ASX Announcement: 2023/36

23 August 2023

WiseTech Global FY23 Appendix 4E and financial report

Attached are the Appendix 4E, preliminary financial report for the year ended 30 June 2023 as required by ASX listing rule 4.3A, and financial report for the year ended 30 June 2023.

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Authorized for release to ASX by David Rippon, Corporate Governance Executive and 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 17,000[1] of the world's logistics companies across 174 countries, including 44 of the top 50 global third-party logistics providers and 24 of the 25 largest global freight forwarders worldwide[2].

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 5,300 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 2021 gross logistics revenue/turnover and freight forwarding volumes – Updated 20 September 2022

APPENDIX 4E

WiseTech Global Limited

for the year ended 30 June 2023

Results for announcement to the market

For the year ended 30 June ($m)			2023	2022
Revenue from ordinary activities	Up	29% to	816.8	632.2
Statutory net profit after tax	Up	9% to	212.2	194.6
Underlying net profit after tax[1]	Up	30% to	247.6	189.8
Basic earnings per share (cents)	Up	9% to	64.8	59.7

[1] Underlying net profit after tax is Net profit after tax excluding fair value adjustments from changes to acquisition contingent consideration (FY23: $0.2m, FY22: $0.1m), non-recurring tax on acquisition contingent consideration (FY23: $2.4m, FY22: $12.8m), acquired amortization, net of tax (FY23: $10.9m, FY22: $5.8m), contingent and deferred consideration interest unwind, net of tax (FY23: $0.7m, FY22: nil) and M&A (mergers and acquisitions) costs (FY23: $26.4m, FY22: $2.3m).

Dividends – Ordinary shares	Amount per security	Franked amount per security	Record date	Payment date
FY23 interim dividend	6.60 cents	6.60 cents	13 March 2023	6 April 2023
FY23 final dividend	8.40 cents	8.40 cents	11 September 2023	6 October 2023

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 13 September 2023 to 19 September 2023, 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 FY23 final dividend is by 5pm (Sydney time) on 12 September 2023.

Net tangible asset/(liability) (NTA) backing

As at 30 June	2023	2022
NTA ($m)	(297.5)	354.0
Number of shares (millions)	331.9	326.3
NTA per share (cents)	(90)	108

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 2023 which have been audited.

WiseTech Global Limited

FY23 Financial Report

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Operating and financial review

for the full-year ended 30 June 2023

Review of operations

Principal activities

WiseTech Global is a leading provider of software solutions to the logistics industry globally. 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 174 countries.

Our industry-leading flagship technology, CargoWise, is a deeply integrated, global software platform for logistics service providers. Our software enables and empowers 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 24 of the Top 25 Global Freight Forwarders[1] and 44 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 and continue to deliver an average of over 1,000 new product enhancements each year. 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, 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 39 product development centers, including centers of excellence in Bengaluru and Nanjing, and a headcount of over 3,000 people globally across 35 countries.

1. Based on Armstrong & Associates Inc. Top 25 Global Freight Forwarders List ranked by 2021 gross logistics revenue/turnover and freight forwarding volumes - Updated 20 September 2022.
2. Based on Armstrong & Associates Inc: Top 50 Global Third Party Logistics Providers List ranked by 2021 gross logistics revenue/turnover – Updated 20 September 2022.

Summary of statutory financial performance

During the 12 months to 30 June 2023, we delivered a strong financial performance, with significant growth in revenues and profits, driven by growth from existing and new customers, enhanced operating leverage and ongoing financial discipline.

Revenue increased 29% to $816.8m (FY22: $632.2m)

Operating profit increased 18% to $300.2m (FY22: $255.0m)

Net profit after tax increased 9% to $212.2m (FY22: $194.6m)

Underlying NPAT increased 30% to $247.6m (FY22: $189.8m)

Basic earnings per share increased 9% to 64.8 cents (FY22: 59.7 cents)

Summary financial results[1]

	FY23 $m	FY22 $m	Change $m	Change %
Recurring On-Demand License revenue	683.0	491.6	191.4	*39%*
Recurring One-Time License ("OTL") maintenance revenue	101.5	74.2	27.3	*37%*
OTL and support services	32.4	66.5	(34.0)	*(51)%*
Revenue	**816.8**	**632.2**	**184.6**	***29%***
Cost of revenues	(125.6)	(92.5)	(33.0)	*36%*
Gross profit	**691.3**	**539.7**	**151.6**	***28%***
Product design and development[2]	(185.8)	(142.9)	(43.0)	*30%*
Sales and marketing	(69.3)	(50.0)	(19.3)	*39%*
General and administration	(135.9)	(91.8)	(44.1)	*48%*
Total operating expenses	**(391.1)**	**(284.7)**	**(106.4)**	***37%***
Operating profit	**300.2**	**255.0**	**45.2**	***18%***
Net finance income/(costs)[3]	0.6	(2.7)	3.3	*n.a.*
Fair value gain on contingent consideration	0.2	0.1	0.1	*150%*
Profit before income tax	**301.0**	**252.4**	**48.7**	***19%***
Tax expense[4]	(88.8)	(57.7)	(31.1)	*54%*
Net profit after tax	**212.2**	**194.6**	**17.6**	***9%***
Underlying NPAT tax[5]	**247.6**	**189.8**	**57.7**	***30%***

Key financial metrics	**FY23**	**FY22**	**Change**
Recurring revenue %	**96%**	89%	7pp
Gross profit margin %	**85%**	85%	(1)pp
Product design and development as % total revenue[2]	**23%**	23%	- pp
Sales and marketing as % total revenue	**8%**	8%	1pp
General and administration as % total revenue	**17%**	15%	2pp
M&A costs ($m)	**26.4**	2.3	24.1
Capitalized development investment ($m)[6]	**134.2**	83.9	50.3
R&D as a % of total revenue[7]	**32%**	29%	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 $58.1m (FY22: $46.0m) depreciation and amortization but excludes capitalized development investment.
3. Net finance income/(costs) includes finance income and finance costs but excludes fair value gain on contingent consideration.
4. Tax expense includes non-recurring tax on acquisition contingent consideration (FY23: $2.4m, FY22: $12.8m).
5. Underlying NPAT is Net profit after tax excluding fair value adjustments from changes to acquisition contingent consideration (FY23: $0.2m, FY22: $0.1m), non-recurring tax on acquisition contingent consideration (FY23: $2.4m, FY22: $12.8m), acquired amortization, net of tax (FY23: $10.9m, FY22: $5.8m), contingent and deferred consideration interest unwind, net of tax (FY23: $0.7m, FY22: nil) and M&A costs (FY23: $26.4m, FY22: $2.3m)
6. Includes patents and purchased external software licenses used in our products.
7. 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 29% to $816.8m on FY22 ($632.2m), with 21% growth being delivered organically[3].

Revenue growth came from:

- increased usage by existing customers, new product features and enhancements, and price increases during the year to offset the impacts of inflation as well as generate returns on product investment;
- new CargoWise customers won in the period and growth from customers won in FY22 and prior, including new Large Global Freight Forwarder (LGFF) rollouts;
- $42.8m revenue mainly from two strategically significant and two tuck-in acquisitions completed in FY23, all of which are being integrated into the CargoWise ecosystem;
- $8.2m of favorable foreign exchange (FX) movements (FY22: $9.4m unfavorable).

Revenue from CargoWise increased by 30% organically on FY22. Overall CargoWise revenue grew by 41% including the benefit of acquisitions and an FX tailwind. Growth was mainly driven by increased CargoWise usage, primarily from major new product releases and price increases during the year to offset the impacts of inflation and generate returns on product investment. CargoWise revenue growth also includes $42.8m from the abovementioned acquisitions, which are being integrated into the CargoWise ecosystem. $7.7m of favorable FX was experienced in FY23 (FY22: $7.4m unfavorable).

In FY23, revenue growth from the CargoWise application suite was achieved across all existing customer cohorts (from FY06 and prior through to FY23).

Revenue from customers on non-CargoWise platforms decreased to $157.2m (FY22: $164.9m), driven by expected contraction in non-recurring revenue from acquisitions completed in FY21 and prior years, partially offset by general price increases to offset inflation. Revenue from non-CargoWise platforms included $0.4m of favorable FX movements (FY22: $2.0m unfavorable).

Revenue from OTL and support services decreased to $32.4m (FY22: $66.5m), reflecting the one-off product license agreement of a CargoWise landside logistics component in FY22 and lower CargoWise customer paid product enhancements in FY23.

Recurring revenue for the Group increased to 96% of total revenue in FY23 (FY22: 89%), with CargoWise recurring revenue growing by 48%, as a result of major new products released in FY22, price increases and recent M&A, as well as an expected contraction from acquisitions completed in FY21 and prior years from OTL and support services as noted above.

The customer attrition rate for the CargoWise application suite remains extremely low at less than 1%, as it has been since we started measuring more than 11 years ago[4]. 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 $151.6m, up 28% in line with revenue growth, to $691.3m (FY22: $539.7m) and the gross profit margin remained strong at 85% (FY22: 85%), with revenue growth offsetting dilution from recent M&A.

3. Refers to revenue and EBITDA growth and EBITDA margin adjusted for recent 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.

Operating expenses

Our strong revenue growth and efficient operating model continues to drive enhanced operating leverage and margin expansion. Our strong financial discipline resulted in overall operating expenses as a % of revenue remaining flat on FY22 at 45% excluding M&A costs.

Total R&D investment: In FY23, we continued our significant investment in product innovation to further develop our software platform and to build our innovation pipeline. Our R&D investment for the period increased by 45% to $261.9m (FY22: $180.8m), reflecting an expected step up in R&D investment and hiring for future growth. This increase was partially offset by the planned reduction in non-CargoWise platforms and resulting cost reductions. In FY23, 32% of total revenue was reinvested in R&D (FY22: 29%), with the investment more heavily weighted to CargoWise R&D than in previous years.

Product design and development expense increased by 30% to $185.8m (FY22: $142.9m), reflecting:

- an expected increase in investment in CargoWise innovation and development, partially offset by decreasing cost to support non-CargoWise platforms;
- 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 $134.2m (FY22: $83.9m), driven by increased investment focused on WiseTech's six key development priorities. Overall percentage of R&D capitalized was 51%, up 5pp on FY22, and above our target range of 40%–50%. This is projected to be close to the top of our target range in the medium-term and reflects the acceleration of new strategic development priorities which have higher capitalization rates, driven by favorable hiring conditions.

As a result of our significant R&D investment, in FY23 we delivered 1,130 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 5,300. This was moderated by a focus on larger long-term products and features, a number of new features that are in pilot with customers, as well as increased work on core optimization which benefits all customers and drives future price increases and usage growth.

Sales and marketing expense increased to $69.3m (FY22: $50.0m), mainly driven by our M&A activity, and reflecting our targeted focus on the Top 25 Global Freight Forwarders and top 200 global logistics providers.

General and administration expense increased to $135.9m (FY22: $91.8m), representing 17% of total revenue (FY22: 15%), primarily driven by a $24.1m (FY23: $26.4m; FY22: $2.3m) increase in M&A costs. Excluding M&A costs, general and administration expenses were 13% of revenue in FY23 (FY22: 14%), reflecting ongoing financial discipline.

Net finance income

Other net finance income in FY23 of $0.6m (FY22: $2.7m net finance costs) included $7.1m of finance costs (FY22: $4.1m), comprising interest expenses and debt facility fees. Finance income of $7.8m (FY22: $1.4m) was due to interest income generated from cash balances and the benefit of rising interest rates.

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 28% on FY22 to $433.3m, with net cash flows from operating activities of $380.5m (FY22: $306.7m). Free cash flow of $291.4m was up 23% on FY22.

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

- $114.7m in intangible assets as we further developed and expanded our commercializable technology, resulting in capitalized development investment for both commercialized products and those yet to be launched (FY22: $75.4m);
- $27.2m in assets mostly related to data center capacity expansion, and IT infrastructure

investments to enhance scalability, reliability and security (FY22: $26.8m); and

- $740.1m for two strategically significant acquisitions, two tuck-in acquisitions, and contingent payments for prior acquisitions (FY22: $3.4m).

Dividends of $41.6m (FY22: $26.5m) were paid in cash during FY23, with shareholders choosing to reinvest an additional $0.9m of their dividends via the dividend reinvestment plan.

Our closing cash balance of $143.0m, in addition to our undrawn, unsecured, $250m bi-lateral debt facilities as at 30 June 2023 supported by six banks, provides significant financial headroom.

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 fast track the expansion of CargoWise's functionality. Accelerating our capabilities in these areas will further embed CargoWise across the global supply chain ecosystem, broaden our market opportunity, and support future revenue growth over the medium to long-term.

