



ASX Announcement: 2024/54

21 August 2024

WiseTech Global FY24 Appendix 4E and financial report

Attached are the Appendix 4E, preliminary financial report for the year ended 30 June 2024 as required by ASX listing rule 4.3A, and financial report for the year ended 30 June 2024.

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Authorized for release to ASX by Maree Isaacs, Executive Director & Company Secretary.

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About WiseTech Global

WiseTech Global is a leading developer and provider of software solutions to the logistics execution industry globally. Our customers include over 17,000¹ of the world's logistics companies across 183 countries, including 46 of the top 50 global third-party logistics providers and 25 of the 25 largest global freight forwarders worldwide².

Our mission is to change the world by creating breakthrough products that enable and empower those that own and operate the supply chains of the world. At WiseTech, we are relentless about innovation, adding over 5,600 product enhancements to our global CargoWise application suite in the last five years while bringing meaningful continual improvement to the world's supply chains. Our breakthrough software solutions are renowned for their powerful productivity, extensive functionality, comprehensive integration, deep compliance capabilities, and truly global reach. For more information about WiseTech Global or CargoWise, please visit wisetechglobal.com and cargowise.com

¹ Includes customers on CargoWise and non-CargoWise platforms whose customers may be counted with reference to installed sites

² Armstrong & Associates: Top 50 Global 3PLs & Top 25 Global Freight Forwarders ranked by 2022 gross logistics revenue/turnover and freight forwarding volumes – Updated 5 October 2023

APPENDIX 4E

WiseTech Global Limited

for the year ended 30 June 2024

Results for announcement to the market

For the year ended 30 June (\$M)			2024	2023
Revenue from ordinary activities	Up	28% to	1,041.7	816.8
Statutory net profit after tax	Up	24% to	262.8	212.2
Underlying net profit after tax ¹	Up	15% to	283.5	247.6
Basic earnings per share (cents)	Up	23% to	79.4	64.8

¹ Underlying net profit after tax excludes fair value adjustments from changes to acquisition contingent consideration (FY24: \$0.3m, FY23: \$0.2m), non-recurring tax on acquisition contingent consideration (FY24: \$1.8m, FY23: \$2.4m), acquired amortization, net of tax (FY24: \$17.6m, FY23: \$10.9m), contingent and deferred consideration interest unwind, net of tax (FY24: \$0.3m, FY23: \$0.7m) and M&A (mergers and acquisitions) costs (FY24: \$4.9m, FY23: \$26.4m).

Dividends – Ordinary shares	Amount per security	Franked amount per security	Record date	Payment date
FY24 interim dividend	7.7 cents	7.7 cents	11 March 2024	5 April 2024
FY24 final dividend	9.2 cents	9.2 cents	9 September 2024	4 October 2024

Dividend reinvestment plan

WiseTech has a dividend reinvestment plan (DRP) under which eligible shareholders can reinvest all or part of any dividends to acquire additional WiseTech shares. The price of the shares under the DRP will be the average of the daily volume weighted average price per share of all shares sold in the ordinary course of trading on the Australian Securities Exchange (ASX) for the five trading days from 11 September 2024 to 17 September 2024, rounded to the nearest cent. The last date for receipt of election notices from shareholders wanting to commence, cease or vary their participation in the DRP for the FY24 final dividend is by 5pm (Sydney time) on 10 September 2024.

Net tangible asset/(liability) (NTA) backing

As at 30 June	2024	(Restated) ² 2023
NTA (\$M)	(176.2)	(276.5)
Number of shares (millions)	333.4	331.9
NTA per share (cents)	(53)	(83)

² Comparative information for year ended 30 June 2023 has been restated due to finalization of acquisition accounting

Entities for which control has been gained

Please refer to note 25 of the notes to the Consolidated financial statements for details.

Audit

This report is based on the Consolidated financial statements for the year ended 30 June 2024 which have been audited.

WiseTech Global Limited

FY24 Financial Report

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Operating and financial review

for the full-year ended 30 June 2024

Review of operations

Principal activities

WiseTech Global is a leading provider of software solutions to the global logistics industry. We develop, sell and implement software solutions that enable and empower logistics service providers to facilitate the movement and storage of goods and information, domestically and internationally. We provide our solutions to over 17,000 customers in 183 countries.

Our industry-leading flagship technology, CargoWise, is a deeply integrated, global software platform for logistics service providers. Our software enables logistics service providers to execute highly complex logistics transactions and manage their operations on one global database across multiple users, functions, offices, corporations, currencies, countries and languages. Our main data centers in Australia, Europe and the US deliver our CargoWise platform principally through the cloud, which customers access as needed and pay for usage as they execute on our platform.

Our customers range from small and mid-sized domestic and regional logistics providers to large multi-national and global logistics providers, including all of the Top 25 Global Freight Forwarders¹ and 46 of the Top 50 Global Third-Party Logistics Providers (3PLs)². Our software solutions are designed to assist our customers to efficiently navigate the complexities of the logistics industry and can dramatically increase productivity, reduce costs and mitigate risks for our customers.

Innovation and productivity remain key areas of focus for the business. We invest significantly in product development with over \$1.1b invested in the last five years and delivered more than 5,600 product enhancements on the CargoWise application suite. This drives greater usage of our CargoWise platform, enabling the business to achieve sustainable, profitable growth. Our *'3P' strategy – Product; Penetration; and Profitability* – is delivering our vision to be the operating system for global logistics. We are building our capabilities and, where appropriate, fast-tracking our technology development and know-how through acquisitions. This allows us to deliver a comprehensive global logistics execution solution for our customers, from the first-mile road movement, through to connecting to long-haul air, sea, rail and road, and crossing international borders – all while navigating complex regulatory frameworks with improved compliance, safety, visibility, predictability, manageability and productivity.

We are committed to making a positive contribution to the communities that we are part of and recognize that our social license to operate is integral to our ability to create long-term value for our stakeholders. Our people, the communities and marketplaces in which we operate, and the environment are integral to our strategy and our operating decisions. We are focused on ensuring we prioritize accountability and that we have robust governance frameworks in place.

Our technology solutions have an important role to play in solving the complex pain points of the logistics industry and in enhancing productivity and efficiencies for logistics providers. We have secured a strong foundation for future technology development and geographic expansion, with 40 product development centers, including centers of excellence in Sydney, Bengaluru and Nanjing, and a headcount of almost 3,500 people globally across 38 countries.

1. Based on Armstrong & Associates Inc. Top 25 Global Freight Forwarders List ranked by 2022 gross logistics revenue/turnover and freight forwarding volumes – Updated 5 October 2023.

2. Based on Armstrong & Associates Inc: Top 50 Global Third-Party Logistics Providers List ranked by 2022 gross logistics revenue/turnover – Updated 5 October 2023.

Summary of statutory financial performance

During the twelve months to 30 June 2024 (FY24), we delivered a strong financial performance, with significant revenue growth and robust margins.

Revenue increased 28% to \$1,041.7m (FY23: \$816.8m)

Operating profit increased 27% to \$380.7m (FY23: \$300.2m)

Net profit after tax increased 24% to \$262.8m (FY23: \$212.2m)

Underlying NPAT increased 15% to \$283.5m (FY23: \$247.6m)

Basic earnings per share increased 23% to 79.4 cents (FY23: 64.8 cents)

Summary financial results¹

	FY24 \$m	FY23 \$m	Change \$m	Change %
Recurring On-Demand License revenue	894.9	683.0	212.0	31%
Recurring One-Time License (OTL) maintenance revenue	114.2	101.5	12.7	13%
OTL and support services	32.6	32.4	0.2	1%
Revenue	1,041.7	816.8	224.8	28%
Cost of revenues	(166.5)	(125.6)	(40.9)	33%
Gross profit	875.2	691.3	183.9	27%
Product design and development ²	(255.3)	(185.8)	(69.4)	37%
Sales and marketing	(90.4)	(69.3)	(21.1)	30%
General and administration	(148.8)	(135.9)	(12.8)	9%
Total operating expenses	(494.4)	(391.1)	(103.3)	26%
Operating profit	380.7	300.2	80.6	27%
Net finance (costs)/income	(14.0)	0.8	(14.9)	n.a.
Profit before income tax	366.7	301.0	65.7	22%
Tax expense	(103.9)	(88.8)	(15.1)	17%
Net profit after tax	262.8	212.2	50.6	24%
Underlying NPAT³	283.5	247.6	35.9	15%

Key financial metrics	FY24	FY23	Change
Recurring revenue %	97%	96%	1pp
Gross profit margin %	84%	85%	(1)pp
Product design and development as % total revenue ²	25%	23%	2pp
Sales and marketing as % total revenue	9%	8%	-pp
General and administration as % total revenue	14%	17%	(2)pp
M&A costs (\$m)	4.9	26.4	(21.5)
Capitalized development investment (\$m) ⁴	195.9	134.2	61.7
R&D as a % of total revenue ⁵	35%	32%	3pp

1. Differences in tables are due to rounding, see Note 2 to the Consolidated financial statements – Rounding of amounts.

2. Product design and development includes \$82.9m (FY23: \$58.1m) depreciation and amortization but excludes capitalized development investment.

3. Underlying NPAT is Net profit after tax excluding fair value adjustments from changes to acquisition contingent consideration (FY24: \$0.3, FY23: \$0.2), non-recurring tax on acquisition contingent consideration (FY24: \$1.8m, FY23: \$2.4m), acquired amortization, net of tax (FY24: \$17.6m, FY23: \$10.9m), contingent and deferred consideration interest unwind, net of tax (FY24: \$0.3m, FY23: \$0.7m) and M&A costs (FY24: \$4.9m, FY23: \$26.4m)

4. Includes patents and purchased external software licenses used in our products.

5. R&D is total investment in product design and development expense, excluding depreciation and amortization, but including capitalized development investment.

Revenue

Total revenue grew by 28% to \$1,041.7m on FY23 (\$816.8m), with 15% growth delivered organically³.

Revenue growth came from:

- \$83.8m revenue from FY23/FY24 M&A;
- new CargoWise customers won in the period and growth from customers won in FY23 and prior, including new Large Global Freight Forwarder (LGFF) rollouts;
- increased usage by existing customers and price increases during the year to offset the impacts of inflation as well as generate returns on product investment;
- \$21.3m of favorable foreign exchange (FX) movements (FY23: \$8.2m favorable).

Revenue from CargoWise increased by 19% organically, with overall CargoWise revenue growing by 33% to \$880.3m including the benefit of acquisitions. Growth was mainly driven by LGFF rollouts, increased usage from existing customers and price increases during the year to offset the impacts of inflation. CargoWise revenue growth also includes \$81.1m from FY23/FY24 M&A. \$20.4m of favorable FX was experienced in FY24 (FY23: \$7.7m favorable).

Revenue from customers on non-CargoWise platforms increased by 3% to \$161.4m (FY23: \$157.2m), driven by increased usage from FY23 and prior acquisitions and general price increases, partially offset by expected contraction in non-recurring revenue from acquisitions completed in FY23 and prior years. Revenue from non-CargoWise platforms included \$0.9m of favorable FX movements (FY23: \$0.4m favorable).

Recurring revenue for the Group increased to 97% of total revenue in FY24 (FY23: 96%), with CargoWise recurring revenue growing by 33%, as a result of increased usage, price increases, FY23/FY24 M&A, as well as an expected contraction from acquisitions completed in FY23 and prior years from OTL and support services.

In FY24, CargoWise revenue growth was achieved across all existing customer cohorts (from FY06 and prior through to FY24), with the *customer attrition rate* for the CargoWise application suite remaining extremely low at less than 1%, as it has been since we started measuring more than 12 years ago⁴. Our customers continue to stay and grow their transaction usage due to the productivity and deep capabilities of our platform.

Foreign exchange: Our revenue is invoiced in a range of currencies, reflecting the global nature of our customer base and, as a result, may be positively or negatively impacted by movements in foreign currency exchange rates. We use FX instruments to hedge against currency movements.

Gross profit and gross profit margin

Gross profit increased by \$183.9m, up 27% in line with revenue growth, to \$875.2m (FY23: \$691.3m) and the gross profit margin remained strong at 84% (FY23: 85%), with revenue growth partially offsetting dilution from FY23/FY24 M&A.

Operating expenses

Our strong revenue growth and efficient operating model drives ongoing operating leverage, with overall operating expenses at 47% (FY23: 48%). The company-wide cost efficiency program has achieved its goal and delivered \$40m annual run rate savings with \$14m net cost out in FY24. The program has been expanded with an updated target of \$50m annual run rate savings.

3. Refers to revenue and EBITDA growth and EBITDA margin adjusted for FY23/FY24 M&A without full period comparisons, foreign exchange impacts, restructuring and M&A costs.

4. Annual attrition rate is a customer attrition measurement relating to the CargoWise application suite (excluding any customers on non-CargoWise platforms). A customer's users are included in the customer attrition calculation upon leaving, i.e. having not used the product for at least four months.

Total R&D investment: In FY24, we continued our significant investment in product innovation to further develop our software platform and to build our innovation pipeline as a strategic priority. Our R&D investment for the period increased by 41% to \$368.2m (FY23: \$261.9m), reflecting the previously communicated increase in hiring activity to drive future revenue growth, and FY23/FY24 M&A.

In FY24, 35% of total revenue was reinvested in R&D (FY23: 32%), with the investment more heavily weighted to CargoWise R&D than in previous years.

Product design and development expense increased by 37% to \$255.3m (FY23: \$185.8m), reflecting:

- FY23/FY24 M&A
- expected increase in investment in CargoWise innovation and development;
- increased investment in hiring and retaining high-quality talent globally; and
- increased amortization, primarily due to continued capitalized development investment.

Capitalized development investment increased to \$195.9m (FY23: \$134.2m), driven by increased investment focused on WiseTech's six key development priorities. This includes three breakthrough products with planned releases for 1H25. Overall, the percentage of R&D capitalized was 53%, up 2 percentage points (pp) on FY23. This reflects increased product investment and the quality of WiseTech's development process, which delivers higher productivity and lower defects, enabling teams to focus on developing new products. We expect this positive trend to continue through FY25 as we continue to grow the base of new product releases across our six key development priorities, which can be seen in development costs for work in progress increasing by 55% to \$84.0m at June 2024, with 62% of WiseTech's global workforce now focused on product development (FY23: 60%). As a result of our significant R&D investment, in FY24 we delivered 1,135 new product enhancements on the CargoWise application suite, bringing total product enhancements delivered on the CargoWise application suite in the last five years to over 5,600, from a total investment of over \$1.1b. We believe this investment is critical to delivering long-term value for our customers.

Sales and marketing expense increased to \$90.4m (FY23: \$69.3m) mainly driven by M&A activity, included \$0.8m acquired amortization, and increased as a percentage of revenue to 9pp (FY23: 8pp), reflecting our targeted focus on the Top 25 Global Freight Forwarders and top 200 global logistics providers.

General and administration expenses of \$148.8m (FY23: \$135.9m) represented 14% of total revenue (FY23: 17%), reflecting a reduction in M&A costs from \$26.4m in FY23 to \$4.9m in FY24.

Net finance costs

Other net finance costs in FY24 of \$14.0m (FY23: \$0.8m net finance income) included \$16.9m of finance costs (FY23: \$7.1m), driven by increased interest expenses from loans utilized over the course of the year to fund strategic M&A investments linked to landside logistics. Finance income of \$2.6m (FY23: \$7.8m) was generated from interest income on cash balances, which were lower compared to FY23 following the funding of strategic M&A investments, loan repayments and higher financing costs in FY24.

Cash flow

We continued to generate strong positive operating cash flows, demonstrating the strength of our highly cash-generative operating model. Operating cash flow was up 23% on FY23 to \$531.1m, with net cash flows from operating activities of \$448.7m (FY23: \$380.5m). Free cash flow of \$333.0m was up 14% on FY23.

Investing activities in long-term assets to fund future growth included:

- \$173.1m in intangible assets as we further developed and expanded our commercializable technology, resulting in a substantial increase in capitalized development investment for both commercialized products and those yet to be launched (FY23: \$114.7m);
- \$25.0m in assets mostly related to data center capacity expansion, and IT infrastructure investments to enhance scalability, reliability and security (FY23: \$27.2m); and
- \$44.7m for three new acquisitions (one tuck-in, two foothold acquisitions), and contingent and deferred payments for prior acquisitions (FY23: \$740.1m).

Dividends of \$52.8m (FY23: \$41.6m) were paid in cash during FY24, with shareholders choosing to reinvest an additional \$0.7m of their dividends via the dividend reinvestment plan.

Our closing cash balance of \$121.7m, in addition to \$420m of undrawn capacity from our \$500m unsecured bank debt facilities as at 30 June 2024, provides significant financial headroom to the group, with total liquidity of more than \$500m.

On our balance sheet, the comparative information for the year ended 30 June 2023 has been restated. This reflects the finalization of acquisition accounting. Details can be found in note 18 in the FY24 Financial Report.

Product strategy and integration progress

Our vision is to be the operating system for global logistics. Our focus is on six key development priorities, being landside logistics, warehouse, Neo, digital documents, customs and compliance, and international eCommerce. We continue to invest significantly in our own 'in-house' R&D and capabilities which enables us to expand CargoWise's functionality. Our three breakthrough product releases announced for FY25, CargoWise Next, Container Transport Optimization and ComplianceWise will present a step change in our product capabilities, growth and value to customers.

Our organic growth is supplemented by an inorganic growth strategy focused on tuck-in, foothold and strategically significant acquisitions to accelerate CargoWise product development and ecosystem reach, with 48 acquisitions completed since our IPO in 2016.

In FY24, we completed the acquisitions of MatchBox Exchange, which is delivering important new digital landside logistics capabilities to CargoWise, along with Sistemas Casa and Aktiv Data, creating customs footholds in Mexico and Finland respectively. As a result, WiseTech's global customs platform will now cover greater than 75% of global manufactured trade flows including countries in production and development. Moving forward, we will continue to evaluate further tuck-in and foothold acquisitions as well as larger strategic acquisition opportunities where there is a compelling rationale.

FY24 strategic highlights

We are focused on creating breakthrough products that enable and empower the supply chains of the world. We are extending the reach of our global CargoWise integrated platform, expanding technology to increase market penetration and new addressable markets, growing our commercial foundation to new geographies, and investing in transforming our content architectures, channels and brand, while also growing our R&D capacity.

- As of FY24, we had 51 LGFFs with global rollouts 'Contracted and In Progress'⁵ or 'In Production'⁶, including more than 50% of the Top 25 Global Freight Forwarders. In FY24, we secured five new global rollout contracts with Sinotrans, APL Logistics, Yamato Transport, TIBA Tech and Grupo TLA Logistics

5. *Contracted and In Progress* refers to CargoWise customers who are contracted and in progress to rolling out the CargoWise application suite in 10 or more countries and for 400 or more registered users, who have fewer than 75% of expected registered users operationally live.

6. *In Production* refers to customers who are operationally live on CargoWise and are using the platform on a production database, having rolled out in 10 or more countries and 400 or more registered users on CargoWise, excluding customers classified as 'Contracted and In Progress'.

- Since the year-end we secured a new global roll-out with Nippon Express, a Top 10 global freight forwarder and Japan's largest, as momentum across our pipeline continues to grow.

Throughout FY24, we continued our extensive product development program, investing \$368.2m and 62% of our people in product development. CargoWise product development resources increased by 26% in FY24, driven by FY23/FY24 M&A, new hires and transfers from non-CargoWise teams, delivering 1,135 product enhancements to the CargoWise application suite. We also made significant progress on our six product development priorities, including three breakthrough products releases announced for FY25, CargoWise Next, Container Transport Optimization and ComplianceWise with planned releases commencing in 1H25, which will present a step change in our product capabilities, growth and value to customers.

Post balance date events

Since period end, the Directors have declared a fully franked final ordinary dividend of 9.2cps, representing a 10% increase on the FY23 final dividend. The final dividend is payable on 4 October 2024 to shareholders registered as at 9 September 2024 and represents a payout ratio of 20% of Underlying NPAT.

On 1 July 2024, the Group completed the acquisition of a 100% interest in Singeste - Sistemas de Informática, Lda, a leading developer of IT solutions for the customs sector in Portugal. The consideration for the acquisition is \$1.8m, net of cash acquired. Transaction costs of \$0.5m were incurred by the Group, \$0.5m being recognized in FY24. The acquired business generated revenue and EBITDA of \$0.5m and \$0.1m respectively for the 12 months ended 31 December 2023. This transaction, while of strategic value, is not material to the Group.

Outlook for FY25

FY25 guidance is provided on the basis that market conditions do not materially change, and reflects current trends in supply chain volumes, noting that changes in industrial production and/or global trade (both favorable and unfavorable) may impact guidance.

Subject to the assumptions set out in the WiseTech Global FY24 Results presentation, the Company currently anticipates FY25 revenue of \$1,300m-\$1,350m (representing revenue growth of 25%-30%), EBITDA of \$660m-\$700m (representing EBITDA growth of 33%-41%) and EBITDA margin of 51%-52%.

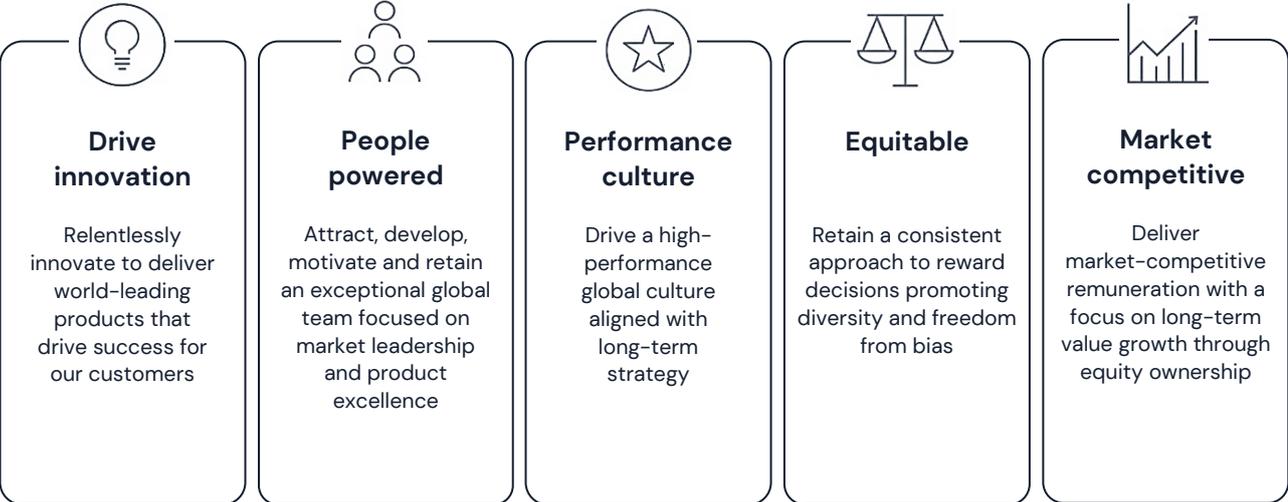
Remuneration Report

This Remuneration Report for the twelve months ended 30 June 2024 has been prepared in accordance with the requirements of section 300A of the *Corporations Act 2001 (Cth)* and has been audited as required by section 308(3C) of the *Corporations Act 2001 (Cth)*.

Remuneration at a glance

Our remuneration strategy and framework

Driven by **our mission** and **our values**, WiseTech rewards our global workforce for performance aligned to our business strategy, specialized operations and sustained growth.



Our priority

Building multi-year deferred equity into fixed remuneration across our global workforce to align employees' interests with those of shareholders and encourage value-creating behaviors.

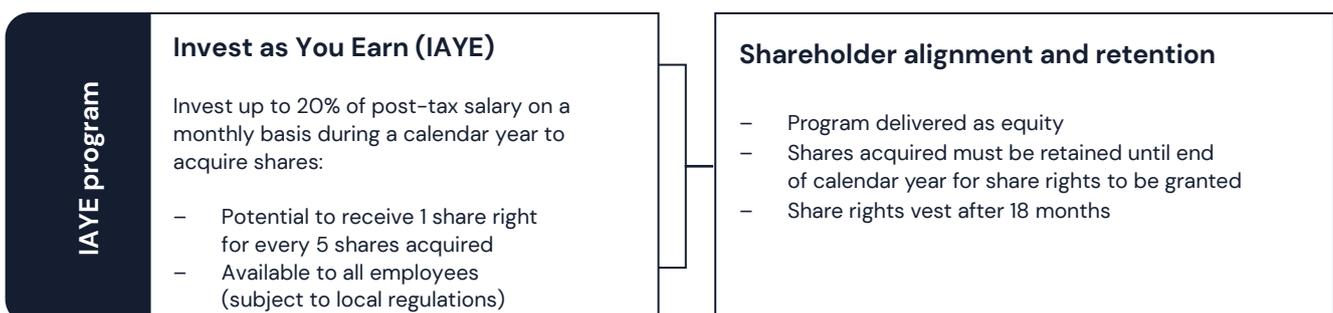
Component/structure

Strategic objective/performance link



Further alignment with shareholders

Rewarding our global workforce for increasing their holding of WiseTech Global shares by purchasing shares through our **Invest as You Earn** program.



Actual Executive KMP remuneration received in FY24 (non-IFRS disclosure)

	Current year's remuneration			Prior years' remuneration		Total		Total including equity growth	
	Fixed cash ¹	Cash incentive	FY24 Remuneration equity	FY24 Performance equity	Remuneration equity vested	Performance equity vested	Remuneration received		Equity growth
Richard White	\$1,000,000	-	-	-	-	-	\$1,000,000	-	\$1,000,000
Maree Isaacs	\$496,200	-	-	\$62,500	-	-	\$558,700	-	\$558,700
Andrew Cartledge	\$760,000	-	-	\$166,667	\$118,346	\$466,543	\$1,511,556	\$839,445	\$2,351,001
Brett Shearer	\$520,000	-	-	\$71,500	\$203,028	\$195,588	\$990,116	\$607,745	\$1,597,860

1. Fixed cash includes superannuation but excludes any allowances or non-monetary benefits. In particular, the amounts do not include the value related to annual and long service leave entitlements that accrued during the year less the leave taken.

Actual Executive KMP remuneration received in FY23 (non-IFRS disclosure)

	Current year's remuneration			Prior years' remuneration		Total		Total including equity growth	
	Fixed cash ¹	Cash incentive	FY23 Remuneration equity	FY23 Performance equity	Remuneration equity vested	Performance equity vested	Remuneration received		Equity growth
Richard White	\$1,000,000	-	-	-	-	-	\$1,000,000	-	\$1,000,000
Maree Isaacs	\$480,000	-	-	\$60,000	-	-	\$540,000	-	\$540,000
Andrew Cartledge	\$750,000	\$150,000	-	\$225,000	\$80,832	\$428,482 ²	\$1,634,314	\$185,148	\$1,819,462
Brett Shearer	\$500,000	-	-	\$134,375	\$128,058	\$222,946	\$985,379	\$146,143	\$1,131,522

1. Fixed cash includes superannuation but excludes any allowances or non-monetary benefits. In particular, the amounts do not include the value related to annual and long service leave entitlements that accrued during the year less the leave taken.

2. Andrew Cartledge's performance equity vested includes the vesting of 10 IAYE Share Rights in February 2023.

In the first table above, Executive KMP remuneration received in FY24 is separated into remuneration received for employment in FY24 and deferred equity from previous years that vested during FY24. The figures in this table are different from those shown in the "Other statutory disclosures - Executive KMP remuneration" table which includes an accounting value for all unvested share rights. Accounting standards require share-based payments to be amortized over the relevant performance and service periods. We believe that the information presented above provides shareholders with additional details regarding Executive KMP remuneration.

