other factors that affect inventory obsolescence.

Estimation of useful life of assets

The consolidated entity determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Goodwill and other intangibles

Goodwill and other intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Right of use assets

When the group revises its estimate of the term of any lease (because, for example, it re-assesses the probability of a lessee extension or termination option being exercised), it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted using a revised discount rate which require a degree of judgement.

4. Operating Segments

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

Identification of Reportable Operating Segments
The consolidated entity is organised into two operating segments: Australian and New Zealand operations. These operating segments are based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources. Operating segments have been aggregated where they are below the quantitative thresholds and where the aggregation criteria has been met per AASB8 Operating Segments.

The CODM reviews EBITDA (earnings before interest, tax, depreciation and amortisation). Reportable revenue is for only the one product range being sale of IT goods and services, and agency commissions earned. The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements. Included in each of the operating segments is the respective revenue from the Exeed Australia and Exeed New Zealand businesses. The information reported to the CODM is on at least a monthly basis.

Intersegment Transactions
During the year there was no dividend paid from Dicker Data NZ Ltd to Express Data Holdings Pty Ltd (2022: $Nil). There were some immaterial inventory purchasing transactions during the period. All intersegment transactions are at market rates and have been eliminated on consolidation.

Intersegment Receivables, Payables and Loans
Intersegment loans are initially recognised at the consideration received. Intersegment loans receivable and loans payable that earn or incur non-market interest are not adjusted to fair value based on market interest rates. Intersegment loans are eliminated on consolidation.

Operating Segment Information

	Australia	New Zealand	TOTAL
Consolidated - December 2023	**$'000**	**$'000**	**$'000**
Revenue*			
Sale of goods	1,867,404	391,980	**2,259,384**
Other revenue:			
Interest received	594	401	**995**
Recoveries	257	-	**257**
Other revenue	5,576	1,499	**7,075**
Total Revenue	1,873,831	393,880	**2,267,711**
EBITDA	135,229	14,589	**149,818**
Depreciation & amortisation	(9,063)	(4,911)	**(13,974)**
Interest received	594	401	**995**
Finance costs	(15,829)	(4,598)	**(20,427)**
Profit before income tax	110,931	5,481	**116,412**
Income tax expense	(32,632)	(1,635)	**(34,267)**
Profit after income tax expense	78,299	3,846	**82,145**
Segment current assets	596,995	119,167	**716,162**
Segment non current assets	144,487	66,384	**210,871**
Segment Assets	**741,482**	**185,551**	**927,033**
Segment current liabilities	546,960	100,585	**647,545**
Segment non current liabilities	4,953	19,199	**24,152**
Segment Liabilities	**551,913**	**119,784**	**671,697**

Restated Operating Segment for December 2022

Restated	Australia	New Zealand	TOTAL
Consolidated - December 2022	**$'000**	**$'000**	**$'000**
Revenue*			
Sale of goods	1,803,812	408,603	**2,212,415**
Other revenue:			
Interest received	338	215	**553**
Recoveries	137	-	**137**
Other revenue	599	(547)	**52**
Total Revenue	1,804,886	408,271	**2,213,157**
EBITDA	118,088	9,636	**127,724**
Depreciation & amortisation	(7,862)	(4,433)	**(12,295)**
Interest received	338	215	**553**
Finance costs	(8,307)	(2,822)	**(11,129)**
Profit before income tax	102,257	2,596	**104,853**
Income tax expense	(31,188)	(618)	**(31,806)**
Profit after income tax expense	71,069	1,978	**73,047**
Segment current assets	674,276	125,277	**799,553**
Segment non current assets	138,160	65,179	**203,339**
Segment Assets	**812,436**	**190,457**	**1,002,892**
Segment current liabilities	638,088	108,280	**746,368**
Segment non current liabilities	5,365	21,014	**26,379**
Segment Liabilities	**643,453**	**129,294**	**772,747**

*Revenue by product type and geographic location is disclosed at Note 5

5. Revenue

Sales from contracts with customers

The Company sells hardware (including access control and surveillance), software (including software licensing), warranties, logistics and configuration services. Revenue is recognised at an amount that reflects the consideration to which the Company is expected to be entitled in exchange for transferring goods or services to a customer. For contracts with customers the Company identifies the contract with the customer, the performance obligation in the contract and recognises revenue when or as each performance obligation is satisfied when there is a transfer to the customer of the goods or services promised. Payment terms with customers are generally 30 days from end of month. The types of revenue the Company earns is detailed as follows:

Hardware sales: The performance promise that is the responsibility of the company is to procure and supply IT hardware and related products and revenue is recognised at the point of sale. The performance obligation that is created is to deliver these goods and services hence the entity has determined point of sale as the most relevant way to recognise revenue per performance obligation. The company bears the inventory and credit risk and has pricing control for the products and services supplied. Amounts disclosed as revenue are net of sales returns and any customer rebates. Returns and customer rebates represent a variable consideration but do not represent a judgement by management. There is no constraint on the amount of revenue recognised.

Virtual services: Virtual services refers to warranty and maintenance contracts that are sold on behalf of our suppliers. The Company's performance obligation is to arrange for the provision of the specified service by the manufacturer and then in turn it is the manufacturer who performs the warranty and maintenance services. Once the sale has been made the Company has no further obligation to the customer in terms of the service or maintenance and revenue is recognised on a net basis as it is considered the Company is acting as agent.

Software sales: The Company sells software licences and upon review of new and changing supplier agreements it has been determined that for all license reseller contracts we act as agent. Our performance obligation is to arrange for the licences to be provided by the software supplier. Change in revenue recognition from principal to agent means the software supplier is our customer rather than the software reseller partner. Our software revenue will no longer be based on the gross amount invoiced to our reseller partner. Incentives from vendors previously recognised as a reduction in cost of sales will be recognised as revenue being an agency fee which is made up of standard commission and other incentives driven by volume and other metrics.

Services: The Company provides third party logistics and configuration services as value added services to our customers. The revenue earned for these services is based on fixed fee income or time and materials basis. Revenue is recognised at a point in time or when the service is complete.

Partner Services: The Company acts as an agent and earns commission in respect of telecommunications complex data sales and as such the revenue is recognised on a net basis.

Disaggregation of revenue

The group has disaggregated the revenue from customer contracts into various categories in the following table which is intended to:

- depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic data; and
- enable users to understand the relationship with revenue segment information provided in Note 4.

Year Ended 31 December 2023

Product Type	Description	Revenue recognition (PIT/OT)	Agent/ Principal	AU	NZ	Consolidated $'000
Infrastructure	Hardware products	Point in time	Principal	1,778,875	371,771	2,150,646
Virtual Services	Sales of 3rd party warranties and services	Point in time	Agent	17,483	1,507	18,990
Software	Perpetual and subscription licensing including cloud products	Point in time	Agent	58,838	18,601	77,439
Dicker Data Services	3rd party logistics and configuration services	Point in time	Principal	5,886	101	5,987
Partner Services	Agent commission	Point in time	Agent	6,322	-	6,322
				1,867,404	**391,980**	**2,259,384**

Year Ended 31 December 2022 - Restated

Product Type	Description	Revenue recognition (PIT/OT)	Agent/ Principal	AU	NZ	Consolidated $'000
Infrastructure	Hardware products	Point in time	Principal	1,728,077	390,947	2,119,024
Virtual Services	Sales of 3rd party warranties and services	Point in time	Agent	13,132	1,343	14,475
Software	Perpetual and subscription licensing including cloud products	Point in time	Agent	50,878	16,204	67,082
Dicker Data Services	3rd party logistics and configuration services	Point in time	Principal	5,289	109	5,398
Partner Services	Agent commission	Point in time	Agent	6,436	-	6,436
				1,803,812	**408,603**	**2,212,415**

Other Revenue

Interest
Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other Revenue
Other revenue is recognised when it is received or when the right to receive payment is established.

	Consolidated 31-Dec-23 $'000	Consolidated Restated 31-Dec-22 $'000
Sales from contracts with customers:		
Sale of goods and services	2,259,384	2,212,415
Other revenue:		
Interest	995	553
Recoveries	257	137
Other revenue	7,075	52
Total Revenue	**2,267,711**	**2,213,157**

6. Expenses

Cost of Sales
Cost of goods sold are represented net of supplier rebates and settlement discounts. Supplier rebates can be paid monthly, quarterly or half yearly. At the end of the financial year an estimate of rebates due, relating to the financial year is accounted for based on best available information at the time of the rebate being paid. Estimate of rebates is based on information provided by our suppliers on our tracking to targets and on management's judgement based on historical achievements.