Our organic growth is supplemented by an inorganic growth strategy focused on tuck-in and strategically significant acquisitions to accelerate CargoWise product development and ecosystem reach. Since our IPO in 2016, we have completed 45 acquisitions, including two further tuck-ins in 1H23 in Bolero and Shipamax. The integration of both businesses, their respective technologies and teams into the CargoWise ecosystem is progressing well.

In early 2H23, we completed the acquisitions of Envase Technologies and Blume Global, leading providers of landside logistics solutions in North America. These acquisitions are strategically significant for WiseTech, extending and strengthening our position in one of our six key product development priorities Expanded landside logistics capabilities is a logical adjacency in the supply chain process for WiseTech, extending our core customer proposition and addressable market. Moving forward, we will continue to evaluate further tuck-in acquisitions as well as larger, strategically significant acquisition opportunities where there is a compelling strategic rationale.

FY23 strategic highlights

We are focused on our vision by 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.

- We now have 47 LGFFs with global rollouts 'Contracted and In Progress'[5] or 'In Production'[6], including 11 of the Top 25 Global Freight Forwarders. In FY23, we secured six new global rollout contracts with NTG Nordic Transport Group, IFB International Freightbridge, BBL Cargo, OEC and EMO Trans and our first global customs rollout, with Kuehne+Nagel.
- We also added two global rollouts organically through increased adoption of CargoWise with DB Group and Maersk[7].
- We signed our first global customs rollout with the world's largest freight forwarder, Kuehne+Nagel in 1H23, and have continued our momentum after period end with FedEx confirming they intend to rollout global customs alongside their global freight forwarding rollout.
- After period end, we also signed a global rollout with APL Logistics.

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5. *Contracted and In Progress* refers to CargoWise customers who are contracted and in progress to grow to rolling out CargoWise in 10 or more countries and for 400 or more registered users, who have less than 75% of expected registered users on CargoWise.
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'*.
7. Maersk acquired Senator, LF Logistics, Martin Bencher and Pilot Freight Services. Maersk, A unified Maersk brand, 27 January 2023.

Throughout FY23, we continued our extensive product development program, investing $261.9m and 60% of our people in product development. CargoWise product development resources increased by 96% in FY23, driven by strategically significant acquisitions, new hire recruitment and transfers from non-CargoWise teams, delivering 1,130 product enhancements to the CargoWise application suite. We also made significant progress on our customs & compliance and warehouse solutions, which provides our customers with a global solution with multi-jurisdiction and multi-language capability that automates processes to deliver significant efficiency benefits.

In FY23, we completed two strategically significant acquisitions in Envase and Blume, and two tuck-in acquisitions in Bolero and Shipamax, with their revenue contribution included in total CargoWise revenue for the full year.

Post balance date events

Since period end, the Directors have declared a fully franked final ordinary dividend of 8.40cps, representing a 31% increase on the FY22 final dividend of 6.40cps. The final dividend is payable on 6 October 2023 to shareholders registered as at 11 September 2023 and represents a payout ratio of 20% of Underlying NPAT.

Effective today, the Board has updated the Company's dividend policy, with the target payout ratio now up to 20% of Underlying NPAT, from up to 20% of NPAT previously.

Outlook for 2024

FY24 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 FY23 Results presentation, the Company currently anticipates FY24 revenue of $1,040 million–$1,095 million (representing revenue growth of 27%–34%) and EBITDA of $455 million–$490 million (representing EBITDA growth of 18%–27%).

Remuneration Report

This Remuneration Report for the twelve months ended 30 June 2023 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.

Drive innovation

Relentlessly innovate to deliver world-leading products that drive success for our customers

People powered

Attract, develop, motivate and retain an exceptional global team focused on market leadership and product excellence

Performance culture

Drive a high-performance global culture aligned with long-term strategy

Equitable

Retain a consistent approach to reward decisions promoting diversity and freedom from bias

Market competitive

Deliver market - competitive fixed remuneration and long-term value growth through equity ownership

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
Fixed annual remuneration	**Base salary and pension/superannuation** Base salary paid as cash on a monthly basis, with legislated contributions to a complying pension/superannuation fund **Remuneration equity** Annual allocation of share rights granted during the financial year, with 25% vesting in July each year for the following four years	Set at competitive levels to attract and retain talent who can support growth, execute strategy, deliver economic outcomes and build shareholder value, based on: – Role and responsibility – Capability, competencies and contribution, and – Internal and external relativities **Remuneration equity** creates a strong alignment with long-term shareholder interests and supports retention
Performance equity incentives	**Performance equity** Deferred equity granted based on the achievement of annual objectives with 25% vesting immediately on grant and 25% vesting in July each year over three years **Performance measures** – Financial and operational targets weighted to areas of control, and – Development team pool bonuses related to specific innovation pipeline achievements	**Annual assessment** Performance measures reward execution of and accountability for actions, direct outcomes and lead measures aligned to long-term strategy and annual priorities **Ongoing calibration** Lag outcomes ultimately reflected in long-term growth in revenue, earnings and Total Shareholder Return (TSR) **Shareholder alignment** Deferred equity and minimum holding requirements for key management personnel (KMP) ensures a strong link with creation of shareholder value and supports staff retention

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.

IAYE program	**Invest as You Earn (IAYE)** Invest up to 20% of post-tax salary on a monthly basis during a calendar year to acquire shares: – Potential to receive 1 share right for every 5 shares acquired – Available to all employees (subject to local regulations)	**Shareholder alignment and retention** – Program delivered as equity – Shares acquired must be retained until end of calendar year for share rights to be granted – Share rights vest after 18 months

Actual Executive KMP remuneration received in FY23

(non-IFRS disclosure)

	Current year's remuneration				Prior years' remuneration		Total		
	Fixed cash[1]	Cash incentive	FY23 Remune-ration equity	FY23 Perfor-mance equity	Remune-ration equity vested	Perfor-mance equity vested	Remune-ration received	Equity growth	Total including 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 above table, Executive KMP remuneration received in FY23 is separated into remuneration received for employment in FY23 and deferred equity from previous years that vested during FY23. The figures in this table are different from those shown in the statutory disclosure 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 greater clarity regarding Executive KMP remuneration.

Current year's remuneration

FY23 fixed cash remuneration, performance incentives paid in cash, plus any FY23 performance incentive payments paid in equity which vest immediately on grant in August 2023. 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 FY23 remuneration equity was received in FY23.

Maree Isaacs' FY23 performance equity incentive is expected to be granted following WiseTech's AGM in November 2023.

In addition to his FY23 performance equity, Andrew Cartledge was awarded a one-off cash payment of $150,000 in recognition of his significant additional work to deliver the acquisitions of Envase Technologies and Blume Global during FY23.

Prior years' remuneration

Any deferred equity awards from prior periods that vested during FY23. This includes remuneration equity and performance equity incentives from prior years, excluding the value of any vested performance equity incentive for FY22 disclosed as "Current year's remuneration" in the corresponding table in the FY22 Remuneration Report.

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 FY23.

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 FY23 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 Non-Executive Director	Full year	Current
Richard Dammery	Non-Executive Director	Full year	Current
Teresa Engelhard	Lead Independent Director and Non-Executive Director	Full year	Current
Charles Gibbon	Non-Executive Director	Full year	Current
Michael Gregg	Non-Executive Director *(retired 23 November 2022)*	Part year	Retired
Michael Malone	Non-Executive Director	Full year	Current
Arlene Tansey	Non-Executive Director *(retired 23 November 2022)*	Part year	Retired

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 2022 to 23 November 2022** – Teresa Engelhard (Chair), Richard Dammery, Michael Gregg and Michael Malone
- **24 November 2022 to 31 March 2023** – Teresa Engelhard (Chair), Richard Dammery and Michael Malone
- **1 April 2023 to 30 June 2023** – Richard Dammery (Chair), Teresa Engelhard 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 defendable.

WiseTech Global Limited Board

- Approving the overall remuneration policy, including Non-Executive Director remuneration, Executive Director and senior executive remuneration and any executive incentive plans.
- Appointing the CEO, and approving the remuneration of, and overseeing the performance review of, the CEO.

People & Remuneration Committee

Responsible for reviewing the following matters and bringing items of significance to the attention of the Board:

- The processes for overseeing performance accountability and monitoring of the senior management team, including setting and evaluating performance against goals and targets
- The remuneration structure and its effectiveness
- Recruitment, retention and termination strategies
- Diversity and Inclusion governance
- The Remuneration Report
- Other relevant matters identified or requested by the Board from time to time

Independent remuneration advisors

- Provide independent advice to the PRC and/or Management on remuneration market data and market practice.
- WiseTech has protocols in place to ensure that any external advice is provided in an appropriate manner.

Management

- Makes recommendations to the PRC on WiseTech's remuneration strategy and framework.
- Provides relevant information to support decision-making.

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 on developing breakthrough solutions to replace ageing legacy systems and rapid expansion to drive long-term growth and market position, does not line up with the cycle of a financial year. As such, the traditional approach of a mix of fixed remuneration, Short-Term Incentive and Long-Term Incentive does not necessarily recognize the ongoing contribution of employees and, more importantly, does not provide a strong alignment with shareholder interests.

To create a stronger alignment with shareholder interests, in addition to base salary and legislated pension/superannuation contributions, we build **remuneration equity**, an annual grant of multi-year deferred equity, into fixed base remuneration across our global workforce. This aligns employees' interests with those of shareholders, encouraging value-creating behaviors and supporting staff retention within the Group.

This 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 benefit 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 FY23.

During FY23, WiseTech has continued to increase the proportion of total remuneration that is delivered as a multi-year deferred equity component 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 order to incentivize the development of strategically important products and functionalities, in certain cases, we granted share rights with performance conditions to key software development employees in FY23 and plan to grant share rights with similar structures to select team members in FY24.

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.

For the two calendar-year IAYE programs that operated during FY23, the number of participants continued to increase and remained above 20% of eligible team members:

	IAYE 2019	IAYE 2020	IAYE 2021	IAYE 2022	IAYE 2023
Number of participants	301	350	361	386	398
Participation rate	21%	21%	22%	23%	21%

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.

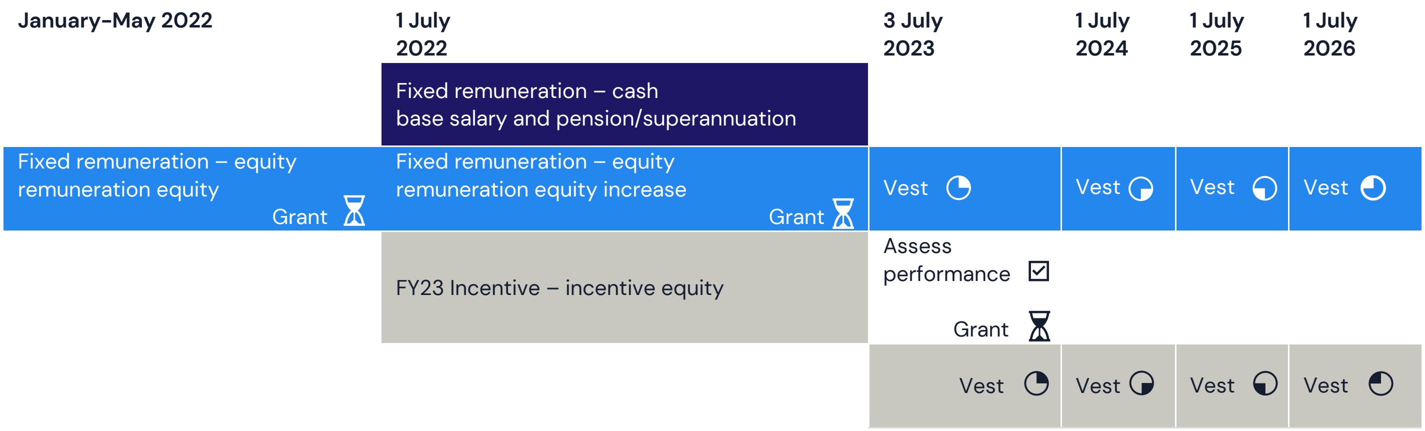
Share rights

At the date of this report, WiseTech had 2,903,260 share rights outstanding across 2,201 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 2027. Generally, share rights are subject to employment conditions and are not subject to performance conditions. In certain cases, share rights with performance conditions related to product development milestones were also granted to select development team members during the year. On vesting, the holder is entitled to receive one ordinary share at no cost to the holder. A total of 699,579 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 FY23, 39,529 shares were purchased on-market for the purpose of employee incentive schemes, at an average price of $59.12 per share, primarily on behalf of participants in the IAYE program.