Current year's remuneration

This includes FY24 fixed cash remuneration plus any FY24 performance incentive payments paid in equity which vest immediately on grant in August 2024. As remuneration equity is granted at the beginning of the year and earned throughout the year, with the first tranche to vest on the first business day of the following financial year, no FY24 remuneration equity was received in FY24.

Maree Isaacs' FY24 performance equity incentive is expected to be granted following WiseTech's AGM in November 2024.

Prior years' remuneration

Any deferred equity awards from prior periods that vested during FY24. This includes remuneration equity and performance equity incentives from prior years, excluding the value of any vested performance equity incentive for FY23 disclosed as "Current year's remuneration" in the corresponding table in the for FY23.

Equity growth

The value of the vested equity shown in the table is the face value at date of original award (under the headings "Remuneration equity vested and Performance equity vested"). Equity growth is the value contribution from the change in share price between the award and vesting dates.

For share rights that do not automatically convert to ordinary shares at vesting but are instead exercisable at the discretion of the Executive KMP, the values in the table reflect the market value at the vesting date, regardless of whether the share rights have been exercised.

KMP covered by the Remuneration Report

The Remuneration Report outlines key aspects of the Company's remuneration strategy, policy and framework and provides details of remuneration awarded to KMP during FY24.

KMP includes Executive Directors, certain senior executives of the Group (Other Executives) and Non-Executive Directors, who have specific authority and responsibility for planning, directing and controlling the activities of the Group. In this report, the term "Executive KMP" refers to the KMP excluding Non-Executive Directors.

The Group's KMP for FY24 are listed in the table below.

Name	Title	Term	KMP Status
Executive Director KMP			
Richard White (RW)	Executive Director, Founder and Chief Executive Officer (CEO)	Full year	Current
Maree Isaacs (MI)	Executive Director, Co-founder and Head of License Management (HLM)	Full year	Current
Other Executive KMP			
Andrew Cartledge (AC)	Chief Financial Officer (CFO)	Full year	Current
Brett Shearer (BS)	Chief Technology Officer & Chief Architect (CTO)	Full year	Current
Non-Executive Director KMP			
Andrew Harrison	Chair and Independent Non-Executive Director (<i>retired 31 March 2024</i>)	Part year	Retired
Richard Dammery	Chair (<i>effective 1 April 2024</i>) and Independent Non-Executive Director	Full year	Current
Lisa Brock	Independent Non-Executive Director (<i>appointed 1 February 2024</i>)	Part year	Current
Teresa Engelhard	Independent Non-Executive Director (<i>retired 8 April 2024</i>)	Part year	Retired
Charles Gibbon	Independent Non-Executive Director	Full year	Current
Michael Malone	Independent Non-Executive Director	Full year	Current
Fiona Pak-Poy	Independent Non-Executive Director (<i>appointed 1 February 2024</i>)	Part year	Current

People & Remuneration Committee and governance

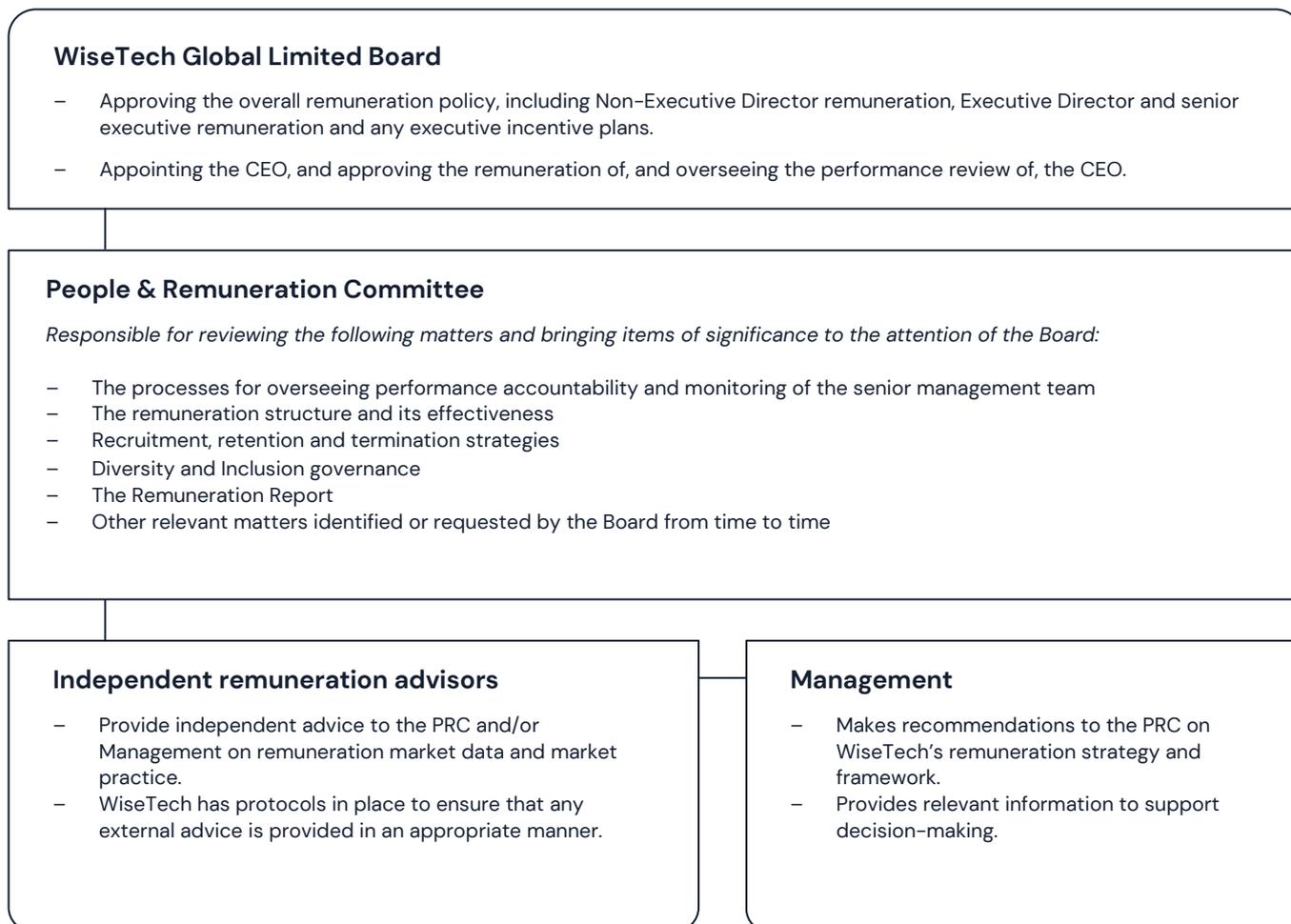
The Board is responsible for ensuring that WiseTech's remuneration strategy and framework support the Group's performance and that executives and Non-Executive Directors are rewarded fairly and responsibly with regard to legal and corporate governance requirements. The People & Remuneration Committee (PRC) oversees remuneration matters and, where appropriate, makes recommendations to the Board. During the year, the Committee comprised the following independent Non-Executive Directors:

- **1 July 2023 to 31 March 2024** – Richard Dammery (Chair), Teresa Engelhard and Michael Malone
- **1 April 2024 to 30 June 2024** – Fiona Pak-Poy (Chair), Richard Dammery, Teresa Engelhard (until 8 April 2024) and Michael Malone.

Further information on the PRC's responsibilities is set out in the PRC Charter available on the Company website which can be accessed at the following link:

www.wisetechglobal.com/investors/corporate-governance/

The following graphic describes the roles of the Board, the PRC and Management in ensuring that WiseTech's remuneration governance processes are robust and defensible.



Independent remuneration advisors

WiseTech Global has protocols in place to ensure that external advice is provided in an appropriate manner and is free from undue influence by management. For the purposes of section 206L of *the Corporations Act 2001 (Cth)*, no independent advice was provided on remuneration recommendations in relation to KMP.

Minimum shareholding requirements

To reinforce WiseTech's objective of aligning the interests of KMP with the interests of shareholders thus reinforcing an owner's mindset, and to foster an increased focus on building long-term shareholder value, the following minimum shareholding requirements are in place for KMP:

- 100% of fixed remuneration for Executive KMP, in the form of shares or share rights, within five years of appointment, and
- 100% of base fees for Non-Executive Directors, in the form of shares, within three years of their appointment to the Board.

Our remuneration strategy and framework

WiseTech's future growth and innovation rely on the talent, motivation and enthusiasm of our people across the world. We aim to reward our high-performance global workforce with a remuneration and incentive program aligned to our business strategy, specialized operations, and aspirations for sustained growth. Our remuneration framework includes cash and equity components that reward our workforce for achieving operational and strategic priorities and for creating long-term sustainable value for WiseTech and its shareholders.

The elements of our global remuneration structure

Our organizational focus is on developing breakthrough solutions to replace ageing legacy systems and rapid expansion to drive long-term growth for our shareholders. This requires a level of agility within our organization to allow teams to swiftly refocus priorities on activities in the short term to deliver our long-term goals. Providing remuneration equity, which is not subject to performance conditions, as a core element of our remuneration structure aligns employees' interests with those of shareholders, encouraging behaviors that are value-creating for the long term, as well as supporting staff retention within the Group.

Remuneration equity, an annual grant of multi-year deferred equity, is a key component of our team members' fixed remuneration across our global workforce. This approach has been formally recognized as a pivotal offer under our Equity Incentives Plan by the Global Equity Organization (GEO) in their 2024 awards. WiseTech Global was honored with the Best Plan Effectiveness award, a testament to our commitment to aligning our remuneration strategy with our mission to attract, retain and motivate top talent while cultivating a culture of ownership and value creation. The GEO also commended our initiative to link equity remuneration with corporate objectives, thereby fostering long-term loyalty and accountability among our employees.

Remuneration equity is typically granted at the start of the financial year and vests in four equal annual tranches:

	July Year 2	July Year 3	July Year 4	July Year 5	July Year 6	
Year 1 Grant - July	25%	25%	25%	25%		
Year 2 Grant - July		25%	25%	25%	25%	
Year 3 Grant - July			25%	25%	25%	...
Year 4 Grant - July				25%	25%	...
Year 5 Grant - July					25%	...
Total vesting	25%	50%	75%	100%	100%	

As detailed in the table above, the annual grant of remuneration equity with 25% vesting each year builds up, so that after four years there will be four tranches of 25% of an annual grant vesting in July each year. The above approach provides a strong alignment to shareholder outcomes as:

- the number of share rights granted is based on the WiseTech share price at the time of grant, and
- the value derived by an employee is based on the share price at the time of vesting.

In addition to remuneration equity, certain executives are eligible to receive performance equity incentives to reward execution of, and accountability for, actions, direct outcomes and lead measures aligned to long-term strategy and annual priorities. Following the assessment of performance at the end of the financial year, any awards are delivered in share rights, with 25% vesting immediately and 25% vesting each year for the following three years.

In the event that an employee (including an Executive KMP) ceases employment, unvested share rights (whether related to performance incentives or remuneration equity) will typically lapse. However, in exceptional circumstances (including genuine retirement), as detailed in the Equity Incentives Plan Rules, the Board retains discretion to determine that some, or all, of the unvested share rights will not lapse.

The Equity Incentives Plan Rules grant the Board clawback powers. If, in the opinion of the Board, a participant acts fraudulently or dishonestly or is in breach of their obligations to a Group company, the Board may deem that any award of share rights held by the participant is to be forfeited. The Board did not exercise its clawback powers in FY24.

During FY24, WiseTech has continued to expand the award of remuneration equity to more employees across our global team members. Where appropriate, deferred equity is also used to deliver a component

of sales incentives and for sign-on or retention awards for key team members. Development team bonus pool incentives, related to specific innovation achievements that require extra discretionary effort from team members, are also delivered as deferred equity.

In addition to remuneration equity, our IAYE program enables employees to acquire WiseTech shares by investing up to 20% of their post-tax salary, with an annual incentive of one free share right for each five shares acquired during the calendar year. The free share rights:

- are granted if the acquired shares are not sold before the end of the calendar year of participation; and
- vest 18 months after the end of the calendar year of participation.

The IAYE program has maintained robust participation from our global workforce in the past five years.

	IAYE 2020	IAYE 2021	IAYE 2022	IAYE 2023	IAYE 2024
Number of participants	350	361	386	398	525
Participation rate	21%	22%	23%	21%	18%

Annual remuneration review

The PRC and the Board review remuneration annually to ensure that there is an appropriate balance between fixed and at-risk performance-related pay and that it reflects both short-term and long-term performance objectives linked to WiseTech's strategy.

WiseTech's people and culture are the source of our industry-leading products, and attracting and retaining the best talent in our sector is a core driver of Company performance. The PRC and Board will continue to monitor the movement in remuneration in the markets where we compete for talent.

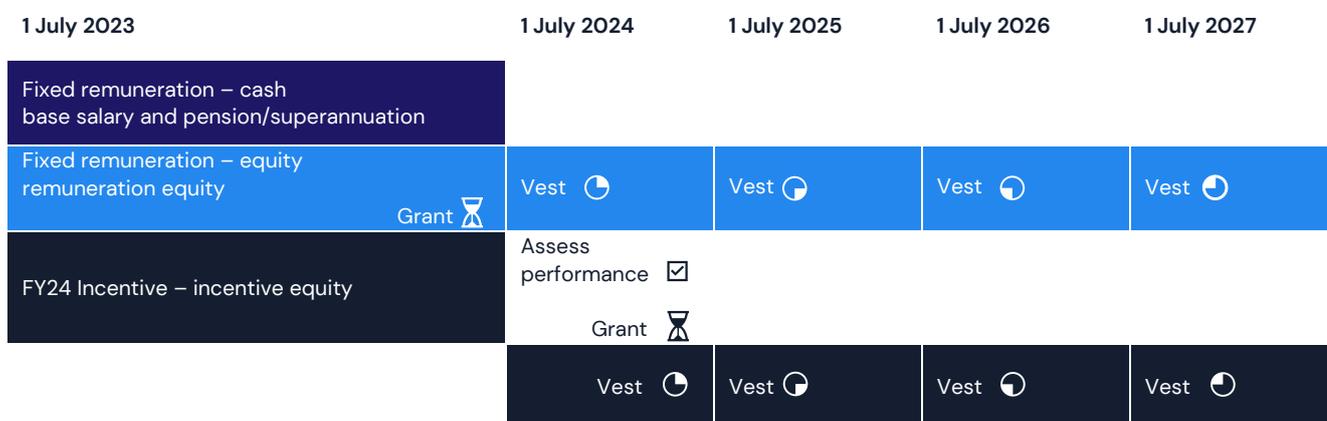
Share rights

At the date of this report, WiseTech had 3,019,168 share rights outstanding across 3,300 holders. The share rights relate to grants of deferred equity to employees under the Equity Incentives Plan and have a range of vesting dates through to July 2031. Generally, share rights are subject to employment conditions and are not subject to performance conditions. On vesting, the holder is entitled to receive one ordinary share at no cost to the holder. A total of 826,727 share rights were converted to ordinary shares during the financial year.

To meet the Company's obligations when share rights vest, the Board prefers to issue new shares (to a maximum of 1% of issued share capital in any 12-month period) while reserving the right to buy shares on-market and off-market where appropriate. During FY24, 32,982 shares were purchased on-market for the purpose of employee incentive schemes, at an average price of \$80.62 per share, primarily on behalf of participants in the IAYE program.

FY24 remuneration framework for our executive team

Remuneration for our executive team, including Executive KMP and other senior managers, is delivered through a mix of fixed remuneration, including base salary, legislated pension/superannuation contributions and remuneration equity. The remuneration, as well as performance equity incentives, structure for FY24 is outlined below:



As outlined in the diagram above, remuneration for FY24 is delivered across three main elements:

- Fixed remuneration that is paid to executives during the year in line with their local payroll schedule;
- Remuneration equity that is granted effective 1 July 2023 and vests in four equal tranches in July 2024, July 2025, July 2026 and July 2027; and
- Incentive equity for FY24 that is determined following assessment of performance during the year, is granted in August 2024 and similar to remuneration equity vests in four equal tranches, the first one on grant, and the remainder in July 2025, July 2026 and July 2027.

Our executive team's performance incentive framework is focused on annual financial targets and operational key performance indicators (KPIs) that are lead measures for long-term strategic outcomes. In any year, our financial outcomes reflect the successful execution of deliverables over many prior years. Conversely, the operational and strategic actions undertaken this year are expected to deliver shareholder value for many years into the future. Product development deliverables are examples of operational KPIs designed to support long-term strategy and deliver sustainable, long-term financial value.

To ensure ongoing alignment with shareholders' interests, we aim for 100% of performance incentives to be delivered in equity at the end of the year, with 25% vesting immediately and 75% deferred over three years, and when combined with fixed remuneration equity vesting over four years, act as WiseTech's long term incentive plan which we believe is highly effective.

Performance equity incentives for Executive KMP (other than Maree Isaacs) and senior managers are delivered as multi-year deferred equity, with a grant date in August 2024, and vesting in four equal instalments, immediately on grant and then in July 2025, 2026 and 2027. The performance equity incentive for Executive Director Maree Isaacs is expected to be granted in November 2024, after WiseTech's 2024 AGM, with vesting of the first tranche immediately on grant and the remaining three tranches in July 2025, 2026 and 2027.

The number of share rights to be granted was determined using an average WiseTech share price at the end of the annual performance period in June 2024.

The performance of Executive KMP is assessed by the Board against key indicators. Performance incentive outcomes for senior managers, including the Executive KMP, are determined by the CEO, with input and review by the PRC and approval by the Board.

FY24 Executive KMP remuneration

Remuneration structure and mix for FY24

A global remuneration review was completed in June 2023 and included Executive KMP.

- **CEO** - No change was made to the CEO package, with total fixed remuneration of \$1,000,000.

The total package for HLM, CFO and CTO were increased effective 1 July 2023 to reflect market movement, Australian market wage inflation for similar roles in the markets where we operate.

- **HLM** – Total fixed remuneration was increased by 3% from \$480,000 to \$496,200. The performance equity incentive was increased from \$240,000 to \$250,000.
- **CFO** – Total package (including fixed remuneration and target performance incentive) was increased by 7%.
- **CTO** – Total package (including fixed remuneration and target performance incentive) was increased by 4%.

The remuneration mix for each Executive KMP detailed above is expressed as a percentage of total remuneration, excluding the CEO, who was remunerated solely with fixed pay as we believe that his significant equity holding provides adequate alignment with other shareholders.

HLM – Maree Issacs

From 1 July 2023

Target and maximum



CFO – Andrew Cartledge

From 1 July 2023

Target



Maximum



CTO – Brett Shearer

From 1 July 2023

Target



Maximum



Fixed remuneration
- cash

Fixed remuneration
- remuneration equity

Performance incentives
- equity

Remuneration outcomes for FY24 and the link to WiseTech performance

The tables below summarize the performance of WiseTech shares for the five years from FY20 to FY24 and for FY24, and our financial performance for the five years from FY20 to FY24. The information was considered in conjunction with an assessment of individual performance of senior managers by the CEO, and reviewed by the PRC, when determining Executive KMP remuneration.

Period	Period start	Share price at start of period	Share price 30 June 2024	Change in share price	Change in ASX 200	WTC performance v ASX 200	Dividends paid per share	WTC TSR ¹
FY20-FY24	1 July 2019	\$27.71	\$100.30	262.0%	17.4%	244.6%	\$0.457	265.3%
FY24	1 July 2023	\$79.81	\$100.30	25.7%	7.8%	17.8%	\$0.161	25.9%

1. Total shareholder return with dividends reinvested.

	FY20	FY21	FY22	FY23	FY24
Revenue (\$m)	429.4	507.5	632.2	816.8	1,041.7
Revenue growth over prior year	23%	18%	25%	29%	28%
EBITDA (\$m)	126.7	206.7	319.0	385.7	495.6
NPAT ¹ (\$m)	160.8	108.1	194.6	212.2	262.8
Earnings per share (cents)	50.3	33.3	59.7	64.8	79.4
Dividends ² per share (cents)	3.3	6.6	11.2	15.0	16.9
Change in share price during the year ³	-30%	65%	19%	111%	26%

1. NPAT is net profit after tax attributable to equity holders.

2. Dividends declared in respect of the financial year.

3. Percentage change in the closing share price on the last business day in the current year over that on the last business day in the prior year.

Board review of WiseTech's FY24 performance against key indicators

In using WiseTech's FY24 results to help review the CEO's recommended performance incentives for Executive KMP, the Board considers the market conditions and short-term performance in the context of WiseTech's longer-term strategy. In FY24, key indicators continued to grow strongly, reflecting the expansion of our product offering, continued financial discipline and enhanced operating leverage as we further penetrate our chosen markets and execute our strategy. This is powered by our people in an environment of softening global trade flows, geopolitical frictions and inflationary pressures.

Our business and our people have again exceeded targets in many areas, including strong results against the KPIs set by the Board.

Our executive team and global workforce have continued to focus, and deliver, on strategic priorities in the context of a challenging global social economic environment. The Board again found the performance to be exemplary, in particular their timely and effective efforts to:

- accelerate product development and innovation in the key development priorities and supplement growth by targeted acquisitions;
- continue to secure and execute large-scale global rollouts to increase penetration in WiseTech's targeted market; and
- deliver strong operating leverage and robust margins and maintain strong financial discipline.

For the 14-member senior management team, 102% of the total target performance incentive pool was distributed for FY24 (73% of stretch). For Executive KMP, the specific KPIs and performance assessments which underpin the FY24 performance incentive awards, and the Board's assessment of the performance of the CEO, are detailed below.

Key performance indicator	Performance outcome	Assessment	Executive KMP
Revenue growth	28% growth in revenue to \$1,041.7m vs \$1,040m to \$1,095m target	Target achieved	CEO, HLM, CFO
EBITDA	28% growth in EBITDA to \$495.6m vs \$455m to \$490m target	Target exceeded	CEO, HLM, CFO
Recurring revenue	29% growth in recurring revenue to \$1,009.1m Recurring revenue 98% of CargoWise revenue and 97% of total revenue	Target achieved	CEO, HLM
Operational efficiency	G&A expense/G&A % of revenue excluding M&A costs of \$143.9m/14%	Target achieved	CEO, CFO
Cash flow	Operating cash flow/Operating cash flow conversion \$531.1m/107%, and Free cash flow/Free cash flow conversion \$333.0m/67%	Target achieved	CEO, HLM, CFO
Product development outcomes	Optimization of CargoWise Cloud code base to increase performance	Target achieved	CEO, CTO

Performance against the relevant financial and operational criteria above makes up at least 70% of each Executive's performance incentive opportunity. The remainder relates to strategic outcomes particular to each Executive's role in the organization as described below:

- Maree Isaacs: customer contract management, pricing, licensing, and legacy business model transition;
- Andrew Cartledge: integration of acquired businesses, cash flow, and financial risk management; and
- Brett Shearer: improvements in development efficiency, increased monitoring of data centers/CargoWise Cloud/eHub and improved reliability and resilience of CargoWise Cloud and tier 1 customers' CargoWise private clouds.

FY24 performance incentives outcome

The remuneration awarded to the Executive KMP in relation to performance during FY24 is set out in the table below, including the performance incentives resulting from the assessment of KPI outcomes described above. The table also shows the performance outcome for each Executive KMP as a percentage of target opportunity and of maximum opportunity.

	FY24 performance incentive awarded	Target opportunity	% of target incentive awarded	% of target incentive forgone	Maximum opportunity	% of maximum incentive awarded	% of maximum incentive forgone
Maree Isaacs	\$250,000	\$250,000	100%	0%	\$250,000	100%	0%
Andrew Cartledge	\$666,667	\$666,667	100%	0%	\$1,000,001	67%	33%
Brett Shearer	\$286,000	\$286,000	100%	0%	\$429,000	67%	33%

Vesting of previous performance equity incentives

Vesting of deferred equity components of Executive KMP performance incentives each year is subject to consideration by the Board. The Board determined that the relevant tranches of FY21, FY22 and FY23 performance equity incentives would vest fully in July 2024.

FY25 remuneration

The Board considers that the existing remuneration approach and framework is working effectively. As such, no substantive changes are planned for FY25.

Overview of Non-Executive Director remuneration

The Board sets Non-Executive Director remuneration at a level that enables the Group to attract and retain Directors with the appropriate mix of skills and experience. The remuneration of the Non-Executive Directors is determined by the Board after taking into consideration the recommendations from the PRC.

Non-Executive Directors receive a base fee inclusive of statutory superannuation contributions. Non-Executive Directors do not receive any performance-based remuneration.

Non-Executive Director fee pool and structure

The total amount of fees that can be paid to Non-Executive Directors is capped by a pool approved by shareholders. The current fee pool is \$1,800,000 per annum, approved by shareholders at the 2021 Annual General Meeting.

In FY24, WiseTech undertook a comprehensive market review of Non-Executive Director fees. This review was benchmarked against ASX-listed organizations of comparable market capitalization and revenue scale. This methodology allowed us to base our review on a wider set of metrics that more accurately reflect the current operations of WiseTech Global. We also took into account other considerations such as the increasing workload and growing responsibilities as WiseTech continues to expand its global operations and market capitalization. Other factors included the macro-economic environment, market trends and retention strategies.

From FY25 the Board approved an increase of \$56,000 to the Chair fee, an increase of \$21,641 to the member fee and increases to the Chair and member fees for Audit & Risk Committee and People & Remuneration Committee. All increases are inclusive of the statutory increase to superannuation contribution from 1 July 2024. In addition, the Board decided to update the composition of Nomination Committee to be all Directors with the Board Chair serving as the Chair of the Nomination Committee. In line with the market practice, no fees were paid to the Chair or members of the Nomination Committee. The Chair of the Board does not receive any Committee fees.

The table below outlines the Board and committee fees, inclusive of superannuation, effective for FY24 and for FY25.

	FY24		FY25	
	Chair fee	Member fee	Chair fee	Member fee
Board	\$444,000	\$178,359	\$500,000	\$200,000
Audit & Risk Committee	\$35,672	\$20,808	\$46,000	\$23,000
Nomination Committee	\$17,835	-	-	-
People & Remuneration Committee	\$17,835	\$10,404	\$42,000	\$21,000

Non-Executive Director Fee Sacrifice Share Acquisition Plan

The Non-Executive Director Fee Sacrifice Share Acquisition Plan (NED Share Plan), introduced in October 2020, provides a mechanism for the Non-Executive Directors to build their equity holding in the Company using their pre-tax Director fees. Under the NED Share Plan, Non-Executive Directors can elect to voluntarily sacrifice all, or a portion, of their pre-tax Director fees over the relevant financial year to receive a grant of share rights. Each share right is a conditional entitlement to acquire one ordinary share in the Company at no cost. The share rights are not subject to any performance conditions. Subject to the Non-Executive Directors remaining a Director of the Company, the share rights automatically convert to shares following the release of the Company's half-year results and full-year results respectively.

If a Non-Executive Director ceases to hold office before the grant of share rights or before their share rights convert to shares, the Non-Executive Director will be paid the fee amount that was sacrificed for the relevant participation period and which has been earned to the date of cessation, unless the Board determines otherwise. All share rights granted in relation to that participation period will lapse on cessation.