Depreciation and amortisation
Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) or over their expected useful lives. Amortisation of intangibles is calculated on a straight-line basis over their expected useful lives, as either determined by management or by an independent valuation.

Finance costs
Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred, including:

- interest on any bank overdraft
- interest on short-term and long-term borrowings
- interest on finance leases
- interest on ROUA

Defined contribution superannuation expense
Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

Rental related expenses
For the current financial year operating leases have been capitalised with recognition of a right-of-use asset and liability for all leases (excluding short-term leases with less than 12 months of tenure and leases relating to low-value assets). Amortisation of right-of-use assets is in line with AASB 16 and represents unwinding of the liability in principal on straight-line basis and interest component is expensed.

	Consolidated	
	31-Dec-23 $'000	31-Dec-22 $'000
Depreciation		
Building	2,476	2,139
Plant and equipment	2,549	2,593
Total depreciation	5,025	4,732
Amortisation		
Right of use asset	4,196	3,103
Customer contracts, brands, non-compete	4,472	4,451
Software	281	9
Total amortisation	8,949	7,563
Total deprecation and amortisation	13,974	12,295
Finance costs		
Interest and finance charges paid / payable	20,427	11,129
Superannuation expense		
Defined contribution superannuation expense	10,705	9,578

7. Income Tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable. The Company has been approved for a substituted accounting period for the lodgement of its tax returns based on the calendar year January to December in both Australia and New Zealand.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered, or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; (except for the transaction that, on initial recognition, give rise to equal taxable and deductible temporary differences such as recognition of an ROU Asset and a lease liability); or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset. Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entity's which intend to settle simultaneously.

Dicker Data Limited (the 'head entity') and its wholly owned Australian subsidiaries have formed an income tax consolidated group from 01 April 2014, under the tax consolidation regime. Dicker Data NZ Limited also formed a tax consolidated group in New Zealand effective from the FY22 year, incorporating New Zealand wholly owned subsidiaries post the acquisition of Exeed Ltd and incorporation of Dicker Data NZ Financial Services Ltd. The head entity and each subsidiary in the tax consolidated group continue to account for their own current and deferred tax amounts. The tax consolidated group has applied the 'separate taxpayer within group' approach in determining the appropriate amount of taxes to allocate to members of the tax consolidated group. In addition to its own current and deferred tax amounts, the head entity also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from each subsidiary in the tax consolidated group. Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the tax consolidated group. The tax funding arrangement ensures that the intercompany charge equals the current tax liability or benefit of each tax consolidated group member, resulting in neither a contribution by the head entity to the subsidiaries nor a distribution by the subsidiaries to the head entity.

Income Tax Critical Judgements

The consolidated entity is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The consolidated entity recognises liabilities for anticipated tax audit issues based on the consolidated entity's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

		Consolidated	
		31-Dec-23 $'000	31-Dec-22 $'000
(A)	The components of tax expense comprise:		
	Current tax	38,860	33,527
	Over/(Under) provision in respect of prior years	(1,289)	3
		37,571	33,530
	Deferred tax benefit	(3,671)	(1,283)
	Over/(Under) provision in respect of prior years	367	(441)
		(3,304)	(1,724)
		34,267	31,806
	Deferred tax included in income tax expense comprises:		
	(Increase)/Decrease in deferred tax assets	(2,873)	(1,441)
	Increase/(Decrease) in deferred tax liabilities	(1,003)	40
	Deferred tax included in statement of changes in equity	205	118
		(3,671)	(1,283)

	Consolidated 31-Dec-23 $'000	Consolidated 31-Dec-22 $'000
(B) The prima facie tax payable on profit before income tax is reconciled to the income tax as follows:		
Prima facie tax payable on profit before income tax at 30%	34,768	31,440
Add tax effect of:		
Under provision for income tax in prior year	(922)	103
Non-deductible expenses	538	475
	34,384	32,018
Less tax effect of:		
Differences in overseas tax rates	(117)	(212)
Income tax expense attributable to entity	**34,267**	**31,806**
The applicable weighted average effective tax rates are as follows:	29.4%	30.0%

8. Current Tax

Current tax liability	1,765	1,867

9. Deferred Tax Asset

	Consolidated 31-Dec-23 $'000	Consolidated 31-Dec-22 $'000
Deferred tax asset comprises temporary differences attributable to:		
Amounts recognised in profit or loss:		
Provision for receivables impairment	616	-
Provision for employee entitlements	5,553	-
Accrued expenses	562	-
Inventory	1,492	-
Capitalised expenditure	67	-
Property plant and equipment	(1,835)	-
Capitalised right-of-use assets	(53)	-
Prepayments	(30)	-
Accrued income	(1,460)	-
Intangible assets	(3,544)	-
Amounts recognised in equity:		
Share issue costs	378	-
Deferred tax asset	**1,746**	**-**
Movements in deferred tax asset		
Opening Balance	-	6,341
Credited / (charged) to profit or loss	1,951	(6,223)
Credited / (charged) to equity	(205)	(118)
Closing Balance	**1,746**	**-**

Reclassification of comparatives
During the year, the Group reassessed the presentation of deferred tax assets and deferred tax liabilities and concluded that where they arise in the same tax jurisdiction and are levied by the same taxation authority, they should be offset on the balance sheet and presented on a net basis. As such, these balances have been reclassified and presented on a net basis and the prior year has been restated accordingly. The impact to the Balance Sheet at 31 December 2022 is a reduction of Deferred Tax Assets of $6,937,613 with a corresponding decrease in Deferred Tax Liabilities.

10. Deferred Tax Liabilities

	Consolidated 31-Dec-23 $'000	Consolidated 31-Dec-22 $'000
The balance comprises temporary differences attributable to:		
Amounts recognised in profit or loss:		
Provision for receivables impairment	(32)	(196)
Provision for employee entitlements	(264)	(5,490)
Accrued expenses	(84)	(632)
Inventory	(656)	(1,402)
Capitalised right-of-use assets	(240)	(179)
Prepayments	-	28
Accrued income	-	2,268
Intangible assets	5,797	10,661
Capitalised expenditure	-	(526)
Property plant and equipment	-	1,779
Amounts recognised in equity:		
Share issue costs	-	(237)
Deferred tax liability	**4,521**	**6,074**
Movements in Deferred Tax Liability		
Opening Balance	6,074	13,698
Credited / (charged) to profit or loss	(1,553)	(7,506)
Credited / (charged) to equity	-	(118)
Closing Balance	**4,521**	**6,074**

Reclassification of comparatives
During the year, the Group reassessed the presentation of deferred tax assets and deferred tax liabilities and concluded that where they arise in the same tax jurisdiction and are levied by the same taxation authority, they should be offset on the balance sheet and presented on a net basis. As such, these balances have been have been reclassified and presented on a net basis and the prior year has been restated accordingly. The impact to the Balance Sheet at 31 December 2022 is a reduction of Deferred Tax Assets of $6,937,613 with a corresponding decrease in Deferred Tax Liabilities.

11. Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

	Consolidated	
	31-Dec-23 $'000	31-Dec-22 $'000
Cash at bank	11,607	12,263

12. Trade and Other Receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Trade receivables are generally due for settlement within 30 days from end of month.

Other receivables are recognised at amortised cost, less any provision for impairment. Other receivables mainly includes vendor rebates receivable and are due to be paid within 3 months.

	Consolidated	
	31-Dec-23 $'000	Restated 31-Dec-22 $'000
Trade receivables	485,103	521,976
Less: Provision for impairment of receivables	(2,169)	(673)
	482,934	521,303
Other receivables	2,736	4,282
	485,670	**525,585**

Restatement of Comparatives
Management regularly review key contract terms and the presentation of assets and liabilities on the balance sheet. As part of this process, it was identified that amounts due from suppliers was historically recorded as "Other Receivables". However, the contractual arrangements in place results in these amount being offset from existing payables to that supplier rather than being received in cash. As such, these receivables have been reclassified to Trade Payables and the prior year has been restated accordingly. The impact to the Balance Sheet at 31 December 2022 is a reduction of Other Receivables of $56,193,000 with a corresponding reduction in Trade Payables.