FY23 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 FY23 remuneration equity was granted early, from January to May 2022, to reflect the effective date of the global remuneration review in January 2022. Any increase to FY23 remuneration equity was granted at the beginning of FY23 to align the annual review cycle back to July 2022. The remuneration, as well as performance equity incentives, structure for FY23 is outlined below:



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 alignment with shareholders' interests, we aim for 100% of performance incentives to be paid in deferred equity. Our view is that this approach - fixed remuneration equity vesting over four years, combined with performance equity incentives vesting over three years - removes the need for a separate long-term incentive.

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 2023, and vesting in four equal instalments, immediately on grant and then in July 2024, 2025 and 2026. The performance equity incentive for Executive Director Maree Isaacs is expected to be granted in November 2023, after WiseTech's 2023 AGM, with vesting of the first tranche immediately on grant and the remaining three tranches in July 2024, 2025 and 2026.

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 2023.

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.

FY23 Executive KMP remuneration

Remuneration structure and mix for FY23

A global remuneration review was completed in July 2022 and included Executive KMP:

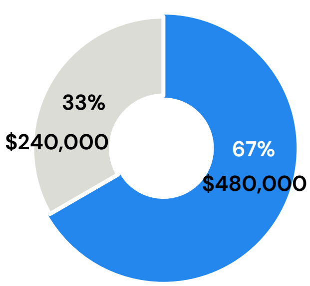
- **CEO** - No change was made to the CEO package, with total fixed remuneration of $1,000,000.
- **HLM** – Base salary was increased by 13% to catch up with market norms. The performance incentive was increased from $210,000 to $240,000 and has been transitioned to an equity incentive to align with the remuneration structure of the Executive KMP peer group and build further alignment with shareholders.
- **CFO** – Total package (including fixed remuneration and target performance incentive) was increased by 6% effective 1 July 2022 to reflect Australian market wage inflation for similar roles in the markets where we operate. The total package excludes the one-off $150,000 cash incentive in recognition of the CFO’s significant additional work to deliver the acquisitions of Envase Technologies and Blume Global during FY23.
- **CTO** – Total package (including fixed remuneration and target performance incentive) was increased by 11% effective 1 July 2022 to reflect Australian market wage inflation for similar roles in the markets where we operate.

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 Isaacs

From 1 July 2022

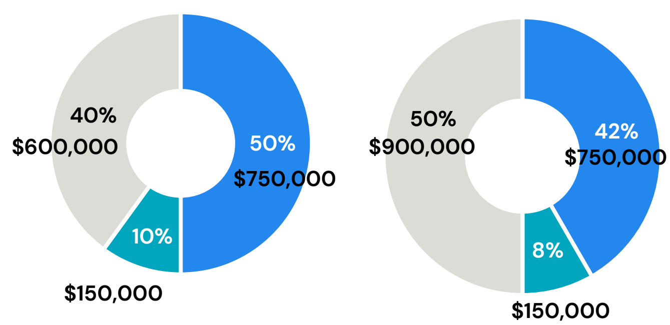
(Target and Maximum)



CFO – Andrew Cartledge

From 1 July 2022

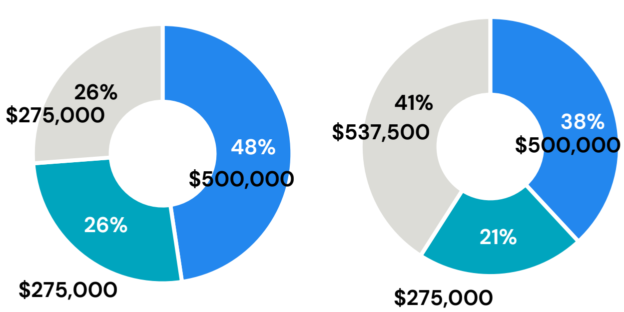
(Target) *(Maximum)*



CTO – Brett Shearer

From 1 July 2022

(Target) *(Maximum)*



Fixed remuneration – cash

Fixed remuneration – remuneration equity

Performance incentives - equity

Remuneration outcomes for FY23 and the link to WiseTech performance

The tables below summarize the performance of WiseTech shares for the five years from FY19 to FY23 and for FY23, and our financial performance for the five years from FY19 to FY23. 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 2023	Change in share price	Change in ASX 200	WTC performance v ASX 200	Dividends paid per share	WTC TSR[1]
FY19-FY23	1 July 2018	$15.66	$79.81	409.6%	16.3%	**+393.4%**	**$0.327**	**414.0%**
FY23	1 July 2022	$37.85	$79.81	110.9%	9.7%	**+101.2%**	**$0.130**	**111.3%**

1. Total shareholder return with dividends reinvested.

	FY19	FY20	FY21	FY22	**FY23**
Revenue ($m)	348.3	429.4	507.5	632.2	**816.8**
Revenue growth over prior year	57%	23%	18%	25%	**29%**
EBITDA ($m)	108.1	126.7	206.7	319.0	**385.7**
NPAT[1] ($m)	54.1	160.8	108.1	194.6	**212.2**
Earnings per share (cents)	17.7	50.3	33.3	59.7	**64.8**
Dividends[2] per share (cents)	3.45	3.30	6.55	11.15	**15.00**
Change in share price during the year[3]	77%	-30%	65%	19%	**111%**

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 FY23 performance against key indicators

In using WiseTech's FY23 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 FY23, 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 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, and expand CargoWise capability through tuck-in and strategically significant acquisitions;
- continue to secure and execute large scale global rollouts to increase penetration in WiseTech's targeted market; and
- deliver integration progress, maintain strong financial discipline and enhance operating leverage.

In light of this outstanding executive performance, the Board reviewed the CEO's recommendations and agreed that a number of stretch (above target) performance incentives would be awarded across the executive team. For the 14-member senior management team, 131% of the total target performance incentive pool was distributed for FY23 (91% of stretch). For Executive KMP, the specific KPIs and performance assessments which underpin the FY23 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	29% growth in revenue to $816.8m *vs* $755m to $780m target	**Target exceeded**	CEO, HLM, CFO
EBITDA	21% growth in EBITDA to $385.7m *vs* $385m to $415m target	**Target achieved**	CEO, HLM, CFO
Recurring revenue	39% growth in recurring revenue to $784.4m Recurring revenue 99% of CargoWise revenue and 96% of total revenue	**Target exceeded**	CEO, HLM
Operational efficiency	G&A expense/G&A % of revenue excluding M&A costs of $109.6m/13%	**Target exceeded**	CEO, CFO
Cash flow	Operating cash flow/Operating cash flow conversion $433.3m/112%, and Free cash flow/Free cash flow conversion $291.4m/76%	**Target achieved**	CEO, HLM, CFO
Product development outcomes	Optimization of CargoWise Cloud code base to increase performance	**Target exceeded**	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.

FY23 performance incentives outcome

The remuneration awarded to the Executive KMP in relation to performance during FY23 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.

	FY23 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	$240,000	$240,000	100%	0%	$240,000	100%	0%
Andrew Cartledge	$900,000	$600,000	150%	0%	$900,000	100%	0%
Brett Shearer	$537,500	$275,000	195%	0%	$537,500	100%	0%

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 FY20, FY21 and FY22 performance equity incentives would vest fully in July 2023.

FY24 remuneration

The Board considers that the existing remuneration approach and framework is working effectively. As such, no substantive changes are planned for FY24.

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, on advice 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.

During FY23, the Board approved an increase of $50,000 per annum excluding superannuation, plus the statutory increase to superannuation contributions, to the Chair fee for FY24 to more closely reflect the fee levels of ASX100 and ASX technology peers, the increasing workload and growing responsibilities as WiseTech continues to expand its global operations and market capitalization. The Board approved an increase of approximately 3.5% plus the statutory increase of superannuation contributions to the other Board and Committee fees for FY24. This increase was in line with the percentage increase applied to the Company's Australian non-technical employee population for FY24 after considering the macro environment, market movements and retention.

The table below outlines the Board and committee fees, inclusive of superannuation, effective for FY23 and for FY24.

	FY23		FY24	
	Chair fee	Member fee	Chair fee	Member fee
Board	$386,750	$171,551	**$444,000**	**$178,359**
Audit & Risk Committee	$34,310	$20,014	**$35,672**	**$20,808**
Nomination Committee	$17,155	–	**$17,835**	–
People & Remuneration Committee	$17,155	$10,007	**$17,835**	**$10,404**

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.

The following table details the NED Share Plan participation in FY23, 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 Dammery, 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 Harrison	Tranche 1	$38,675	1,000	$58,770	Feb 2023
	Tranche 2	$38,675	1,001	$58,829	Aug 2023
Richard Dammery	Tranche 1	$75,590	1,955	$114,895	Feb 2023
	Tranche 2	$75,590	1,956	$114,954	Aug 2023
Teresa Engelhard	Tranche 1	$41,172	1,065	$62,590	Feb 2023
	Tranche 2	$41,172	1,065	$62,590	Aug 2023
Arlene Tansey[3]	Tranche 1	$42,888	1,109	$65,176	Nov 2022

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 2022.
2. Fair value at grant was determined based on $58.77, the closing share price on the grant date in August 2022.
3. The Board approved for 1,109 share rights to be retained by Arlene Tansey upon retirement based on the 5 months of fees sacrificed for FY23. The retained share rights converted to shares on 24 November 2022. The remaining 1,553 share rights granted under FY23 NED Share Plan lapsed.

Directors participating in the NED Share Plan in FY24 will be granted share rights at the end of August 2023 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 2023. The share rights will convert to shares in two equal tranches, following release of WiseTech's half-year results in February 2024 and full-year results in August 2024.

Non-Executive Director remuneration

The following table details Non-Executive Directors' remuneration for FY23 and FY22.

		Board and committee fees – cash	Fees sacrificed under the NED Share Plan	Superannuation	Total
Andrew Harrison	**FY23**	**$284,108**	**$77,350**	**$25,292**	**$386,750**
	FY22	$255,832	$69,850	$23,568	$349,250
Richard Dammery[1]	**FY23**	**$32,856**	**$151,179**	**$19,324**	**$203,359**
	FY22	$19,813	$74,250	$9,406	$103,469
Teresa Engelhard	**FY23**	**$102,338**	**$82,344**	**$19,392**	**$204,074**
	FY22	$140,400	$39,600	$18,000	$198,000
Charles Gibbon	**FY23**	**$173,362**	**–**	**$18,203**	**$191,565**
	FY22	$174,062	–	$17,406	$191,469
Michael Gregg[2]	**FY23**	**$65,349**	**–**	**$6,862**	**$72,211**
	FY22	$133,100	$38,775	$17,188	$189,063
Michael Malone[1]	**FY23**	**$190,210**	**–**	**$19,972**	**$210,182**
	FY22	$89,688	–	$8,969	$98,656
Arlene Tansey[2]	**FY23**	**$31,231**	**$42,865**	**$7,780**	**$81,876**
	FY22	$90,000	$99,000	$9,000	$198,000
Total	**FY23**	**$879,454**	**$353,738**	**$116,825**	**$1,350,017**
	FY22	$902,895	$321,475	$103,537	$1,327,906

1. Richard Dammery and Michael Malone were appointed on 1 December 2021.
2. Michael Gregg and Arlene Tansey retired on 23 November 2022.

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 2022	Shares acquired as part of remuneration[1]	Other shares acquired[2]	Shares disposed	Shares held on 30 June 2023[3]
Richard White	122,941,329	-	-	(1,898,963)	**121,042,366**
Maree Isaacs	10,764,204	-	-	-	**10,764,204**
Andrew Cartledge	162,397	23,967	10	(81,114)	**105,260**
Brett Shearer	424,556	14,662	-	(101,629)	**337,589**

1. Shares acquired from vesting or exercise of share rights granted as part of remuneration.
2. 10 shares converted from IAYE Share Rights in February 2023.
3. Between 30 June 2023 and the date of this report, Andrew Cartledge and Brett Shearer acquired an additional 18,388 and 12,992 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 2022	Awarded	Vested and converted or exercised	Lapsed	Share rights held on 30 June 2023	Including share rights vested but not yet exercised[1]
Richard White[2]	–	–	–	–	**–**	–
Maree Isaacs[2]	–	–	–	–	**–**	–
Andrew Cartledge	41,779	23,113	(23,977)	–	**40,915**	–
Brett Shearer	36,343	6,623	(14,662)	–	**28,304**	–

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. Richard White and Maree Isaacs have 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 2023.