The following table details the NED Share Plan participation in FY24, including the number of share rights granted and the vesting schedule. Shareholder approval under ASX Listing Rule 10.14 was obtained at the 2022 Annual General Meeting for potential grants of share rights to Andrew Harrison, Richard Dammary, Teresa Engelhard, Charles Gibbon, Michael Gregg, Michael Malone and Arlene Tansey.

		Fees sacrificed for share rights	Number of rights granted ¹	Fair value at grant date ²	Vesting date
Andrew Harrison³	Tranche 1	\$44,400	568	\$39,476	Feb 2024
	Tranche 2	\$22,200	284	\$19,738	Apr 2024
Richard Dammary	Tranche 1	\$25,000	320	\$22,240	Feb 2024
	Tranche 2	\$25,000	320	\$22,240	Aug 2024
Teresa Engelhard⁴	Tranche 1	\$41,320	528	\$36,696	Feb 2024
	Tranche 2	\$22,496	288	\$20,016	Apr 2024

1. The number of share rights granted was calculated using an allocation price based on the average closing share price for 5 days up to, and including, 30 June 2023.

2. Fair value at grant was determined based on \$69.50, the closing share price on the grant date in August 2023.

3. The Board approved for 284 share rights to be retained by Andrew Harrison upon retirement based on the three months of fees sacrificed for FY24. The retained share rights converted to shares on 2 April 2024. The remaining 284 share rights granted under FY23 NED Share Plan lapsed.

4. The Board approved for 288 share rights to be retained by Teresa Engelhard upon retirement based on the three months and eight days of fees sacrificed for FY24. The retained share rights converted to shares on 11 April 2024. The remaining 241 share rights granted under FY23 NED Share Plan lapsed.

Directors participating in the NED Share Plan in FY25 will be granted share rights at the end of August 2024 in respect of the fees sacrificed during the year. The number of share rights will be determined by the average closing share prices for the five business days up to, and including, 30 June 2024. The share rights will convert to shares in two equal tranches, following release of WiseTech's half-year results in February 2025 and full-year results in August 2025.

Non-Executive Director remuneration

The following table details Non-Executive Directors' remuneration for FY24 and FY23.

		Board and committee fees – cash	Fees sacrificed under the NED Share Plan	Superannuation	Total
Andrew Harrison ²	FY24	\$245,851	\$66,600	\$20,549	\$333,000
	FY23	\$284,108	\$77,350	\$25,292	\$386,750
Richard Dammary	FY24	\$205,619	\$50,000	\$23,511	\$279,130
	FY23	\$32,856	\$151,179	\$19,324	\$203,359
Lisa Brock ¹	FY24	\$74,762	–	\$8,224	\$82,986
	FY23	–	–	–	–
Teresa Engelhard ³	FY24	\$74,583	\$63,816	\$15,224	\$153,623
	FY23	\$102,338	\$82,344	\$19,392	\$204,074
Charles Gibbon	FY24	\$179,430	–	\$19,737	\$199,167
	FY23	\$173,362	–	\$18,203	\$191,565
Michael Malone	FY24	\$202,194	–	\$22,241	\$224,435
	FY23	\$190,210	–	\$19,972	\$210,182
Fiona Pak-Poy ¹	FY24	\$70,968	–	\$7,807	\$78,775
	FY23	–	–	–	–
Total	FY24	\$1,053,407	\$180,416	\$117,293	\$1,351,116
	FY23	\$782,874	\$310,873	\$102,183	\$1,195,930

1. Lisa Brock and Fiona Pak-Poy were appointed on 1 February 2024.

2. Andrew Harrison retired on 31 March 2024.

3. Teresa Engelhard retired on 8 April 2024.

Trading in WiseTech securities and equity ownership

Trading in WiseTech securities

All KMP must comply with WiseTech's Securities Trading Policy, which includes a requirement that Directors and restricted persons must not trade WiseTech securities during specified trading blackout periods. Directors and employees must not trade in WiseTech securities if they possess inside information. The policy also prohibits the purchase or creation of hedge or derivative arrangements which operate to limit the economic risk of WiseTech securities under employee share plans.

Executive KMP equity ownership

The following tables provide details of WiseTech Global Limited ordinary shares and share rights (being rights to acquire ordinary shares) held directly, indirectly or beneficially by each Executive KMP and their related parties:

	Shares held on 30 June 2023	Shares acquired as part of remuneration ¹	Other shares acquired	Shares disposed	Shares held on 30 June 2024 ²
Richard White	121,042,366	-	-	(3,204,801)	117,837,565
Maree Isaacs	10,764,204	-	-	(285,004)	10,479,200
Andrew Cartledge	105,260	21,267	-	(49,991)	76,536
Brett Shearer	337,589	14,711	-	(16,000)	336,300

1. Shares acquired from vesting or exercise of share rights granted as part of remuneration.
2. Between 30 June 2024 and the date of this report, Andrew Cartledge and Brett Shearer acquired an additional 17,892 and 11,866 shares, respectively, from the exercise of vested share rights granted as part of remuneration. There was no further change to the number of shares held by Richard White and Maree Isaacs up to the date of this report.

	Share rights held on 30 June 2023	Awarded	Vested and converted or exercised	Lapsed	Share rights held on 30 June 2024 ²	Including share rights vested but not yet exercised ¹
Richard White	-	-	-	-	-	-
Maree Isaacs	-	3,071	-	-	3,071	767
Andrew Cartledge	40,915	13,793	(21,267)	-	33,441	-
Brett Shearer	28,304	10,598	(14,711)	-	24,191	-

1. Depending on the terms of a grant, on vesting, share rights may automatically convert to ordinary shares, or become exercisable. The Executive KMP can choose when to convert the exercisable share rights to ordinary shares. Share rights are converted to ordinary shares at nil cost to the Executive KMP.
2. There was no further change to the number of share rights held by Maree Isaacs, Andrew Cartledge and Brett Shearer up to the date of this report. Richard White has not been awarded any share rights as at the date of this report.

Executive KMP equity ownership policy

Executive KMP are required to maintain a minimum WiseTech equity holding, including shares and share rights, equal to 100% of fixed remuneration within five years of appointment. Each Executive KMP satisfied this objective as at 30 June 2024.

	Shares held on 30 June 2024	Share rights held on 30 June 2024	Total equity held on 30 June 2024	Value of equity holding on 30 June 2024 ¹	Minimum equity holding guideline ²	Status
Richard White	117,837,565	-	117,837,565	\$11,819,107,770	\$1,000,000	Meets
Maree Isaacs	10,479,200	3,071	10,482,271	\$1,051,371,781	\$496,200	Meets
Andrew Cartledge	76,536	33,441	109,977	\$11,030,693	\$935,000	Meets
Brett Shearer	336,300	24,191	360,491	\$36,157,247	\$806,000	Meets

1. Value of shareholding was calculated based on \$100.30, the closing share price on 28 June 2024.
2. Minimum equity holding guideline is the annualized fixed remuneration as at 30 June 2024.

Non-Executive Director share ownership policy and equity holdings

The Board has established a policy that all Non-Executive Directors should accumulate and hold WiseTech shares equivalent to the value of their base Director's fees within three years of their appointment to the Board. All Non-Executive Directors satisfied this objective as at 30 June 2024. Lisa Brock and Fiona Pak-Poy were only appointed to the Board effective 1 February 2024.

The following tables provide details of WiseTech Global Limited ordinary shares and share rights

(being rights to acquire ordinary shares) held directly, indirectly or beneficially by each Non-Executive Director and their related parties.

	Shares held on 30 June 2023	Shares received on vesting of share rights	Shares issued under DRP	Other shares acquired	Shares disposed	Shares held on 30 June 2024 ¹	Value of shareholding on 30 June 2024 ²	Minimum shareholding guideline ³	Status
Andrew Harrison	34,100	1,569	-	-	-	35,669	N/A	N/A	N/A
Richard Dammery	5,421	2,276	-	-	-	7,697	\$772,009	\$444,000	Meets
Lisa Brock	-	-	-	570	-	570	\$57,171	\$199,167	On track
Teresa Engelhard	8,914	1,593	-	-	(6,299)	4,208	N/A	N/A	N/A
Charles Gibbon	17,349,014	-	-	-	-	17,349,014	\$1,740,106,104	\$199,167	Meets
Michael Malone	3,000	-	-	-	-	3,000	\$300,900	\$224,435	Meets
Fiona Pak-Poy	-	-	-	1,000	-	1,000	\$100,300	\$196,194	On track

1. Number of shares held on 30 June 2024 and at the date of this report, or number of shares held at date of retirement, if earlier. Andrew Harrison retired on 31 March 2024. Teresa Engelhard retired on 8 April 2024.
2. Value of shareholding was calculated based on \$100.30, the closing share price on 28 June 2024.
3. Minimum shareholding guideline is the annualized Non-Executive Director fee as at 30 June 2024.

	Share rights held on 30 June 2023	Awarded	Vested and converted	Lapsed	Share rights held on 30 June 2024
Andrew Harrison ¹	1,001	1,136	(1,853)	(284)	-
Richard Dammery	1,956	640	(2,276)	-	320
Lisa Brock	-	-	-	-	-
Teresa Engelhard ²	1,065	1,057	(1,881)	(241)	-
Charles Gibbon	-	-	-	-	-
Michael Malone	-	-	-	-	-
Fiona Pak-Poy	-	-	-	-	-

1. Andrew Harrison retired on 31 March 2024. The Board approved for 284 share rights to be retained by Andrew Harrison upon retirement based on the three months of fees sacrificed for FY24. The retained share rights converted to shares on 2 April 2024. The remaining 284 share rights granted under FY23 NED Share Plan lapsed.
2. Teresa Engelhard retired on 8 April 2024. The Board approved for 288 share rights to be retained by Teresa Engelhard upon retirement based on the three months and eight days of fees sacrificed for FY24. The retained share rights converted to shares on 11 April 2024. The remaining 241 share rights granted under FY23 NED Share Plan lapsed.

Other disclosures

Key terms of Executive KMP employment contracts

The following table outlines the key terms of the Executives' latest employment contracts as at the date of this report:

	Richard White	Maree Isaacs	Andrew Cartledge	Brett Shearer
Fixed remuneration – cash	\$1,000,000	\$516,048	\$790,960	\$541,240
Fixed remuneration – remuneration equity	-	-	\$182,000	\$297,440
Total fixed remuneration	\$1,000,000	\$516,048	\$972,960	\$838,680
Contract type	Permanent	Permanent	Permanent	Permanent
Commencement date	15 April 2019	1 July 2017	22 September 2017	1 July 2020
Notice period	12 months	3 months	6 months	3 months

The employment contracts do not contain contractual termination benefits.

Other statutory disclosures – Executive KMP remuneration

The following table of Executive KMP remuneration has been prepared in accordance with accounting standards and the *Corporations Act 2001 (Cth)* requirements, for the period from 1 July 2023 to 30 June

2024 and the prior period:

		Short-term benefits	Cash incentive	Post employment	Share-based payments	Long-term benefits	Total	Performance-related
		Base salary and benefits ^{1,2}		Superannuation	Share rights	Other ³		
Richard White	FY24	\$972,601	–	\$27,399	–	\$82,197	\$1,082,197	–
	FY23	\$974,708	–	\$25,292	–	\$91,347	\$1,091,347	–
Maree Isaacs	FY24	\$468,801	–	\$27,399	\$197,636	\$17,085	\$710,921	28%
	FY23	\$459,708	–	\$25,292	\$148,649	\$13,624	\$647,273	23%
Andrew Cartledge	FY24	\$734,161	–	\$27,399	\$1,016,485	\$42,938	\$1,820,983	48%
	FY23	\$726,268	\$150,000 ⁴	\$25,292	\$1,149,775	\$46,872	\$2,098,207	57%
Brett Shearer	FY24	\$494,041	–	\$27,399	\$629,368	\$12,522	\$1,163,330	33%
	FY23	\$476,148	–	\$25,292	\$598,600	\$26,103	\$1,126,144	37%
Total	FY24	\$2,669,604	–	\$109,595	\$1,843,489	\$154,742	\$4,777,430	N/A
	FY23	\$2,636,830	\$150,000	\$101,170	\$1,897,024	\$177,947	\$4,962,970	N/A

1. FY23 short-term benefits included a \$5,000 work anniversary gift card for Maree Isaacs, \$1,560 Ways of Working allowance for Andrew Cartledge and \$1,440 Ways of Working allowance for Brett Shearer.
2. FY24 short-term benefits included \$1,560 Ways of Working allowance for Andrew Cartledge and \$1,440 Ways of Working allowance for Brett Shearer.
3. Other long-term benefits relate to annual leave and long service leave.
4. Andrew Cartledge was awarded a one-off cash bonus of \$150,000 in FY23 for his contribution in the acquisitions of Envase Technologies and Blume Global.

Executive KMP share rights and conditions

- Share rights are rights to acquire ordinary shares at no cost to the participant.
- There are no further performance conditions after grant but share rights generally lapse on ceasing employment. No share rights under the grants below have lapsed.
- The Equity Incentives Plan Rules grant the Board clawback powers. If, in the opinion of the Board, a participant acts fraudulently or dishonestly or is in breach of their obligations to any Group company, the Board may deem any award of share rights held by the participant is to be forfeited.
- No dividends or dividend equivalents are paid on share rights.
- Shareholder approval under ASX Listing Rule 10.14 was obtained at the 2023 Annual General Meeting for the grant of share rights to Maree Isaacs.

Details of share rights granted in FY24

	Grant	Share rights granted	Grant date	Fair value at grant date	Face value of grant at time of award	Vesting schedule
Maree Isaacs	FY23 Bonus	3,071	24-Nov-23	\$64.05	\$239,968	Immediately on grant and 3 subsequent annual tranches commencing 1-Jul-24
Andrew Cartledge	FY23 Bonus	11,518	23-Aug-23	\$69.60	\$900,017	Immediately on grant and 3 subsequent annual tranches commencing 1-Jul-24
	FY24 Remuneration Equity	2,275	17-Jul-23	\$80.38	\$174,970	4 annual tranches commencing 1-Jul-24
Brett Shearer	FY23 Bonus	6,879	23-Aug-23	\$69.60	\$537,525	Immediately on grant and 3 subsequent annual tranches commencing 1-Jul-24
	FY24 Remuneration Equity	3,719	17-Jul-23	\$80.38	\$286,028	4 annual tranches commencing 1-Jul-24

Details of share rights affecting current and future remuneration

Maree Isaacs

Award	Grant date	Share rights granted	Fair value at grant date	Fair value of grant	Share rights vested prior years	Vesting date in FY24	Share rights vested in FY24	% of total grant vested	Value of share rights vested	Unvested rights at 30 June 2024	Maximum value yet to vest ¹	Future vesting schedule
FY23 Performance Equity Incentives	24-Nov-23	3,071	\$64.05	\$196,698	-	24-Nov-23	(767)	25%	\$49,126	2,304	\$40,978	3 annual tranches from 1-Jul-24

1. The maximum value of share rights yet to vest is determined based on the amount of the grant date fair value that is yet to be expensed. The minimum value of share rights yet to vest is nil since the share rights will be forfeited if the vesting conditions are not met.

Andrew Cartledge

Award	Grant date	Share rights granted	Fair value at grant date	Fair value of grant	Share rights vested prior years	Vesting date in FY24	Share rights vested in FY24	% of total grant vested	Value of share rights vested	Unvested rights at 30 June 2024	Maximum value yet to vest ¹	Future vesting schedule
FY20 Remuneration Equity	30-Aug-19	3,553	\$36.93	\$131,212	(2,664)	03-Jul-23	(889)	100%	\$147,113	-	-	-
FY21 Remuneration Equity	01-Jul-20	4,890	\$18.55	\$90,710	(2,444)	03-Jul-23	(1,222)	75%	\$179,671	1,224	-	1 annual tranche from 1-Jul-24
FY20 Performance Equity Incentives	17-Aug-20	12,225	\$19.48	\$238,143	(9,168)	03-Jul-23	(3,057)	100%	\$508,932	-	-	-
FY22 Remuneration Equity	07-Jun-21	3,536	\$29.43	\$104,064	(884)	03-Jul-23	(884)	50%	\$101,872	1,768	\$6,121	2 annual tranches from 1-Jul-24
FY21 Performance Equity Incentives	25-Aug-21	23,585	\$46.50	\$1,096,703	(11,792)	03-Jul-23	(5,896)	75%	\$954,680	5,897	-	1 annual tranche from 1-Jul-24
FY22 Remuneration Equity Increase	02-May-22	354	\$41.97	\$14,857	(88)	01-Jul-23	(88)	50%	\$10,141	178	\$929	2 annual tranches from 1-Jul-24
FY23 Remuneration Equity	02-May-22	2,300	\$41.97	\$96,531	-	03-Jul-23	(575)	25%	\$44,540	1,725	\$17,637	3 annual tranches from 1-Jul-24
FY22 Performance Equity Incentives	24-Aug-22	22,407	\$59.77	\$1,339,266	(5,601)	03-Jul-23	(5,601)	50%	\$763,472	11,205	\$83,704	2 annual tranches from 1-Jul-24
FY23 Remuneration Equity Increase	24-Aug-22	706	\$59.77	\$42,198	-	03-Jul-23	(176)	25%	\$13,633	530	\$8,791	3 annual tranches from 1-Jul-24
FY24 Remuneration Equity	17-Jul-23	2,275	\$80.38	\$182,865	-	-	-	-	-	2,275	\$87,622	4 annual tranches from 1-Jul-24
FY23 Performance Equity Incentives	23-Aug-23	11,518	\$69.60	\$801,653	-	24-Aug-23	(2,879)	25%	\$216,645	8,639	\$167,010	3 annual tranches from 1-Jul-24

1. The maximum value of share rights yet to vest is determined based on the amount of the grant date fair value that is yet to be expensed. The minimum value of share rights yet to vest is nil since the share rights will be forfeited if the vesting conditions are not met.

Brett Shearer

Award	Grant date	Share rights granted	Fair value at grant date	Fair value of grant	Share rights vested prior years	Vesting date in FY24	Share rights vested in FY24	% of total grant vested	Value of share rights vested	Unvested rights at 30 June 2024	Maximum value yet to vest ¹	Future vesting schedule
FY20 Remuneration Equity	30-Aug-19	5,330	\$36.93	\$196,837	(3,996)	03-Jul-23	(1,334)	100%	\$220,707	-	-	-
FY21 Remuneration Equity	01-Jul-20	7,335	\$18.55	\$136,064	(3,666)	03-Jul-23	(1,833)	75%	\$269,506	1,836	-	1 annual tranche from 1-Jul-24
FY20 Performance Equity Incentives	17-Aug-20	9,780	\$19.48	\$190,514	(7,335)	03-Jul-23	(2,445)	100%	\$407,117	-	-	-
FY22 Remuneration Equity	07-Jun-21	6,679	\$29.43	\$196,563	(1,669)	03-Jul-23	(1,669)	50%	\$192,336	3,341	\$11,563	2 annual tranches from 1-Jul-24
FY21 Performance Equity Incentives	25-Aug-21	11,006	\$46.50	\$511,779	(5,502)	03-Jul-23	(2,751)	75%	\$445,442	2,753	-	1 annual tranche from 1-Jul-24
FY23 Remuneration Equity	02-May-22	5,222	\$41.97	\$219,167	-	03-Jul-23	(1,305)	25%	\$101,085	3,917	\$39,860	3 annual tranches from 1-Jul-24
FY22 Performance Equity Incentives	24-Aug-22	6,014	\$59.77	\$359,457	(1,503)	03-Jul-23	(1,503)	50%	\$204,874	3,008	\$22,466	2 annual tranches from 1-Jul-24
FY23 Remuneration Equity Increase	24-Aug-22	609	\$59.77	\$36,400	-	03-Jul-23	(152)	25%	\$11,774	457	\$7,583	3 annual tranches from 1-Jul-24
FY24 Remuneration Equity	17-Jul-23	3,719	\$80.38	\$298,933	-	-	-	-	-	3,719	\$143,238	4 annual tranches from 1-Jul-24
FY23 Performance Equity Incentives	23-Aug-23	6,879	\$69.60	\$478,778	-	24-Aug-23	(1,719)	25%	\$133,154	5,160	\$99,745	3 annual tranches from 1-Jul-24

1. The maximum value of share rights yet to vest is determined based on the amount of the grant date fair value that is yet to be expensed. The minimum value of share rights yet to vest is nil since the share rights will be forfeited if the vesting conditions are not met.

Related party transactions

During FY24, the Group was party to an ongoing arrangement with an entity associated with Executive Director, Founder and CEO, Richard White. The terms and conditions of this transaction were no more favorable than those available, or which might reasonably be expected to be available, in similar transactions with non-KMP related companies on an arm's length basis. The aggregate value of transactions and outstanding balances related to Richard White and entities over which he has control or significant influence were as follows:

KMP	Transactions	Transaction values for year ended 30 June		Balance outstanding as at 30 June	
		2024 \$000	2023 \$000	2024 \$000	2023 \$000
Richard White	Office lease ¹	1,034	920	-	-

1. The Group leases an office owned by Richard White, in Chicago, USA which has a 5 year term ending September 2024 with an annual rent of US Dollars (USD) 0.6m.

The agreement was made at normal market rates and was approved by the Related Party Committee, whose responsibilities have since been assumed by the Audit & Risk Committee.

Based on an updated valuation performed by an independent expert, the Group made a revised offer to Richard White to purchase the building for USD 3.5m, which has been accepted in principle. It is anticipated that the transaction will complete in calendar year 2024.

Board of Directors

Richard Dammerly

Independent Chair and Non-Executive Director

Richard joined the Board in December 2021 and was appointed Chair on 1 April 2024. Richard is also Chair of the Nomination Committee.

In addition to his role as Chair of WiseTech Global, Richard serves on the boards of Aussie Broadband Limited (ASX:ABB) (since July 2020), Australia Post and Salta Properties Pty Ltd. He is also the Chair of the Australian Ballet, one of Australia's leading cultural institutions.

His previous directorships include leading data analytics group, Quantum Group, and Australian Leisure and Hospitality Group (now part of ASX-listed Endeavour Group), Chair of Creative Partnerships Australia and Doctor Care Anywhere PLC (ASX: DOC) (September 2020 to March 2023).

As a senior executive, Richard has held leadership positions in a number of large Australasian listed companies, both in general management and as a corporate lawyer. He has worked with, and advised, boards of directors since the early 1990s.

He holds a BA (Hons) and an LLB from Monash University, an MBA from the University of Melbourne, and a PhD from the University of Cambridge. He is a Fellow of the Australian Institute of Company Directors, and an adjunct professor at Monash University's Business School where he has taught corporate governance in the MBA programs.

Richard White

Executive Director, Founder and CEO

Richard has been Chief Executive Officer and an Executive Director of WiseTech Global since founding the company in 1994.

Richard has more than 35 years of experience in software development, embedded systems and business management, and over 30 years of freight and logistics industry experience. Prior to founding WiseTech Global, Richard was founder and managing director of Real Tech Systems Integration (a provider of computer consulting and systems integrations services) and CEO of Clear Group (a distributor of computer-related equipment).

He is also a Board Member of the Tech Council of Australia whose vision is for a prosperous Australia that thrives by harnessing the power of technology.

Richard holds a Master of Business in Information Technology Management from the University of Technology Sydney (UTS). Richard is a UTS Luminary and a Fellow of UTS.

Lisa Brock

Independent Non-Executive Director

Lisa joined the Board in February 2024.

Lisa is an independent Non-Executive Director at Macquarie Technology Group Limited (ASX: MAQ) since January 2023 and Adelaide Airport Limited. Her previous directorships include Star Track Express and Australian Air Express.

Prior to commencing her non-executive career, Lisa held a number of senior executive positions at the Qantas Group, including as CEO of Qantas Freight Enterprises.

Lisa is a Chartered Accountant and holds an Honors Degree majoring in Mathematics from the University of Birmingham, UK, and a Master of Applied Finance from Macquarie University. She is a Graduate of the Australian Institute of Company Directors, a Member of the Institute of Chartered Accountants in England and Wales and a member of Chief Executive Women.

Charles joined the Board in 2006, served as Chair from 2006 to 2018, and has been a shareholder since 2005. Charles is currently a director of Shearwater Capital Pty Ltd and has previously been a director of Monbeef Pty Ltd, Photolibrary Pty Ltd and the ASX-listed Health Communication Network Limited.

Charles has more than 20 years of experience in institutional funds management. He was a member of the Investment Committee of Quadrant Capital Funds I, II and III for Quadrant Private Equity, and has served as the CEO of Russell Private Equity and CEO of Risk Averse Money Managers Pty Ltd, as a director of Morgan Grenfell Australia, and as an associate director of Schrodgers Australia.

Charles holds a Bachelor of Science in Mathematics from Otago University and a Master of Commerce (Hons) from the University of Canterbury.

Maree co-founded WiseTech Global with Richard White in 1994 and has been an Executive Director since 1996.

One of Australia's most successful female tech founders, Maree has more than 30 years of senior executive experience across the logistics, supply chain and technology industries. Her extensive knowledge across business and administrative operations, account management, customer service, and quality assurance has been instrumental in WiseTech's rapid growth and in driving a productivity-first approach.

Maree is Head of License Management and is also a Company Secretary at WiseTech Global. Prior to co-founding WiseTech Global, Maree worked at Real Tech Systems Integration and Clear Group.

Michael joined the Board in December 2021 and is Chair of the Audit & Risk Committee.

Michael is an Australian-based entrepreneur, business executive, and professional director with more than 20 years' experience across the technology, telecommunications and media industries. In addition to serving on the Board of WiseTech Global, Michael is currently a non-executive director at ASX-listed Seven West Media Ltd (ASX: SWM) (since June 2015), the National Broadband Network (NBN Co) and Health Engine Ltd. He co-founded and chaired Diamond Cyber Security, from 2015 until its sale to CyberCX in 2020. Michael's previous directorships include the Axicom Group and ASX-listed DUG Technology Ltd (June 2020 to August 2021).

Michael founded iiNet in 1993 and continued as CEO until his retirement in 2014. He has also co-founded and grown multiple for-profit and not-for-profit companies including .au Domain Administration and Autism West (now Spectrum Space).

Michael is a Fellow of the Australian Institute of Company Directors, the Australian Institute of Management and the Australian Computer Society. He holds a Bachelor of Science (Mathematics) and a post graduate Diploma in Education, both from the University of Western Australia.

Fiona joined the Board in February 2024 and is Chair of the People & Remuneration Committee.

Fiona Pak-Poy is a professional non-executive director with more than 25 years' experience across a wide range of industries including technology and SaaS businesses, fintech, eCommerce and healthcare as a venture capitalist, strategy consultant, advisor and director.

Fiona is currently the Chair at Tyro Payments Limited (ASX: TYR) (since September 2019), Non-executive director at Silicon Quantum Computing and Kain Lawyers and a Member of the Board of Trustees and Investment Committee of HMC Capital Fund 1. Her previous listed company directorships include iSentia Group Limited (May 2014 to September 2021), Booktopia Group Limited (September 2020 to November 2022) and MYOB Limited (January 2017 to May 2019). Fiona has been a Non-executive director of a number of private technology companies.

Fiona holds an Honours Degree in Engineering from the University of Adelaide and an MBA from Harvard Business School. She is a member of Chief Executive Women and a Fellow of the Australian Institute of Company Directors.