Impairment of receivables
The expected loss rates are based on the Group's movement of balances from one ageing category to the next to indicate increase in collection time which is an indicator of the probability of default. The value of debtors insurance is then applied to these balances to indicate the exposure at default. These loss rates are then applied to the individual ageing categories to calculate an expected credit loss.

The entity has used their ability to apply the effects of debtor's insurance as a suitable collateral to reduce the exposure of default.

The consolidated entity has recognised an increase in the expense in the profit and loss of $1,496k to $2,169k (2022: $673k) in respect of impairment of receivables for the year ended 31 December 2023.

13. Inventories

Finished goods are stated at the lower of cost or net realisable value. Costs are assigned to individual items of inventory on the basis of weighted average costs. Costs of purchased inventory are determined after deducting rebates and discounts received or receivable.

Stock in transit is stated at the lower of cost and net realisable value. Cost comprises purchase and delivery costs, net of rebates and discounts received or receivable.

Net realisable value is the estimated selling price (plus any applicable supplier claims as per revenue recognition policy) in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

During the year $1,927.8k (2022: $1,914.1k) was recognised as an expense for inventories carried at net realisable value. This is recognised in cost of sales.

Impairment of Inventories
The provision for impairment of inventories assessment requires a degree of estimation and judgement. The level of the provision is assessed by taking into account the recent sales experience, the ageing of inventories and other factors that affect inventory obsolescence.

	Consolidated	
	31-Dec-23 $'000	31-Dec-22 $'000
Finished goods	223,570	264,621
Less: Provision for impairment	(4,685)	(2,918)
	218,885	**261,703**

14. Property, Plant and Equipment

Land and buildings are carried at cost less subsequent depreciation for buildings and accumulated impairment for land and buildings. Each class of plant and equipment and property improvements is carried at cost less, where applicable, any accumulated depreciation and impairment losses.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Buildings	-	40 Years
Property improvements	-	10 - 20 Years
Leasehold improvements	-	10 - 20 Years
Plant and equipment	-	2 - 10 Years
Plant and equipment under lease	-	2 - 10 Years
Motor vehicles	-	8 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date. Leasehold improvements and plant and equipment under lease are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the consolidated entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

Estimation of Useful Lives of Assets
The consolidated entity determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

	Consolidated	
	31-Dec-23 $'000	31-Dec-22 $'000
Freehold land	18,435	18,435
Building - at cost	68,243	59,123
Less accumulated depreciation	(4,142)	(2,748)
	64,101	56,375
Total land and buildings	**82,536**	**74,810**
Fitout & leasehold improvements - at cost	11,028	7,661
Less accumulated depreciation	(3,212)	(449)
	7,816	7,212
Plant and equipment - at cost	14,968	12,157
Less accumulated depreciation	(8,696)	(6,612)
	6,272	5,545
Motor vehicles	335	312
Less accumulated depreciation	(266)	(256)
	69	56
Total plant and equipment	**14,157**	**12,813**
Total property, plant and equipment	**96,693**	**87,623**

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	Freehold land $'000	Buildings $'000	Fitout Costs $'000	Plant and equipment $'000	Motor vehicles $'000	Total $'000
Balance at 1 January 2022	**18,435**	**54,532**	**4,219**	**5,095**	**6**	**82,287**
Additions	-	3,211	3,737	4,071	106	**11,125**
Depreciation expense	-	(1,368)	(771)	(2,577)	(16)	**(4,732)**
Disposals	-	-	(6)	(1,027)	(40)	**(1,073)**
Effect of movements in exchange rate	-	-	33	(17)	-	**16**
Balance at 31 December 2022	**18,435**	**56,375**	**7,212**	**5,545**	**56**	**87,623**
Additions	-	9,121	1,694	3,402	82	14,299
Depreciation expense	-	(1,395)	(1,081)	(2,529)	(20)	(5,025)
Disposals	-	-	-	(104)	(49)	(153)
Effect of movements in exchange rate	-	-	(9)	(42)	-	(51)
Balance at 31 December 2023	**18,435**	**64,101**	**7,816**	**6,272**	**69**	**96,693**

15. Intangibles

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the de-recognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Goodwill
Goodwill arises on the acquisition of a business. Goodwill is not amortised. Instead, goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are taken to profit or loss and are not subsequently reversed.

Customer Contracts
Customer contracts acquired in a business combination are amortised on a straight-line basis over the period of their expected benefit, being their finite life which varies between 18 months and 15 years.

Brand
On the basis of Exeed's reputation and position as second largest distributor, underlying business, relationships, capability and experience in the New Zealand market a value has been attributed to the Exeed brand. This was based on an independent purchase price valuation. The valuation of the Exeed brand was based using the income approach. The value of the brand is amortised on a straight-line basis over the period of the expected benefit, being the finite life of 10 years.

Non-compete

Non-compete agreement in the sale and purchase agreement for the acquisition of the Exeed business included a three year restraint period in respective of some of the sellers. Value has been attributed as an identifiable intangible to the non-compete clause due to the restricted sellers having many years of industry experience and with the proceeds from the sale of the equity interest in the Exeed Group may have provided the ability for the restricted sellers to set up a competing business.

Software

Cost associated with software and website development are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 4 years.

Impairment of Intangibles

Goodwill and other intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

	Consolidated	
	31-Dec-23 $'000	**31-Dec-22 $'000**
Goodwill	62,037	58,795
Customer contracts	51,256	51,256
Less: Accumulated amortisation	(20,819)	(16,904)
Brand	2,323	2,323
Less: Accumulated amortisation	(548)	(323)
Non-compete	1,006	1,006
Less: Accumulated amortisation	(797)	(469)
Software - at cost	350	309
Less: Accumulated amortisation	(350)	(25)
Total intangible assets	**94,458**	**95,968**

	Goodwill $'000	Customer Contracts $'000	Brands $'000	Non Compete $'000	Software $'000	Total $'000
Balance at 31 December 2021	**57,250**	**38,278**	**2,227**	**866**	**9**	**98,630**
Additions through business combinations	1,567	-	-	-	-	1,567
Additions	-	-	-	-	285	285
Amortisation expense	-	(3,902)	(223)	(326)	(9)	(4,460)
Disposal	-	-	-	-	-	-
Effect of movements in exchange rate	(22)	(24)	(4)	(4)	-	(54)
Balance at 31 December 2022	**58,795**	**34,352**	**2,000**	**536**	**285**	**95,968**
Additions through business combinations	3,254	-	-	-	-	3,254
Additions	-	-	-	-	-	-
Amortisation expense	-	(3,919)	(225)	(328)	(281)	(4,753)
Disposal	-	-	-	-	-	-
Effect of movements in exchange rate	(12)	4	-	1	(4)	(11)
Balance at 31 December 2023	**62,037**	**30,437**	**1,775**	**209**	**-**	**94,458**

Goodwill and other Indefinite Life Intangible Assets Estimates

The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions, including estimated discount rates based on the current cost of capital and growth rates of the estimated future cash flows.

The recoverable amount of the consolidated entity's goodwill has been determined by a value-in-use calculation using a discounted cash flow model, based on a 1 year EBITDA projection period approved by management and extrapolated for a further 4 years using a steady rate, together with a terminal value.

Management considers the cash generating units (CGU) of the group to be Australia and New Zealand. Goodwill has been allocated $23.7m and $29.8m, respectively. Included in the value of goodwill for each of the cash generating units is the goodwill acquired in the Express Data acquisition from 2014, the Exeed Group acquisition in 2021 and Hills Security and IT Business from 2022. For FY23 goodwill also includes goodwill acquired with acquisition of Connect Security Products Ltd in NZ. As a result the assumptions used in the discounted cash flow model for each cash generating unit have been updated based on the assessment of each cash generating unit in its own right.

The following key assumptions were used in the discounted cash flow model for each cash generating unit:

a. Discount Rate: 12.03% (2022: 11.31%) for Australian CGU and 11.18% (2022: 17.65%) for New Zealand CGU post-tax discount rate; and
b. Growth Rate: 4.5% (2022: 2.5%) for the Australian CGU and 10.26% (2022: 12.5%) for the New Zealand CGU.
c. Forecasted Cashflows: The forecasted cashflows are based on historical experience.

The discount rate reflects management's estimate of the time value of money and the consolidated entity's weighted average cost of capital, the risk-free rate and the volatility of the share price relative to market movements. Management believes the projected EBITDA growth rate is reasonable based on forecasted organic and general market growth and the strategic decisions made in respect of the CGU.