	Shares held on 30 June 2023	Share rights held on 30 June 2023	Total equity held on 30 June 2023	Value of equity holding on 30 June 2023[1]	Minimum equity holding guideline[2]	Status
Richard White	121,042,366	–	**121,042,366**	9,660,391,230	1,000,000	**Meets**
Maree Isaacs	10,764,204	–	**10,764,204**	859,091,121	480,000	**Meets**
Andrew Cartledge	105,260	40,915	**146,175**	11,666,227	900,000	**Meets**
Brett Shearer	337,589	28,304	**365,893**	29,201,920	775,000	**Meets**

1. Value of shareholding was calculated based on $79.81, the closing share price on 30 June 2023.
2. Minimum equity holding guideline is the annualized fixed remuneration as at 30 June 2023.

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 2023.

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 2022	Shares received on vesting of share rights	Shares issued under DRP	Other shares acquired	Shares disposed	Shares held on 30 June 2023[1]	Value of shareholding on 30 June 2023[2]	Minimum shareholding guideline[3]	Status
Andrew Harrison	42,442	1,658	–	–	(10,000)	34,100	2,721,521	386,750	Meets
Richard Dammery	2,068	3,353	–	–	–	5,421	432,650	208,720	Meets
Teresa Engelhard	7,476	1,438	–	–	–	8,914	711,426	198,713	Meets
Charles Gibbon	17,349,014	–	–	–	–	17,349,014	1,384,624,807	191,565	Meets
Michael Gregg	12,650,026	365	8,185	–	–	12,658,576	N/A	N/A	N/A
Michael Malone	3,000	–	–	–	–	3,000	239,430	215,868	Meets
Arlene Tansey	6,942	933	–	–	–	7,875	N/A	N/A	N/A

1. Number of shares held on 30 June 2023 and at the date of this report, or number of shares held at date of retirement, if earlier. Michael Gregg and Arlene Tansey retired on 23 November 2022.
2. Value of shareholding was calculated based on $79.81, the closing share price on 30 June 2023.
3. Minimum shareholding guideline is the annualized Non-Executive Director fee as at 30 June 2023.

	Share rights held on 30 June 2022	Awarded	Vested and converted	Lapsed	Share rights held on 30 June 2023[1]
Andrew Harrison	658	2,001	(1,658)	-	1,001
Richard Dammery	1,398	3,911	(3,353)	-	1,956
Teresa Engelhard	373	2,130	(1,438)	-	1,065
Charles Gibbon	-	-	-	-	-
Michael Gregg	365	-	(365)	-	-
Michael Malone	-	-	-	-	-
Arlene Tansey[2]	933	2,662	(2,042)	(1,553)	-

1. Or date of retirement if earlier. Michael Gregg and Arlene Tansey retired on 23 November 2022.
2. The Board approved for 1,109 share rights to be retained by Arlene Tansey upon retirement based on the 5 months of fees sacrificed for FY23. The retained share rights converted to shares on 24 November 2022 and the remaining 1,553 share rights granted under the 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	$496,200	$760,000	$520,000
Fixed remuneration – remuneration equity	–	–	$175,000	$286,000
Total fixed remuneration	$1,000,000	$496,200	$935,000	$806,000
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 2022 to 30 June 2023 and the prior period:

		Short-term benefits	**Cash incentive**	**Post employment**	**Share-based payments**	**Long-term benefits**	**Total**	
		Base salary and benefits[1]		Super-annuation	Share rights	Other[2]		Performance-related
Richard White	**FY23**	**$974,708**	**–**	**$25,292**	**–**	**$91,347**	**$1,091,347**	**–**
	FY22	$976,432	–	$23,568	–	$94,077	$1,094,077	–
Maree Issacs	**FY23**	**$459,708**	**–**	**$25,292**	**$148,649**	**$13,624**	**$647,273**	**23%**
	FY22	$398,932	$200,000	$23,568	–	$45,754	$668,254	30%
Andrew Cartledge	**FY23**	**$726,268**	**$150,000**	**$25,292**	**$1,149,775**	**$46,872**	**$2,098,207**	**57%**
	FY22	$691,432	–	$23,568	$936,924	$42,690	$1,694,613	48%
Brett Shearer	**FY23**	**$476,148**	**–**	**$25,292**	**$598,600**	**$26,103**	**$1,126,144**	**37%**
	FY22	$451,432	–	$23,568	$551,910	$65,608	$1,092,518	32%
Total	**FY23**	**$2,636,830**	**$150,000**	**$101,170**	**$1,897,024**	**$177,947**	**$4,962,970**	**N/A**
	FY22	$2,518,228	$200,000	$94,272	$1,488,834	$248,129	$4,549,462	N/A

1. FY22 base salary included increases to fixed remuneration effective 1 July 2021 for Andrew Cartledge and effective 1 January 2022 for Maree Isaacs and Brett Shearer. FY23 base salary included increases to fixed remuneration effective 1 July 2022 for Maree Isaacs, Andrew Cartledge and Brett Shearer. 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. Other long-term benefits relate to annual and long service leave.

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.

Details of share rights granted in FY23

	Grant	Share rights granted	Grant date	Fair value at grant date	Face value of grant at time of award	Vesting schedule
Andrew Cartledge	FY22 Bonus	22,407	24-Aug-22	$59.77	$866,255	4 annual tranches commencing 25-Aug-22
	FY23 Remuneration Equity Increase	706	24-Aug-22	$59.77	$29,002	4 annual tranches commencing 3-Jul-23
Brett Shearer	FY22 Bonus	6,014	24-Aug-22	$59.77	$232,501	4 annual tranches commencing 25-Aug-22
	FY23 Remuneration Equity Increase	609	24-Aug-22	$59.77	$25,018	4 annual tranches commencing 3-Jul-23

Details of share rights affecting current and future remuneration
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 FY23	Share rights vested in FY23	% of total grant vested	Value of share rights vested	Unvested rights at 30 June 2023	Future vesting schedule
FY19 Performance Equity Incentives	30-Aug-19	25,319	$36.93	$935,031	(18,987)	01-Jul-22	(6,332)	100%	791,555	-	-
FY20 Remuneration Equity	30-Aug-19	3,553	$36.93	$131,212	(1,776)	01-Jul-22	(888)	75%	78,251	889	1 annual tranche from 3-Jul-23
FY21 Remuneration Equity	01-Jul-20	4,890	$18.55	$90,710	(1,222)	01-Jul-22	(1,222)	50%	85,015	2,446	2 annual tranches from 3-Jul-23
FY20 Performance Equity Incentives	17-Aug-20	12,225	$19.48	$238,143	(6,112)	01-Jul-22	(3,056)	75%	272,137	3,057	1 annual tranche from 3-Jul-23
2020 IAYE Share Rights	01-Feb-21	10	$31.20	$312	-	01-Feb-23	(10)	100%	595	-	-
FY22 Remuneration Equity	07-Jun-21	3,536	$29.43	$104,064	-	01-Jul-22	(884)	25%	33,398	2,652	3 annual tranches from 3-Jul-23
FY21 Performance Equity Incentives	25-Aug-21	23,585	$46.50	$1,096,703	(5,896)	01-Jul-22	(5,896)	50%	497,976	11,793	2 annual tranches from 3-Jul-23
FY22 Remuneration Equity Increase	02-May-22	354	$41.97	$14,857	-	01-Jul-22	(88)	25%	3,325	266	3 annual tranches from 3-Jul-23
FY23 Remuneration Equity	02-May-22	2,300	$41.97	$96,531	-	-	-	-	-	2,300	4 annual tranches from 3-Jul-23
FY22 Performance Equity Incentives	24-Aug-22	22,407	$59.77	$1,339,266	-	25-Aug-22	(5,601)	25%	329,619	16,806	3 annual tranches from 3-Jul-23
FY23 Remuneration Equity Increase	24-Aug-22	706	$59.77	$42,198	-	-	-	-	-	706	4 annual tranches from 3-Jul-23

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 FY23	Share rights vested in FY23	% of total grant vested	Value of share rights vested	Unvested rights at 30 June 2023	Future vesting schedule
FY19 Special Project Bonus	01-May-19	1,787	$22.64	40,458	(1,338)	01-Jul-22	(449)	100%	52,349	-	-
FY19 Special Project Bonus	30-Aug-19	51	$36.93	1,883	(36)	01-Jul-22	(15)	100%	1,614	-	-
FY19 Performance Equity Incentives	30-Aug-19	10,660	$36.93	393,674	(7,995)	01-Jul-22	(2,665)	100%	333,258	-	-
FY20 Remuneration Equity	30-Aug-19	5,330	$36.93	196,837	(2,664)	01-Jul-22	(1,332)	75%	117,376	1,334	1 annual tranche from 3-Jul-23
FY21 Remuneration Equity	01-Jul-20	7,335	$18.55	136,064	(1,833)	01-Jul-22	(1,833)	50%	127,522	3,669	2 annual tranches from 3-Jul-23
FY20 Performance Equity Incentives	17-Aug-20	9,780	$19.48	190,514	(4,890)	01-Jul-22	(2,445)	75%	217,727	2,445	1 annual tranche from 3-Jul-23
FY22 Remuneration Equity	07-Jun-21	6,679	$29.43	196,563	-	01-Jul-22	(1,669)	25%	63,055	5,010	3 annual tranches from 3-Jul-23
FY21 Performance Equity Incentives	25-Aug-21	11,006	$46.50	511,779	(2,751)	01-Jul-22	(2,751)	50%	232,349	5,504	2 annual tranches from 3-Jul-23
FY23 Remuneration Equity	02-May-22	5,222	$41.97	219,167	-	-	-	-	-	5,222	4 annual tranches from 3-Jul-23
FY22 Performance Equity Incentives	24-Aug-22	6,014	$59.77	359,457	-	25-Aug-22	(1,503)	25%	88,452	4,511	3 annual tranches from 3-Jul-23
FY23 Remuneration Equity Increase	24-Aug-22	609	$59.77	36,400	-	-	-	-	-	609	4 annual tranches from 3-Jul-23

Related party transactions

During FY23, the Group was party to an ongoing arrangement with an entity associated with Executive Director, Founder and CEO, Richard White. The transaction was negotiated and agreed on arms-length terms no more favorable than those it is reasonable to expect the entity would have adopted if dealing with an unrelated person at arm's length. Further details of the arrangement are disclosed in note 20 to the Consolidated financial statements included in this report.

Board of Directors

Andrew Harrison — Independent Chair and Non-Executive Director

Andrew joined the Board in 2015 and was appointed Chair in September 2018. Andrew is an experienced company director and corporate adviser.

Prior to joining WiseTech Global, Andrew held executive roles and non-executive directorships with both public and private companies. He was the chief financial officer of Seven Group Holdings and group finance director of Landis+Gyr, and has been a director of ASX-listed companies Estia Health Limited (November 2014 to October 2018), IVE Group Limited (November 2015 to November 2018), Xenith IP Limited (October 2015 to September 2018) and Bapcor Limited (March 2014 to February 2021), as well as of Alesco Limited, Moorebank Intermodal Company Limited and Vend Limited. Andrew has also served as a senior manager at Ernst & Young (Sydney and London) and Gresham Partners Limited, and as an associate at Chase Manhattan Bank (New York).

Andrew holds a Bachelor of Economics from The University of Sydney and a Master of Business Administration from the Wharton School at the University of Pennsylvania. He is a Chartered Accountant.

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 25 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).

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.

Richard Dammery — Independent Non-Executive Director

Richard joined the Board in December 2021 and is Chair of the People & Remuneration Committee.

Richard is an experienced company director. In addition to WiseTech Global, he currently serves on the boards of Aussie Broadband Limited (ASX:ABB) (since July 2020), Australia Post, and Nexus Day Hospitals Group.

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

Richard has held a range of senior leadership roles in major Australian companies, and was a corporate partner with law firm Minter Ellison. He holds a BA (Hons) and LLB from Monash University, an MBA from the University of Melbourne and a PhD from the University of Cambridge. Richard is a Fellow of the Australian Institute of Company Directors and a member of its Corporate Governance Committee. He is also an Adjunct Professor at Monash University Business School.

Teresa Engelhard — Independent Non-Executive Director

Teresa joined the Board in 2018 and is Chair of the Nomination Committee. Teresa has more than 20 years' international experience as a director, executive and venture capitalist in the technology, software and energy sectors. Teresa is currently the CEO and Founder of stealth-stage startup StickyTek Pty Ltd and a non-executive director of non-profit organisation LaunchVic. She is also a former director of ASX-listed Redbubble Limited (August 2011 to October 2017) and Origin Energy Limited (May 2017 to October 2020).

Teresa holds a Bachelor of Science (Hons) from the California Institute of Technology (Caltech) and a Master of Business Administration from Stanford University. She is a graduate of the Australian Institute of Company Directors and a member of Chief Executive Women.

Charles Gibbon

Independent Non-Executive Director

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 Schroders Australia.