Directors' Report

The Directors present their report together with the Consolidated financial statements of the Group, comprising WiseTech Global Limited and its controlled entities, for the financial year ended 30 June 2024 and the auditor's report thereon. Information in the Financial Report referred to in this report, including the Operating and Financial Review and the Remuneration Report, or contained in a note to the Consolidated financial statements referred to in this report, forms part of, and is to be read as part of, this report.

Directors

The names and details of the Company's Directors in office during the financial year and until the date of this report are set out below. Directors were in office for the entire period unless stated otherwise:

- Richard Dammery (Chair)
- Richard John White (Founder and CEO)
- Lisa Brock (appointed 1 February 2024)
- Teresa Engelhard (retired 8 April 2024)
- Charles Llewelyn Gibbon
- Andrew Charles Harrison (retired 31 March 2024)
- Maree McDonald Isaacs
- Michael Malone
- Fiona Pak-Poy (appointed 1 February).

The qualifications, experience and special responsibilities of the current Directors, including details of other listed company directorships held during the last three years, are detailed in the section headed Board of Directors in this report.

Director attendance at meetings in FY24

The number of Directors' meetings and meetings of committees of Directors held during the financial year and the number of meetings attended by each Director are set out below. The table reflects the number of meetings held during the time the Director held office, or was a member of the committee, during the year. Directors also frequently attend meetings of committees of which they are not members.

	Board		Audit & Risk Committee		Nomination Committee		People & Remuneration Committee	
	Held	Attended	Held	Attended	Held	Attended	Held	Attended
Richard Dammery	14	13	5	5	1	1	5	5
Richard White	14	14	–	–	2	2	–	–
Lisa Brock ¹	6	6	2	2	1	1	–	–
Teresa Engelhard ²	11	10	–	–	1	1	3	2
Charles Gibbon	14	14	6	6	1	1	–	–
Andrew Harrison ²	11	10	–	–	1	1	–	–
Maree Isaacs	14	14	–	–	1	1	–	–
Michael Malone	14	14	6	6	1	1	5	5
Fiona Pak-Poy ¹	6	6	–	–	1	1	2	2

1. Lisa Brock and Fiona Pak-Poy joined the Board on 1 February 2024.

2. Andrew Harrison retired from the Board on 31 March 2024 and Teresa Engelhard retired from the Board on 8 April 2024.

Company Secretaries

Maree Isaacs, Executive Director & Company Secretary

Details of Maree's qualifications and experience are disclosed in the section headed Board of Directors.

David Rippon, Corporate Governance Executive & Company Secretary (retired 27 March 2024)

BSc (Hons) Mathematics

David was responsible for company secretarial and corporate governance support for WiseTech Global Limited and the WiseTech Group. After an initial career in the UK as an actuary, David held senior corporate office roles at AMP Limited and Henderson Group (now Janus Henderson Group plc) in Australia, before joining WiseTech Global as Corporate Governance Executive & Company Secretary in 2017.

David Rippon retired as Corporate Governance Executive & Company Secretary effective from 27 March 2024.

Review of operations

Information on the principal activities, operations and financial position of the Group and its business strategies and prospects is set out in the Operating and Financial Review.

Dividends

Details of dividends paid during FY24 and the prior period are disclosed in note 6 to the Consolidated financial statements included in this report.

Significant changes in the state of affairs

There have been no significant changes in the state of affairs of the Group during the year.

Events subsequent to balance date

Other than the matters disclosed in note 28 to the Consolidated financial statements, there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature, likely, in the opinion of the Directors of the Company, to affect significantly the operations of the Group, the results of those operations or the state of affairs of the Group in future financial years.

Likely developments and expected results

For further information about likely developments in the operations of the Group, refer to the Operating and Financial Review.

Environmental regulation and performance

The operations of the Group are not subject to any particular or significant environmental regulations under a Commonwealth, State or Territory law of Australia.

Indemnification and insurance of Directors and other officers

WiseTech's constitution provides that every person who is, or has been, a Director or Company Secretary of the Company or a subsidiary of the Company is indemnified by the Company to the maximum extent permitted by law. The indemnity covers liabilities and legal costs incurred by the person as a director or company secretary.

In accordance with the Company's constitution, the Company has entered into deeds with each of the Directors providing indemnity, insurance and access.

During FY24, the Company paid a premium under a contract insuring certain current and former officers of the Group (including the Directors) against liability that they may incur as an officer of the Company. Disclosure of the nature of the liability and the amount of the premium is prohibited by the confidentiality clause of the contract of insurance.

Proceedings on behalf of the Group

Under section 237 of the *Corporations Act 2001 (Cth)*, no application has been made in respect of the Group and no proceedings have been brought or intervened in or on behalf of the Group under that section.

Remuneration Report

Information on WiseTech's remuneration framework and the FY24 outcomes for key management personnel are included in the Remuneration Report.

Corporate governance

Our Corporate Governance Statement for FY23 is available from our website:

www.wisetechglobal.com/investors/corporate-governance/

Our FY24 statement is expected to be published in October 2024.

Non-audit services

During the year, KPMG, the Company's auditor, performed certain other services in addition to the audit and review of the Consolidated financial statements. Details of the amounts paid to the auditor of the Group, KPMG, and its network firms for audit and non-audit services are provided in note 21 to the Consolidated financial statements included in this report.

The Board has considered the non-audit services provided during FY24 by the external auditor and, in accordance with written advice provided by resolution of the Audit & Risk Committee, is satisfied that the provision of those non-audit services during FY24 by the external auditor is compatible with, and did not compromise, the auditor independence requirements of the *Corporations Act 2001 (Cth)* for the following reasons:

- all non-audit services were subject to the corporate governance procedures adopted by the Group and have been reviewed by the Audit & Risk Committee to ensure they do not impact the integrity and objectivity of the auditor; and
- the non-audit services provided did not undermine the general principles relating to auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants*, as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as an advocate for the Group or jointly sharing risks and rewards.

Lead auditor's independence declaration

The lead auditor's independence declaration forms part of the Directors' Report for the financial year ended 30 June 2024.

Signed in accordance with a resolution of the Directors.



Richard Dammery
Chair

21 August 2024



Richard White
Executive Director, Founder and CEO

21 August 2024



Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of WiseTech Global Limited

I declare that, to the best of my knowledge and belief, in relation to the audit of WiseTech Global Limited for the financial year ended 30 June 2024 there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- ii. no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

Caoimhe Toouli

Partner

Sydney

21 August 2024

Consolidated statement of profit or loss and other comprehensive income

For the year ended 30 June 2024

	Notes	2024 \$M	2023 \$M
Revenue	3	1,041.7	816.8
Cost of revenues		(166.5)	(125.6)
Gross profit		875.2	691.3
Product design and development		(255.3)	(185.8)
Sales and marketing		(90.4)	(69.3)
General and administration ¹		(148.8)	(135.9)
Total operating expenses		(494.4)	(391.1)
Operating profit		380.7	300.2
Finance income		2.6	7.8
Finance costs	24	(16.9)	(7.1)
Fair value gain on contingent consideration	24	0.3	0.2
Net finance (costs)/income		(14.0)	0.8
Profit before income tax		366.7	301.0
Income tax expense	4	(103.9)	(88.8)
Net profit after income tax		262.8	212.2
Other comprehensive (loss)/income, net of tax <i>Items that are/or may be reclassified to profit or loss</i>			
Movement in cash flow hedges, net of tax		10.8	(0.5)
Exchange differences on translation of foreign operations		(11.0)	46.3
Other comprehensive (loss)/income, net of tax		(0.2)	45.8
Total comprehensive income, net of tax		262.6	258.0
Earnings per share			
Basic earnings per share (cents)	5	79.4	64.8
Diluted earnings per share (cents)	5	78.9	64.6

¹ For the year ended 30 June 2024, included in General and administration expenses are \$2.8m of restructuring expenses (FY23: \$1.1m) and \$4.9m of Mergers and acquisition (M&A) expenses (FY23: \$26.4m).

These Consolidated financial statements should be read in conjunction with the accompanying notes.

Consolidated statement of financial position

As at 30 June 2024

		2024	(Restated) ¹ 2023
		\$M	\$M
	Notes		
Assets			
Current assets			
Cash and cash equivalents	9	121.7	143.0
Trade receivables	10	141.8	121.0
Current tax receivables		5.9	7.2
Other current assets	11	61.5	97.5
Total current assets		330.9	368.7
Non-current assets			
Intangible assets	7	2,389.6	2,171.1
Property, plant and equipment	8	84.6	88.7
Deferred tax assets	4	11.1	5.3
Other non-current assets	11	11.0	8.0
Total non-current assets		2,496.2	2,273.1
Total assets		2,827.1	2,641.7
Liabilities			
Current liabilities			
Trade and other payables	12	82.8	85.5
Borrowings	15	-	225.0
Lease liabilities	16	10.7	10.9
Deferred revenue	13	32.2	30.9
Employee benefits	19	38.6	36.0
Current tax liabilities		24.0	24.7
Derivative financial instruments	24	4.2	16.2
Other current liabilities	14	132.2	139.0
Total current liabilities		324.7	568.3
Non-current liabilities			
Borrowings	15	80.0	-
Lease liabilities	16	13.7	20.5
Employee benefits	19	15.2	11.4
Deferred tax liabilities	4	128.8	102.9
Derivative financial instruments	24	0.1	4.2
Other non-current liabilities	14	51.1	39.9
Total non-current liabilities		289.0	178.9
Total liabilities		613.8	747.2
Net assets		2,213.4	1,894.6
Equity			
Share capital	17	1,362.4	1,254.7
Reserves		(27.8)	(33.6)
Retained earnings		878.7	673.4
Total equity		2,213.4	1,894.6

¹ Comparative information for the year ended 30 June 2023 has been restated due to the finalization of acquisition accounting. Refer to note 18.

Consolidated financial statements should be read in conjunction with the accompanying notes.

Consolidated statement of changes in equity

For the year ended 30 June 2024

		Share capital	Treasury share reserve	Acquisition reserve	Cash flow hedge reserve	Share-based payment reserve	Foreign currency translation reserve	Retained earnings	Total equity
Notes	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
Balance as at 1 July 2022		906.3	(109.2)	(17.4)	(12.7)	70.1	(31.8)	509.9	1,315.2
Net profit for the year	-	-	-	-	-	-	-	212.2	212.2
Other comprehensive income/(loss), net of tax	-	-	-	(0.5)	-	-	46.3	-	45.8
Total comprehensive income/(loss), net of tax	-	-	-	(0.5)	-	-	46.3	212.2	258.0
Shares issued to employee share trust	17	38.0	(38.0)	-	-	-	-	-	-
Shares issued for acquisition of subsidiaries	17	309.2	-	(0.2)	-	-	-	-	308.9
Dividends declared and paid	6	-	-	-	-	-	-	(42.6)	(42.6)
Shares issued under DRP	17	1.0	-	-	-	-	-	-	1.0
Transaction costs, net of tax	17	(0.2)	-	-	-	-	-	-	(0.2)
Vesting of share rights		-	28.4	-	-	(20.7)	-	(7.7)	-
Equity settled share-based payment	19	-	-	-	-	48.5	-	-	48.5
Equity settled remuneration to Non-Executive Directors	19	0.4	-	-	-	(0.4)	-	(0.1)	(0.1)
Tax benefit from equity settled share-based payment		-	-	-	-	4.0	-	-	4.0
Revaluation of subsidiaries due to hyperinflationary economies		-	-	-	-	-	-	1.8	1.8
Total contributions and distributions		348.4	(9.6)	(0.2)	-	31.5	-	(48.7)	321.3
Balance as at 30 June 2023		1,254.7	(118.8)	(17.7)	(13.2)	101.6	14.5	673.4	1,894.6

Consolidated statement of changes in equity (continued)

		Treasury	Acquisition	Cash flow	Share-	Foreign	Retained	Total
	Share	share	reserve	hedge	based	currency	earnings	equity
Notes	capital	reserve	reserve	reserve	payment	translation		
	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
Balance as at 1 July 2023	1,254.7	(118.8)	(17.7)	(13.2)	101.6	14.5	673.4	1,894.6
Net profit for the year	-	-	-	-	-	-	262.8	262.8
Other comprehensive income/(loss), net of tax	-	-	-	10.8	-	(11.0)	-	(0.2)
Total comprehensive income/(loss), net of tax	-	-	-	10.8	-	(11.0)	262.8	262.6
Shares issued to employee share trust	17 68.0	(68.0)	-	-	-	-	-	-
Shares issued for acquisition of subsidiaries	17 38.7	-	-	-	-	-	-	38.7
Dividends declared and paid	6 -	-	-	-	-	-	(53.6)	(53.6)
Shares issued under DRP	17 0.7	-	-	-	-	-	-	0.7
Transaction costs, net of tax	17 (0.1)	-	-	-	-	-	-	(0.1)
Vesting of share rights	-	37.8	-	-	(30.8)	-	(7.0)	-
Equity settled share-based payment	19 -	-	-	-	61.4	-	-	61.4
Equity settled remuneration to Non-Executive Directors	19 0.5	-	-	-	(0.3)	-	(0.1)	-
Tax benefit from equity settled share-based payment	-	-	-	-	5.8	-	-	5.8
Revaluation of subsidiaries due to hyperinflationary economies	-	-	-	-	-	-	3.2	3.2
Total contributions and distributions	107.8	(30.2)	-	-	36.1	-	(57.5)	56.2
Balance as at 30 June 2024	1,362.4	(149.0)	(17.7)	(2.3)	137.7	3.5	878.7	2,213.4

These Consolidated financial statements should be read in conjunction with the accompanying notes.

Consolidated statement of cash flows

For the year ended 30 June 2024

	2024	2023
Notes	\$M	\$M
Operating activities		
Receipts from customers	1,069.0	858.6
Payments to suppliers and employees ¹	(537.9)	(425.3)
Income tax paid	(82.4)	(52.9)
Net cash flows from operating activities	448.7	380.5
Investing activities		
Acquisition of businesses, net of cash acquired	(44.7)	(740.1)
Payments for intangible assets	(173.1)	(114.7)
Purchase of property, plant and equipment, net of disposal proceeds	(25.0)	(27.2)
Interest received	2.6	7.8
Net cash flows used in investing activities	(240.3)	(874.2)
Financing activities		
Proceeds from borrowings	325.0	225.0
Repayment of borrowings	(470.0)	-
Proceeds from issue of shares	68.0	38.0
Transaction costs on issue of shares	(0.1)	(0.3)
Treasury shares acquired	(68.0)	(38.1)
Repayments of lease liabilities	(11.6)	(9.7)
Interest paid	(16.0)	(4.7)
Dividends paid	(52.8)	(41.6)
Net cash flows (used in)/from financing activities	(225.5)	168.6
Net decrease in cash and cash equivalents	(17.1)	(325.2)
Cash and cash equivalents at 1 July	143.0	483.4
Effect of exchange differences on cash balances	(4.2)	(15.3)
Net cash and cash equivalents at 30 June	121.7	143.0

¹For the year ended 30 June 2024, \$2.8m of payments related to restructuring activities (FY23: \$1.5m) and \$5.4m of M&A activities (FY23: \$24.7m) are included in payments to suppliers and employees.

These Consolidated financial statements should be read in conjunction with the accompanying notes.

Notes to the consolidated financial statements

For the year ended 30 June 2024

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Notes to the consolidated financial statements (continued)

For the year ended 30 June 2024

1. Corporate information

WiseTech Global Limited (Company) is a company domiciled in Australia. These Consolidated financial statements comprise the Company and its controlled entities (Group) for the year ended 30 June 2024. The Company's registered office is at Unit 3a, 72 O'Riordan Street, Alexandria, NSW 2015, Australia.

The Group is a for-profit entity and its principal business is providing software to the logistics services industry globally.

2. Basis of preparation

Statement of compliance

These Consolidated financial statements are general purpose financial statements, which have been prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standards (AAS) and other authoritative pronouncements of the Australian Accounting Standards Board (AASB). The Consolidated financial statements also comply with International Financial Reporting Standards (IFRS) and interpretations (IFRICs) adopted by the International Accounting Standards Board.

The Consolidated financial statements have been prepared on an accruals basis and are based on historical costs except for:

- Derivative financial instruments which are measured at fair value in accordance with AASB 9 *Financial Instruments*;
- Contingent and deferred consideration which are measured at fair value in accordance with AASB 13 *Fair Value Measurement*; and
- Value of assets and liabilities acquired which are measured at fair value in accordance with AASB 3 *Business Combinations*.

The Consolidated financial statements were authorized by the Board of Directors on 21 August 2024.

Accounting policies

The accounting policies applied in these Consolidated financial statements are the same as those applied in the Group's Consolidated financial statements as at, and for the year ended 30 June 2023.

Material accounting policies adopted in the preparation of these financial statements are presented alongside the relevant notes and have been consistently applied unless stated otherwise. Other material accounting policies which are relevant to understanding the basis of preparation of these Consolidated financial statements are included in note 28.

Going concern

The accompanying Consolidated financial statements have been prepared assuming the Group will continue as a going concern, which contemplates continuity of normal business activities and the realization of assets and the settlement of liabilities in the ordinary course of business.

The Group supplies software as a service (SaaS) to the logistics industry, which is a critical service to that market sector. The logistics sector continues to be a critical element of the global economy. The Group's customer base is significant and comprises large, medium and small operators. The Group is not subject to concentration of credit risk. As at 30 June 2024, the Group has sufficient cash and bank debt facilities to meet all committed liabilities and future expected liabilities.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2024

2. Basis of preparation (continued)

Key accounting estimates and judgments

In preparing these Consolidated financial statements, management has made judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses including accompanying disclosures. Changes in these judgments, estimates and assumptions could result in outcomes that require a material adjustment in future periods. Information on key accounting estimates and judgments can be found in the following notes:

Accounting judgments, estimates and assumptions	Note	Page
Income tax determination in relation to assets and liabilities	4	48
Recognition and recoverability of other intangible assets	7	52-53
Recoverability of goodwill	7	53
Trade receivables expected credit losses	10	57
Lease terms	16	62
Valuation of contingent consideration	24	82

Revenue recognition is excluded on the grounds that the policy adopted in the area is sufficiently objective.

Functional and presentational currency

These Consolidated financial statements are presented in Australian dollars which is the Company's functional currency.

Rounding of amounts

Unless otherwise expressly stated, amounts have been rounded off to the nearest whole number of millions of dollars and one place of decimals representing hundreds of thousands of dollars in accordance with ASIC Corporations Instrument 2016/191. Amounts shown as '-' represent zero amounts and amounts less than \$50,000 which have been rounded down. There may be differences in casting the values in the Consolidated financial statements due to rounding in millions to one place of decimals.

Presentation of results

The Group has presented the expense categories within the Consolidated statement of profit or loss on a functional basis. The categories used are cost of revenues, product design and development, sales and marketing and general and administration. This presentation style provides insight into the Company's business model and enables users to consider the results of the Group compared to other major SaaS companies. The methodology and the nature of costs within each category are further described on the next page.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2024

2. Basis of preparation (continued)

Cost of revenues

Cost of revenues consists of expenses directly associated with securely hosting the Group's services and providing support to customers. Costs include data center costs, personnel and related costs (including salaries, benefits, bonuses and share-based payments) directly associated with cloud infrastructure and customer consulting, implementation and customer support, contracted third party costs, related depreciation and amortization and allocated overheads.

Product design and development expenses

Product design and development expenses consist primarily of personnel and related costs (including salaries, benefits, bonuses and share-based payments) directly associated with the Company's product design and development employees, as well as allocated overheads. When future economic benefits from development of an intangible asset are determined probable and the development activities are capable of being reliably measured, the costs are capitalized as an intangible asset and then amortized to profit or loss over the estimated life of the asset created. The development activities comprise the design, coding and testing of a chosen alternative for new or improved software products, processes, systems and services. The amortization of those costs capitalized is included as a product design and development expense.

Sales and marketing expenses

Sales and marketing expenses consist of personnel and related costs (including salaries, benefits, bonuses, commissions and share-based payments) directly associated with the sales and marketing team's activities to acquire new customers and grow revenue from existing customers. Other costs included are external advertising, digital platforms, marketing and promotional events, as well as allocated overheads.

General and administration expenses

General and administration expenses consist of personnel and related costs (including salaries, benefits, bonuses and share-based payments) for the Company's executive, Board of Directors, finance, legal, people and culture, mergers and acquisitions and administration employees. They also include legal, accounting and other professional services fees, insurance premiums, acquisition and integration costs, restructuring expenses, other corporate expenses and allocated overheads.

Overhead allocation

The presentation of the Consolidated statement of profit or loss and other comprehensive income by function requires certain overhead costs to be allocated to functions. These allocations require management to apply judgment. The costs associated with Group's facilities, internal information technology and non-product related depreciation and amortization are allocated to each function based on respective headcount.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2024

3. Revenue

Disaggregation of revenue from contracts with customers

The Company has concluded that disclosing a disaggregation of revenue types amongst 'Recurring On-Demand License revenue', 'Recurring One-Time License (OTL) maintenance revenue' and 'OTL and support services' best reflects how the nature, amount, timing and uncertainty of the Group's revenues and cash flows are affected by economic factors, and that further disaggregation is not required to achieve this objective. Revenue by geographic location is disclosed in note 23.

	2024	2023
	\$M	\$M
Revenue		
Recurring On-Demand License revenue	894.9	683.0
Recurring OTL maintenance revenue	114.2	101.5
OTL and support services	32.6	32.4
Total revenue	1,041.7	816.8

The Group applies the following five steps in recognizing revenue from contracts with customers:

1. Identify the contract or contracts with the customer;
2. Identify the performance obligations in the contract;
3. Determine the transaction price;
4. Allocate the transaction price to performance obligations based on their relative standalone selling price; and
5. Recognize revenue when, or as, performance obligations are satisfied.

Revenue is recognized upon transfer of control of promised products and services to customers in the amount that reflects the consideration expected to be received in exchange. Revenue is recognized net of any taxes collected from customers, which are subsequently remitted to governmental authorities.

The Group's revenue primarily consists of license fees from customers to access or use computing software.

Revenue recognition approach

Recurring On-Demand License revenue

The majority of revenue is derived from recurring On-Demand Licenses, where customers are provided the right to access the Group's software as a service, without taking possession of the software. These arrangements include the ongoing provision of standard customer support and software maintenance services.

Revenue is recognized over the contract period and is based on the utilization of the software (numbers of users and transactions). Customers are typically billed on a monthly basis in arrears and revenue is recognized for the amount billed.

Recurring One-Time License maintenance revenue

Additional recurring revenue is derived from the recurring maintenance fees charged to customers on OTL arrangements and is recognized over time during the maintenance period.

OTL and support services

OTL fee revenue is derived when the Group sells, in a one-off transaction, the perpetual right to use the software. This license revenue is recognized at the point in time when access is granted to the customer and the one-off billing is raised.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2024

3. Revenue (continued)

Support services revenue mainly consists of fees charged for business consultancy and paid product enhancements delivered upon specific customer requests. These contracts are typically short-term (less than 12 months) and are charged on a fixed-fee basis. Consulting revenue is recognized on a proportional performance basis and ratably over the contract term. Paid product enhancements revenue is recognized at the time when the requested enhancement is completed and can be accessed by customers.

Contracts with multiple performance obligations

The Company enters into contracts with its customers that can include promises to transfer multiple performance obligations. A performance obligation is a promise in a contract with a customer to transfer products or services that are distinct.

Revenue (including any discounts) is allocated between separate goods and services on a relative basis of standalone selling prices. The standalone selling prices reflects the price that would be charged for a specific product or service if it was sold separately and is calculated using standard list prices.

For On-Demand licensing contracts, there are a series of distinct goods and services, including access to software maintenance and support provided to customers, that are treated as a single performance obligation because they are delivered in the same pattern over a period of time.

Material rights in the form of contract renewal options or incremental discounts

Contracts may involve customers having the option to obtain discounts upon renewal of existing arrangements. AASB 15 *Revenue from Contracts with Customers* considers a material right to be a separate performance obligation in a customer contract, which gives the customer an option to acquire additional goods or services at a discount or free of charge. The inclusion of these clauses may give rise to a change in the timing of revenue recognition.

The Group regularly assesses renewal options on current contracts for material rights that would need to be accounted for as separate performance obligations.

Costs of obtaining a customer contract

AASB 15 requires that incremental costs associated with acquiring a customer contract, such as sales commissions, be recognized as an asset and amortized over a period that corresponds with the period of benefit.

Commissions paid by the Group performed in connection with the sale of software products are conditional on future performance or service by the recipient of the commission, and therefore are not incremental to obtaining the contract. Consequently, under current arrangements, the costs of obtaining a contract are expensed in the period incurred.

Principal versus agent

Where the Group has arrangements involving multiple parties to provide goods and services to customers, judgment is required to determine if the Group acts as a principal or an agent.

The Group is an agent if its role is to arrange a third party to provide the goods or service; or it is to deliver a third party's goods or service on its behalf. The Group is a principal if it has the primary responsibility for fulfilling the promised goods or service delivery; and has the discretion to establish the price for the specified goods or service.

Where the Group is acting as a principal, revenue is recognized on a gross basis in accordance with the transaction price defined in contracts with customers. Where the Group is acting as an agent, revenue is recognized at a net amount reflecting the commission or margin earned.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2024

3. Revenue (continued)

Contract balances

The timing of revenue recognition may differ from customer billings and cash collections which results in trade receivables, unbilled receivables (contract assets) and deferred revenue (contract liabilities) recognized on the Group's Consolidated statement of financial position.

Generally, the Group invoices customers as services are provided in accordance with the agreed-upon contract terms, either at periodic intervals (e.g., monthly or quarterly) or upon completion. At times, billing occurs after the revenue recognition, resulting in contract assets (unbilled receivables). For certain customer contracts, the Group receives advance payments before revenue is recognized, resulting in contract liabilities (deferred revenue). These balances, as well as their movements from the prior reporting period, are disclosed in notes 11 and 13 respectively.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2024

4. Income tax

(a) Income tax expense

Income tax expense/(benefit) comprises current and deferred tax expense/(benefit) and is recognized in profit or loss, except to the extent that it relates to a business combination or items recognized directly in equity or other comprehensive income.

Income tax expense comprises:

	2024	2023
	\$M	\$M
Current tax	78.0	65.1
Deferred tax	24.7	23.8
Adjustment for prior years - current tax	6.4	(1.0)
Adjustment for prior years - deferred tax	(5.2)	0.9
Income tax expense	103.9	88.8

The prima facie tax on profit before income tax is reconciled to the income tax expense as follows:

	2024	2023
	\$M	\$M
Accounting profit before income tax	366.7	301.0
At Australia's statutory income tax rate of 30% (2023: 30%)	110.0	90.3
Adjusted for:		
Other assessable income	1.6	1.5
Non-deductible expenses	2.2	1.2
Non-deductible acquisition expense	1.2	7.5
Under/(over) provision for income tax in prior years	1.1	(0.1)
	116.2	100.4
Adjusted for:		
Tax effect of:		
Tax deduction for acquisitions	(1.8)	(2.4)
Fair value gain on contingent consideration	(0.1)	(0.1)
Different tax rates in overseas jurisdictions	(3.5)	(2.8)
Research and development	(6.7)	(6.1)
Non-taxable income	(0.2)	(0.2)
Income tax expense	103.9	88.8

Material accounting policies

Current tax

Current tax comprises the expected payable or receivable on the taxable income or loss for the year and any adjustment to tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes. It is measured using tax rates for each jurisdiction enacted or substantively enacted at the reporting date. Current tax assets and liabilities are offset only if certain criteria are met.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2024

4. Income tax (continued)

Deferred tax

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for:

- Temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- Temporary differences related to investments in subsidiaries, associates and joint arrangements, to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- Taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used.

Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognize a deferred tax asset in full, then future taxable profits, adjusted for reversal of existing temporary differences are considered, based on the business plans for the individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized. Such reductions are revised when the profitability of future taxable profit improves.

Unrecognized deferred tax assets are reassessed at each reporting date and recognized to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date, and reflects uncertainty related to income taxes, if any.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if certain criteria are met.

Key accounting estimates and judgments - Income tax

The Group is subject to tax in numerous jurisdictions. Significant judgment is required in determining the related assets or provisions as there are transactions in the ordinary course of business and calculations for which the ultimate tax determination is uncertain. The Group recognizes liabilities based on estimates of whether additional tax will be due. Where the final tax outcome of these matters is different from the amount that was initially recognized, such differences will impact on the results for the year and the respective income tax and deferred tax assets or provisions in the year in which such determination is made. The Group recognizes tax assets based on forecasts of future profits against which those assets may be utilized; tax losses in subsidiaries of \$29.9m (FY23: \$24.7m) have not been recognized.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2024

4. Income tax (continued)

(b) Movements in deferred tax balances

	Opening balance	Charged to profit or loss	Charged to goodwill	Exchange differences	Charged to equity	(Restated) ¹ Total
	\$M	\$M	\$M	\$M	\$M	\$M
2023						
Software development costs	76.7	26.0	(4.7)	0.1	-	98.1
Customer relationships and brands	3.0	(1.0)	11.2	0.1	-	13.3
Intellectual property	0.4	(2.3)	13.5	0.2	-	11.9
Goodwill	3.0	2.5	-	0.1	-	5.6
Property, plant and equipment	3.1	2.3	0.1	-	-	5.6
Future income tax benefits attributable to tax losses and offsets	(12.6)	(5.1)	-	(0.6)	(1.4)	(19.6)
Provisions	(14.5)	2.0	(10.8)	(1.0)	-	(24.2)
Revenue timing	-	(0.5)	(0.5)	-	-	(1.1)
Cash flow hedge	(2.8)	(0.9)	-	-	(1.9)	(5.6)
Transaction costs	(0.5)	0.5	-	-	(0.1)	(0.1)
Employee equity compensation	17.4	(3.2)	-	-	(2.4)	11.9
Unrealized foreign exchange	(1.0)	3.6	-	-	-	2.6
Other	(0.8)	0.7	(0.8)	-	-	(0.9)
Net tax liabilities	71.5	24.7	8.1	(1.0)	(5.8)	97.6
	Opening balance	Charged to profit or loss	Charged to goodwill	Exchange differences	Charged to equity	Total
	\$M	\$M	\$M	\$M	\$M	\$M
2024						
Software development costs	98.1	31.6	-	-	-	129.7
Customer relationships and brands	13.3	(1.7)	0.1	-	-	11.7
Intellectual property	11.9	(3.8)	-	0.1	-	8.2
Goodwill	5.6	5.5	-	(0.1)	-	11.0
Property, plant and equipment	5.6	(2.0)	-	-	-	3.7
Future income tax benefits attributable to tax losses and offsets	(19.6)	(3.2)	-	0.4	(2.8)	(25.2)
Provisions	(24.2)	(5.1)	(0.4)	0.1	-	(29.6)
Revenue timing	(1.1)	0.2	-	-	-	(0.9)
Cash flow hedge	(5.6)	(0.3)	-	-	4.6	(1.3)
Transaction costs	(0.1)	(0.1)	-	-	-	(0.2)
Employee equity compensation	11.9	2.6	-	-	(2.1)	12.4
Unrealized foreign exchange	2.6	(3.3)	-	(0.1)	-	(0.8)
Other	(0.9)	(0.8)	0.4	0.2	-	(1.0)
Net tax liabilities	97.6	19.5	0.2	0.6	(0.3)	117.7

¹Comparative information for the year ended 30 June 2023 has been restated due to the finalization of acquisition accounting. Refer to note 18.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2024

5. Earnings per share

The following reflects the income and share data used in the basic and diluted earnings per share (EPS) computations:

	<u>2024</u>	<u>2023</u>
Net profit after income tax (\$M)	262.8	212.2
Weighted average number of ordinary shares (in millions)		
Basic weighted average number of ordinary shares	331.0	327.5
Shares issuable in relation to equity-based compensation schemes	2.3	1.0
Diluted weighted average number of ordinary shares	<u>333.2</u>	<u>328.5</u>
Basic EPS (cents)	<u>79.4</u>	<u>64.8</u>
Diluted EPS (cents)	<u>78.9</u>	<u>64.6</u>

Material accounting policies

Basic EPS is calculated by dividing net profit after income tax by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is calculated by dividing net profit after income tax by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

6. Dividends

Dividend distributions payable to equity shareholders are included in other liabilities when the dividends have been approved prior to the reporting date. The following dividends were declared and paid during the year:

	<u>2024</u>	<u>2023</u>
	<u>\$M</u>	<u>\$M</u>
Dividends on ordinary shares declared and paid:		
Final dividend in respect of previous reporting period (FY23: 8.4 cents per share, FY22: 6.4 cents per share)		
- Paid in cash	27.5	20.2
- Paid via DRP	0.4	0.7
Interim dividend for the current reporting period (FY24: 7.7 cents per share, FY23: 6.6 cents per share)		
- Paid in cash	25.3	21.4
- Paid via DRP	0.3	0.3
	<u>53.6</u>	<u>42.6</u>
Franking credit balance		
Franking amount balance as at the end of the financial year	<u>115.4</u>	<u>72.7</u>
Final dividend on ordinary shares		
Final dividend for FY24: 9.2 cents per share (FY23: 8.4 cents per share)	<u>30.8</u>	<u>27.9</u>

After the reporting date, a final dividend of 9.2 cents per share was declared by the Board of Directors. The dividend has not been recognized as a liability and will be franked at 100%.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2024

7. Intangible assets

	Computer software	Development costs (WIP)	External software licenses	Goodwill	Intellectual property	Customer relationships	Trade names	Patents and other intangibles	Total
	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
At 30 June 2022									
Cost	371.6	24.5	8.2	646.2	41.8	24.0	14.9	1.4	1,132.6
Accumulated amortization	(112.6)	-	(5.4)	(0.1)	(33.2)	(13.9)	(6.0)	(0.3)	(171.4)
Net book value	258.9	24.5	2.8	646.2	8.6	10.1	9.0	1.1	961.2
At 1 July 2022	258.9	24.5	2.8	646.2	8.6	10.1	9.0	1.1	961.2
Additions	-	133.2 ¹	1.6	-	2.2	-	-	0.1	137.2
Transfers/reclassifications	103.4	(103.4)	-	-	-	-	-	-	-
Acquisition via business combination ²	-	-	-	885.5	113.9	60.0	26.9	-	1,086.3
Amortization	(42.6)	-	(1.7)	-	(7.9)	(3.9)	(2.4)	(0.1)	(58.7)
Exchange differences	1.8	-	(0.1)	38.4	2.7	1.3	1.1	-	45.2
Net book value at 30 June 2023³	321.5	54.3	2.6	1,570.0	119.5	67.5	34.6	1.1	2,171.1
At 30 June 2023³									
Cost	477.2	54.3	9.8	1,570.1	161.7	85.5	43.2	1.6	2,403.3
Accumulated amortization	(155.8)	-	(7.2)	(0.1)	(42.2)	(18.0)	(8.6)	(0.4)	(232.3)
Net book value	321.5	54.3	2.6	1,570.0	119.5	67.5	34.6	1.1	2,171.1
At 1 July 2023	321.5	54.3	2.6	1,570.0	119.5	67.5	34.6	1.1	2,171.1
Additions	-	195.1 ¹	2.3	-	-	-	-	0.2	197.5
Transfers/reclassifications	165.4	(165.4)	-	-	-	-	-	-	-
Acquisition via business combination ²	-	-	-	101.1	4.8	0.6	2.3	-	108.9
Amortization	(55.9)	-	(2.3)	-	(13.3)	(6.0)	(3.4)	(0.2)	(81.1)
Exchange differences	(0.3)	-	0.2	(6.5)	-	(0.1)	(0.1)	-	(6.9)
Net book value at 30 June 2024	430.7	84.0	2.7	1,664.6	111.0	62.0	33.5	1.1	2,389.6
At 30 June 2024									
Cost	642.1	84.0	12.2	1,664.7	166.1	85.8	45.4	1.7	2,702.0
Accumulated amortization	(211.5)	-	(9.5)	(0.1)	(55.2)	(23.8)	(11.9)	(0.6)	(312.5)
Net book value	430.7	84.0	2.7	1,664.6	111.0	62.0	33.5	1.1	2,389.6

¹FY24 includes \$2.8m (FY23: \$4.5m) of accrued expenses, \$3.1m (FY23: \$2.2m) of depreciation charges on right-of-use (ROU) assets and \$0.3m (FY23: \$0.3m) of interest costs.

²Includes recognition of intangible assets resulting from business combinations in the current period and finalization of acquisition accounting completed in current period for prior year.

³Comparative information for the year ended 30 June 2023 has been restated due to finalization of acquisition accounting. Refer to note 18.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2024

7. Intangible assets (continued)

Intangible assets	Useful life	Amortization method	Recognition and measurement
Computer software	5 to 10 years	Straight-line	Computer software comprises the historical cost of development activities for products transferred from development costs (WIP) when projects/products are considered ready for intended use and the historical cost of acquired software. Computer software is carried at historical cost less accumulated amortization and impairment losses.
Development costs (WIP)	Not applicable	Not amortized	Development costs are costs incurred on internal software development projects. Development costs are only capitalized when they relate to the creation of an asset that can be used or sold to generate benefits and can be reliably measured.
External software licenses	1 to 5 years	Straight-line	External software licenses are carried at historical cost or fair value at the date of acquisition less accumulated amortization and impairment losses.
Goodwill	Indefinite	Not amortized	Goodwill acquired in a business combination is measured at cost and subsequently at cost less any impairment losses. The cost represents the excess of the cost of a business combination over the fair value of the identifiable assets and liabilities acquired.
Intellectual property	Up to 13 years	Straight-line	Intellectual property assets are carried at their fair value at the date of acquisition less accumulated amortization and impairment losses.
Customer relationships	Up to 17 years	Straight-line	Customer relationships are carried at their fair value at the date of acquisition less accumulated amortization and impairment losses.
Trade names	Up to 20 years	Straight-line	Trade names are carried at their fair value at the date of acquisition less accumulated amortization and impairment losses.
Patents and other intangibles	10 years	Straight-line	Patents and other intangibles are carried at historical cost less accumulated amortization and impairment losses.

Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill, is recognized in profit or loss as incurred.

Key accounting estimates and judgments - Recoverability of other finite life intangible assets

Other intangible assets with finite life are reviewed at each reporting period to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). The recoverable amount is the higher of fair value less costs of disposal and value in use.

If an impairment occurs, a loss is recognized in profit or loss for the amount by which an asset's carrying amount exceeds its recoverable amount. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash generating unit (CGU) to which the asset belongs.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2024

7. Intangible assets (continued)

Key accounting estimates and judgments - Measurement of other finite life intangible assets

Management has made judgments in respect of intangible assets when assessing whether an internal project in the development phase meets the criteria to be capitalized, and on measuring the costs and economic life attributed to such projects. On acquisition, specific intangible assets are identified and amortized over their estimated useful lives. The capitalization of these assets and the related amortization charges are based on judgments about their value and economic life.

Management also makes judgments and assumptions when assessing the economic life of intangible assets and the pattern of consumption of the economic benefits embodied in the assets. Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate. The economic lives for internal projects, which includes internal use software and internally generated software, are up to 10 years.

Impairment testing of goodwill

The carrying amount of goodwill is tested for impairment annually at 30 June and whenever there is an indicator that the asset may be impaired. If an asset is deemed to be impaired, it is written down to its recoverable amount.

For the purposes of impairment testing, goodwill is allocated to each of the CGUs, or group of CGUs, expected to benefit from the synergies of the business combination. A CGU is the smallest identifiable group of assets that generate cash inflows that are largely independent of the cash inflows from other assets or group of assets.

Key accounting estimates and judgments - Impairment testing of goodwill

Determining whether goodwill is impaired requires judgment to allocate goodwill to CGUs and judgment and assumptions to estimate the fair value of a CGU or group of CGUs. The Group has determined that goodwill is tested at a single group of CGU level which is consistent with the Group being assessed and managed as a single operating segment. At 30 June 2024, the lowest level within the Group for which information about goodwill is monitored for internal management purposes is the consolidated Group, which comprises a group of CGUs. All acquisitions are made with the intention of delivering benefits of revenue growth and synergy to the Group. All CGUs are expected to benefit from synergies and sharing of expertise from these acquisitions.

The valuation model (being a value-in-use model) which is used to estimate the recoverable amount of the group of CGUs, requires an estimate of the future cash flows expected to arise from the group of CGUs and a suitable discount rate in order to calculate net present value.

Key assumptions in the Group's discounted cash flow model as at 30 June 2024

A value-in-use discounted cash flow model has been used at 30 June 2024 to value the Group's CGUs incorporating financial plans approved by the Board for year ending 30 June 2025 and management projections for years ending 30 June 2026 to 30 June 2029. These include projected revenues, gross margins and expenses and have been determined with reference to historical Group experience, industry data and management's expectation for the future.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2024

7. Intangible assets (continued)

The following inputs and assumptions have been adopted:

	2024	2023
Post-tax discount rate per annum	10.1%	9.8%
Pre-tax discount rate per annum	13.3%	11.7%
Terminal value growth rate	2.5%	2.5%

Sensitivity analysis

Management has performed sensitivity analysis and assessed reasonable changes for key assumptions and has not identified any instances that could cause the carrying amount of the group of CGUs, over which goodwill is monitored, to exceed its recoverable amount.

8. Property, plant and equipment

	Plant and equipment	Leasehold improvements	Right-of-use assets	Total
	\$M	\$M	\$M	\$M
At 30 June 2022				
Cost	92.3	10.5	55.4	158.2
Accumulated depreciation	(50.4)	(6.9)	(25.1)	(82.4)
Net book value	41.9	3.6	30.3	75.8
At 1 July 2022	41.9	3.6	30.3	75.8
Additions	26.5	0.7	5.2	32.4
Acquisition via business combination	2.0	0.8	4.7	7.5
Remeasurement	-	-	0.2	0.2
Transfers	0.1	(0.1)	-	-
Depreciation	(16.6)	(1.3)	(11.3)	(29.2)
Exchange differences	1.3	0.1	0.8	2.2
Disposals	(0.1)	-	-	(0.1)
Net book value at 30 June 2023¹	55.0	3.9	29.9	88.7
At 30 June 2023¹				
Cost	122.9	11.7	62.8	197.5
Accumulated depreciation	(67.9)	(7.9)	(32.9)	(108.7)
Net book value	55.0	3.9	29.9	88.7
At 1 July 2023	55.0	3.9	29.9	88.7
Additions	26.9	1.4	7.1	35.4
Acquisition via business combination	-	-	-	-
Remeasurement	-	-	0.9	0.9
Depreciation	(21.7)	(1.9)	(13.6)	(37.2)
Exchange differences	(0.3)	-	(0.2)	(0.4)
Disposals	(2.9)	-	-	(2.9)
Net book value at 30 June 2024	57.1	3.4	24.1	84.6
At 30 June 2024				
Cost	141.2	12.8	62.6	216.7
Accumulated depreciation	(84.2)	(9.4)	(38.5)	(132.1)
Net book value	57.1	3.4	24.1	84.6

¹Comparative information for the year ended 30 June 2023 has been restated due to the finalization of acquisition accounting. Refer to note 18

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2024

8. Property, plant and equipment (continued)

Material accounting policies

Refer to note 16 for the accounting policy for right-of-use assets.

Plant and equipment and leasehold improvements are carried at cost less any accumulated depreciation and impairment losses, where applicable.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in the Consolidated statement of profit or loss.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are recognized as expenses in the Consolidated statement of profit or loss during the financial period in which they are incurred.

Depreciation

Items of property, plant and equipment are depreciated on a straight-line basis calculated using the cost of the item less its estimated residual values over its estimated useful life.

The assets' depreciation methods, residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. The annual depreciation rates used for each class of depreciable assets are:

Class of fixed asset	Annual depreciation rate
Plant and equipment	5% - 50%;
Leasehold improvements	Term of lease ¹
Right-of-use assets	Term of lease ¹

¹Lease terms range between 1-10 years

9. Cash and cash equivalents

	2024	2023
	\$M	\$M
Cash at bank and on hand	121.7	143.0

The effective interest rate on cash and cash equivalents was 1.76% per annum (FY23: 1.97% per annum).

In addition, the Group holds \$22.8m (FY23: \$53.8m) of funds collected on behalf of customers at the reporting date, to pay on pre-set dates or on demand. This cash is restricted and not available for use in the Group's ordinary business operations, and is included in other current assets (refer to note 11), with an off-setting liability included in other current liabilities (refer to note 14). These activities have no impact on the Consolidated statement of cash flow.

Material accounting policies

Cash comprises cash on hand and on-demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2024

10. Trade receivables

	2024	2023
	\$M	\$M
Trade receivables	147.4	126.6
Provision for impairment of trade receivables	(5.6)	(5.6)
	141.8	121.0

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

The movements in the provision for impairment of trade receivables during the year were as follows:

	2024	2023
	\$M	\$M
Opening balance	5.6	3.3
Acquisition via business combination	0.1	1.3
Impairment loss recognized	3.2	1.9
Amount written off	(3.2)	(1.0)
Closing balance	5.6	5.6

Trade receivables that were considered recoverable as at 30 June were as follows:

	2024	2023
	\$M	\$M
Not past due	120.1	105.9
Past due 0 - 30 days	7.6	6.6
Past due 31 - 60 days	4.0	2.7
Past due more than 60 days	10.1	5.8
	141.8	121.0

Material accounting policies

Trade receivables include amounts due from customers for services performed in the ordinary course of business. Trade receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets.

Trade receivables are initially recognized at fair value. A specific provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms. An expected credit loss provision is recognized in respect of all other receivables.

The Group does not hold any collateral as security over any trade receivable balances.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2024

10. Trade receivables (continued)

Key accounting estimate and judgments on trade receivables - Expected credit losses (ECL)

The Group recognizes loss allowances for ECL on trade receivables.

When estimating ECL, the Group considers reasonable and supportable information that is relevant and available. This includes qualitative and quantitative information and analysis, based on the Group's historical experience and informed credit assessment.

The Group assumes that credit risk on an individual trade receivable has increased if it is more than 30 days past due. The Group considers a trade receivable to be in default when the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realizing security (if any is held).

Measurement of ECL

ECL are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the customer contract and the cash flows that the Group expects to receive).

Presentation of allowance for ECL in the Consolidated statement of financial position

Loss allowances for trade receivables are deducted from the gross carrying amount of trade receivables.

Write-off

The gross carrying amount of a trade receivable is written off when the Group has no reasonable expectations of recovering the balance in its entirety or a portion thereof. For customers, the Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, trade receivables that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2024

11. Other assets

	2024	(Restated) ² 2023
	\$M	\$M
Current		
Funds collected on behalf of customers ¹	22.8	53.8
Prepayments	26.0	25.1
Withholding taxes	4.6	4.7
Unbilled receivables	2.0	3.1
Deposits	1.8	1.6
Indirect tax receivables	2.3	2.9
Contract assets	0.2	0.3
Insurance receivable	-	4.1
Other	2.0	2.0
	61.5	97.5
Non-current		
Prepayments	6.7	5.5
Contract assets	0.4	0.6
Deposits	1.4	1.4
Other	2.4	0.5
	11.0	8.0

¹Funds collected on behalf of customers represents funds to pay on pre-set dates or on demand. Refer to note 9 and note 14.

²Comparative information for the year ended 30 June 2023 has been restated due to finalization of acquisition accounting. Refer to note 18.

Movements in unbilled receivables:

	2024	2023
	\$M	\$M
Opening balance	3.1	4.0
Acquisition via business combination	0.4	0.9
Accrued revenue recognized	7.3	5.3
Subsequently invoiced and transferred to trade receivables	(8.6)	(7.3)
Exchange differences	(0.3)	0.2
	2.0	3.1

Material accounting policies

Unbilled receivables represent the revenue recognized to date but not yet invoiced to customers due to the timing of the accounting invoicing cycle.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2024

12. Trade and other payables

	2024	(Restated) ¹ 2023
	\$M	\$M
Trade payables	51.6	48.3
Other payables and accrued expenses	31.2	37.2
	<u>82.8</u>	<u>85.5</u>

All amounts are short term and the carrying values are considered to be a reasonable approximation of fair value.

Material accounting policies

Trade and other payables represent the liabilities for goods and services received by the entity that remain unpaid at the end of the reporting period.

¹Comparative information for the year ended 30 June 2023 has been restated due to the finalization of acquisition accounting. Refer to note 18.

13. Deferred revenue

	2024	2023
	\$M	\$M
Deferred revenue	32.2	30.9
	<u>32.2</u>	<u>30.9</u>

Deferred revenue reflects the value of advance payments made by customers who have been invoiced for services that will be provided in the future.

Movements in deferred revenue:

	2024	2023
	\$M	\$M
Opening balance	30.9	12.5
Acquisition via business combination	0.1	15.2
Revenue recognized in current year	(85.5)	(32.3)
Advanced payments received	88.6	34.9
Exchange differences	(1.9)	0.6
	<u>32.2</u>	<u>30.9</u>

The Group does not disclose further information related to remaining performance obligations, as they are either part of a contract that has an original expected duration of one year or less; or the associated revenue is recognized in the amount to which the Group has a right to invoice.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2024

14. Other liabilities

	2024	(Restated) ¹ 2023
	\$M	\$M
Current		
Liabilities related to funds collected on behalf of customers ²	22.8	53.8
Customer deposits ³	59.7	49.6
Contingent consideration ⁴	16.6	15.0
Deferred consideration ⁵	1.1	-
Indirect taxes payable ⁶	11.0	9.2
Customer payables	0.7	1.0
Other current liabilities	20.3	10.5
	132.2	139.0
Non-current		
Contingent consideration ⁴	25.4	17.4
Other non-current liabilities	25.7	22.5
	51.1	39.9
	183.4	179.0

¹Comparative information for the year ended 30 June 2023 has been restated due to the finalization of acquisition accounting. Refer to note 18

²Liabilities related to funds collected on behalf of customers represents amounts payable on pre-set dates or on demand. Refer to note 9 and note 11.

³Customer deposits represents amounts paid in advance by customers to prepay for services in exchange for price discounts.

⁴See note 24 for accounting policy and measurement of contingent consideration.

⁵Deferred consideration represents the amount payable on acquisition which is time-based and not contingent on any performance conditions.

⁶Indirect taxes payable balance represents indirect tax liabilities in Australian and overseas jurisdictions, which are likely to be finalized and settled in future periods.

15. Borrowings

Bank debt facilities

In October 2023, the Group refinanced its existing \$475m unsecured bank debt facilities with new 5 year unsecured bank debt facilities with a total commitment of \$500m expiring in October 2028. The covenant package, group guarantees and other common terms and conditions in respect of these facilities are governed under a Common Terms Deed Poll. The Company has complied with the financial covenants of its bank debt facilities during the years ended 30 June 2024 and 30 June 2023.

As at 30 June 2024, \$80m (FY23: \$225m) of these facilities were drawn as bank loans and \$0.2m (FY23: \$0.5m) was utilized for bank guarantees.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2024

16. Lease liabilities

	<u>2024</u>	<u>2023</u>
	<u>\$M</u>	<u>\$M</u>
Current		
Lease liabilities	10.7	10.9
	10.7	10.9
Non-current		
Lease liabilities	13.7	20.5
	13.7	20.5
	24.5	31.4

(i) Definition of a lease

The Group assesses whether a contract is, or contains, a lease based on the definition of a lease under AASB 16 *Leases*. A contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration.

(ii) As a lessee

The Group leases properties, motor vehicles and office equipment. The Group recognizes right-of-use assets and lease liabilities for most leases under AASB 16.

However, the Group has elected not to recognize right-of-use assets and lease liabilities for leases of low-value assets (e.g., office equipment) and leases with lease terms of less than 12 months. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

The Group presents right-of-use assets in property, plant and equipment (refer to note 8).

The Group presents lease liabilities separately on the face of the Consolidated statement of financial position.

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2024

16. Lease liabilities (continued)

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and the type of asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments, including in substance fixed payments;
- Variable lease payments that depend on an index variation, initially measured using the index or value as at the commencement date;
- Amounts expected to be payable under a residual value guarantee; and
- The exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period of the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payments made. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the right-of-use asset carrying amount, or is recorded in profit or loss if the right-of-use asset carrying amount has been reduced to \$nil.

Key accounting estimates and judgments - Lease term

The Group has applied judgment to determine the lease term for some lease contracts in which it is a lessee that include renewal options. The assessment of whether the Group is reasonably certain to exercise such options impacts the lease term, which affects the amount of lease liabilities and right-of-use assets recognized.

Impacts for the year

The movements in lease liability balances are described below:

Lease liabilities	2024	2023
	\$M	\$M
Opening balance	31.4	33.6
Additions ¹	7.9	5.1
Additions through business combinations	-	3.7
Payments	(15.8)	(12.9)
Unwinding interest on lease liabilities	1.1	1.2
Exchange differences	(0.1)	0.8
Closing balance	<u>24.5</u>	<u>31.4</u>

¹Additions to lease liabilities also includes remeasurement and modification of existing leases.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2024

17. Share capital and reserves

<i>Ordinary shares issued and fully paid</i>	Shares (thousands)	\$M
At 1 July 2022	326,346	906.3
Shares issued for acquisition of subsidiaries	4,857	309.2
Shares issued to employee share trust	630	38.0
Shares issued under DRP	16	1.0
Shares issued to Non-Executive Directors for fee sacrifice	8	0.4
Transaction costs, net of tax	-	(0.2)
At 30 June 2023	331,857	1,254.7
At 1 July 2023	331,857	1,254.7
Shares issued for acquisition of subsidiaries	575	38.7
Shares issued to employee share trust	1,000	68.0
Shares issued under DRP	9	0.7
Shares issued to Non-Executive Directors for fee sacrifice	6	0.5
Transaction costs, net of tax	-	(0.1)
At 30 June 2024	333,447	1,362.4

Ordinary shares participate in dividends and the proceeds on winding-up of the Company in proportion to the number of shares held. At shareholders' meetings, each ordinary share is entitled to one vote when a poll is called; otherwise, each shareholder has one vote on a show of hands.

The Company does not have a par value in respect of its issued shares.

Nature and purpose of reserves

(i) Treasury share reserve

The reserve for the Company's treasury shares comprises the cost of the Company's shares held by the WiseTech Global Limited Employee Share Trust. At 30 June 2024, the Trust held 2,807,633 shares of the Company (FY23: 2,628,350 shares).

(ii) Acquisition reserve

The acquisition reserve comprises the cumulative consideration paid to acquire non-controlling interests in excess of the fair value of the net assets when attaining control, in addition to the difference between the share price at the time of the agreement to issue shares and the share price on the date of issue when the Company's shares are issued under acquisition agreements.

(iii) Cash flow hedge reserve

The cash flow hedge reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments.

(iv) Share-based payment reserve

The share-based payment reserve represents the value of unvested and unissued share rights as part of the share-based payment scheme.