Based on the above, the recoverable amount of each cash generating unit exceeded the carrying amount and therefore no impairment of goodwill.

Sensitivity Analysis
As disclosed in note 3, the directors have made judgements and estimates in respect of impairment testing of goodwill. Management believes that any reasonable changes in the key assumptions on which the recoverable amount of division goodwill is based would not cause the cash-generating unit's carrying amount to exceed its recoverable amount. The sensitivities are as follows: a) EBITDA would need to decrease by more than 50.1% to trigger impairment for the Australian CGU, and 7.4% for the New Zealand CGU, with all other assumptions remaining constant; b) The discount rate would be required to increase to 35.5% to trigger impairment for the Australian CGU, and 13.5% for the New Zealand CGU, with all other assumptions remaining constant.

16. Leases

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- Leases of low value assets; and
- Leases with a duration of 12 months or less

Lease Liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case the group's incremental borrowing rate on commencement of the lease is used. Key judgements used in the calculation of the lease liability include interest rate estimate 2.9%. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term.

On initial recognition the carrying value of the lease liability includes:

- amounts expected to be payable under any residual value guarantee;
- the exercise price of any purchase option granted in favour of the group if it is reasonably certain to assess that option; and
- any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of the termination option being exercised.

Right of use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- lease payments made at or before the commencement of the lease;
- initial direct costs incurred; and
- the amount of any provision recognised where the group is contractually required to dismantle, remove or restore leased assets.

Subsequent to initial measurement lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term.

When the group revises its estimate of the term of any lease (because, for example, it re-assesses the probability of a lessee extension or termination option being exercised), it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted using a revised discount rate. The carrying value of the lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised, except the discount rate remains unchanged. In both cases an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining revised lease term. If the carrying amount of the right-of-use asset is adjusted to zero, any further reduction is recognised in profit and loss.

Nature of leasing activities
The Company leases 18 properties in Australia and New Zealand for which the lease contracts provide for payments to increase each year by inflation or to be reset periodically to market rental rates.

Lease Commitments
The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset. A distinction is made between finance leases, which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of leased assets, and operating leases, under which the lessor effectively retains substantially all such risks and benefits. Operating lease payments, net of any incentives received from the lessor, are charged to profit or loss on a straight-line basis over the term of the lease.

	Consolidated	
	31-Dec-23 $'000	31-Dec-22 $'000
Right-of-Use Asset		
Opening Balance	19,748	2,709
Additions through business combinations	701	2,235
Additions	1,816	19,007
Amortisation	(4,195)	(3,103)
Disposal	(12)	(1,466)
Variable lease payment adjustment	-	5
Effect of movements in exchange rate	(84)	361
	17,974	**19,748**
Lease Liabilities		
Opening Balance	19,195	3,154
Additions through business combinations	701	2,235
Additions	1,802	18,114
Interest expense	1,090	857
Disposal	-	(1,982)
Variable lease payment adjustment	-	5
Lease payments	(4,419)	(3,543)
Foreign exchange movements	(81)	355
	18,288	**19,195**
Maturity Analysis		
Less than 1 year	2,826	2,794
Between 1 to 5 Years	15,462	16,401
	18,288	**19,195**

The Company had total cash outflows for leases of $4,418,000 in 2023 ($4,400,000 in 2022). The Company also had non-cash additions to right-of-use assets and lease liabilities of $2,517,025 in 2023 (2022:$21,241,831).

The Company has lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Company's business needs. The extension options are exercisable only by the Company and not by the lessors. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised and whether they are to be included in the lease liability balance at 31 December 2023 (see Note 3). The undiscounted potential future payments at current rental rates under options that are not considered reasonably certain to be exercised is approximately $26.6m, which includes potential lease payments within the next 5 years of approximately $15.8m.

17. Trade and Other Payables

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 - 60 days of recognition.

	Consolidated	
	31-Dec-23 $'000	Restated 31-Dec-22 $'000
Trade payables	270,040	364,597
Other payables	50,009	46,415
Related party payables	-	17,165
	320,049	**428,177**

Restatement of Comparatives

Management regularly review key contract terms and the presentation of assets and liabilities on the balance sheet. As part of this process, it was identified that amounts due from suppliers was historically recorded as "Other receivables". However, the contractual arrangements in place results in these amount being offset from existing payables to that supplier rather than being received in cash. As such, these receivables have been reclassified to Trade Payables and the prior year has been restated accordingly. The impact to the Balance Sheet at 31 December 2022 is a reduction of Other Receivables of $56,193,000 with a corresponding reduction in Trade Payables.

18. Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Where there is an unconditional right to defer settlement of the liability for at least 12 months after the reporting date, the loans or borrowings are classified as non-current.

	Consolidated	
	31-Dec-23 $'000	Restated 31-Dec-22 $'000
Current		
Westpac Receivables Facility	197,000	185,000
Westpac Cash Advance Facility	50,000	60,000
BNZ Facility	53,863	46,681
Total current borrowings	**300,863**	**291,681**
Facility Limits		
Westpac Receivables Facility	270,000	220,000
Westpac Cash Advance Facility	50,000	60,000
BNZ Cash Advance Facility	53,863	46,681
Total facility limits	**373,863**	**326,681**

The receivables facility is secured by a fixed charge over all of the Australian trade receivables and cash advance facility is secured by a General Security Agreement over the assets of the Company.

Westpac Receivables Facility

The limit on the Westpac Receivables Facility increased from $220m to $270m in June 2023, supported by the increase in receivables balance. The renewal of the facility and increase in limit ensures the ongoing funding to continue to support working capital investments and the growth of the business. This facility is secured by a fixed charge over the Australian receivables and is to be refinanced by May 2024.

Westpac Cash Advance Facility

The cash advance facility was entered into with Westpac in August 2021 to fund the acquisition of the Exeed group and corresponding transaction costs. The original amount drawn down was $70m, which includes repayments of $10m per annum over the 3 year life of the facility. Management regularly review key contract terms and as part of this process identified that a clause in the Westpac Cash Advance Facility Agreement gave the bank the legal right to recall the drawn down amount at any time. As such, the drawn down amount of the facility as at 31 December 2022 has been restated as a current liability. On 16th August 2023 a variation to the Facility Agreement was signed by Dicker Data and Westpac which amended this term and removes this right. As a result, the facility will be available to Dicker Data for the remainder of the contracted term, which is to August 2024. The drawn balance as at 31 December 2023 of $50m is considered current. There is one more repayment of $5m due in March 2024 before the facility maturity date, with the balance of $45m in August 2024 expected to be repaid with increase in facility limits in the working capital facilities being refinanced before May 2024.

Bank of New Zealand Facility

In June 2022 Dicker Data NZ Ltd entered into a new cash advance facility with BNZ Bank. This facility replaced the Exeed Ltd invoice finance and cash advance facilities assumed on the acquisition of Exeed Ltd. This facility, expiring May 2024 is for a limit of $58m NZD and was fully drawn as at 31 December 2023. The facility also includes a stand-by letter of credit facility for $21.1m NZD to support supplier trade credit arrangements. The facility is secured by a General Security Deed over the assets of the New Zealand Group supported by a guarantee and indemnity from the parent entity. This facility will help support the ongoing growth and working capital requirements of our growing New Zealand business.

Refinance Risk

Dicker Data currently has in place a working capital facility with the Westpac Banking Corporation in Australia and Bank of New Zealand (BNZ) in New Zealand and both facilities are to be renewed in May 2024. As at report date there are credit approved terms sheets to renew both facilities as detailed below:

Extension of Westpac Receivables Facility

The Westpac Receivables Facility matures in May 2024 and a credit approved term sheet has been received to roll this facility for a further 3 years with increased limit of $320m, up from $270m. The renewal of the facility is on same terms and pricing as existing facility. The Company is in the process of having documentation prepared to formally extend this facility.

Extension of Bank of New Zealand Facility

The Bank of New Zealand facility in NZ is also maturing in May 2024. The Company has received a credit approved facility amendment letter to increase this facility to $88.9m, comprising of cash advance facility for $68m, up from $58m previously approved, with the balance being available for stand by letter of credit facility to support supplier trade credit arrangements. The extension of the facility is to May 2025.