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

Maree Isaacs

Executive Director, Co-founder and Head of License Management

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 Malone

Independent Non-Executive Director

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), Health Insurance Fund of Australia (HIF), 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 companies DUG Technology Ltd (June 2020 to August 2021) and Superloop Ltd (April 2015 to March 2020).

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.

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 2023 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:

- Andrew Charles Harrison (Chair)
- Richard John White (Founder and CEO)
- Richard Dammery
- Teresa Engelhard
- Charles Llewelyn Gibbon
- Michael John Gregg (retired 23 November 2022)
- Maree McDonald Isaacs
- Michael Malone
- Arlene Mary Tansey (retired 23 November 2022).

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 FY23

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
Andrew Harrison	**14**	**14**	–	–	2	2	–	–
Richard White	**14**	**14**	–	–	2	2	–	–
Richard Dammery	**14**	**13**	6	5	–	–	5	5
Teresa Engelhard	**14**	**14**	–	–	2	2	5	5
Charles Gibbon	**14**	**13**	6	6	–	–	–	–
Michael Gregg	**7**	**7**	–	–	–	–	2	2
Maree Isaacs	**14**	**14**	–	–	–	–	–	–
Michael Malone	**14**	**13**	6	6	–	–	5	5
Arlene Tansey	**7**	**4**	3	2	–	–	–	–

1. Michael Gregg and Arlene Tansey retired from the Board on 23 November 2022.
2. Arlene Tansey was granted leave of absence for the Board meetings held in October and November 2022 and for the Audit & Risk Committee meeting held in November 2022.

Company Secretaries

David Rippon, Corporate Governance Executive & Company Secretary
BSc (Hons) Mathematics

As Company Secretary, David is 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.

Maree Isaacs

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

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 FY23 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 FY23, 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 FY23 outcomes for key management personnel are included in the Remuneration Report.

Corporate governance

Our Corporate Governance Statement for FY22 is available from our website:
www.wisetechglobal.com/investors/corporate-governance/

Our FY23 statement is expected to be published in October 2023.

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 FY23 by the 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 FY23 by the 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 2023.

Signed in accordance with a resolution of the Directors.

Andrew Harrison
Chair

23 August 2023

Richard White
Executive Director, Founder and CEO

23 August 2023

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 2023 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

KPMG

Caoimhe Toouli

Caoimhe Toouli

Partner

Sydney

23 August 2023

Consolidated statement of profit or loss and other comprehensive income

For the year ended 30 June 2023

	Notes	2023 $M	2022 $M
Revenue	3	816.8	632.2
Cost of revenues		(125.6)	(92.5)
Gross profit		**691.3**	**539.7**
Product design and development		(185.8)	(142.9)
Sales and marketing		(69.3)	(50.0)
General and administration[1]		(135.9)	(91.8)
Total operating expenses		**(391.1)**	**(284.7)**
Operating profit		**300.2**	**255.0**
Finance income		7.8	1.4
Finance costs	24	(7.1)	(4.1)
Fair value gain on contingent consideration	24	0.2	0.1
Net finance income/(costs)		**0.8**	**(2.6)**
Profit before income tax		**301.0**	**252.4**
Income tax expense	4	(88.8)	(57.7)
Net profit after income tax		**212.2**	**194.6**
Other comprehensive (loss)/income, net of tax			
Items that are/or may be reclassified to profit or loss			
Movement in cash flow hedges, net of tax		(0.5)	(10.2)
Exchange differences on translation of foreign operations		46.3	8.9
Other comprehensive income/(loss), net of tax		**45.8**	**(1.3)**
Total comprehensive income, net of tax		**258.0**	**193.4**
Earnings per share			
Basic earnings per share (cents)	5	64.8	59.7
Diluted earnings per share (cents)	5	64.6	59.7

[1] For the year ended 30 June 2023, included in General and administration expenses are $1.1m of restructuring expenses (FY22: $0.9m) and $26.4m of M&A expenses (FY22: $2.3m).

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

Consolidated statement of financial position

As at 30 June 2023

	Notes	2023 $M	2022 $M
Assets			
Current assets			
Cash and cash equivalents	9	143.0	483.4
Trade receivables	10	121.0	88.0
Current tax receivables		7.2	11.8
Derivative financial instruments	24	-	1.6
Other current assets	11	93.3	24.3
Total current assets		**364.5**	**609.2**
Non-current assets			
Intangible assets	7	2,192.1	961.2
Property, plant and equipment	8	88.9	75.8
Deferred tax assets	4	5.2	9.5
Derivative financial instruments	24	-	0.6
Other non-current assets	11	8.0	7.4
Total non-current assets		**2,294.1**	**1,054.4**
Total assets		**2,658.6**	**1,663.6**
Liabilities			
Current liabilities			
Trade and other payables	12	85.3	75.5
Borrowings	15	225.0	-
Lease liabilities	16	10.9	9.5
Deferred revenue	13	30.9	12.5
Employee benefits	19	36.0	23.3
Current tax liabilities		24.7	12.1
Derivative financial instruments	24	16.2	7.7
Other current liabilities	14	151.6	66.7
Total current liabilities		**580.6**	**207.4**
Non-current liabilities			
Lease liabilities	16	20.5	24.0
Employee benefits	19	11.4	4.9
Deferred tax liabilities	4	117.1	81.0
Derivative financial instruments	24	4.2	8.1
Other non-current liabilities	14	30.3	23.0
Total non-current liabilities		**183.5**	**141.1**
Total liabilities		**764.1**	**348.4**
Net assets		**1,894.6**	**1,315.2**
Equity			
Share capital	17	1,254.7	906.3
Reserves		(33.6)	(101.0)
Retained earnings		673.4	509.9
Total equity		**1,894.6**	**1,315.2**

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

Consolidated statement of changes in equity

For the year ended 30 June 2023

	Notes	Share capital $M	Treasury share reserve $M	Acquisition reserve $M	Cash flow hedge reserve $M	Share-based payment reserve $M	Foreign currency translation reserve $M	Retained earnings $M	Total equity $M
Balance as at 1 July 2021		**827.8**	**(55.0)**	**(17.3)**	**(2.5)**	**47.9**	**(40.6)**	**345.8**	**1,106.0**
Net profit for the year		-	-	-	-	-	-	194.6	194.6
Other comprehensive loss, net of tax		-	-	-	(10.2)	-	8.9	-	(1.3)
Total comprehensive income/(loss), net of tax		**-**	**-**	**-**	**(10.2)**	**-**	**8.9**	**194.6**	**193.4**
Shares issued to employee share trust	17	70.8	(70.8)	-	-	-	-	-	-
Shares issued for acquisition of subsidiaries	17	6.0	-	(0.1)	-	-	-	-	5.9
Dividends declared and paid	6	-	-	-	-	-	-	(28.0)	(28.0)
Shares issued under DRP	17	1.5	-	-	-	-	-	-	1.5
Transaction costs, net of tax	17	(0.1)	-	-	-	-	-	-	(0.1)
Vesting of share rights		-	16.7	-	-	(13.2)	-	(3.5)	-
Equity settled share-based payment	19	-	-	-	-	31.2	-	-	31.2
Equity settled remuneration to Non-Executive Directors		0.2	-	-	-	(0.2)	-	-	-
Tax benefit from equity settled share-based payment		-	-	-	-	4.4	-	-	4.4
Revaluation of subsidiary due to hyperinflationary economy		-	-	-	-	-	-	1.0	1.0
Total contributions and distributions		**78.5**	**(54.1)**	**(0.1)**	**-**	**22.2**	**-**	**(30.5)**	**15.9**
Balance as at 30 June 2022		**906.3**	**(109.2)**	**(17.4)**	**(12.7)**	**70.1**	**(31.8)**	**509.9**	**1,315.2**

Consolidated statement of changes in equity (continued)

	Notes	Share capital $M	Treasury share reserve $M	Acquisition reserve $M	Cash flow hedge reserve $M	Share-based payment reserve $M	Foreign currency translation reserve $M	Retained earnings $M	Total equity $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 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 subsidiary due to hyperinflationary economy		-	-	-	-	-	-	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**

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

Consolidated statement of cash flows

For the year ended 30 June 2023

	Notes	2023 $M	2022 $M
Operating activities			
Receipts from customers		858.6	650.4
Payments to suppliers and employees[1]		(425.3)	(310.9)
Income tax paid		(52.9)	(32.9)
Net cash flows from operating activities	22	**380.5**	**306.7**
Investing activities			
Acquisition of businesses, net of cash acquired	18	(740.1)	(3.4)
Payments for intangible assets	7	(114.7)	(75.4)
Purchase of property, plant and equipment, net of disposal proceeds		(27.2)	(26.8)
Interest received		7.8	1.4
Net cash flows used in investing activities		**(874.2)**	**(104.3)**
Financing activities			
Proceeds from borrowings		225.0	-
Proceeds from issue of shares		38.0	70.8
Transaction costs on issue of shares		(0.3)	(0.1)
Treasury shares acquired		(38.1)	(70.8)
Repayments of lease liabilities		(9.7)	(7.8)
Interest paid		(4.7)	(3.9)
Dividends paid		(41.6)	(26.5)
Net cash flows from/(used in) financing activities		**168.6**	**(38.2)**
Net (decrease)/increase in cash and cash equivalents		(325.2)	164.2
Cash and cash equivalents at 1 July	9	483.4	315.0
Effect of exchange differences on cash balances		(15.3)	4.2
Net cash and cash equivalents at 30 June	9	**143.0**	**483.4**

[1]For the year ended 30 June 2023, $1.5m of payments related to restructuring activities (FY22: $1.2m) and $24.7m of M&A activities (FY22: $1.5m) are included in payments to suppliers and employees.

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

Notes to the consolidated financial statements

For the year ended 30 June 2023

Contents of the notes to the financial statements

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2023

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 2023. 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 consideration which is measured at fair value in accordance with AASB 13 *Fair Value Measurement;* and
• Value of assets and liabilities acquired which is measured at fair value in accordance with AASB 3 *Business Combinations*

The Consolidated financial statements have been prepared on a going concern basis, which contemplates continuity of normal business activities and the realization of assets and the settlement of liabilities in the ordinary course of business.

The Consolidated financial statements were authorized by the Board of Directors on 23 August 2023.

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 2022.

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 significant accounting policies which are relevant to understanding the basis of preparation of these Consolidated financial statements are included in note 28.

2. Basis of preparation (continued)

Going concern

The accompanying Consolidated financial statements have been prepared assuming the Group will continue as a going concern. The Group's financial position is strong with robust cash generation, and significant liquidity to support its strategic and operational initiatives. The Group has net current liabilities of $216.1m (FY22: net current assets of $401.8m), which includes a $225m term loan maturing in March 2024 which the Group can repay and redraw against existing undrawn long-term facilities of $250m at any time. The net current liability position does not impact the Group's ability to continue as a going concern or pay its debts as and when they become due and payable.

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 2023, the Group has sufficient cash to meet all committed liabilities and future expected liabilities.

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	46
Recognition and recoverability of other intangible assets	7	50
Recoverability of goodwill	7	50
Trade receivables expected credit losses	10	54
Lease terms	16	59
Valuation of contingent consideration	24	77

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 2023

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 2023

3. Revenue

Disaggregation of revenue from contracts with customers

The Company has concluded that disclosing a disaggregation of revenue types amongst 'Recurring On-Demand 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.

	2023	2022
	$M	$M
Revenue		
Recurring On-Demand License revenue	683.0	491.6
Recurring OTL maintenance revenue	101.5	74.2
OTL and support services	32.4	66.5
Total revenue	**816.8**	**632.2**

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.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2023

3. Revenue (continued)

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.

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.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2023

3. Revenue (continued)

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.