(v) Foreign currency translation reserve

The foreign currency translation reserve comprises all foreign currency differences arising from the translation of the financial statements not in Australian dollar functional currency.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2024

17. Share capital and reserves (continued)

Capital management

Management controls the capital of the Group in order to maintain a sustainable debt to equity ratio, generate long-term shareholder value and ensure that the Group can fund its operations and continue as a going concern. The Group's capital and debt include ordinary share capital and financial liabilities, supported by financial assets.

Management effectively manages the Group's capital by assessing the Group's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to shareholders and share issues.

During the year, the Group issued \$38.7m in shares to pay for obligations under acquisition agreements. In addition, at 30 June 2024 the Group had debt facilities of \$500m, out of which \$80m was drawn (FY23: \$225m). The total equity of the Group at 30 June 2024 was \$2,213.4m (FY23: \$1,894.6m) and total cash and cash equivalents at 30 June 2024 were \$121.7m (FY23: \$143.0m).

The Group is not subject to any externally imposed capital requirements.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2024

18. Business combinations

Acquisitions in 2024

During the year ended 30 June 2024, the Group completed the following acquisitions:

Business acquired	Date of acquisition	Description of acquisition
Matchbox Exchange Pty Ltd ¹	1 October 2023	Provider of an open market platform for reuse and exchange of shipping containers in landside logistics operators
Sistemas Casa S.A. de C.V	3 November 2023	Provider of customs and international trade software solutions in Mexico
Aktiv Data OY AB	1 May 2024	Provider of electronic customs and freight forwarding solutions in Finland

¹Additional subsidiary entities acquired are MatchBoxExchange Pte Ltd, MatchBox Container Logistics Private Ltd and MatchBox Exchange Ltd.

None of the acquisitions completed during the period are individually significant to the Group. Accordingly, key information on these acquisitions has been presented on an aggregated basis as set out below.

Details of the fair value of identifiable assets acquired, liabilities assumed, and goodwill determined are set out in the following tables. The identification and fair value measurement of the assets and liabilities acquired are provisional and amendments may be made to these figures up to 12 months following the date of acquisition if new information is obtained about facts and circumstances that existed at the acquisition date and, if known, would have affected the measurement of the amounts recognized as of that date.

Cash and cash equivalents	\$M
Trade receivables	3.0
Current tax receivables	1.2
Unbilled receivables	-
Other current assets	0.3
Intangible assets	0.4
Property, plant and equipment	7.8
Trade and other payables	-
Deferred revenue	(4.8)
Employee benefits	(0.1)
Other liabilities	(0.6)
Deferred tax liabilities	(1.0)
Fair value of net identifiable assets acquired	(0.2)
Total consideration paid and payable	6.1
Less: Fair value of net identifiable assets acquired	107.2
Goodwill	(6.1)
	101.1

Goodwill

The total goodwill arising on these acquisitions is \$101.1m which relates predominantly to the key management, specialized know-how of the workforce, employee relationships, competitive position and service offerings that do not meet the recognition criteria as an intangible asset at the date of acquisition. Goodwill is not expected to be deductible for tax purposes.

Consideration

Total upfront consideration was \$81.1m (cash \$52.3m and equity shares \$28.8m), with further deferred and contingent consideration payable of \$4.2m and \$24.9m respectively. Contingent consideration is based on a number of milestones, including the successful integration of acquired intellectual property and performance in future periods based on selected performance targets. At acquisition, the discounted fair value of deferred and contingent consideration were \$4.2m and \$21.8m respectively. These acquisitions included \$3.0m of cash and cash equivalents acquired.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2024

18. Business combinations (continued)

Acquisitions in 2024 (continued)

Contribution of acquisitions to revenue and profits

These acquisitions contributed \$13.3m to Group revenue and net profit of \$0.8m from their respective dates of acquisition. If they had been acquired from 1 July 2023, the contribution to the Group revenue would have been \$18.7m and net profit of \$1.2m.

M&A related expenses

The Group incurs M&A related expenses for activities undertaken during the current period and/or prior periods. The Group incurred \$4.9m (2023: \$26.4m) of expenses for the year ended 30 June 2024 which are recorded within General and administration expenses.

Acquisitions in 2023

Updates to provisional accounting

Finalization of the acquisition accounting was completed within the 12 month measurement period, resulting in retrospective changes to the provisional fair values presented in the 30 June 2023 financial report. The changes were due to the following events which resulted in an update to the provisional accounting at 30 June 2023:

- Valuations surrounding acquired intangible assets with respect to customer relationships, trade name and intellectual property were finalized;
- New information was obtained about facts and circumstances that existed at acquisition date which affected the measurement of certain net asset balances recognized as of that date;
- Adjustments relating to the upfront purchase price were finalized resulting in a reduction in purchase price.

Due to the offsetting nature of the adjustments, there is no impact on reported net assets, profit after tax or comprehensive income as previously disclosed for the comparative period.

Envase Holdings

These changes resulted an increase in goodwill of \$23.6m as shown in the table below:

	Original	Revision	Adjusted total
	\$M	\$M	\$M
Cash and cash equivalents	9.6	-	9.6
Trade receivables	5.4	-	5.4
Other current assets	2.2	-	2.2
Intangible assets	90.6	(20.9)	69.7
Property, plant and equipment	0.7	(0.1)	0.6
Deferred tax assets	3.4	(3.4)	-
Trade and other payables	(8.7)	-	(8.7)
Lease liabilities	(0.2)	-	(0.2)
Deferred revenue	(3.3)	-	(3.3)
Current tax liabilities	(0.1)	-	(0.1)
Other current liabilities	(9.1)	-	(9.1)
Deferred tax liabilities	-	(1.4)	(1.4)
Other non-current liabilities	(2.9)	1.1	(1.8)
Fair value of net identifiable assets acquired	87.6	(24.7)	62.9
Total consideration paid and payable	338.9	(1.1)	337.8
Less: Fair value of net identifiable assets acquired	(87.6)	24.7	(62.9)
Goodwill	251.3	23.6	274.9

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2024

18. Business combinations (continued)

Acquisitions in 2023 (continued)

Blume Global

These changes resulted a decrease to goodwill of \$5.6m as shown in the table below:

	Original \$M	Revision \$M	Adjusted total \$M
Cash and cash equivalents	21.4	-	21.4
Trade receivables	6.2	-	6.2
Unbilled receivables	0.3	-	0.3
Other current assets	57.7	4.1	61.8
Intangible assets	144.8	(18.1)	126.7
Property, plant and equipment	6.8	-	6.8
Trade and other payables	(28.7)	(0.2)	(29.0)
Lease liabilities	(3.4)	-	(3.4)
Deferred revenue	(7.9)	-	(7.9)
Employee benefits	(3.0)	-	(3.0)
Other current liabilities	(67.9)	6.3	(61.5)
Deferred tax liabilities	(25.5)	19.1	(6.4)
Other non-current liabilities	(2.0)	(10.6)	(12.6)
Fair value of net identifiable assets acquired	98.8	0.6	99.4
Total consideration paid and payable	621.4	(5.0)	616.4
Less: Fair value of net identifiable assets acquired	(98.8)	(0.6)	(99.4)
Goodwill	522.6	(5.6)	517.0

The update to provisional accounting included a revision to the contingent liability balance as at the reporting date to \$7.8m which was recorded on the acquisition date in relation to possible claims against the acquisition with respect to an event that occurred prior to the acquisition date. The outcome is uncertain and the amount recorded is included within other current liabilities and is based on management's best estimate.

Acquisitions in 2023 (original note from FY23 annual report)

During the year ended 30 June 2023, the Group completed the following acquisitions:

Business acquired	Date of acquisition	Description of acquisition
Bolero.net Limited	1 July 2022	Leading provider of electronic bills of lading and digital document capabilities to facilitate global trade
Shipamax Inc	1 November 2022	Leading provider of document ingestion software
Envase Holdings, Inc	1 February 2023	Leading provider of transport management systems software for intermodal trucking and landside logistics in North America
Blume Global, Inc	1 April 2023	Leading provider of intermodal solutions to railroads, ocean carriers, freight forwarders and beneficial cargo owners in North America

Please refer to note 25 for details of subsidiaries acquired.

Envase and Blume are considered individually significant acquisitions completed during the year. Accordingly, key information on these two acquisitions has been presented separately and the remaining two acquisitions on an aggregated basis in the 'Others' column as set out below.

Details of the fair value of the identifiable assets acquired, liabilities assumed, and goodwill determined are set out in the following tables. With the exception of Bolero.net Limited, the identification and fair value measurement of the assets and liabilities acquired are provisional and amendments may be made to these figures up to 12 months following the date of acquisition if new information is obtained about facts and circumstances that existed at the acquisition date and, if known, would have affected the measurement of the amounts recognized as of that date.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2024

18. Business combinations (continued)

Acquisitions in 2023 (continued)

	Envase	Blume	Others	Total
	\$M	\$M	\$M	\$M
Cash and cash equivalents	9.6	21.4	1.8	32.8
Trade receivables	5.4	6.2	1.5	13.1
Current tax receivables	-	-	1.4	1.4
Unbilled receivables	-	0.3	0.2	0.5
Other current assets	2.2	57.7	1.0	60.9
Intangible assets	90.6	144.8	4.4	239.8
Property, plant and equipment	0.7	6.8	0.1	7.6
Deferred tax assets	3.4	-	-	3.4
Trade and other payables	(8.7)	(28.7)	(4.1)	(41.7)
Lease liabilities	(0.2)	(3.4)	(0.1)	(3.7)
Deferred revenue	(3.3)	(7.9)	(4.1)	(15.2)
Employee benefits	-	(3.0)	(0.5)	(3.5)
Current tax liabilities	(0.1)	-	-	(0.1)
Other current liabilities	(9.1)	(67.9)	(0.1)	(76.9)
Deferred tax liabilities	-	(25.5)	(0.4)	(25.9)
Other non-current liabilities	(2.9)	(2.0)	-	(4.9)
Fair value of net identifiable assets acquired	87.6	98.8	1.2	187.6
Total consideration paid and payable	338.9	621.4	94.7	1,055.0
Less: Fair value of net identifiable assets acquired	(87.6)	(98.8)	(1.2)	(187.6)
Goodwill	251.3	522.6	93.5	867.4

Envase Holdings

Envase provides cloud-based transportation management systems (TMS) and mobile applications to the supply chain, with a core focus on the drayage trucking market. The software merges order entry, truck dispatch, container tracking, electronic data interchange document imaging, invoicing, and billing settlements, among other functions, into a single, streamlined system providing efficiencies and visibility across the supply chain.

On 1 February 2023, the Group acquired 100% of the shares and voting interests in Envase. Total upfront consideration was \$338.9m comprising of cash paid of \$231.8m and new equity shares issued to the vendors of \$107.1m. The fair value of the ordinary shares issued was based on the listed share price of the Company at 1 February 2023 of \$59.50 where 1,799,551 shares were issued. The acquisition included \$9.6m of cash and cash equivalents acquired.

A provisional valuation was undertaken in relation to acquired intangible assets with respect to customer relationships, trade name and intellectual property totaling \$90.6m.

The methodology used to derive the value of customer relationships was the multi-period excess earnings method (MEEM). The MEEM considers the present value of cash flows expected to be generated by the customer relationships, excluding any cash flows related to contributory assets.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2024

18. Business combinations (continued)

Acquisitions in 2023 (continued)

The relief from royalty method was used to value the trade name whereby it considers the discounted estimated royalty payments that are expected to be avoided as a result of the trademarks being owned.

The cost approach was adopted to value intellectual property which estimates the costs necessary to develop a similar asset of equivalent functionality at costs applicable at the time.

The trade receivables balance represented the gross contractual amounts due of \$6.3m, of which \$0.9m was expected to be uncollectible at the date of acquisition.

Goodwill is attributable mainly to the key management, specialized know-how of the workforce, employee relationships, competitive position and service offerings that did not meet the recognition criteria as an intangible asset at the date of acquisition. As the valuation of the business is currently provisional, the amount of goodwill that is deductible for tax purposes is yet to be determined.

Envase contributed \$16.1m to Group revenue and a reduction to net profit of \$3.2m from the date of acquisition. If it had been acquired from 1 July 2022, the contribution to Group revenue would have been \$38.7m and a reduction to net profit of \$7.7m.

Blume Global

Blume Global is a leading provider of intermodal solutions to railroads, ocean carriers, freight forwarders and beneficial cargo owners in North America. It is a supply chain orchestration platform that unites end-to-end visibility, supplier management and multimodal logistics planning and execution. As the single source for manufacturing and logistics data, Blume provides visibility throughout the value chain, from sourcing to delivery, allowing customers to use Blume solutions to navigate disruptions and create and execute agile plans amid supply chain uncertainty. Blume has the most extensive network of carriers and locations among logistics technology providers.

On 1 April 2023, the Group acquired 100% of the shares and voting interests in Blume. Total upfront consideration was \$621.4m comprising of cash paid of \$425.0m and new equity shares issued to the vendors of \$196.4m. The fair value of the ordinary shares issued was based on the listed share price of the Company at 3 April 2023 of \$66.66 where 2,945,949 shares were issued. The acquisition included \$21.4m of cash and cash equivalents acquired.

A provisional valuation was undertaken in relation to acquired intangible assets with respect to customer relationships, trade name and intellectual property totaling \$144.8m.

The methodology used to derive the value of customer relationships was MEEM. The MEEM considers the present value of cash flows expected to be generated by the customer relationships, excluding any cash flows related to contributory assets.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2024

18. Business combinations (continued)

Acquisitions in 2023 (continued)

The relief from royalty method was used to value trade name and intellectual property whereby it considers the discounted estimated royalty payments that are expected to be avoided as a result of the trade marks being owned.

The trade receivables balance represented the gross contractual amounts due of \$6.4m, of which \$0.2m was expected to be uncollectible at the date of acquisition.

A contingent liability of \$13.8m was recorded on acquisition date in relation to possible claims against the acquisition with respect to an event that occurred prior to acquisition. The outcome is uncertain and the amount recorded is included within other current liabilities and is based on management's best estimate.

Goodwill is attributable mainly to the key management, specialized know-how of the workforce, employee relationships, competitive position and service offerings that did not meet the recognition criteria as an intangible asset at the date of acquisition. Goodwill is not expected to be deductible for tax purposes.

Blume contributed \$15.4m to Group revenue and a reduction to net profit of \$6.3m from the date of acquisition. If it had been acquired from 1 July 2022, the contribution to Group revenue would have been \$61.8m and a reduction to net profit of \$25.0m.

Other acquisitions

Goodwill

The total goodwill arising on other acquisitions is \$93.5m which relates predominantly to the key management, specialized know-how of the workforce, employee relationships, competitive position and service offerings that do not meet the recognition criteria as an intangible asset at the date of acquisition. Goodwill is not expected to be deductible for tax purposes.

Consideration

The upfront consideration was \$87.5m, with further contingent consideration payable of \$7.6m. Contingent consideration is based on a number of milestones, including the successful integration of acquired intellectual property. At acquisition, the discounted fair value of these arrangements was \$7.2m. The acquisitions included \$1.8m of cash and cash equivalents acquired.

Contribution of acquisitions to revenue and profits

These acquisitions contributed \$10.9m to Group revenue and net profit of \$0.2m from their respective dates of acquisition. If they had been acquired from 1 July 2022, the contribution to the Group revenue would have been \$11.5m and a reduction to net profit of \$0.4m.

M&A related expenses

The Group incurs M&A related expenses for activities undertaken during the current period and/or prior periods. The Group incurred \$26.4m (2022: \$2.3m) of expenses for the year ended 30 June 2023 which are recorded within General and administration expenses.

Material accounting policy

Business combinations occur where an acquirer obtains control over one or more businesses.

A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. Under the acquisition method, the business combination will be accounted for from the date that control is attained, whereby the fair value of the identifiable assets acquired and liabilities (including contingent liabilities) assumed is recognized (subject to certain limited exemptions).

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2024

18. Business combinations (continued)

Material accounting policy (continued)

Consideration transferred, including any contingent consideration is required to be measured at fair value on the date of acquisition, which takes into account the perspective of a 'market participant' and is a measurement of the amount that the Group would have to pay to such a participant for them to assume the remaining obligations under the contracts to acquire these businesses.

Contingent consideration obligations are classified as equity or liability in accordance with AASB 132 *Financial Instruments: Presentation*. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognized in profit or loss. Where the accounting standards require that an obligation to be settled in shares is classified as a liability, changes in measurement from the point of initial recognition through to when the milestone is achieved and the number of shares to be granted is determined, are recognized in profit or loss. Subsequently, once the number of shares is fixed and determined, any changes in the value of the shares to be granted between the milestone being achieved and the point of settlement, are recognized in acquisition reserve within equity (see note 17).

The Group only has contingent consideration obligations classified as liabilities at the reporting date.

As a consequence, any changes in the fair value of contingent consideration that do not meet the requirements above, such as a subsequent renegotiation and settlement of the obligation, does not result in any change to the measurement of goodwill. Instead, changes to the fair value of contingent consideration classified as a liability are recognized in the profit or loss.

Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognized in profit or loss immediately. Transaction costs are expensed as incurred except if related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognized in the Consolidated statement of profit or loss.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2024

19. Employee benefits

	2024	2023
	\$M	\$M
Wages and salaries	451.2	320.8
Share-based payment expense	61.4	48.5
Defined contribution superannuation expense	35.3	26.6
Total employee benefit expense (gross before capitalization)	547.9	395.9

	2024	2023
	\$M	\$M
Current		
Annual leave	26.6	24.7
Long service leave	5.7	5.1
Other employee benefits	6.4	6.1
	38.6	36.0
Non-current		
Long service leave	8.1	6.6
Other employee benefits	7.1	4.8
	15.2	11.4
Total employee benefits	53.8	47.3

Material accounting policies

Current employee benefits

Current employee benefits that are expected to be settled wholly within 12 months after the end of the reporting period includes annual leave, long service leave, bonus and other incentives and retention entitlements. Current employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

Employee benefits are presented as current when the Group does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period.

Non-current employee benefits

Non-current employee benefits includes long service leave, bonus and other incentives, and retention entitlements that are not expected to be settled wholly within 12 months after the end of the reporting period. Non-current employee benefits are measured at the present value of the expected future payments to be made to employees.

Expected future long service leave payments incorporate anticipated future wage and salary levels, duration of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on corporate bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations are recognized in profit or loss in the periods in which the changes occur.

Defined contribution superannuation benefits

All obligations for contributions in respect of employees' defined contribution superannuation benefits are recognized as an expense as the related service is provided.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2024

19. Employee benefits (continued)

Share-based payment transactions

The Company has a number of share-based payment arrangements that were granted to employees during FY24. These related to shares or share rights granted as part of employee remuneration packages (base remuneration and performance incentives) and arrangements following completion of business acquisitions. The awards were granted on various dates in FY24, based on a specified monetary value to each recipient and a share price at the time the offer is determined. The fair value of these arrangements was deemed to be the function of the number of share rights granted and the share price at grant date. Share rights granted may vest in predetermined tranches and may include non-market performance conditions. Share rights were also granted as part of the employee Invest As You Earn program which operated during the year. Vesting is dependent on continued employment with the Group, and in certain circumstances meeting predetermined performance criteria. The fair value of the grant is recognized in Consolidated statement of profit or loss to match to each employee's service period until vesting. Generally, upon cessation of employment unvested rights are forfeited. The expense recognized in prior periods in respect of forfeited rights is credited to the Consolidated statement of profit or loss.

The total value of share-based payment expense was \$61.2m for employees and \$0.2m for Non-Executive Directors (FY23: \$48.2m for employees and \$0.4 for Non-Executive Directors), which was also recognized in the Consolidated statement of profit or loss. Subsequently, \$21.7m (FY23: \$17.9m) was capitalized as part of directly attributable development costs, which are required to be recognized as internally developed intangibles (refer to note 7).

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2024

20. Key management personnel transactions

Key management personnel (KMP) compensation

The total remuneration of the KMP of the Company are as follows:

	<u>2024</u>	<u>2023</u>
	\$000	\$000
Short-term employee benefits	3,903	3,870
Post-employment benefits	227	218
Other long-term benefits	155	178
Share-based payments	2,024	2,251
Total KMP compensation	<u>6,309</u>	<u>6,517</u>

Short-term employee benefits comprise salary, fringe benefits and cash bonuses awarded. Post-employment benefits consist of superannuation contributions made during the year. Other long-term benefits comprise accruals for annual leave and long service leave. Share-based payments represents the expensing over the vesting period at the fair value of share rights at grant date.

KMP transactions

A KMP holds positions in other companies that result in them having control or significant influence over these companies. One of these companies transacted with the Group during the year. The terms and conditions of this transaction were no more favorable than those available, or which might reasonably be expected to be available, in similar transactions with non-KMP related companies on an arm's length basis. The aggregate value of transactions and outstanding balances related to Richard White (Founder and CEO) and entities over which he has control or significant influence were as follows:

		<u>Transaction values for</u>		<u>Balance outstanding as</u>	
		<u>year ended 30 June</u>		<u>at 30 June</u>	
Director	Transactions	2024	2023	2024	2023
		\$000	\$000	\$000	\$000
Richard White	Office lease ¹	1,034	920	-	-

¹The Group leases an office owned by Richard White, in Chicago, USA which has a 5 year term ending September 2024 with an annual rent of US Dollars (USD) 0.6m.

The agreement was made at normal market rates and was approved by the Related Party Committee, whose responsibilities have since been assumed by the Audit & Risk Committee.

Based on an updated valuation performed by an independent expert, the Group made a revised offer to Richard White to purchase the building for USD 3.5m, which has been accepted in principle. It is anticipated that the transaction will complete in calendar year 2024.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2024

21. Auditor's remuneration

	<u>2024</u>	<u>2023</u>
	<u>\$000</u>	<u>\$000</u>
Audit and assurance related services		
<i>KPMG Australia</i>		
Audit and review of the financial reports	1,258.2	1,212.6
Other services	117.8	-
	<u>1,376.0</u>	<u>1,212.6</u>
Audit and assurance related services		
<i>KPMG overseas and non-KPMG firms</i>		
Audit of statutory financial reports KPMG overseas	819.8	869.5
Audit of statutory financial reports by non-KPMG firms	287.0	289.2
Total audit and assurance related services KPMG overseas and non-KPMG firms	<u>1,106.8</u>	<u>1,158.7</u>
Total audit and assurance related services	<u>2,482.8</u>	<u>2,371.3</u>
Other services		
<i>KPMG overseas and Non-KPMG firms</i>		
Other assurance, advisory and taxation services KPMG overseas	20.1	21.1
Other assurance, advisory and taxation services non-KPMG firms	57.9	11.9
Total other services KPMG overseas and non-KPMG firms	<u>78.0</u>	<u>33.0</u>
Total other services	<u>78.0</u>	<u>33.0</u>
Total auditor's remuneration	<u>2,560.7</u>	<u>2,404.3</u>

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2024

22. Reconciliation of net cash flows from operating activities

	2024	2023
	\$M	\$M
Cash flow reconciliation		
Reconciliation of net profit after tax to net cash flows from operating activities:		
Profit after tax from continuing operations	262.8	212.2
Adjustments to reconcile profit before tax to net cash flows from operating activities:		
Share-based payment expense	61.4	48.5
Depreciation	37.2	29.2
Net gain on asset disposals and lease exits	(0.3)	(0.1)
Capitalization of share-based payment expense and depreciation	(24.8)	(20.2)
Amortization	81.1	58.7
Doubtful debt expense	3.2	1.9
Net finance costs/(income)	14.0	(0.8)
Exchange differences and hyperinflation adjustment	1.1	0.3
Change in assets and liabilities:		
Increase in trade receivables	(22.1)	(19.1)
Decrease in other current and non-current assets	29.5	12.4
(Decrease)/increase in trade and other payables	(1.6)	8.9
Decrease in net current tax liabilities	1.0	16.5
Increase in net deferred tax liabilities	20.5	26.3
Increase in derivatives and other liabilities	(17.2)	(1.8)
(Decrease)/increase in deferred revenue	(0.7)	2.6
Increase in provisions	3.6	4.9
Net cash flows from operating activities	448.7	380.5

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2024

23. Segment information

The Group manages its operations as a single business operation and there are no separate parts of the Group that qualify as operating segments under AASB 8 *Operating Segments*. The Board (Chief Operating Decision Maker or CODM) assesses the financial performance of the Group on an integrated basis only and accordingly, the Group is managed on the basis of a single segment.

Information presented to the CODM on a monthly basis is categorized by type of revenue, recurring and non-recurring. This analysis is presented below:

Continuing operations	2024	2023
	\$M	\$M
Recurring On-Demand License revenue	894.9	683.0
Recurring OTL maintenance revenue	114.2	101.5
OTL and support services	32.6	32.4
Total revenue	1,041.7	816.8
Segment EBITDA ¹	495.6	385.7
Depreciation and amortization	(114.9)	(85.6)
Net finance (costs)/income	(14.0)	0.8
Profit before income tax	366.7	301.0
Income tax expense	(103.9)	(88.8)
Net profit after income tax	262.8	212.2

¹Earnings before interest, tax, depreciation and amortization

In general, a large amount of revenue is generated by customers that are global, from transactions that cross multiple countries and where the source of revenue can be unrelated to the location of the users using the software. Accordingly, the Group is managed as a single segment. The amounts for revenue by region in the following table are based on the invoicing location of the customer. Customers can change their invoicing location periodically. The CODM does not review or assess financial performance on a geographical basis.

There were no customers contributing more than 10% of revenue during the current or comparative period.

Geographic information

Revenue generated by customer invoicing location:

	2024	2023
	\$M	\$M
Americas	374.9	257.2
Asia Pacific	291.9	241.0
Europe, Middle East and Africa (EMEA)	374.9	318.6
Total revenue	1,041.7	816.8

Non-current assets by geographic location:

	2024	(Restated)¹
	\$M	2023
		\$M
Americas	1,300.7	1,284.2
Asia Pacific	849.0	647.5
EMEA	346.5	341.4
Total non-current assets	2,496.2	2,273.1

¹Comparative information for the year ended 30 June 2023 has been restated due to the finalization of acquisition accounting. Refer to note 18.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2024

24. Financial instruments

(i) Recognition and initial measurement

Trade receivables are initially recognized when customers are invoiced. All other financial assets and financial liabilities are initially recognized when the Group becomes a party to the contractual obligations.

A financial asset (unless it is a trade receivable) or financial liability is initially measured at fair value plus transaction costs that are directly attributable to its acquisition. Trade receivables are initially measured at the transaction price.

(ii) Derecognition

Financial assets

The Group derecognizes a financial asset when the contractual rights to the cash flows from a financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Financial liabilities

The Group derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognizes a financial liability when its terms are modified and the cash flows of the modified financial liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

(iii) Offsetting

Financial assets and financial liabilities are offset with the net amount presented in the Consolidated statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

(iv) Derivative financial instruments and hedge accounting

The Group holds derivative financial instruments to hedge some of its foreign currency risk exposures.

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognized in profit or loss.

The Group designates certain derivatives as hedging instruments to hedge the variability in cash flows associated with highly probable forecasted transactions arising from changes in foreign exchange rates.

At inception of designated hedging relationships, the Group documents the risk management objective and strategy for undertaking the hedge. The Group also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2024

24. Financial instruments (continued)

Cash flow hedges

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognized in other comprehensive income (OCI) and accumulated in the cash flow hedge reserve. The effective portion of changes in the fair value of the derivative that is recognized in OCI is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in profit or loss.