19. Provisions

Provisions are recognised when the consolidated entity has a present (legal or constructive) obligation as a result of a past event, it is probable the consolidated entity will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability.

	Consolidated	
	31-Dec-23 $'000	31-Dec-22 $'000
Current		
Employee benefits	22,042	21,849
	22,042	**21,849**
Non Current		
Employee benefits	2,957	2,650
Lease make-good provision	1,212	1,254
	4,169	**3,904**
Movement in Provisions		
Current - Employee Benefits		
Movements in the provision for employee benefits		
Opening Balance	21,849	17,050
Charges for the year	193	4,799
	22,042	**21,849**
Non-Current - Employee Benefits		
Movements in the provision for employee benefits		
Opening Balance	2,650	2,116
Charges for the year	307	533
	2,957	**2,649**
Non-Current - Lease Makegood		
Movements in the provision for makegood		
Opening Balance	1,254	-
Charges for the year	(42)	1,254
	1,212	**1,254**

Employee Benefits

Short-Term Employee Benefits
Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled within 12 months of the reporting date are recognised in current liabilities in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

Other Long-Term Employee Benefits
The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are recognised in non-current liabilities, provided there is an unconditional right to defer settlement of the liability. The liability is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Amounts not expected to be settled within the next 12 months
The current provision for employee benefits includes all unconditional entitlements where employees have completed the required period of service and also those where employees are entitled to pro-rata payments in certain circumstances. The entire amount is presented as current, since the consolidated entity does not have an unconditional right to defer settlement. However, based on past experience, the consolidated entity does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months.

	Consolidated	
	31-Dec-23 $'000	31-Dec-22 $'000
Employee benefits obligation expected to be settled after 12 months	9,178	9,664

Lease Make Good Provision
A provision has been made for the present value of anticipated costs for future restoration of leased premises. The provision includes future cost estimates associated with closure of the premises. The calculation of this provision requires assumptions such as application of closure dates and cost estimates. The provision recognised for each site is periodically reviewed and updated based on the facts and circumstances available at the time. Changes to the estimated future costs for sites are recognised in the statement of financial position by adjusting the asset and the provision. Reductions in the provision that exceed the carrying amount of the asset will be recognised in profit or loss.

20. Issued Capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

	31-Dec-23 Shares	31-Dec-23 $'000	31-Dec-22 Shares	31-Dec-22 $'000
Ordinary shares - fully paid	180,289,482	214,563	180,091,527	212,742

Movements in ordinary share capital

Details	Date	Issue Price	No. of Shares	$'000
Opening Balance	**01-Jan-22**		**172,884,664**	**139,527**
Issue of shares DRP	01-Mar-22	$13.814	69,874	965
Issue of shares DRP	01-Jun-22	$12.525	53,263	666
Issue of shares DRP	01-Sep-22	$11.520	58,217	670
Issue of shares - Capital Raising	30-Sep-22	$10.300	4,854,369	48,734
Issue of shares - Share Purchase Plan (SPP)	30-Sep-22	$10.300	2,103,724	21,494
Issue of shares DRP	01-Dec-22	$10.190	67,416	686
Balance	**31-Dec-22**		**180,091,527**	**212,742**
Issue of shares DRP	01-Mar-23	$9.757	12,876	126
Issue of shares DRP	01-Jun-23	$8.624	59,796	515
Issue of shares DRP	01-Sep-23	$8.300	79,134	657
Issue of shares DRP	01-Dec-23	$11.237	46,149	523
Balance	**31-Dec-23**		**180,289,482**	**214,563**

Ordinary Shares
Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital. On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Share Buy-Back
There is no current on-market share buy-back.

Capital Risk Management
For the purpose of the Group's capital management, capital includes issued capital and all other equity reserves attributable to the equity holders. The consolidated entity's primary objective when managing capital is to safeguard its ability to continue as a going concern whilst enhancing long-term shareholder value through funding its business at an optimised weighted average cost of capital. In seeking to optimise its weighted average cost of capital, the consolidated entity may adjust its capital structure from time to time, including varying the amount of dividends paid to shareholders, by returning capital to shareholders, by issuing new shares or taking on or reducing debt. The consolidated entity is subject to certain financing arrangements and covenants and meeting these is given priority in all capital risk management decisions. There have been no events of default on the financing arrangements during the financial year.

21. Reserves

	Consolidated	
	31-Dec-23 $'000	31-Dec-22 $'000
Capital Profits Reserve (Pre-CGT)	369	369
Foreign currency reserve	(362)	(140)
	7	**229**

Capital Profits Reserve (Pre-CGT)
The capital profits reserve records non-taxable profits on sale of investments.

Foreign Currency Reserve
The reserve is used to recognise exchange differences arising from translation of the financial statements of foreign operations to Australian dollars. It is also used to recognise gains and losses on hedges of the net investments in foreign operations.

	Consolidated	
	31-Dec-23 $'000	31-Dec-22 $'000
Movements in reserves		
Opening Balance	229	332
Foreign currency translation	(222)	(103)
Closing Balance	**7**	**229**

22. Dividends

	Consolidated	
	31-Dec-23 $'000	31-Dec-22 $'000
Dividends declared or paid during the financial year	58,553	94,311

Type	FY	Payment Date	Dividend per share (in cents)	Amount (in 000's)	FY	Payment Date	Dividend per share (in cents)	Amount (in 000's)
Final	2022	01-Mar-23	2.50	4,502	2021	1-Mar-22	15.00	25,933
Interim	2023	01-Jun-23	10.00	18,010	2022	1-Jun-22	13.00	22,484
Interim	2023	01-Sep-23	10.00	18,017	2022	1-Sep-22	13.00	22,491
Interim	2023	01-Dec-23	10.00	18,024	2022	1-Dec-22	13.00	23,403
			32.50	**58,553**			**54.00**	**94,311**

	Consolidated	
	31-Dec-23 $'000	31-Dec-22 $'000
The tax rate that dividends have been franked is 30% (2022: 30%)		
Franking credit balance:		
Franking credits available for subsequent financial years based on a tax rate of 30% (2022: 30%)	**17,636**	**9,451**

The above amounts represent the balance of the franking account as at the end of the financial year adjusted for franking credits arising from:

- franking credits from dividends recognised as receivables at year end
- franking credits that will arise from payment of the current tax liability
- franking debits arising from payment of proposed dividends recognised as a liability

23. Fair Value Disclosures

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interest. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified, into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed each reporting date and transfers between levels are determined based on a reassessment of the lowest level input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

Fair Value Measurement Hierarchy
The consolidated entity is required to classify all assets and liabilities, measured at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and

Level 3: Unobservable inputs for the asset or liability. Considerable judgement is required to determine what is significant to fair value and therefore which category the asset or liability is placed in can be subjective.

The fair value of assets and liabilities classified as level 3 is determined by the use of valuation models. These include discounted cash flow analysis or the use of observable inputs that require significant adjustments based on unobservable inputs.

The company has a number of financial instruments which are not measured at fair value in the statement of financial position, including cash, receivables, payables and borrowings. The fair value of these financial assets and financial liabilities approximates their carrying amount.

The fair value of Borrowings in Note 18, is estimated by discounting the future contractual cash flows at the current market interest rates for loans with similar risk profiles and has been measured under Level 2 of the hierarchy. The carrying value of borrowings classified as financial liabilities measured at amortised cost approximates fair value.

24. Financial Instruments

Derivative Financial Instruments
Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. Derivatives are classified as current or non-current depending on the expected period of realisation.

Investments and Other Financial Assets
Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. They are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on the purpose of the acquisition and subsequent reclassification to other categories is restricted.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership.

Impairment of Financial Assets
The consolidated entity assesses at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired. Objective evidence includes significant financial difficulty of the issuer or obligor; a breach of contract such as default or delinquency in payments; the lender granting to a borrower concessions due to economic or legal reasons that the lender would not otherwise do; it becomes probable that the borrower will enter bankruptcy or other financial reorganisation; the disappearance of an active market for the financial asset; or observable data indicating that there is a measurable decrease in estimated future cash flows.

The amount of the impairment allowance for financial assets carried at cost is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the current market rate of return for similar financial assets.