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 2023

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:

	2023	2022
	$M	**$M**
Current tax	65.1	39.5
Deferred tax	23.8	30.0
Adjustment for prior years - current tax	(1.0)	(12.0)
Adjustment for prior years - deferred tax	0.9	0.3
Income tax expense	**88.8**	**57.7**

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

	2023	2022
	$M	**$M**
Accounting profit before income tax	**301.0**	**252.4**
At Australia's statutory income tax rate of 30% (2022: 30%)	90.3	75.7
Adjusted for:		
Other assessable income	1.5	1.2
Non-deductible expenses	1.2	0.4
Non-deductible acquisition expense	7.5	0.6
(Over)/under provision for income tax in prior years	(0.1)	2.9
	100.4	80.8
Adjusted for:		
Tax effect of:		
Tax deduction for acquisitions	(2.4)	(12.8)
Fair value gain on contingent consideration	(0.1)	-
Different tax rates in overseas jurisdictions	(2.8)	(4.8)
Research and development	(6.1)	(5.3)
Non-taxable income	(0.2)	(0.2)
Income tax expense	**88.8**	**57.7**

Significant 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 2023

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.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2023

4. Income tax (continued)

(b) Movements in deferred tax balances

2022	Opening balance $M	Charged to profit or loss $M	Charged to goodwill $M	Exchange differences $M	Charged to equity $M	Total $M
Software development costs	62.0	14.5	-	0.2	-	76.7
Customer relationships and brands	2.6	0.4	0.1	-	-	3.0
Intellectual property	0.5	(0.2)	0.1	-	-	0.4
Goodwill	1.8	1.0	-	0.2	-	3.0
Property, plant and equipment	0.2	3.0	-	(0.1)	-	3.1
Future income tax benefits attributable to tax losses and offsets	(12.3)	3.8	-	(0.9)	(3.3)	(12.6)
Provisions	(11.6)	(3.0)	0.1	-	-	(14.5)
Revenue timing	(0.9)	0.9	-	-	-	-
Cash flow hedge	(0.8)	(0.3)	-	-	(1.7)	(2.8)
Transaction costs	(1.0)	0.5	-	-	-	(0.5)
Employee equity compensation	6.8	11.7	-	-	(1.1)	17.4
Unrealized foreign exchange	(0.2)	(0.8)	-	-	-	(1.0)
Other	0.3	(1.3)	-	0.3	-	(0.7)
Net tax liabilities	**47.3**	**30.3**	**0.2**	**(0.2)**	**(6.0)**	**71.5**

	Opening balance $M	Charged to profit or loss $M	Charged to goodwill $M	Exchange differences $M	Charged to equity $M	Total $M
2023						
Software development costs	76.7	26.0	-	0.2	-	102.9
Customer relationships and brands	3.0	(1.0)	13.8	0.1	-	15.9
Intellectual property	0.4	(2.3)	17.7	0.2	-	16.0
Goodwill	3.0	2.5	-	0.1	-	5.6
Property, plant and equipment	3.1	2.3	-	-	-	5.5
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	(9.0)	(1.1)	-	(22.5)
Revenue timing	-	(0.5)	(1.0)	-	-	(1.5)
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	(0.7)	0.7	0.9	-	-	0.9
Net tax liabilities	**71.5**	**24.7**	**22.3**	**(1.0)**	**(5.8)**	**111.9**

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2023

4. Income tax (continued)

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 $24.7m (FY22: $2.7m) have not been recognized.

5. Earnings per share

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

	2023	2022
Net profit after income tax ($M)	212.2	194.6
Weighted average number of ordinary shares (in millions)		
Basic weighted average number of ordinary shares	327.5	326.0
Shares issuable in relation to equity-based compensation schemes	1.0	0.1
Diluted weighted average number of ordinary shares	328.5	326.0
Basic EPS (cents)	64.8	59.7
Diluted EPS (cents)	64.6	59.7

Significant 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.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2023

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 by the Company during the year:

	2023	2022
	$M	**$M**
Dividends on ordinary shares declared and paid:		
Final dividend in respect of previous reporting period		
(FY22: 6.40 cents per share, FY21: 3.85 cents per share)		
- Paid in cash	20.2	11.8
- Paid via DRP	0.7	0.7
Interim dividend for the current reporting period		
(FY23: 6.60 cents per share, FY22: 4.75 cents per share)		
- Paid in cash	21.4	14.7
- Paid via DRP	0.3	0.8
	42.6	**28.0**

	2023	2022
Franking credit balance		
Franking amount balance as at the end of the financial year	72.7	48.6
Final dividend on ordinary shares		
Final dividend for FY23: 8.40 cents per share (FY22: 6.40 cents per share)	27.9	20.9

After the reporting date, a dividend of 8.40 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 2023

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 2021									
Cost	296.1	16.8	7.8	632.1	41.0	23.3	14.8	1.2	1,033.1
Accumulated amortization and impairment	(79.0)	-	(4.2)	(0.1)	(29.5)	(11.3)	(4.4)	(0.1)	(128.6)
Net book value	**217.1**	**16.8**	**3.6**	**632.0**	**11.5**	**12.0**	**10.4**	**1.1**	**904.5**
At 1 July 2021	217.1	16.8	3.6	632.0	11.5	12.0	10.4	1.1	904.5
Additions	-	82.2[1]	0.6	-	0.9	-	-	0.2	84.0
Transfers/reclassifications	74.6	(74.6)	-	-	-	-	-	-	-
Acquisition via business combination	-	-	-	6.1	0.3	0.1	0.2	-	6.8
Amortization	(33.5)	-	(1.4)	-	(4.0)	(2.3)	(1.6)	(0.1)	(43.0)
Exchange differences	0.8	-	-	8.0	-	0.4	(0.1)	-	9.0
Net book value at 30 June 2022	**258.9**	**24.5**	**2.8**	**646.2**	**8.6**	**10.1**	**9.0**	**1.1**	**961.2**
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 and impairment	(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	-	-	-	867.4	118.5	91.0	30.2	-	1,107.2
Amortization	(42.6)	-	(1.7)	-	(7.9)	(3.9)	(2.4)	(0.1)	(58.7)
Exchange differences	1.8	-	(0.1)	37.5	2.5	2.2	1.4	-	45.2
Net book value at 30 June 2023	**321.5**	**54.3**	**2.6**	**1,551.0**	**123.8**	**99.5**	**38.2**	**1.1**	**2,192.1**
At 30 June 2023									
Cost	477.2	54.3	9.8	1,551.1	166.1	117.5	46.8	1.6	2,424.3
Accumulated amortization and impairment	(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**	**1,551.0**	**123.8**	**99.5**	**38.2**	**1.1**	**2,192.1**

[1]FY23 includes $4.5m (FY22: nil) of accrued expenses, $2.2m (FY22: $1.9m) of depreciation charges on right-of-use (ROU) assets and $0.3m (FY22: $0.3m) of interest costs.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2023

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 10 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 10 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	10 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 15 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.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2023

7. Intangible assets (continued)

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.

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, and acquired intangibles are between five and 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 2023, 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 2023
A value-in-use discounted cash flow model has been used at 30 June 2023 to value the Group's CGUs incorporating financial plans approved by the Board for year ending 30 June 2024 and management projections for years ending 30 June 2025 to 30 June 2028. 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 2023

7. Intangible assets (continued)

The following inputs and assumptions have been adopted:

	2023	2022
Post-tax discount rate per annum	9.8%	9.6%
Pre-tax discount rate per annum	11.7%	11.5%
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 2021				
Cost	70.9	9.3	51.1	131.3
Accumulated depreciation	(41.6)	(5.7)	(19.9)	(67.1)
Net book value	**29.4**	**3.6**	**31.2**	**64.1**
At 1 July 2021	29.4	3.6	31.2	64.1
Additions	25.5	1.3	1.8	28.6
Acquisition via business combination	-	-	0.3	0.3
Remeasurement	-	-	6.8	6.8
Transfers	0.1	(0.1)	-	-
Depreciation	(12.0)	(1.2)	(9.7)	(22.9)
Exchange differences	0.4	-	(0.1)	0.3
Disposals	(1.4)	-	-	(1.4)
Net book value at 30 June 2022	**41.9**	**3.6**	**30.3**	**75.8**
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	2.1	0.8	4.7	7.7
Remeasurement	-	-	0.2	0.2
Transfers	0.1	(0.1)	-	-
Depreciation	(16.6)	(1.3)	(11.3)	(29.2)
Exchange differences	1.2	0.1	0.8	2.2
Disposals	(0.1)	-	-	(0.1)
Net book value at 30 June 2023	**55.1**	**3.9**	**29.9**	**88.9**
At 30 June 2023				
Cost	123.0	11.7	62.8	197.6
Accumulated depreciation	(67.9)	(7.9)	(32.9)	(108.7)
Net book value	**55.1**	**3.9**	**29.9**	**88.9**

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2023

8. Property, plant and equipment (continued)

Significant 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	10% - 30%; and
Right-of-use assets	Term of lease[1]

[1]Lease terms range between 1-10 years

9. Cash and cash equivalents

	2023	2022
	$M	$M
Cash at bank and on hand	143.0	483.4

The effective interest rate on cash and cash equivalents was 1.97% per annum (FY22: 0.35% per annum).

In addition, the Group holds $55.9m 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 liabilities (refer to note 14).

Significant 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 2023

10. Trade receivables

	2023	2022
	$M	**$M**
Trade receivables	126.6	91.3
Provision for impairment of trade receivables	(5.6)	(3.3)
	121.0	**88.0**

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:

	2023	2022
	$M	**$M**
Opening balance	3.3	3.6
Acquisition via business combination	1.3	-
Impairment loss recognized	1.9	3.5
Amount written off	(1.0)	(3.8)
Closing balance	**5.6**	**3.3**

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

	2023	2022
	$M	**$M**
Not past due	105.9	81.4
Past due 0 - 30 days	6.6	5.4
Past due 31 - 60 days	2.7	0.8
Past due more than 60 days	5.8	0.4
	121.0	**88.0**

Significant 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 2023

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 2023

11. Other assets

	2023	2022
	$M	**$M**
Current		
Funds collected on behalf of customers[1]	53.8	-
Prepayments	25.1	16.7
Withholding taxes	4.7	-
Unbilled receivables	3.1	4.0
Deposits	1.6	0.9
Indirect tax receivables	2.9	1.0
Contract assets	0.3	0.7
Other	1.9	1.0
	93.3	**24.3**
Non-current		
Prepayments	5.5	1.8
Withholding taxes	-	2.9
Contract assets	0.6	0.9
Deposits	1.4	0.9
Other	0.5	0.9
	8.0	**7.4**

[1]Funds collected on behalf of customers represents funds to pay on pre-set dates or on demand

Movements in unbilled receivables:

	2023	2022
	$M	**$M**
Opening balance	4.0	2.8
Acquisition via business combination	0.9	-
Accrued revenue recognized	5.3	5.1
Subsequently invoiced and transferred to trade receivables	(7.3)	(4.0)
Exchange differences	0.2	0.1
	3.1	**4.0**

Significant 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 2023

12. Trade and other payables

	2023	2022
	$M	**$M**
Trade payables	48.3	44.8
Other payables and accrued expenses	37.0	30.7
	85.3	**75.5**

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

Significant 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.

13. Deferred revenue

	2023	2022
	$M	**$M**
Deferred revenue	30.9	12.5
	30.9	**12.5**

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:

	2023	2022
	$M	**$M**
Opening balance	12.5	25.8
Acquisition via business combination	15.2	0.5
Revenue recognized in current year	(32.3)	(42.5)
Advanced payments received	34.9	28.7
Exchange differences	0.6	-
	30.9	**12.5**

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 2023

14. Other liabilities

	2023	2022
	$M	$M
Current		
Liabilities related to funds collected on behalf of customers[1]	53.8	-
Customer deposits[2]	49.6	39.0
Contingent consideration[3]	15.0	9.5
Deferred consideration[4]	-	1.8
Indirect taxes payable[5]	9.2	12.6
Customer payables	1.0	0.8
Other current liabilities	23.1	3.0
	151.6	**66.7**
Non-current		
Contingent consideration[3]	17.4	21.7
Other non-current liabilities	12.9	1.3
	30.3	**23.0**
	181.9	**89.6**

[1]Liabilities related to funds collected on behalf of customers represents amounts payable on pre-set dates or on demand.

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

[3]See note 24 for accounting policy and measurement of contingent consideration.

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

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

15. Borrowings

Bank debt facilities

In July 2021, the Group executed unsecured bilateral revolving bank debt facilities with a total commitment of $225m maturing in July 2025. These existing debt facilities remained undrawn as at 30 June 2023.

In February 2023, the Group added a three-year revolving facility of $25m maturing in April 2026 which remained undrawn as at 30 June 2023 and a 12-month term loan facility of $225m maturing in March 2024 which was fully utilized in March 2023 to facilitate the acquisition of Blume Global. The covenant package, group guarantees and other common terms and conditions in respect of these new debt facilities are governed under the Common Terms Deed Poll executed in July 2021.

As at 30 June 2023, $0.5m of the facilities executed in July 2021 was utilized for bank guarantees.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2023

16. Lease liabilities

	2023	2022
	$M	**$M**
Current		
Lease liabilities	10.9	9.5
	10.9	**9.5**
Non-current		
Lease liabilities	20.5	24.0
	20.5	**24.0**
	31.4	**33.6**

(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. As a lessee, prior to 1 July 2019, the Group previously classified leases as operating or finance leases, based on its assessment of whether the lease transferred substantially all of the risks and rewards of ownership. Under AASB 16, the Group recognizes right-of-use assets and lease liabilities for most leases.