The Group has designated foreign exchange forward contracts and foreign exchange collars as hedging instruments in cash flow hedge relationships with highly probable forecasted foreign exchange sales. The change in fair value of the foreign exchange instruments is recognized in a hedging reserve within equity.

When the hedged forecast transaction subsequently results in the recognition of a non-financial item, the amount accumulated in the hedging reserve and the cost of hedging reserve is included directly in the initial cost of the non-financial item when it is recognized.

For all other hedged forecast transactions, the amount accumulated in the hedging reserve and the cost of hedging reserve is reclassified to profit or loss in the same period or periods during which the hedged expected future cash flows affect profit or loss.

If the hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in the hedging reserve remains in equity until, for a hedge of a transaction resulting in the recognition of a non-financial item, it is included in the non-financial item's cost on its initial recognition or, for other cash flow hedges, it is reclassified to profit or loss in the same period or periods as the hedged expected future cash flows affect profit or loss.

If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in the hedging reserve and the cost of hedging reserve are immediately reclassified to profit or loss.

(v) Credit-impaired trade receivables

At each reporting date, the Group assesses whether trade receivables are credit-impaired. A trade receivable is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows have occurred.

Evidence that a trade receivable is credit-impaired includes the following observable data:

- Significant financial difficulty of the debtor;
- A breach of contract such as a default; or
- It is probable that the debtor will enter bankruptcy or other financial reorganization.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2024

24. Financial instruments (continued)

(vi) Measurement of fair values

Fair value is the price the Group would receive to sell an asset or would have to pay to transfer a liability in an orderly (i.e., unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair value of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximize, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (i.e., the market with the greatest volume and level of activity for the asset or liability), or, in the absence of such a market, the most advantageous market available to the entity at reporting date (i.e. the market that maximizes the receipts from the sale of the asset or minimizes the payment made to transfer the liability, after taking into account transaction costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instrument, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and where significant, are detailed in the respective note to the financial statements.

Fair value hierarchy

When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability might be categorized in different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2024

24. Financial instruments (continued)

The following tables detail the Group's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy as detailed above, based on the lowest level of input that is significant to the entire fair value measurement.

Group - 2024	Level 1 \$M	Level 2 \$M	Level 3 \$M	Total \$M
<i>Assets</i>				
Forward foreign exchange contracts	-	-	-	-
Foreign exchange collars	-	-	-	-
Total assets	-	-	-	-
<i>Liabilities</i>				
Forward foreign exchange contracts	-	3.6	-	3.6
Foreign exchange collars	-	0.7	-	0.7
Deferred consideration	-	1.1	-	1.1
Contingent consideration	-	-	42.0	42.0
Total liabilities	-	5.4	42.0	47.4
Group - 2023				
	Level 1 \$M	Level 2 \$M	Level 3 \$M	Total \$M
<i>Assets</i>				
Forward foreign exchange contracts	-	-	-	-
Foreign exchange collars	-	-	-	-
Total assets	-	-	-	-
<i>Liabilities</i>				
Forward foreign exchange contracts	-	10.0	-	10.0
Foreign exchange collars	-	10.5	-	10.5
Deferred consideration	-	-	-	-
Contingent consideration	-	-	32.4	32.4
Total liabilities	-	20.5	32.4	52.9

Hedging instruments

The Group has recognized net liabilities measured at fair value in relation to derivative financial instruments (i.e. forward foreign exchange contracts and options - cash flow hedges). The derivative financial instruments are designated as financial assets and liabilities and deemed to be a Level 2 measurement of fair value.

Deferred consideration

The Group has recognized liabilities measured at fair value in relation to deferred consideration arising out of acquisitions made by the Group. The deferred consideration is designated as a financial liability and deemed to be a Level 2 measurement of fair value. As part of the assessment at each reporting date, the Group has considered a range of reasonably possible changes for key assumptions and has not identified instances that could cause the fair value of deferred consideration to change significantly.

Contingent consideration

The Group has recognized liabilities measured at fair value in relation to contingent consideration arising out of acquisitions made by the Group. The contingent consideration is designated as a financial liability and deemed to be a Level 3 measurement of fair value. It has been discounted accordingly based on estimated time to complete a number of milestones. As part of the assessment at each reporting date, the Group has considered a range of reasonably possible changes for key assumptions and has not identified instances that could cause the fair value of contingent consideration to change significantly. Changes in the fair value of contingent consideration after the acquisition date are recognized in profit or loss, unless the changes are measurement period adjustments.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2024

24. Financial instruments (continued)

A reconciliation of the movements in recurring fair value measurements allocated to Level 3 and the end of the measurement period of the hierarchy is provided below.

	2024	2023
	\$M	\$M
Opening balance 1 July	32.4	31.2
Change in fair value estimate ¹	(0.3)	(0.2)
Equity payments	(9.9)	(5.7)
Cash payments	(2.1)	(2.6)
Additions	21.8	7.2
Unwinding interest ¹	0.5	0.9
Foreign exchange differences ¹	(0.5)	1.6
Closing balance	42.0	32.4

¹The effect on profit or loss is due to change in fair value estimate, unwinding of earnout interest on acquisitions and a portion of foreign exchange, as indicated in the above reconciliation.

Key accounting estimates and judgments - contingent consideration

Contingent consideration is measured at fair value, which requires management to estimate the amount likely to be paid in the future and the timing of the payment, to assess the present value using appropriate discount rates. The determination of fair value involves judgment about the probability of an acquired business achieving certain performance milestones, which include both financial and non-financial results.

Financial risk management objectives and policies

The Group has exposure to the following risks arising from financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk.

(a) Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board is responsible for developing and monitoring the Group's risk management policies. The Board has delegated day-to-day responsibility for implementation of the risk management framework to the risk committee. The risk committee is a management committee comprising senior executives and is chaired by the CEO. The aim of the risk committee is to provide the Board with assurance that the major business risks are being identified and consistently assessed and that plans are in place to address risk.

The Group's risk management policies are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Board, in conjunction with the Board's Audit & Risk Committee, oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to risks faced by the Group.

Detailed work of the internal audit and risk management function is executed by internal resources and also by external service providers.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2024

24. Financial instruments (continued)

Financial risk management objectives and policies (continued)

(b) Credit risk

Credit risk is the risk of financial loss to the Group if a customer fails to meet its contractual obligations, and arises principally from the Group's receivables from customers.

The Group's standard payment and delivery terms and conditions are that payment is generally due within 30 days on receipt of any invoice and the preferred payment options are by direct debit from a bank account or credit card. No limits are used and the Group's receivables are carefully managed by the credit management team. This role includes establishing customer deposits (refer to note 14).

Trade receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base including the default risk of the industry and country in which customers operate.

The maximum exposure to credit risk at balance date to recognized financial assets, is the carrying amount, net of any provision for impairment of those assets, as disclosed in the Consolidated statement of financial position. These predominantly relate to trade receivables. Refer to note 10 for further details.

Cash and cash equivalents

The Group held cash and cash equivalents of \$121.7m at 30 June 2024 (FY23: \$143.0m).

(c) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. The Group manages liquidity risk by monitoring net cash balances, actual and forecasted operating cash flows and unutilized debt facilities.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2024

24. Financial instruments (continued)

Financial risk management objectives and policies (continued)

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts of contractual cash flows are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

2024	Carrying amount \$M	Total \$M	Contractual cash flow	
			Less than 1 year \$M	1 - 5 years \$M
Financial liabilities				
Bank loans	80.0	(97.9)	(4.3)	(93.6)
Contingent consideration ¹	31.7	(33.5)	(12.3)	(21.2)
Deferred consideration	1.1	(1.1)	(1.1)	-
Lease liabilities	24.5	(27.3)	(11.6)	(15.7)
Trade payables	51.6	(51.6)	(51.6)	-
Other payables and accrued expenses	31.2	(31.2)	(31.2)	-
Other liabilities	140.3	(141.2)	(114.6)	(26.6)
Total	360.4	(383.8)	(226.7)	(157.1)

¹The total carrying value of contingent consideration is \$42.0m, which includes \$10.3m to be settled for an equivalent value of shares once milestones are achieved and become payable and \$31.7m in the table above, which will be cash settled.

2023	Carrying amount \$M	Total \$M	Contractual cash flow	
			Less than 1 year \$M	1 - 5 years \$M
Financial liabilities				
Bank loans	225.0	(227.2)	(227.2)	-
Contingent consideration ²	11.8	(12.7)	(3.4)	(9.3)
Lease liabilities	31.4	(33.8)	(11.8)	(22.0)
Trade payables	48.3	(48.3)	(48.3)	-
Other payables and accrued expenses	37.2	(37.2)	(37.2)	-
Other liabilities	146.5	(147.4)	(124.1)	(23.4)
Total	500.2	(506.6)	(452.0)	(54.7)

²The total carrying value of contingent consideration is \$32.4m, which includes \$20.6m to be settled for an equivalent value of shares once milestones are achieved and become payable and \$11.8m in the table above, which will be cash settled.

Bank debt facilities

Refer to note 15 Borrowings for further details.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2024

24. Financial instruments (continued)

Financial risk management objectives and policies (continued)

Finance costs are broken down as follows:

	2024	2023
	\$M	\$M
Unwinding interest on contingent consideration	1.2	1.0
Re-assessment of interest unwind on contingent consideration	(0.7)	-
Unwinding interest on lease liabilities	1.1	1.2
Lease liability interest capitalized to intangible assets	(0.3)	(0.3)
Interest expense and facility fees	12.6	4.4
Loss on net monetary position due to hyperinflationary economy	2.3	1.4
Other	0.8	(0.7)
Total finance costs	16.9	7.1

(d) Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates, interest rates and equity prices will adversely affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The source and nature of this risk arise from operations and translation risks.

The Company's reporting currency is Australian dollars. However, international operations give rise to an exposure to changes in foreign exchange rates as the majority of revenue from outside Australia is denominated in currencies other than Australian dollars, most significantly US dollars and Euros.

The Group has exposures surrounding foreign currencies due to non-functional currency transactions within operations in overseas jurisdictions.

As at 30 June 2024, the Group has hedged approximately 20% for the next 12 months of its estimated foreign currency exposure in respect of forecasted sales. The Group uses forward exchange contracts and foreign currency collars to hedge its currency risk. These instruments are generally designated as cash flow hedges.

The Group's policy is for the critical terms of the foreign exchange instruments to align with the hedged item.

The Group determines the existence of an economic relationship between the hedging instrument and hedged item based on the currency, amount and timing of their respective cash flows. The Group assesses whether the derivative designated in each hedging relationship is expected to be and has been effective in offsetting changes in cash flows of the hedged item using the hypothetical derivative method.

In these hedged relationships, the main sources of the ineffectiveness are the effect of the counterparties and the Group's own credit risk on the fair value of the foreign exchange instruments, which is not reflected in the change in the fair value of the hedged cash flows attributable to the change in exchange rates; and changes in the timing of the hedged transactions.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2024

24. Financial instruments (continued)

Financial risk management objectives and policies (continued)

Details of total outstanding cash flow hedges are as below:

30 June 2024		Contract value LC ¹ (Millions)	Asset AUD (Millions)	Liability AUD (Millions)
	Average exchange rates			
Forward foreign exchange contracts				
EUR				
Up to 1 year	0.6352	11.2	-	(0.5)
1 - 5 years	0.6176	0.6	-	-
Total		11.9	-	(0.5)
USD				
Up to 1 year	0.6804	92.3	-	(3.0)
1 - 5 years	0.6772	5.1	-	(0.1)
Total		97.4	-	(3.1)
	Average put rates	Average call rates		
Foreign exchange collars				
EUR				
Up to 1 year	0.5894	0.6302	1.9	-
1 - 5 years	-	-	-	-
Total			1.9	-
USD				
Up to 1 year	0.6772	0.7102	16.8	(0.7)
1 - 5 years	-	-	-	-
Total			16.8	(0.7)
30 June 2023				
	Average exchange rates			
Forward foreign exchange contracts				
EUR				
Up to 1 year	0.6438	15.8	-	(1.4)
1 - 5 years	0.6347	11.6	-	(1.0)
Total		27.4	-	(2.4)
USD				
Up to 1 year	0.6937	82.9	-	(5.0)
1 - 5 years	0.6803	96.0	-	(2.6)
Total		178.9	-	(7.6)
	Average put rates	Average call rates		
Foreign exchange collars				
EUR				
Up to 1 year	0.5860	0.6350	11.1	(0.1)
1 - 5 years	0.5860	0.6350	1.3	(0.1)
Total			12.4	(0.2)
USD				
Up to 1 year	0.6925	0.7310	124.0	(9.6)
1 - 5 years	0.6823	0.7250	11.2	(0.7)
Total			135.2	(10.3)

¹LC - Local currency

Variance analysis - FY24

A reasonably possible strengthening (weakening) of the USD or EUR weighted average exchange rate against AUD at 30 June 2024 would have affected the measurement of financial instruments denominated in a foreign currency and affected equity by the amounts shown below. This analysis assumes hedge designations as at 30 June 2024 remain unchanged and that all designations are effective.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2024

24. Financial instruments (continued)

Financial risk management objectives and policies (continued)

Forward contracts	foreign exchange	Average exchange rate	Average exchange rate		Effect on equity (pre-tax)		Profit (pre-tax)	
			+10%	-10%	Change (+10%) AUD (Millions)	Change (-10%) AUD (Millions)	Change (+10%) AUD (Millions)	Change (-10%) AUD (Millions)
AUD / EUR		0.6343	0.6977	0.5708	0.1	(0.1)	-	-
AUD / USD		0.6803	0.7483	0.6122	0.3	(0.3)	-	-

Variance analysis - FY23

A reasonably possible strengthening (weakening) of the USD or EUR weighted average exchange rate against AUD at 30 June 2023, with all other variables held constant would have affected the measurement of financial instruments denominated in a foreign currency and affected equity by the amounts shown below. This analysis assumes hedge designations as at 30 June 2023 remain unchanged and that all designations are effective.

Forward contracts	foreign exchange	Average exchange rate	Average exchange rate		Effect on equity (pre-tax)		Profit (pre-tax)	
			+10%	-10%	Change (+10%) AUD (Millions)	Change (-10%) AUD (Millions)	Change (+10%) AUD (Millions)	Change (-10%) AUD (Millions)
AUD / EUR		0.6399	0.7039	0.5760	0.2	(0.3)	-	-
AUD / USD		0.6864	0.7551	0.6178	0.7	(0.8)	-	-

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2024

24. Financial instruments (continued)

Financial risk management objectives and policies (continued)

A reasonably possible strengthening (weakening) of the USD or EUR against all other currencies at 30 June 2024 would have affected the measurement of financial instruments denominated in a foreign currency and affected profit or loss and equity by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

	<u>30 June 2024</u> LC (Millions)	<u>Profit or loss (pre-tax)</u>		<u>Equity</u>	
		<u>Change (+10%)</u> LC (Millions)	<u>Change (-10%)</u> LC (Millions)	<u>Change (+10%)</u> LC (Millions)	<u>Change (-10%)</u> LC (Millions)
USD					
Net trade receivables/(payables) exposure	29.3	(2.7)	3.0	-	-
EUR					
Net trade receivables/(payables) exposure	4.0	(0.4)	0.4	-	-
		<u>Profit or loss (pre-tax)</u>		<u>Equity</u>	
	<u>30 June 2023</u> LC (Millions)	<u>Change (+10%)</u> LC (Millions)	<u>Change (-10%)</u> LC (Millions)	<u>Change (+10%)</u> LC (Millions)	<u>Change (-10%)</u> LC (Millions)
USD					
Net trade receivables/(payables) exposure	27.4	(2.5)	3.0	-	-
EUR					
Net trade receivables/(payables) exposure	4.0	(0.4)	0.4	-	-

LC - Local currency

Interest rate risk and cash flow sensitivity

At 30 June 2024, the Group held interest bearing financial liabilities (i.e., bank loans) of \$80.0m (FY23: \$225.0m) and held interest bearing financial assets (i.e. cash and short-term deposits) of \$121.7m (FY23: \$143.0m).

A reasonably possible increase of 100 basis points in interest rates at the reporting date would have increased the net profit after tax by \$0.3m (FY23: decrease by \$0.6m). A reasonably possible decrease of 100 basis points in interest rates at the reporting date would have decreased the net profit after tax by \$0.3m (FY23: increase by \$0.6m). This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2024

25. Group information

Parent entity	Country of incorporation	% Equity interest	
WiseTech Global Limited	Australia		
Subsidiaries	Country of incorporation	2024	2023
Candent Australia Pty Ltd	Australia	100.0	100.0
Container Chain Pty Ltd	Australia	100.0	100.0
Containerchain Australia Holdings Pty Ltd	Australia	100.0	100.0
Containerchain Australia Pty Ltd	Australia	100.0	100.0
Containerchain Unit Trust	Australia	100.0	100.0
IFS Global Holdings Pty Ltd ¹	Australia	-	100.0
Interactive Freight Systems Pty Ltd ¹	Australia	-	100.0
Matchbox Exchange Pty Ltd ²	Australia	100.0	-
Maximas Pty Ltd ¹	Australia	-	100.0
Micrologistics Pty Ltd	Australia	100.0	100.0
Translogix (Australia) Pty Ltd ¹	Australia	-	100.0
WiseTech Academy Pty Ltd	Australia	100.0	100.0
WiseTech Global (Australia) Pty Ltd	Australia	100.0	100.0
WiseTech Global (Europe) Holdings Pty Ltd	Australia	100.0	100.0
WiseTech Global (Financing) Pty Ltd	Australia	100.0	100.0
WiseTech Global (Holdings 2) Pty Ltd	Australia	100.0	100.0
WiseTech Global (Licensing) Pty Ltd	Australia	100.0	100.0
WiseTech Global (Trading) Pty Ltd	Australia	100.0	100.0
WiseTech Global Holdings Pty Ltd	Australia	100.0	100.0
WiseTech Global Limited Employee Share Trust	Australia	100.0	100.0
WiseTech Global (Argentina) S.A.U.	Argentina	100.0	100.0
Intris N.V.	Belgium	100.0	100.0
CargoWise Brasil Soluções em Sistemas Ltda	Brazil	100.0	100.0
Envase Canada ULC ¹	Canada	100.0	-
Infosite Technologies Inc. ^{1,5}	Canada	-	100.0
Tailwind Software Holdings Ltd ^{1,5}	Canada	-	100.0
WiseTech Global (CA) Ltd	Canada	100.0	100.0
Softcargo Chile SpA	Chile	100.0	100.0
WiseTech Global (China) Information Technology Ltd	China	100.0	100.0
Aktiv Data OY AB ²	Finland	100.0	-
Blume France Sàrl ⁶	France	100.0	100.0
EasyLog SAS	France	100.0	100.0
CargoWise GmbH	Germany	100.0	100.0
Containerchain Germany GmbH	Germany	100.0	100.0
Softship GmbH (formerly Softship AG)	Germany	100.0	100.0
Znet group GmbH	Germany	100.0	100.0
Blume Global Hong Kong Limited ⁶	Hong Kong	100.0	100.0
Bolero.Net Ltd ^{1,3}	Hong Kong	-	100.0
WiseTech Global (HK) Ltd	Hong Kong	100.0	100.0
Blume Global India Private Limited ⁶	India	100.0	100.0
Matchbox Container Logistics Private Ltd ²	India	100.0	-
WiseTech Global (India) Private Limited	India	100.0	100.0
ABM Data Systems Ltd	Ireland	100.0	100.0
Cargo Community Systems Ltd	Ireland	100.0	100.0
CargoWise (Ireland) Ltd	Ireland	100.0	100.0
A.C.O. Informatica S.r.l.	Italy	100.0	100.0
EXA-System Co., Ltd	Japan	100.0	100.0
WiseTech Global (Japan) K.K.	Japan	100.0	100.0
Containerchain (Malaysia) Sdn Bhd	Malaysia	100.0	100.0
Maxfame Technologies Sdn Bhd	Malaysia	100.0	100.0

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2024

25. Group information (continued)

Subsidiaries	Country of incorporation	% Equity interest	
		2024	2023
Sistemas Casa, S.A. de C.V. ²	Mexico	100.0	-
Cargoguide International B.V.	Netherlands	100.0	100.0
Containerchain Netherlands B.V.	Netherlands	100.0	100.0
LSP Solutions B.V.	Netherlands	100.0	100.0
Containerchain New Zealand Ltd	New Zealand	100.0	100.0
Matchbox Exchange Limited ²	New Zealand	100.0	-
WiseTech Global (NZ) Ltd	New Zealand	100.0	100.0
Systema AS	Norway	100.0	100.0
Softship Inc.	Philippines	100.0	100.0
Bolero.net Singapore Pte Ltd ^{1,3}	Singapore	-	100.0
Candent Singapore Pte Ltd	Singapore	100.0	100.0
Containerchain (Singapore) Pte Ltd	Singapore	100.0	100.0
Containerchain Global Holdings Pte Ltd	Singapore	100.0	100.0
MatchboxExchange Pte. Ltd. ²	Singapore	100.0	-
Softship Dataprocessing Pte Ltd	Singapore	100.0	100.0
WiseTech Global (SG) Pte Ltd	Singapore	100.0	100.0
Compu-Clearing (Pty) Ltd	South Africa	100.0	100.0
Compu-Clearing Drome Road Property (Pty) Ltd ¹	South Africa	-	100.0
Compu-Clearing Outsourcing (Pty) Ltd	South Africa	100.0	100.0
Core Freight Systems (Pty) Ltd	South Africa	100.0	100.0
Drome Road Share Block (Pty) Ltd ¹	South Africa	-	100.0
Wisetechglobal (Pty) Ltd	South Africa	100.0	100.0
ReadyKorea Co Ltd	South Korea	100.0	100.0
WiseTech Global LLC	South Korea	100.0	100.0
Taric Canarias, S.A.U.	Spain	100.0	100.0
Taric Trans, S.L.U.	Spain	100.0	100.0
Taric, S.A.U.	Spain	100.0	100.0
CargoIT i Skandinavien AB	Sweden	100.0	100.0
Inobiz AB	Sweden	100.0	100.0
X Ware Aktiebolag	Sweden	100.0	100.0
Blume Switzerland Ltd ⁶	Switzerland	100.0	100.0
Sisa Studio Informatica SA	Switzerland	100.0	100.0
WiseTech Global (Taiwan) Ltd	Taiwan	100.0	100.0
Containerchain (Thailand) Co Ltd ¹	Thailand	-	100.0
Ulukom Bilgisayar Yazılım Donanım Danışmanlık ve Ticaret Limited Şirket	Türkiye	100.0	100.0
WiseTech Global FZ-LLC	UAE	100.0	100.0
Blume Services UK Limited ^{1,6}	UK	-	100.0
Bolero International Limited ³	UK	100.0	100.0
Bolero.net Limited ³	UK	100.0	100.0
Pierbridge Limited	UK	100.0	100.0
Shipamax Ltd ⁴	UK	100.0	100.0
WiseTech Global (International) Ltd	UK	100.0	100.0
WiseTech Global (UK) Ltd	UK	100.0	100.0
Bolero.net Inc. ^{1,3}	USA	-	100.0
Blume Global, Inc. ⁶	USA	100.0	100.0
Dray Master Holdings, LLC ^{1,5}	USA	-	100.0
Envase Holdings, LLC ^{1,5}	USA	-	100.0
Compcare Services, LLC ^{1,5}	USA	-	100.0
GTG Technology Group, LLC ^{1,5}	USA	-	100.0
Profit Tools, LLC ^{1,5}	USA	-	100.0
SecurSpace Holdings, LLC ⁵	USA	100.0	100.0
Shipamax Inc ⁴	USA	100.0	100.0
Transport Software Solutions, LLC ^{1,5}	USA	-	100.0
WiseTech Global (US) Inc.	USA	100.0	100.0
Eyalir S.A.	Uruguay	100.0	100.0

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2024

25. Group information (continued)

Subsidiaries	Country of incorporation	% Equity interest	
		2024	2023
Ilun S.A.	Uruguay	100.0	100.0

¹Entity de-registered, merged or amalgamated in FY24

²Entity for which control has been gained in FY24

³Entity for which control has been gained through Bolero acquisition in FY23. Bolero Shanghai was acquired and deregistered in FY23.

⁴Entity for which control has been gained through Shipamax acquisition in FY23

⁵Entity for which control has been gained through Envase acquisition in FY23. Compcare Services Holdings, LLC and GTG Technology Group Holdings, LLC were acquired and merged with WiseTech Global (US) Inc. in FY23

⁶Entity for which control has been gained through Blume acquisition in FY23

26. Deed of Cross Guarantee

Pursuant to the relief provided under ASIC Corporations (Wholly-owned Companies) Instrument 2016/785, wholly-owned subsidiaries listed below are relieved from the *Corporations Act 2001* requirements for preparation, audit and lodgment of financial reports, and Directors' reports.

In order to receive the benefit of the relief provided under the Instrument, the Company and each subsidiary must be a party to the Deed of Cross Guarantee. The effect of the Deed of Cross Guarantee is that each party guarantees to each creditor of each other party, payment in full of any debt in the event of winding up of another party to the Deed of Cross Guarantee under certain provisions of the *Corporations Act 2001*.

Details of entities entering and exiting the Deed of Cross Guarantee, which represent a 'Closed Group' for the purposes of the Instrument are as follows:

Parent entity	Assumption date	Revocation date
WiseTech Global Limited	20 Jun 2017	-
Subsidiary entities		
Microlistics International Pty Ltd	15 Jun 2018	5 Dec 2020
Microlistics Pty Ltd	15 Jun 2018	5 Feb 2024
Translogix (Australia) Pty Ltd	6 Jun 2019	12 Oct 2022
WiseTech Academy Pty Ltd	6 Jun 2019	-
WiseTech Global (Australia) Pty Ltd	20 Jun 2017	-
WiseTech Global (Europe) Holdings Pty Ltd	6 Jun 2019	-
WiseTech Global (Financing) Pty Ltd	6 Jun 2019	-
WiseTech Global (Licensing) Pty Ltd	15 Jun 2018	-
WiseTech Global Holdings Pty Ltd	5 May 2021	-
WiseTech Global (Holdings 2) Pty Ltd	5 May 2021	-
WiseTech Global (Trading) Pty Ltd	20 Jun 2017	-

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2024

26. Deed of Cross Guarantee (continued)

The Consolidated statement of profit or loss and other comprehensive income and Consolidated statement of financial position of the entities that are members of the Closed Group, after eliminating all transactions between members of the Closed Group, are as follows:

	Closed Group	
	2024	2023
	\$M	\$M
Revenue	734.3	597.3
Intercompany revenue	42.3	27.4
Total revenue	776.6	624.7
Cost of revenues	(64.5)	(59.4)
Gross profit	712.1	565.3
Product design and development	(109.6)	(86.0)
Sales and marketing	(28.2)	(24.4)
General and administration	(251.1)	(175.2)
Total operating expenses	(388.9)	(285.5)
Operating profit	323.2	279.8
Finance income	4.6	13.0
Finance costs	(17.0)	(5.3)
Fair value gain on contingent consideration	0.3	0.2
Net finance (costs)/income	(12.2)	7.8
Profit before income tax	311.0	287.6
Income tax expense	(86.8)	(85.2)
Net profit after income tax	224.2	202.4
Retained earnings at the beginning of the period	572.0	418.8
Retained earnings of entities exited from the Closed Group	0.4	1.3
Net profit for the period	224.2	202.4
Dividends declared and paid	(53.6)	(42.6)
Vesting of share rights	(7.2)	(7.9)
Retained earnings at the end of the period	736.0	572.0

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2024

26. Deed of Cross Guarantee (continued)

	Closed Group	
	2024	2023
	\$M	\$M
Assets		
Current assets		
Cash and cash equivalents	18.4	11.3
Trade and other receivables	76.5	64.9
Other current assets	22.9	20.4
Intercompany receivables	11.5	5.0
Total current assets	129.3	101.6
Non-current assets		
Investments in subsidiaries	2,003.6	1,858.9
Intangible assets	482.6	379.0
Property, plant and equipment	30.2	33.6
Other non-current assets	5.5	6.8
Total non-current assets	2,522.0	2,278.3
Total assets	2,651.3	2,379.9
Liabilities		
Current liabilities		
Trade and other payables	35.4	37.9
Derivative financial instruments	4.2	16.2
Deferred revenue	14.9	10.6
Lease liabilities	3.5	3.7
Employee benefits	23.8	21.5
Intercompany payables	21.9	16.0
Intercompany loans	85.2	8.0
Other current liabilities	83.9	58.5
Borrowings	-	225.0
Current tax liabilities	5.8	5.4
Total current liabilities	278.6	402.8
Non-current liabilities		
Borrowings	80.0	-
Employee benefits	12.9	5.7
Deferred tax liabilities	122.7	99.9
Derivative financial instruments	0.1	4.2
Lease liabilities	5.7	9.8
Other non-current liabilities	31.1	20.1
Total non-current liabilities	252.6	139.8
Total liabilities	531.2	542.6
Net assets	2,120.2	1,837.3
Equity		
Share capital	1,362.4	1,254.7
Retained earnings	736.0	572.0
Reserves	21.8	10.6
Total equity	2,120.2	1,837.3

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2024

27. Parent entity information

As at, and throughout the financial year ended, 30 June 2024, the parent entity of the Group was WiseTech Global Limited.