	Consolidated	
Financial Assets and Liabilities	31-Dec-23 $'000	Restated 31-Dec-22 $'000
Financial Assets		
Cash and cash equivalents	11,607	12,263
Loans and receivables	485,670	525,587
Total Financial Assets	**497,277**	**537,850**
Financial Liabilities		
Trade and other payables	320,049	428,176
Borrowings	300,863	291,681
Lease liabilities	18,288	19,195
Total Financial Liabilities	**639,200**	**739,052**

Financial Risk Management Policies
The directors' overall risk management strategy seeks to assist the company in meeting its financial targets, whilst minimising potential adverse effects on financial performance. The Company has a comprehensive Risk Management Framework that provides for the key management personnel to manage the different types of risks to which the company is exposed to. This is further enhanced with the implementation of an Internal Risk Committee that regularly considers the risks of the business. Financial risk management includes but is not limited to monitoring levels of exposure to interest rate and credit risk and by being aware of market forecasts for interest rates. Ageing analyses and monitoring of specific credit allowances are undertaken to manage credit risk. Liquidity risk is managed through general business budgets and forecasts. The main purpose of non-derivative financial instruments is to manage foreign currency risk. The company had open forward contracts as at the end of the financial year to mitigate this risk. The directors and key management personnel meet on a regular basis to analyse financial risk exposure and to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts.

Specific Financial Risk Exposures and Management
The main risks the company is exposed to through its financial instruments are:

- credit risk
- liquidity risk
- interest rate risk
- foreign exchange risk

Credit Risk
Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the company. Credit risk is reviewed regularly by the directors and key management personnel. It predominantly arises from exposures to customers.

The Company's exposure to credit risk is limited due to debtor insurance which is held over its trade receivables. The insurance policy limits the exposure of the company to 10% of individual customer's balance plus the excess as specified in the policy after an aggregate first loss of $200,000. Receivables balances are monitored on an ongoing basis and as a result the Company's exposure to bad debts has not been significant.

It is the Company's policy that all customers who wish to trade on credit terms are subject to credit verification procedures including an assessment of their credit rating, financial position, past experience and industry reputation. Credit limits are set for each individual customer in accordance with parameters set by the directors. These credit limits are regularly monitored. Customers that do not meet the company's strict credit policies and criteria may only purchase in cash or using recognised credit cards.

The company has no significant concentration of credit risk with any single counterparty or group of counterparties. The profile of all counterparties is largely the same being reseller partners and have been grouped together in assessing expected credit loss. Trade and other receivables that are neither past due or impaired are considered to be of high credit quality.

Credit Risk Exposures - The maximum exposure to credit risk by class of recognised financial assets at reporting date, excluding the value of any collateral or other security held, is equivalent to the carrying value and classification of those financial assets (net of any provisions) as presented in the statement of financial position.

Liquidity Risk
Liquidity risk arises from the possibility that the company might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The company manages this risk through the following mechanisms:

- preparing forward-looking cash flow analyses in relation to its operational, investing and financing activities;
- monitoring undrawn credit facilities;
- obtaining funding from a variety of sources;
- maintaining a reputable credit profile; and
- managing credit risk related to financial assets.

The tables below reflect an undiscounted contractual maturity analysis for financial liabilities. Financial guarantee liabilities are treated as payable on demand since the company has no control over the timing of any potential settlement of the liability.

Cash flows realised from financial instruments reflect management's expectation as to the timing of realisation.
Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflect the earliest contractual settlement dates and do not reflect management's expectations that banking facilities will roll forward.

	Consolidated	
Financial liability maturity analysis	**31-Dec-23 $'000**	**Restated 31-Dec-22 $'000**
Financial liabilities due for payment		
Trade and other payables		
Within 6 months	320,049	428,177
6 months - 1 Year	-	-
1 - 2 Years	-	-
2 - 5 Years	-	-
Total trade and other payables	**320,049**	**428,177**
Borrowings		
Within 6 Months	250,863	286,681
6 Months - 1 Year	50,000	5,000
1 - 2 Years	-	-
2 - 5 Years	-	-
Total contractual outflows	**300,863**	**291,681**

Financial assets pledged as collateral:
Certain financial assets have been pledged as security for the debt and their realisation into cash may be restricted subject to terms and conditions attached to the relevant debt contracts. Refer to Note 18.

Interest Rate Risk
The company's main interest rate risk arises from borrowings. All borrowings are at variable interest rates and expose the company to interest rate risk which will impact future cash flows and interest charges and is indicated by the following floating interest rate financial liabilities.

	Consolidated	
	31-Dec-23 $'000	**31-Dec-22 $'000**
Interest Rate Risk		
Floating rate instruments		
Westpac Receivable Finance Facility	197,000	185,000
Westpac Cash Advance Facility	50,000	60,000
BNZ Working Capital Facility	53,863	46,681
	300,863	**291,681**

Due to the current interest rate environment the Company has not entered into any interest rate swap at any other time during the year. Management will continue to monitor the interest rate environment to determine whether entering into a new swap agreement will be prudent to do so in the future.

Sensitivity Analysis
The company has performed a sensitivity analysis relating to its exposure to interest rate risk at reporting date.

If interest rates changed by -/+ 1% from the year end rates with all other variables held constant, post-tax profit would have been $2.1m lower/higher (2022: $2.0m lower/higher) as a result of higher/lower interest payments. The company constantly analyses its interest rate exposure. Within this analysis consideration is given to alternative financing and the mix of fixed and variable interest rates.

Foreign Exchange Risk

The consolidated entity undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations. Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting.

In order to protect against exchange rate movements, the consolidated entity has entered into forward foreign exchange contracts. These contracts are hedging highly probable forecasted cash flows for the ensuing financial year. Management has a risk management policy to hedge between 30% and 80% of anticipated foreign currency transactions for the subsequent 4 months, with occasionally requiring a hedge for up to 12 months on specific transactions.

The maturity, settlement amounts and the average contractual exchange rates of the consolidated entity's outstanding forward foreign exchange contracts at the reporting date was as follows:

	Sell Australian dollars		Average exchange rates		Sell New Zealand dollars		Average exchange rates	
	31-Dec-23 $'000	31-Dec-22 $'000	31-Dec-23 $'000	31-Dec-22 $'000	31-Dec-23 $'000	31-Dec-22 $'000	31-Dec-23 $'000	31-Dec-22 $'000
Buy US dollars								
Maturity:								
0 - 3 months	50,818	48,150	0.7424	0.7199	3,233	4,078	0.6196	0.5811
3 - 6 months	-	-	-	-	-	-	-	-
6 - 9 months	400	-	0.6739	-		-	-	-
9 - 12 months	1,000	-	0.6544	-	-	-	-	-
Buy AU dollars								
Maturity:								
0 - 3 months	-	-	-	-	3,357	2,720	0.9255	0.9362
3 - 6 months	-	-	-	-	-	-	-	-

The carrying amount of the consolidated entity's foreign currency denominated financial assets and financial liabilities at the reporting date was as follows:

	Consolidated 31-Dec-23 $'000	Consolidated 31-Dec-22 $'000
Cash at bank	135	4,006
Trade receivables	18,279	80,747
Trade payables	(47,137)	(94,225)
Net statement of financial position exposure	**(28,274)**	**(9,472)**

Based on the financial instruments held at 31 December 2023, a strengthening/weakening of AU$ against US$ and NZ$ would have resulted in the following changes to the Groups reported profit and loss and/or equity.

Sensitivity Analysis (Effects in Thousands)	Equity Strengthening	Equity Weakening	Profit or Loss Strengthening	Profit or Loss Weakening
US$ (5% movement)	-	-	1,358	(1,358)
NZ$ (5% movement)	(3,058)	3,058	55	(55)

25. Key Management Personnel Compensation

	Consolidated 31-Dec-23	Consolidated Restated 31-Dec-22
Short-term benefits	9,514,849	8,056,773
Long-term benefits	18,334	29,391
Post employment benefits	904,224	762,083
Total Compensation	**10,437,407**	**8,848,247**

26. Remuneration of Auditors

	Consolidated 31-Dec-23	Consolidated 31-Dec-22
Fees to Ernst & Young (Australia)		
Fees for the audit and review of the financial reports of the Group and any controlled entities	525,000	-
Fees for out-of-scope audit work	40,560	-
Total Fees to Ernst & Young	**565,560**	**-**
Fees to BDO & Network Firms of auditor		
Fees for the audit and review of the financial reports of the Group and any controlled entities	-	393,000
Fees for indirect tax services	-	129,000
Fees for tax and corporate services	-	398,000
Fees for tax and corporate service to network firms	-	47,000
Total Fees to BDO and network firms of auditor	**-**	**967,000**

27. Contingent Liabilities

The directors are not aware of any contingent liabilities related to the Consolidated entity as at the report date.