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 2023

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	**2023**	**2022**
	$M	**$M**
Opening balance	33.6	35.0
Additions[1]	5.1	8.1
Additions through business combinations	3.7	0.3
Payments	(12.9)	(11.0)
Unwinding interest on lease liabilities	1.2	1.3
Exchange differences	0.8	(0.1)
Closing balance	**31.4**	**33.6**

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

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2023

17. Share capital and reserves

Ordinary shares issued and fully paid	**Shares (thousands)**	**$M**
At 1 July 2021	324,914	827.8
Shares issued for acquisition of subsidiaries	123	6.0
Shares issued to employee share trust	1,275	70.8
Shares issued under DRP	29	1.5
Shares issued to Non-Executive Directors for fee sacrifice	5	0.2
Transaction costs, net of tax	-	(0.1)
At 30 June 2022	**326,346**	**906.3**
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**

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 2023, the Trust held 2,628,350 shares of the Company (2022: 2,689,073 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.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2023

17. Share capital and reserves (continued)

(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.

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 $309.2m in shares to pay for obligations under acquisition agreements. In addition, at 30 June 2023 the Group had debt facilities of $475m, out of which $225m was drawn (FY22: $nil). The total equity of the Group at 30 June 2023 was $1,894.6m (FY22: $1,315.2m) and total cash and cash equivalents at 30 June 2023 were $143.0m (FY22: $483.4m).

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

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2023

18. Business combinations

Acquisitions in 2023

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.

	Envase $M	**Blume $M**	**Others $M**	**Total $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**

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2023

18. Business combinations (continued)

Acquisitions in 2023 (continued)

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.

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.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2023

18. Business combinations (continued)

Acquisitions in 2023 (continued)

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.

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.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2023

18. Business combinations (continued)

Acquisitions in 2022

During the year ended 30 June 2022, the Group completed the following acquisitions:

Business acquired	Date of acquisition	Description of acquisition
Inobiz AB	1 October 2021	Messaging mapping solutions provider in Sweden
Hazmatica[1]	1 November 2021	US-based hazardous materials transportation software solutions provider

[1]Asset acquisition

Neither of the acquisitions completed during the period is individually significant. 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.

	$M
Cash and cash equivalents	1.1
Trade receivables	0.4
Current tax receivable	0.1
Intangible assets	0.6
Property, plant and equipment	0.3
Trade and other payables	(0.4)
Deferred revenue	(0.4)
Other current liabilities	(0.1)
Lease liabilities	(0.3)
Deferred tax liabilities	(0.2)
Fair value of net identifiable assets acquired	**1.1**
Total consideration paid and payable	7.2
Less: Fair value of net identifiable assets acquired	(1.1)
Goodwill	**6.1**

Goodwill

The total goodwill arising on acquisition is $6.1m 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. The total amount of goodwill expected to be deducted for tax purposes is $1.7m.

Consideration

The upfront consideration was $4.7m (cash paid $4.4m and equity shares $0.2m), with further deferred consideration and contingent consideration payable of $2.0m and $0.8m respectively. Contingent consideration is based on a number of milestones, including the successful integration of the business acquired. At acquisition, the discounted fair value of deferred consideration and contingent consideration were $1.9m and $0.7m respectively. The acquisitions included $1.1m of cash and cash equivalents acquired. The Group incurred acquisition related costs of $0.2m (FY21: $0.2m) to external service providers in addition to internal costs which are recorded within general and administration expenses.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2023

18. Business combinations (continued)

Acquisitions in 2022 (continued)

Contribution of acquisitions to revenue and profits

These acquisitions contributed $1.8m to Group revenue and reduction to net profit of $0.2m from their respective dates of acquisition. If the acquisitions had been acquired from 1 July 2021, the contribution to the Group revenue would have been $2.4m and a reduction to net profit of $0.3m.

Significant 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).

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 2023

19. Employee benefits

	2023	2022
	$M	**$M**
Wages and salaries	318.4	236.3
Share-based payment expense	48.2	30.9
Defined contribution superannuation expense	26.4	19.0
Total employee benefit expense (gross before capitalization)	**393.0**	**286.2**

	2023	2022
	$M	**$M**
Current		
Annual leave	24.7	18.8
Long service leave	5.1	4.4
Other employee benefits	6.1	-
	36.0	**23.3**
Non-current		
Long service leave	6.6	4.9
Other employee benefits	4.8	-
	11.4	**4.9**
Total employee benefits	**47.3**	**28.2**

Significant 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.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2023

19. Employee benefits (continued)

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.

Share-based payment transactions

The Company has a number of share-based payment arrangements that were granted to employees during FY23. 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 FY23, 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. 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 $48.2m for employees and $0.3m for Non-Executive Directors (2022: $30.9m for employees and $0.3 for Non-Executive Directors), which was also recognized in the Consolidated statement of profit or loss. Subsequently, $17.9m (2022: $8.5m) 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 2023

20. Key management personnel transactions

Key management personnel (KMP) compensation
The total remuneration of the KMP of the Company are as follows:

	2023	2022
	$000	**$000**
Short-term employee benefits	3,870	3,621
Post-employment benefits	218	198
Other long-term benefits	178	248
Share-based payments	2,251	1,810
Total KMP compensation	**6,517**	**5,877**

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 entity over which he has control or significant influence were as follows:

		Transaction values for year ended 30 June		Balance outstanding as at 30 June	
		2023	**2022**	**2023**	**2022**
Director	**Transactions**	**$000**	**$000**	**$000**	**$000**
R White	Office lease[1]	920	847	-	-

The above agreement was made at normal market rates and was approved by the Related Party Committee. The committee was disbanded in June 2022 and its responsibilities transferred to the Audit & Risk Committee.

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

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2023

21. Auditor's remuneration

	2023	2022
	$000	**$000**
Audit and assurance related services		
KPMG Australia		
Audit and review of the financial reports	1,212.6	984.0
	1,212.6	**984.0**
Audit and assurance related services		
KPMG overseas and non-KPMG firms		
Audit of statutory financial reports KPMG overseas	869.5	672.1
Audit of statutory financial reports by non-KPMG firms	289.2	114.8
Total audit and assurance related services KPMG overseas and non-KPMG firms	**1,158.7**	**786.8**
Total audit and assurance related services	**2,371.3**	**1,770.8**
Other services		
KPMG overseas and Non-KPMG firms		
Other assurance, advisory and taxation services KPMG overseas	21.1	23.8
Other assurance, advisory and taxation services non-KPMG firms	11.9	12.0
Total other services KPMG overseas and non-KPMG firms	**33.0**	**35.8**
Total other services	**33.0**	**35.8**
Total auditor's remuneration	**2,404.3**	**1,806.6**

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2023

22. Reconciliation of net cash flows from operating activities

	2023	2022
	$M	**$M**
Cash flow reconciliation		
Reconciliation of net profit after tax to net cash flows from operating activities:		
Profit after tax from continuing operations	212.2	194.6
Net profit after tax	212.2	194.6
Adjustments to reconcile profit before tax to net cash flows from operating activities:		
Share-based payment expense	48.5	31.2
Depreciation	29.2	22.9
Net gain on asset disposals	(0.1)	-
Capitalization of share-based payment expense and depreciation	(20.2)	(10.5)
Amortization	58.7	43.0
Doubtful debt expense	1.9	3.5
Net finance costs	(0.8)	2.6
Exchange differences	0.3	0.1
Change in assets and liabilities:		
Increase in trade receivables	(19.1)	(17.4)
Decrease/(increase) in other current and non-current assets	12.4	(14.9)
Increase in trade and other payables	8.9	8.9
Decrease in net current tax liabilities	16.5	(6.8)
Increase in net deferred tax liabilities	26.3	28.7
Increase in derivatives and other liabilities	(1.8)	28.9
Increase/(decrease) in deferred revenue	2.6	(13.6)
Increase in provisions	4.9	5.4
Net cash flows from operating activities	**380.5**	**306.7**

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2023

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	**2023**	**2022**
	$M	**$M**
Recurring On-Demand License revenue	683.0	491.6
Recurring OTL maintenance revenue	101.5	74.2
OTL and support services	32.4	66.5
Total revenue	**816.8**	**632.2**
Segment EBITDA[1]	385.7	319.0
Depreciation and amortization	(85.6)	(64.0)
Net finance income/(costs)	0.8	(2.6)
Profit before income tax	**301.0**	**252.4**
Income tax expense	(88.8)	(57.7)
Net profit after income tax	**212.2**	**194.6**

[1]Earnings 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.

No single customer contributed more than 10% of revenue during the current and comparative period.

Geographic information
Revenue generated by customer invoicing location:

	2023	**2022**
	$M	**$M**
Americas	257.2	175.6
Asia Pacific	241.0	199.9
Europe, Middle East and Africa (EMEA)	318.6	256.7
Total revenue	**816.8**	**632.2**

Non-current assets by geographic location:

	2023	**2022**
	$M	**$M**
Americas	1,305.2	264.7
Asia Pacific	647.5	519.1
EMEA	341.4	270.6
Total non-current assets	**2,294.1**	**1,054.4**

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2023

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 2023

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 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.

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 of 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.

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.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2023

24. Financial instruments (continued)

Group - 2023	Level 1 $M	Level 2 $M	Level 3 $M	Total $M
Assets				
Forward foreign exchange contracts	-	-	-	-
Foreign exchange collars	-	-	-	-
Total assets	**-**	**-**	**-**	**-**
Liabilities				
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**

Group - 2022	Level 1 $M	Level 2 $M	Level 3 $M	Total $M
Assets				
Forward foreign exchange contracts	-	1.3	-	1.3
Foreign exchange collars	-	0.9	-	0.9
Total assets	**-**	**2.2**	**-**	**2.2**
Liabilities				
Forward foreign exchange contracts	-	5.9	-	5.9
Foreign exchange collars	-	9.9	-	9.9
Deferred consideration	-	1.8	-	1.8
Contingent consideration	-	-	31.2	31.2
Total liabilities	**-**	**17.6**	**31.2**	**48.8**

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. Changes in the fair value of derivative financial instruments are recognized in 'other comprehensive income'.

	2023 $M	2022 $M
Opening balance (pre-tax)	(13.7)	(3.0)
New contracts entered during the year	(8.3)	(10.7)
Contracts settled or closed during the year	6.2	2.1
Revaluation	(4.7)	(2.1)
Closing balance (pre-tax)	**(20.5)**	**(13.7)**

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. Deferred consideration was paid during FY23.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2023

24. Financial instruments (continued)

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.

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.

	2023 $M	**2022 $M**
Opening balance 1 July	31.2	36.5
Change in fair value estimate[1]	(0.2)	(0.1)
Equity payments	(5.7)	(5.7)
Cash payments	(2.6)	(0.1)
Additions	7.2	0.7
Unwinding interest[1]	0.9	(0.1)
Foreign exchange differences[1]	1.6	-
Closing balance	**32.4**	**31.2**

[1]The 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.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2023

24. Financial instruments (continued)

Financial risk management objectives and policies (continued)

(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.

(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 $143.0m at 30 June 2023 (2022: $483.4m).

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2023

24. Financial instruments (continued)

Financial risk management objectives and policies (continued)

(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.

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.

2023	Carrying amount $M	Contractual cash flow Total $M	Less than 1 year $M	1 - 5 years $M
Financial liabilities				
Bank loans	225.0	(227.2)	(227.2)	-
Contingent consideration[1]	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	37.0	(37.0)	(37.0)	-
Other liabilities	151.7	(152.6)	(138.8)	(13.8)
Total	**505.2**	**(511.6)**	**(466.5)**	**(45.1)**

[1]The 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.