	2024	2023
	\$M	\$M
Result of parent entity		
Net profit after income tax	204.2	121.7
Total comprehensive income, net of tax	204.2	121.7
	2024	2023
	\$M	\$M
Financial position of parent entity at year end		
Current assets	282.9	1,366.6
Total assets	2,430.9	2,142.7
Current liabilities	380.3	421.0
Total liabilities	482.2	447.5
Net assets	1,948.7	1,695.2
	2024	2023
	\$M	\$M
Total equity of parent entity comprising:		
Share capital	1,362.4	1,254.7
Treasury share reserve	(149.0)	(118.8)
Acquisition reserve	(70.3)	(70.3)
Share-based payment reserve	125.1	92.7
Retained earnings	680.5	537.0
Total equity	1,948.7	1,695.2

(a) Parent entity contingent liabilities

The parent entity has provided guarantees for the future settlement of a portion of contingent consideration (cash and shares) recognized in subsidiaries of the Group. There are no other contingent liabilities as at 30 June 2024 (FY23: nil).

(b) Parent entity capital commitments for acquisition of property, plant and equipment

The parent entity has capital commitments of \$0.2m as at 30 June 2024 (FY23: \$1.4m).

(c) Parent entity guarantees in respect of the debts of its subsidiaries

The parent entity has entered into a Deed of Cross Guarantee. Refer to note 26 for further details. The parent entity has not provided any material bank guarantees as at 30 June 2024 (FY23: \$nil).

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2024

28. Other policies and disclosures

(a) Principles of consolidation

The Consolidated financial statements incorporate all of the assets, liabilities and results of WiseTech Global Limited and all of the subsidiaries. Subsidiaries are entities controlled by the Group. The Group controls an entity when it 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 over the entity.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. When the Group loses control over a subsidiary, it derecognizes the assets and liabilities of the subsidiary, and any related non-controlling interest and other components of equity. Any resulting gain or loss is recognized in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Intercompany transactions, balances and unrealized gains or losses on transactions between Group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

(b) Foreign currency transactions and balances

Transactions and balances

Foreign currency transactions are translated into the functional currency, using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the exchange rate at the reporting date. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value in a foreign currency are translated to the functional currency at the exchange rate when fair values were determined.

Exchange differences arising on the translation of monetary items are recognized in profit or loss, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognized directly in other comprehensive income to the extent that the underlying gain or loss is recognized in other comprehensive income; otherwise, the exchange difference is recognized in profit or loss.

Group companies

The financial results and position of foreign operations whose functional currency is different from the Group's presentation currency are translated as follows:

- Assets and liabilities including goodwill and fair value adjustments arising on acquisition are translated at exchange rates prevailing at the reporting date;
- Income and expenses are translated at average exchange rates for the period; and
- Retained earnings are translated at the exchange rates prevailing at the date of the transactions.

Exchange differences arising on translation of foreign operations with functional currencies other than Australian dollars are recognized in other comprehensive income and included in the foreign currency translation reserve in the Consolidated statement of financial position. The cumulative amount of these differences is reclassified into profit or loss in the period in which the operation is disposed of.

Currency of hyperinflationary economy

If the functional currency of a foreign operation is the currency of a hyperinflationary economy, then its financial information is first adjusted to reflect the purchasing power at the current reporting date and then translated into the presentation currency, using the exchange rate at the current reporting date.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2024

28. Other policies and disclosures (continued)

(c) Provisions

Provisions are recognized when the Group has a legal or constructive obligation as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as a finance cost.

(d) Standards issued but not yet effective

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 July 2024 and have not been applied in preparing these Consolidated financial statements.

The following amended standards and interpretations are not expected to have a significant impact on the Group's Consolidated financial statements:

- Amendments to Australian Accounting Standards (AAS) - Supplier finance arrangements (AASB 2023-1);
- Amendments to AAS - Classification of liabilities as current and non-current (AASB 2020-1, AASB 2020-6);
- Amendments to AAS - Non current liabilities with covenants and its disclosure (AASB 2022-6, AASB 2023-3);
- Amendments to AAS - Lease liability in a sale and leaseback (AASB 2022-5);
- Amendments to AAS - Lack of exchangeability (AASB 2023-5); and
- AASB 18 Presentation and disclosure in financial statements.

(e) Commitments and contingencies

Capital commitments

The Group has \$5.7m of capital commitments as at 30 June 2024 (FY23: \$3.1m)

Guarantees

The Group has not provided for any material guarantees at 30 June 2024 (FY23: nil).

Contingent assets and contingent liabilities

There were no contingent assets or liabilities that have been recognized by the Group as at 30 June 2024 (FY23: nil).

(f) Events after reporting period

Dividend

Since the period end, the Directors have declared a fully franked final dividend of 9.2 cents per share, payable on 4 October 2024. The dividend will be recognized in subsequent financial statements.

Acquisitions

On 1 July 2024, the Group completed the acquisition of a 100% interest in Singeste - Sistemas de Informática, Lda, a leading developer of IT solutions for the customs sector in Portugal. Total upfront and contingent consideration for the acquisition is expected to be \$4.0m, net of cash acquired. Transaction costs of \$0.3m were incurred by the Group, \$0.3m being recognized in FY24. The acquired business generated revenue and EBITDA of \$0.5m and \$0.1m respectively for the 12 months ended 31 December 2023. This transaction while of strategic value, is not material to the Group.

Consolidated entity disclosure statement (CEDS)

as at 30 June 2024

Outlined below is the Group's consolidated entity disclosure statement as at 30 June 2024 prepared in accordance with the *Corporations Act 2001* (Cth). Unless otherwise indicated, no entities are trustees, partners or participants in joint ventures.

Entity name (all represent body corporates unless otherwise noted)	Country of incorporation	Australian or foreign resident	Country of tax residence	Percent held (%)
WiseTech Global Limited	Australia	Australian	Australia	N/A
Candent Australia Pty Ltd	Australia	Australian	Australia	100
Container Chain Pty Ltd ¹	Australia	Australian	Australia	100
Containerchain Australia Holdings Pty Ltd	Australia	Australian	Australia	100
Containerchain Australia Pty Ltd	Australia	Australian	Australia	100
Containerchain Unit Trust ²	N/A	Australian	Australia	N/A
Matchbox Exchange Pty Ltd	Australia	Australian	Australia	100
Microlistics Pty Ltd	Australia	Australian	Australia	100
WiseTech Academy Pty Ltd	Australia	Australian	Australia	100
WiseTech Global (Australia) Pty Ltd	Australia	Australian	Australia	100
WiseTech Global (Europe) Holdings Pty Ltd	Australia	Australian	Australia	100
WiseTech Global (Financing) Pty Ltd	Australia	Australian	Australia	100
WiseTech Global (Holdings 2) Pty Ltd	Australia	Australian	Australia	100
WiseTech Global (Licensing) Pty Ltd	Australia	Australian	Australia	100
WiseTech Global (Trading) Pty Ltd	Australia	Australian	Australia	100
WiseTech Global Holdings Pty Ltd	Australia	Australian	Australia	100
WiseTech Global Limited Employee Share Trust ²	N/A	Australian	Australia	N/A
WiseTech Global (Argentina) S.A.U.	Argentina	Foreign	Argentina	100
Intris N.V.	Belgium	Foreign	Belgium	100
CargoWise Brasil Soluções em Sistemas Ltda	Brazil	Foreign	Brazil	100
Envase Canada ULC	Canada	Foreign	Canada	100
WiseTech Global (CA) Ltd	Canada	Foreign	Canada	100
Softcargo Chile SpA	Chile	Foreign	Chile	100
WiseTech Global (China) Information Technology Ltd	China	Foreign	China	100
Aktiv Data OY Ab	Finland	Foreign	Finland	100
Blume France Sàrl	France	Foreign	France	100
EasyLog SAS	France	Foreign	France	100
CargoWise GmbH	Germany	Foreign	Germany	100
Containerchain Germany GmbH	Germany	Foreign	Germany	100
Softship GmbH	Germany	Foreign	Germany	100
Znet Group GmbH	Germany	Foreign	Germany	100
Blume Global Hong Kong Limited ³	Hong Kong	Australian	Australia	100
WiseTech Global (HK) Ltd	Hong Kong	Foreign	Hong Kong	100
Blume Global India Private Limited	India	Foreign	India	100
Matchbox Container Logistics Private Ltd	India	Foreign	India	100
WiseTech Global (India) Private Limited	India	Foreign	India	100
ABM Data Systems Ltd	Ireland	Foreign	Ireland	100
Cargo Community Systems Ltd	Ireland	Foreign	Ireland	100
CargoWise (Ireland) Ltd ³	Ireland	Australian	Australia	100
A.C.O. Informatica S.r.l.	Italy	Foreign	Italy	100
EXA-System Co., Ltd	Japan	Foreign	Japan	100
WiseTech Global (Japan) K.K.	Japan	Foreign	Japan	100
Containerchain (Malaysia) Sdn Bhd	Malaysia	Foreign	Malaysia	100
Maxfame Technologies Sdn Bhd ³	Malaysia	Australian	Australia	100
Sistemas Casa, S.A. de C.V.	Mexico	Foreign	Mexico	100
Cargoguide International B.V.	Netherlands	Foreign	Netherlands	100
Containerchain Netherlands B.V. ³	Netherlands	Australian	Australia	100
LSP Solutions B.V.	Netherlands	Foreign	Netherlands	100

Consolidated entity disclosure statement (CEDS) (continued)

Entity name (all represent body corporates unless otherwise noted)	Country of incorporation	Australian or foreign resident	Country of tax residence	Percent held (%)
Containerchain New Zealand Ltd	New Zealand	Foreign	New Zealand	100
Matchbox Exchange Ltd	New Zealand	Foreign	New Zealand	100
WiseTech Global (NZ) Ltd	New Zealand	Foreign	New Zealand	100
Systema AS	Norway	Foreign	Norway	100
Softship Inc.	Philippines	Foreign	Philippines	100
Candent Singapore Pte Ltd ³	Singapore	Australian	Australia	100
Containerchain (Singapore) Pte Ltd	Singapore	Foreign	Singapore	100
Containerchain Global Holdings Pte Ltd ³	Singapore	Australian	Australia	100
MatchboxExchange Pte Ltd	Singapore	Foreign	Singapore	100
Softship Dataprocessing Pte Ltd	Singapore	Foreign	Singapore	100
WiseTech Global (SG) Pte Ltd	Singapore	Foreign	Singapore	100
Compu-Clearing (Pty) Ltd ³	South Africa	Australian	Australia	100
Compu-Clearing Outsourcing (Pty) Ltd ³	South Africa	Australian	Australia	100
Core Freight Systems (Pty) Ltd ³	South Africa	Australian	Australia	100
Wisetechnical (Pty) Ltd	South Africa	Foreign	South Africa	100
ReadyKorea Co Ltd	South Korea	Foreign	South Korea	100
WiseTech Global LLC ³	South Korea	Australian	Australia	100
Taric Canarias, S.A.U.	Spain	Foreign	Spain	100
Taric Trans, S.L.U.	Spain	Foreign	Spain	100
Taric, S.A.U.	Spain	Foreign	Spain	100
CargolT i Skandinavien AB	Sweden	Foreign	Sweden	100
Inobiz AB	Sweden	Foreign	Sweden	100
X Ware Aktiebolag	Sweden	Foreign	Sweden	100
Blume Switzerland Ltd	Switzerland	Foreign	Switzerland	100
Sisa Studio Informatica SA	Switzerland	Foreign	Switzerland	100
WiseTech Global (Taiwan) Ltd	Taiwan	Foreign	Taiwan	100
Ulukom Bilgisayar Yazılım Donanım Danışmanlık ve Ticaret Limited Şirket	Türkiye	Foreign	Türkiye	100
WiseTech Global FZ-LLC	UAE	Foreign	UAE	100
Bolero International Limited	UK	Foreign	UK	100
Bolero.net Limited ³	UK	Australian	Australia	100
Pierbridge Limited	UK	Foreign	UK	100
Shipamax Ltd	UK	Foreign	UK	100
WiseTech Global (International) Ltd	UK	Foreign	UK	100
WiseTech Global (UK) Ltd	UK	Foreign	UK	100
Eyalir S.A.	Uruguay	Foreign	Uruguay	100
Ilun S.A. ³	Uruguay	Australian	Australia	100
Blume Global Inc.	USA	Foreign	USA	100
SecureSpace Holdings, LLC	USA	Foreign	USA	100
Shipamax Inc. ³	USA	Australian	Australia	100
WiseTech Global (US) Inc.	USA	Foreign	USA	100

¹Trustee of Containerchain Unit Trust.

²Trust.

³These companies are dormant or holding companies with nil turnover or no material transactions in the financial year.

Consolidated entity disclosure statement (CEDS) (continued)

Key assumptions and Judgments

Determination of Tax Residency

Section 295(3A) of the Corporations Act 2001 requires that the tax residency of each entity which is included in the Consolidated Entity Disclosure Statement (CEDS) be disclosed.

The determination of tax residency involves judgment. In determining tax residency, the consolidated entity has applied current Australian and foreign legislation and any judicial precedent relevant to the interpretation of that legislation.

In the context of an entity which was an Australian resident, "Australian resident" has the meaning provided in the *Income Tax Assessment Act 1997*. The consolidated entity has also had regard to the Commissioner of Taxation's public guidance.

Trusts

Australian tax law does not contain specific residency tests for trusts. Generally, these entities are taxed on a flow-through basis so there is no need for a general residence test. There are some provisions which treat trusts as residents for certain tax purposes, but this does not mean the trust itself is an entity that is subject to tax.

Directors' declaration

In accordance with a resolution of the Directors of WiseTech Global Limited, we state that:

1. In the opinion of the Directors:
 - (a) the consolidated financial statements and notes that are set out on pages 35 to 96 and the Remuneration report on pages 7 to 26 in the report are in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2024 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
 - (b) the Consolidated entity disclosure statement as at 30 June 2024 set out on pages 97 to 99 is true and correct; and
 - (c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
2. There are reasonable grounds to believe that the Company and the Group entities identified in note 26 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 Group entities pursuant to ASIC Corporations (Wholly-owned Companies) Instrument 2016/785.
3. This declaration has been made after receiving the declarations required to be made to the Directors by the chief executive officer and chief financial officer in accordance with section 295A of the *Corporations Act 2001* for the financial year ended 30 June 2024.
4. The Directors draw attention to note 2 to the consolidated financial statements, which includes a statement of compliance with the International Financial Reporting Standards.

On behalf of the Board



Richard Dammary
Chair
21 August 2024



Richard White
Executive Director, Founder and CEO
21 August 2024



Independent Auditor's Report

To the shareholders of WiseTech Global Limited

Report on the audit of the Financial Report

Opinion

We have audited the **Financial Report** of WiseTech Global Limited (the Company).

In our opinion, the accompanying Financial Report of the Company gives a true and fair view, including of the **Group's** financial position as at 30 June 2024 and of its financial performance for the year ended, in accordance with the *Corporations Act 2001*, in compliance with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The **Financial Report** comprises:

- Consolidated statement of financial position as at 30 June 2024
- Consolidated statement of profit or loss and other comprehensive income, Consolidated statement of changes in equity, and Consolidated statement of cash flows for the year then ended
- Notes, including material accounting policies
- Consolidated entity disclosure statement and accompanying basis of preparation as at 30 June 2024
- Directors' Declaration.

The **Group** consists of the Company and the entities it controlled at the year end or from time to time during the financial year.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 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 fulfilled our other ethical responsibilities in accordance with these requirements.

Key Audit Matters

The **Key Audit Matters** we identified are:

- Recognition of revenue;
- Capitalisation of software development costs;
- Business combinations

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Report of the current period.

These matters were addressed in the context of our audit of the Financial Report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



Recognition of revenue (\$1,041.7m)	
Refer to Note 3 'Revenue' of the financial report	
The key audit matter	How the matter was addressed in our audit
<p>The recognition of revenue is a key audit matter due to:</p> <ul style="list-style-type: none"> • The significance of revenue to the financial statements; • Key recurring on-demand revenue recognised based on customer usage of the software is determined by the Group with reference to number of users and transactions, price lists and complex discount structures. It involves high volumes of customer transaction data recorded using an automated billing system. Auditing the revenue recognised based on this transactional data requires significant effort, including the use of IT and Data Specialists to supplement our senior audit team members; and • Remaining revenue is recorded across a large number of different billing systems as a result of multiple acquisitions requiring significant audit effort in testing large volume of transactions. 	<p>Our procedures included:</p> <ul style="list-style-type: none"> • Stratifying the revenue population into relevant homogenous revenue streams for the purposes of performing our testing; • For key recurring on-demand license revenue, testing the relevant IT general controls over the key revenue recording system critical to customer transaction data integrity and completeness, such as access to the billing system, price lists and discount structures, customer usage, system configuration and the interface between the billing system and the general ledger; • For key recurring on-demand license revenue recognised based on customer usage of the software, reperforming a sample of the system calculation of the revenue using transaction data in the billing system, and comparing to the amount recorded by the Group. This procedure was performed with the assistance of our IT and Data Specialists and involved: <ul style="list-style-type: none"> - understanding the Group's process for collection of transaction data, and the application of price lists and discount structures to this data; - assessing the completeness, existence and accuracy of transaction data interfaced with the billing module; - checking a sample of transaction data not subject to billing for consistency with our understanding of the process. • For key recurring on-demand license revenue recognised based on customer usage of the software, checking: <ul style="list-style-type: none"> - for a sample of revenue transactions by customer, the price list records and discount structures in the billing system to their underlying contract documentation; - for a sample of revenue transactions recognised by the Group either side of the year-end, the period the revenue is recognised to underlying customer contracts, price list, discount structures (as applicable), billing system reports, and cash receipt.

	<ul style="list-style-type: none"> - Testing the Group’s key manual revenue recognition control for approval of new customer contracts which include pricing agreed with customers. • For other revenue streams, testing a statistical sample of revenue across the Group’s subsidiaries to assess the revenue recognised throughout the period by inspecting underlying contracts, usage reports (as applicable), invoices and cash receipts in bank statements. • Evaluating the adequacy of disclosures included in the financial report using our understanding obtained from our testing and against the requirements of the accounting standards.
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Capitalisation of software development costs (additions: \$195.1m)

Refer to Note 7 ‘Intangible assets’ of the financial report

The key audit matter	How the matter was addressed in our audit
<p>Capitalisation of software development costs is a key audit matter due to:</p> <ul style="list-style-type: none"> • The high volume of software developer hours; • The Group’s assessment of the number of hours capitalised is reliant on data extracts from the Group’s automated software workflow tool. This is used for monitoring and recording the activities of software developers for the majority of its capitalised software development; • The Group develops its software products using an iterative development methodology. This approach requires judgement in assessing the Group’s application of the requirements of the accounting standards to capitalise the development costs and in assessing its future recoverability. These assessments include: <ul style="list-style-type: none"> - whether it meets the definition of an intangible asset; - whether a project can be completed including the potential to produce a viable software product; - eligibility of activities for capitalisation; 	<p>Our procedures included:</p> <ul style="list-style-type: none"> • Inspecting the Group’s documentation of their assessment of capitalised development costs against AASB 138: <i>Intangible Assets</i> including the requirements to demonstrate separability, control and future economic benefit; • Assessing the Group’s positions using our knowledge of the business and projects through: inquiry with various stakeholders, including Project Leaders, the Chief Technology Officer, the Chief Executive Officer and the Chief Financial Officer; and examination of approved Board of Director’s papers to evaluate project potential to produce viable software products, their recoverability and availability for their intended use; • Working with our IT specialists, testing the relevant IT general controls over the software workflow tool critical to the integrity of data; • Re-performing a sample of the system calculation of development costs capitalised within the software workflow tool and comparing to the amount recorded by the Group. This procedure was performed with the assistance of our IT and Data Specialists and involved: <ul style="list-style-type: none"> - understanding the Group’s software development processes and how software developers use the software workflow tool to

<ul style="list-style-type: none"> - determination of the rate per hour for developers' time eligible for capitalisation; and - project availability for its intended use and, accordingly, commencement of amortisation. <p>We involved IT and Data specialists to supplement our senior audit team members in assessing this key audit matter.</p>	<ul style="list-style-type: none"> record activities; - inspecting the information recorded in the software workflow tool and assessing the Group's identification of development activities; - assessing, for a sample of hours recorded in the software workflow tool, the hours capitalised : <ul style="list-style-type: none"> o relate to an employee with a developer-related role; and o pertain to activities related to a project in development or an enhancement to an existing software product as opposed to research or maintenance; - evaluating, for a sample of hours recorded for capitalisation, task descriptions logged against the Group's accounting policy and the criteria in the accounting standards; - assessing the task nature against the requirements for capitalisation through inquiry directly with the developers. <ul style="list-style-type: none"> • For development costs not recorded through the software workflow tool, testing a sample of developer time capitalised, and evaluating the activities related to a project in development or enhancement to an existing software product, as opposed to, research or maintenance; • Assessing the time and labour rate eligible for capitalisation by testing a sample of key inputs to underlying records such as payslip information, employee agreements and approved role descriptions. Assessing the Group's allocation of directly attributable overhead costs against the criteria within the accounting standards; • Testing the Group's key controls over the capitalisation model's inputs, outputs and monthly analysis of the capitalised development costs; • Assessing the amortisation period including the commencement date of amortisation for completed projects for the capitalised software development costs; • Evaluating the adequacy of the disclosures included in the financial report using our understanding obtained from our testing and against the requirements of the accounting standards.
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Business Combinations (Envase goodwill and other intangibles: \$339.6m, Blume goodwill and other intangibles: \$659.0m)

Refer to Note 18 'Business Combinations' of the financial report

The key audit matter

The Group finalised the acquisition accounting during the year in relation to its acquisitions of 100% of Envase Holdings, Inc. (Envase) and Blume Global, Inc. (Blume) in FY23. A provisional valuation was undertaken in relation to acquired intangible assets at acquisition date in the prior reporting period and the Group updated this in the current year. Consequently, goodwill associated with the acquisitions were adjusted. The accounting standards only allow adjustments in certain circumstances if new information becomes available that provides evidence of conditions or circumstances existed at the date of acquisition.

This finalisation of the acquisition accounting and adjustments made therefrom is a key audit matter due to the:

- Size of the acquisitions having a significant impact on the Group's financial statements;
- Significant judgement required by the Group and effort for us, in gathering persuasive audit evidence regarding the adjustments recorded for final fair values of intangible assets acquired, and whether they meet the criteria in the accounting standards. The Group engaged external valuation experts to assess the:
 - assumptions and estimates used when performing intangible assets valuations; and
 - adjustments to these valuations in the measurement period (12 months following the date of acquisition), including estimated useful economic lives and discount rates.
- Complexity of the valuation models used in determining the final fair values of acquired intangible assets and adjustments to the fair value.

We involved Valuation specialists to supplement our senior audit team members in assessing this key audit matter.

How the matter was addressed in our audit

Our procedures included:

- Evaluating management's conclusions on why they consider the adjustments meet the criteria in the accounting standards as being new information obtained during the 12 months following acquisition for conditions or circumstances that existed at the date of acquisition;
- Assessing the scope, objectivity and competence of independent valuation specialists engaged by the Group;
- Working with our valuation specialists to assess the Group's final valuation of acquired identifiable intangible assets by:
 - analysing the input assumptions including discount rates and useful economic lives against publicly available data for a group of comparable companies;
 - evaluating the valuation methodology used to determine the final fair value of intangible assets acquired, considering accounting standard requirements and observed industry practices.
- Evaluating the Group's measurement period fair value accounting adjustments to the assets acquired and liabilities assumed by checking these to source documents and subsequent transactions;
- Assessing the integrity of valuation adjustment, including the mathematical accuracy of the underlying calculations;
- Recalculating the final goodwill balance recognised as a result of the adjustment and compared it to the goodwill recognised by the Group;
- Assessing the adequacy of disclosures in the financial report using our understanding obtained from our testing and against the requirements of the accounting standard.



Other Information

Other Information is financial and non-financial information in WiseTech Global Limited's annual report which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

The Other Information we obtained prior to the date of this Auditor's Report was the Operating and Financial Review, Board of Directors, and the Directors' Report. The About us, 2024 highlights, The Financial Highlights, Chair's Letter, CEO's message, Our business, Sustainability report (Environmental, social and governance), Corporate Governance statement, Five-year financial summary, Risk management, Shareholder information, Glossary and Corporate Directory are expected to be made available to us after the date of the Auditor's Report.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not and will not express an audit opinion or 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. In doing so, we 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.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- preparing the Financial Report in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Group, and in compliance with *Australian Accounting Standards* and the *Corporations Regulations 2001*
- implementing necessary internal control to enable the preparation of a Financial Report in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Group, and that it is free from material misstatement, whether due to fraud or error
- assessing the Group and Company's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Group and Company or to cease operations, or have no realistic alternative but to do so.



Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- 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 *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They 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 the Financial Report.

A further description of our responsibilities for the audit of the Financial Report is located at the *Auditing and Assurance Standards Board* website at:

https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf (Listed entities – Fair presentation framework only). This description forms part of our Auditor's Report.

Report on the Remuneration Report

Opinion

In our opinion, the Remuneration Report of WiseTech Global Limited for the year ended 30 June 2024, complies with *Section 300A* of the *Corporations Act 2001*.

Directors' 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 responsibilities

We have audited the Remuneration Report included in pages 7 to 26 of the Directors' report for the year ended 30 June 2024.

Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with *Australian Auditing Standards*.

KPMG

Caoimhe Toouli

Partner

Sydney

21 August 2024