Capital Commitments
Capital expenditure commitments contracted for at reporting date but not recognised as liabilities:

	Consolidated	
	31-Dec-23 $'000	31-Dec-22 $'000
Property, plant and equipment	450	9,523

28. Parent Entity Information

Set out below is the supplementary information about the parent entity:

	Consolidated	
	31-Dec-23 $'000	31-Dec-22 $'000
Statement of profit or loss and other comprehensive income		
Profit after income tax	77,036	70,691
Total comprehensive income	77,036	70,691
Statement of financial position		
Total current assets	614,390	691,672
Total assets	774,731	846,246
Total current liabilities	544,603	635,732
Total liabilities	551,749	643,568
Equity		
Issued capital	214,563	212,742
Reserves	369	369
Retained profits	8,049	(10,434)
Total Equity	222,981	202,677

Guarantees Entered into by the Parent Entity in Relation to the Debts of its Subsidiaries
The parent entity and some of its subsidiaries are party to a deed of cross guarantee under which each company guarantees the debts of the others. The parent entity has also provided a parent guarantee in respect of obligations of Exeed Ltd and Exeed Australia Limited Partnership in favour of Bank of New Zealand. No deficiencies of assets exist in any of these subsidiaries.

Capital Commitments – Property, Plant and Equipment
The parent entity had the capital commitments for property, plant and equipment as detailed in Note 27.

Material Accounting Policies
The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in Note 1 and throughout the notes.

29. Business Combinations

Acquisitions
On 9th February 2023 the Company entered into a binding Sale and Purchase Agreement (SPA) to acquire the business of Connect Security Products Limited (CSP), New Zealand's leading distributor of access control, surveillance and fire products. The acquisition completed on 28 February 2023 and the purchase price was NZD$5.0m comprising of $3.5m for goodwill with balance for net business assets of $1.5m being predominantly for inventory. The goodwill acquired predominantly relates to supplier relationships plus access to new customers in the access control and surveillance industry.
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 operates in parallel to Dicker Data's existing New Zealand operation and leverages shared services such as finance, warehousing, logistics and marketing, with the product and sales functions operating independently.

The full year revenue contribution from the Connect business was $6.6m. Had the business been acquired for the full reporting period, assuming the average revenue contribution for the 10 months trading, the total revenue contribution for the reporting period would have been $8.0m. It is impractical to disclose the profit and loss impact for the reporting period whilst the business was being integrated and restructured as only the key net assets to run the business were acquired, and historical earnings can't be relied on.
The accounting for this acquisition is provisional at the date of this report and, in accordance with AASB 3 Business Combinations, will be finalised within 12 months of acquisition date.

Details of the net assets acquired, goodwill and purchase consideration are as follows:

	Fair Value Total $'000
Inventory	1,440
Property plant and equipment	143
Employee provisions	(60)
Right of use asset	702
Lease liability	(702)
Net identifiable assets and liabilities	1,523
Goodwill	3,254
Net Assets Acquired	4,777
Purchase Consideration Comprises:	
Cash paid	4,777

Hills Acquisition
On 2 May 2022 the Company announced the completion of the acquisition of the Hills (ASX: HIL) Security and IT (SIT) division. The valuation of the fair value of the acquired assets and liabilities at acquisition date was finalised and completed at 30 June 2023. There has been no change to the provisional amounts presented in the 2022 annual report.

Business Combinations Critical Judgements
A certain degree of judgement and estimation is required to determine fair value of assets acquired as part of a business combination. Further judgement is required in assessing whether any premium paid over fair value of assets relates to any identifiable intangibles and calculation of the goodwill acquired.

30. Interests in Subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following wholly owned subsidiaries in accordance with the accounting policy described in note 1:

	Principal place of business / country of incorporation	Ownership Interest 2023 %	Ownership Interest 2022 %
Express Data Holdings Pty Ltd	Australia	100%	100%
Dicker Data Financial Services Pty Ltd	Australia	100%	100%
Dicker Data GP Pty Ltd	Australia	100%	100%
Dicker Data New Zealand Ltd	New Zealand	100%	100%
Exeed Ltd	New Zealand	100%	100%
Dicker Data Financial Services NZ Ltd	New Zealand	100%	100%

31. Reconciliation of Profit After Income Tax to Net Cash

	Consolidated	
	31-Dec-23 $'000	31-Dec-22 $'000
Profit after income tax	82,145	73,047
Adjustments for:		
Depreciation	5,025	4,732
Amortisation on intangibles	4,753	4,460
Amortisation on leased assets	4,195	3,103
(Profit) / Loss on the Disposals of PPE	30	256
Changes in Assets & Liabilities:		
Decrease (increase) in current inventories	44,258	(39,696)
Decrease (increase) in current receivables	38,421	(68,296)
Decrease (increase) in deferred tax assets	(1,746)	6,341
(Decrease) increase in deferred tax liabilities	(1,541)	(7,624)
(Decrease) increase in payables & Other	(106,988)	30,532
(Decrease) increase in provisions	1,672	3,632
(Decrease) increase in current tax liabilities	(103)	(9,349)
Net cash from operating activities	**70,121**	**1,138**

32. Non-Cash Investing and Financing Activities

	Consolidated	
	31-Dec-23 $'000	31-Dec-22 $'000
Shares issued under dividend reinvestments plan (DRP)	**1,821**	**2,987**

33. Earnings Per Share

	Consolidated	
	31-Dec-23 $'000	31-Dec-22 $'000
Profit after income tax	82,145	73,047
Profit after income tax attributable to the owners of Dicker Data Limited	82,145	73,047
Weighted average number of shares used as denominator	**Number**	**Number**
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	180,175,670	174,762,827
Weighted average number of ordinary shares and options granted are used as the denominator in calculating diluted earnings per share	180,175,670	174,762,827
	Cents	**Cents**
Basic earnings per share (cents)	45.59	41.80
Diluted earnings per share (cents)	45.59	41.80

34. Related Party Transactions

Parent entity:
Dicker Data Limited is the parent entity.

Subsidiaries:
Interests in subsidiaries are set out in note 30.

Key Management Personnel:
Disclosures relating to key management personnel are set out in note 25 and the remuneration report in the directors' report.

Transactions with related parties:
There were a number of related party transactions during the year with the entity Rodin Cars Ltd, a New Zealand based entity owned by David Dicker. The transactions included sales of goods and services which are billed to Rodin Cars Ltd both in Australia and New Zealand. Total amount billed to Rodin Cars Ltd for FY23 was $206,682.

Dicker Data Financial Services Pty Ltd has also provided finance to David Dicker at arm's length commercial rates. The amount payable as at 31 December 2023 was $45,559.39 which was fully repaid on 24th January 2024. The principal amount financed was $524,968.91.

In addition to these transactions there were also payments made on behalf of shareholders David Dicker and Rodin Ventures Ltd throughout the year that were subsequently reimbursed, or funds were deposited in advance to cover these expenses. As at 31 December 2023 there were no amounts owing to or from David Dicker or Rodin Ventures Ltd.

There was also a related party transaction during the year with shareholder and director Fiona Brown who provided the Company with a short-term loan of $20m which was repaid in full. Interest charged was at commercial market rates and total interest paid to Fiona Brown was $368,213.92.

35. Subsequent Events

Extension of Westpac Receivables Facility
The Westpac Receivables Facility matures in May 2024 and a credit approved term sheet has been received to roll this facility for a further 3 years with increased limit of $320m, up from $270m previously approved. The renewal of the facility is on same terms and pricing as existing facility. The Company is in the process of having documentation prepared to formally extend this facility.

Extension of Bank of New Zealand Facility
The Bank of New Zealand facility in NZ is also maturing in May 2024. The Company has received a credit approved facility amendment letter to increase this facility to $88.9m, comprising of cash advance facility for $68m, up from $58m previously approved, with the balance being available for stand by letter of credit facility to support supplier trade credit arrangements. The extension of the facility is to May 2025.

There were no other significant matters subsequent to the end of the financial year.

Directors' Declaration

In the Directors' opinion:

- the attached financial statements and notes thereto comply with the *Corporations Act 2001 (cth)*, the Australian Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes thereto comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;
- the attached financial statements and notes thereto give a true and fair view of the consolidated entity's financial position as at 31st December 2023 and of its performance for the financial year ended on that date;
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and
- as at the date of this declaration, there are reasonable grounds to believe that the Company and the subsidiaries identified in Note 30 will be able to meet any obligations or liabilities to which they are or may become subject to, by virtue of the Deed of Cross Guarantee between the Company and those subsidiaries

The directors have been given the declarations required by section 295A of the *Corporations Act 2001 (cth).*

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the *Corporations Act 2001 (cth).*

On behalf of the directors

David Dicker
CEO AND CHAIRMAN
Sydney, 27 February 2024

Auditor's Declaration of Independence

Ernst & Young
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Auditor's Independence Declaration to the Directors of Dicker Data Limited

As lead auditor for the audit of Dicker Data Limited for the financial year ended 31 December 2023, I declare to the best of my knowledge and belief, there have been:

a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit;

b. No contraventions of any applicable code of professional conduct in relation to the audit; and

c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Dicker Data Limited and the entities it controlled during the financial year.

Ernst & Young

Ernst & Young

Graham Leonard
Partner
27 February 2024

Independent Auditor's Report

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Independent auditor's report to the members of Dicker Data Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of Dicker Data Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 31 December 2023, the consolidated statement of profit or loss and comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the financial statements, including material accounting policy information, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

a. Giving a true and fair view of the consolidated financial position of the Group as at 31 December 2023 and of its consolidated financial performance for the year ended on that date; and

b. Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the financial report* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial report.

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Recognition and presentation of revenue

Why significant	How our audit addressed the key audit matter
As at 31 December 2023, the Group's consolidated statement of profit or loss and other comprehensive income includes \$2.3 billion of revenue. The Group enters into different types of contracts with customers and recognises revenue, which is disaggregated into five product types, as disclosed in Note 4 of the consolidated financial statements. AASB 15 *Revenue from Contracts with Customers* requires Management to apply judgement in assessing whether the Group acts as a principal or agent and the timing of revenue recognition. The assessment whether the Group acts as a principal or agent affects whether revenue is presented on a gross or net basis. The assessment regarding the timing of revenue recognition determines whether revenue is recognised in the appropriate period. With changes to software and virtual service vendor programs over time, Management reassessed whether the Group was acting as principal or agent in the resale of software and virtual services. In the current year the Group revised its accounting policy for the sales of virtual services and software and recognises revenue as the agency fee made up of standard commission and other incentives driven by volume and other metrics. This has led to a restatement in the prior period.	Our audit procedures included the following: ▶ Applied professional scepticism to assess the accounting judgments against the requirements of AASB 15 including an assessment of the presentation and timing of revenue recognised in the period. ▶ Evaluated the Group's processes and tested controls relating to the recognition and measurement of revenue recognised within the consolidated statement of profit or loss and other comprehensive income. ▶ Applied data analysis techniques to analyse the relationship between revenue, accounts receivable and cash collections. ▶ Agreed a sample of cash receipts to bank and source documentation to confirm that the receipts correlating to trade receivables represents cash receipts used to clear trade receivables from third parties. ▶ For a sample of revenue transactions, tested the existence and measurement of the amounts recorded in the financial report. ▶ Performed sales cut off procedures by assessing management's calculation of deliveries after year end to confirm that sales are properly recorded in the correct period. ▶ Assessed management's calculation of the restatement of the prior period by understanding the assumptions and estimates applied and testing the inputs and mathematical accuracy of the calculations. ▶ Assessed the adequacy of the related disclosures in the Notes to the financial report.

Independent Auditor's Report

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Information other than the financial report and auditor's report thereon

The directors are responsible for the other information. The other information comprises the information included in the Group's 2023 annual report, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is 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 the Australian Auditing Standards 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 this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated to the directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Independent Auditor's Report

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Report on the audit of the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 44 to 53 of the directors' report for the year ended 31 December 2023.

In our opinion, the Remuneration Report of Dicker Data Limited for the year ended 31 December 2023, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Ernst & Young

Ernst & Young

Graham Leonard
Partner
Sydney
27 February 2024

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Shareholder Information

Additional information required under ASX Listing Rule 4.10 and not shown elsewhere in this Annual Report is as follows. This information is current as at 2 February 2024.

Ordinary Share Capital

Analysis of numbers of equity security holders by size of holding:

Size of Holding	Number of Shareholders	Number of Shares	% of Issued Capital
100,001 and Over	46	142,024,514	78.78
10,001 to 100,000	767	16,734,297	9.28
5,001 to 10,000	1,037	7,610,955	4.22
1,001 to 5,000	4,466	10,669,130	5.92
1 to 1,000	8,958	3,250,586	1.80
Total	**15,274**	**180,289,482**	**100.00**

Unquoted Options

The Company had no unquoted options on issue as at 2 February 2024.

Less than marketable parcels of ordinary shares

There were 489 holders of less than a marketable parcel of ordinary shares. The number of shares in aggregate of these unmarketable parcels is 6,925.

Substantial Holders

The names of the Substantial Shareholders listed in the Company's Register as at 2 February 2024:

Shareholder	Number of Ordinary Fully Paid Shares	% of Issued Capital
Mr David John Dicker	56,651,041	31.42%
Ms Fiona Tudor Brown	55,753,571	30.92%

Voting Rights

In accordance with the Constitution each member present at a meeting whether in person, or by proxy, or by power of attorney, or in a duly authorised representative in the case of a corporate member, shall have one vote on a show of hands, and one vote for each fully paid ordinary share, on a poll.

On-Market Buy-Backs

There is no current on-market buy-back in relation to the Company's securities.

Twenty Largest Holders of Quoted Equity Securities

Rank	Size of Holding	Number of Shares	% of Issued Capital
1	Rodin Ventures Limited	48,000,000	26.62
2	Ms Fiona Tudor Brown	25,702,069	14.26
3	BTR No 2 Pty Ltd	21,800,000	12.09
4	Mr David John Dicker	8,651,041	4.80
5	HSBC Custody Nominees (Australia) Limited	7,434,978	4.12
6	Citicorp Nominees Pty Limited	5,654,680	3.14
7	Fiona Brown	5,109,572	2.83
8	J P Morgan Nominees Australia Pty Limited	4,042,001	2.24
9	BTR Investments No 1 Pty Ltd	2,988,598	1.66
10	National Nominees Limited	2,586,237	1.43
11	Jeremy And Lynette King Superannuation Pty Ltd	1,535,000	0.85
12	Certane CT Pty Ltd	844,520	0.47
13	Mr Vladimir Mitnovetski	829,992	0.46
14	Sandhurst Trustees Ltd	473,202	0.26
15	BNPP Noms Pty Ltd Hub24 Custodial Serv Ltd	456,799	0.25
16	Certane CT Pty Ltd	446,068	0.25
17	Mr Hoang Luong Trinh	410,000	0.23
18	BNP Paribas Noms Pty Ltd	373,554	0.21
19	Diales Pty Limited	300,000	0.17
20	Moorgate Investments Pty Ltd	260,128	0.14
	Total	**137,898,439**	**76.49**
	Balance of Register	**42,391,043**	**23.51**
	GRAND TOTAL	**180,289,482**	**100.00**

Dicker Data acknowledges that Aboriginal and Torres Strait Islander peoples are the First Peoples and Traditional Custodians of Australia.

We thank them for their custodianship of Country — land, seas and skies.

We acknowledge the diversity of First Nations cultures, histories and peoples, recognise their enduring connection to our country, and we pay our deepest respects to Elders past, present and emerging.

Corporate Directory

Registered Office

238 Captain Cook Drive
Kurnell NSW 2231
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Web: https://www.dickerdata.com.au
https://www.dickerdata.co.nz

ABN

95 000 969 362

Directors

David Dicker	(Chairman and Chief Executive Officer)
Fiona Brown	(Non-Executive Director)
Vlad Mitnovetski	(Executive Director and Chief Operating Officer)
Mary Stojcevski	(Executive Director and Chief Financial Officer)
Ian Welch	(Executive Director, Chief Information Officer and Director of Operations)
Kim Stewart-Smith	(Non-Executive Director)
Leanne Ralph	(Non-Executive Director)

Company Secretary

Erin McMullen

Investor Relations

investors@dickerdata.com.au

Auditor

EY
The EY Centre
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Shareholder Enquiries

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