2022	Carrying amount $M	Contractual cash flow Total $M	Less than 1 year $M	1 - 5 years $M
Financial liabilities				
Contingent consideration[2]	6.7	(7.5)	(1.2)	(6.3)
Lease liabilities	33.6	(36.7)	(10.6)	(26.1)
Deferred consideration	1.8	(1.8)	(1.8)	-
Trade payables	44.8	(44.8)	(44.8)	-
Other payables and accrued expenses	30.7	(30.7)	(30.7)	-
Other liabilities	58.3	(58.3)	(57.0)	(1.3)
Total	**175.9**	**(179.8)**	**(146.1)**	**(33.7)**

[2]The total carrying value of contingent consideration is $31.2m, which includes $24.5m to be settled for an equivalent value of shares once milestones are achieved and become payable and $6.7m 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 2023

24. Financial instruments (continued)

Financial risk management objectives and policies (continued)

Finance costs are broken down as follows:

	2023	2022
	$M	**$M**
Unwinding interest on contingent consideration	1.0	1.0
Re-assessment of interest unwind on contingent consideration	-	(1.0)
Unwinding interest on lease liabilities	1.2	1.3
Lease liability interest capitalized to intangible assets	(0.3)	(0.3)
Interest expense and facility fees	4.4	1.5
Loss on net monetary position due to hyperinflationary economy	1.4	0.8
Other	(0.7)	0.7
Total finance costs	**7.1**	**4.1**

(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 2023, the Group has hedged approximately 40% 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 2023

24. Financial instruments (continued)

Financial risk management objectives and policies (continued)

Details of total outstanding cash flow hedges are as below:

30 June 2023			**Contract value LC[1] (Millions)**	**Asset AUD (Millions)**	**Liability AUD (Millions)**
Forward foreign exchange contracts		**Average exchange rates**			
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)**
Foreign exchange collars	**Average put rates**	**Average call rates**			
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)**
30 June 2022					
Forward foreign exchange contracts		**Average exchange rates**			
EUR					
Up to 1 year		0.6300	25.6	1.2	-
1 - 5 years		0.6326	7.3	0.1	-
Total			**32.8**	**1.3**	**-**
USD					
Up to 1 year		0.7201	76.1	-	(4.7)
1 - 5 years		0.7069	30.1	-	(1.2)
Total			**106.2**	**-**	**(5.9)**
Foreign exchange collars	**Average put rates**	**Average call rates**			
EUR					
Up to 1 year	0.5853	0.6346	6.3	0.4	-
1 - 5 years	0.5860	0.6350	12.4	0.5	-
Total			**18.7**	**0.9**	**-**
USD					
Up to 1 year	0.7049	0.7481	55.0	-	(3.0)
1 - 5 years	0.7240	0.7618	70.8	-	(6.9)
Total			**125.8**	**-**	**(9.9)**

[1]LC - Local currency

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2023

24. Financial instruments (continued)

Financial risk management objectives and policies (continued)

Variance analysis - FY23

A reasonably possible strengthening (weakening) of the USD or EUR weighted average exchange rate against AUD at 30 June 2023 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.

				Effect on equity (pre-tax)		Profit (pre-tax)	
Forward foreign exchange contracts	**Average exchange rate**	**+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)	-	-

Variance analysis - FY22

A reasonably possible strengthening (weakening) of the USD or EUR weighted average exchange rate against AUD at 30 June 2022, 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 2022 remain unchanged and that all designations are effective.

				Effect on equity (pre-tax)		Profit (pre-tax)	
Forward foreign exchange contracts	**Average exchange rate**	**+10%**	**-10%**	**Change (+10%) AUD (Millions)**	**Change (-10%) AUD (Millions)**	**Change (+10%) AUD (Millions)**	**Change (-10%) AUD (Millions)**
AUD / EUR	0.6305	0.6936	0.5675	0.1	(0.1)	-	-
AUD / USD	0.7163	0.7879	0.6447	0.5	(0.7)	-	-

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2023

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 2023 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.

		Profit or loss (pre-tax)		Equity	
	30 June 2023 LC (Millions)	**Change (+10%) LC (Millions)**	**Change (-10%) LC (Millions)**	**Change (+10%) LC (Millions)**	**Change (-10%) 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	-	-

		Profit or loss (pre-tax)		Equity	
	30 June 2022 LC (Millions)	**Change (+10%) LC (Millions)**	**Change (-10%) LC (Millions)**	**Change (+10%) LC (Millions)**	**Change (-10%) LC (Millions)**
USD					
Net trade receivables/(payables) exposure	18.3	(1.7)	2.0	-	-
EUR					
Net trade receivables/(payables) exposure	3.8	(0.3)	0.4	-	-

LC - Local currency

Interest rate risk and cash flow sensitivity

At 30 June 2023, the Group held interest bearing financial liabilities (i.e., bank loans) of $225.0m (2022: nil) and held interest bearing financial assets (i.e. cash and short-term deposits) of $143.0m (2022: $483.4m).

A reasonably possible increase of 100 basis points in interest rates at the reporting date would have decreased the net profit after tax by $0.6m (FY22: increase by $3.4m). A reasonably possible decrease of 100 basis points in interest rates at the reporting date would have increased the net profit after tax by $0.6m (FY22: decrease by $3.4m).This 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 2023

25. Group information

Parent entity	Country of incorporation
WiseTech Global Limited	Australia

Subsidiaries	Country of incorporation	% Equity interest 2023	% Equity interest 2022
Candent Australia Pty Ltd	Australia	100.0	100.0
CMS Transport Systems Pty Ltd[1]	Australia	-	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	Australia	100.0	100.0
Interactive Freight Systems Pty Ltd	Australia	100.0	100.0
Maximas Pty Ltd	Australia	100.0	100.0
Microlistics Pty Ltd	Australia	100.0	100.0
Translogix (Australia) Pty Ltd	Australia	100.0	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.	Argentina	100.0	100.0
Intris N.V.	Belgium	100.0	100.0
CargoWise Brasil Solucoes em Sistemas Ltda	Brazil	100.0	100.0
Infosite Technologies Inc.[4]	Canada	100.0	-
Tailwind Software Holdings Ltd[4]	Canada	100.0	-
WiseTech Global (CA) Ltd	Canada	100.0	100.0
Softcargo Chile SpA	Chile	100.0	100.0
Bolero Shanghai Ltd[1,2]	China	-	-
WiseTech Global (China) Information Technology Ltd	China	100.0	100.0
Blume France Sarl[5]	France	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[5]	Hong Kong	100.0	-
Bolero.Net Ltd[2]	Hong Kong	100.0	-
Containerchain Hong Kong Ltd[1]	Hong Kong	-	100.0
WiseTech Global (HK) Ltd	Hong Kong	100.0	100.0
Blume Global India Private Limited[5]	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

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2023

25. Group information (continued)

Subsidiaries	Country of incorporation	% Equity interest 2023	2022
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
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
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. [2]	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
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	South Africa	100.0	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	South Africa	100.0	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[5]	Switzerland	100.0	-
Sisa Studio Informatica SA	Switzerland	100.0	100.0
WiseTech Global (Taiwan) Ltd	Taiwan	100.0	100.0
Containerchain (Thailand) Co Ltd	Thailand	100.0	100.0
Ulukom Bilgisayar Yazılım Donanım Danışmanlık ve Ticaret Limited Şirket	Turkey	100.0	100.0
WiseTech Global FZ-LLC	UAE	100.0	100.0
Blume Services UK Limited[5]	UK	100.0	-
Bolero International Limited[2]	UK	100.0	-
Bolero.net Limited[2]	UK	100.0	-
LSI - Sigma Software Limited[1]	UK	-	100.0
Pierbridge Limited	UK	100.0	100.0
Shipamax Ltd[3]	UK	100.0	-
WiseTech Global (International) Ltd	UK	100.0	100.0
WiseTech Global (UK) Ltd	UK	100.0	100.0
Bolero.net Inc.[2]	USA	100.0	-
Blume Global, Inc.[5]	USA	100.0	-
Dray Master Holdings, LLC[4]	USA	100.0	-
Envase Holdings, LLC[4]	USA	100.0	-

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2023

25. Group information (continued)

Subsidiaries	Country of incorporation	% Equity interest 2023	2022
Compcare Services Holdings, LLC[1,4]	USA	-	-
Compcare Services, LLC[4]	USA	100.0	-
GTG Technology Group, LLC[4]	USA	100.0	-
GTG Technology Group Holdings, LLC[1,4]	USA	-	-
Profit Tools, LLC[4]	USA	100.0	-
SecurSpace Holdings, LLC[4]	USA	100.0	-
Shipamax Inc[3]	USA	100.0	-
Transport Software Solutions, LLC[4]	USA	100.0	-
WB 335, Inc.[1]	USA	-	-
WiseTech Global (US) Inc.	USA	100.0	100.0
Eyalir S.A.	Uruguay	100.0	100.0
Ilun S.A.	Uruguay	100.0	100.0

[1]Entity de-registered, merged or amalgamated in FY23
[2]Entity for which control has been gained through Bolero acquisition in FY23
[3]Entity for which control has been gained through Shipamax acquisition in FY23
[4]Entity for which control has been gained through Envase acquisition in FY23
[5]Entity for which control has been gained through Blume acquisition in FY23

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2023

26. Deed of Cross Guarantee

Pursuant to the relief provided under ASIC Corporations (Wholly-owned Companies) Instrument 2016/785, the ten 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	-
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	-

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	
	2023	**2022**
	$M	**$M**
Profit from continuing operations before income tax	287.6	195.3
Income tax expense	(85.2)	(36.7)
Profit after tax from continuing operations	**202.4**	**158.6**
Retained earnings at the beginning of the period	418.8	301.1
Retained earnings of entities exited from the group	1.3	-
Net profit for the period	202.4	158.6
Dividends declared and paid	(42.6)	(28.0)
Vesting of share rights	(7.9)	(3.5)
Tax benefit from equity remuneration[1]	-	(9.4)
Retained earnings at the end of the period	**572.0**	**418.8**

[1]$9.4m recognized in Group accounts in FY21, moved into the Closed Group in FY22

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2023

26. Deed of Cross Guarantee (continued)

	Closed Group 2023	2022
	$M	**$M**
Assets		
Current assets		
Cash and cash equivalents	11.3	292.0
Current tax receivables	-	6.8
Trade and other receivables	64.9	50.7
Other current assets	20.4	15.5
Intercompany receivables	5.0	6.3
Derivative financial instruments	-	1.6
Total current assets	**101.6**	**372.8**
Non-current assets		
Investments in subsidiaries	1,858.9	912.6
Intangible assets	379.0	277.8
Property, plant and equipment	33.6	31.6
Other non-current assets	6.8	6.2
Derivative financial instruments	-	0.6
Total non-current assets	**2,278.3**	**1,228.9**
Total assets	**2,379.9**	**1,601.6**
Liabilities		
Current liabilities		
Trade and other payables	37.9	34.7
Borrowings	225.0	-
Derivative financial instruments	16.2	7.7
Deferred revenue	10.6	7.5
Lease liabilities	3.7	3.5
Employee benefits	21.5	15.9
Intercompany payables	24.0	62.1
Other current liabilities	58.5	48.1
Current tax liabilities	5.4	-
Total current liabilities	**402.8**	**179.6**
Non-current liabilities		
Employee benefits	5.7	3.9
Deferred tax liabilities	99.9	75.7
Derivative financial instruments	4.2	8.1
Lease liabilities	9.8	13.4
Other non-current liabilities	20.1	10.0
Total non-current liabilities	**139.8**	**111.3**
Total liabilities	**542.6**	**290.8**
Net assets	**1,837.3**	**1,310.8**
Equity		
Share capital	1,254.7	906.3
Reserves	10.6	(14.3)
Retained earnings	572.0	418.8
Total equity	**1,837.3**	**1,310.8**

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2023

27. Parent entity information

As at, and throughout the financial year ended, 30 June 2023, the parent entity of the Group was WiseTech Global Limited.

	2023	2022
	$M	**$M**
Result of parent entity		
Net profit after income tax	121.7	189.7
Total comprehensive income, net of tax	**121.7**	**189.7**

	2023	2022
	$M	**$M**
Financial position of parent entity at year end		
Current assets	1,366.6	943.0
Total assets	2,142.7	1,347.2
Current liabilities	421.0	38.3
Total liabilities	447.5	64.1
Net assets	**1,695.2**	**1,283.1**

	2023	2022
	$M	**$M**
Total equity of parent entity comprising:		
Share capital	1,254.7	906.3
Reserves	(96.5)	(88.9)
Retained earnings	537.0	465.7
Total equity	**1,695.2**	**1,283.1**

FY22 has been updated versus amounts reported in the prior year, to reflect final tax positions.

(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 2023 (FY22: nil).

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

The parent entity has capital commitments of $1.4m as at 30 June 2023 (FY22: $nil).

(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 2023 (FY22: $nil).

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2023

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.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2023

28. Other policies and disclosures (continued)

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.

(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 2023 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:

- Disclosure of accounting policies and definition of accounting estimates (AASB 2021-2 and AASB 2021-6);
- Deferred tax related to assets and liabilities arising from a single transaction (AASB 2021-5);
- Insurance contracts (AASB 17, AASB 2020-5, AASB 2022-1, AASB 2022-8, AASB 2022-9)

(e) Commitments and contingencies

Capital commitments

The Group has $3.1m of capital commitments as at 30 June 2023 (FY22: nil)

Guarantees

The Group has not provided for any material guarantees at 30 June 2023 (FY22: nil).

Contingent assets and contingent liabilities

There were no contingent assets or liabilities that have been recognized by the Group as at 30 June 2023 (FY22: nil).

(f) Events after reporting period

Dividend

Since the period end, the Directors have declared a fully franked final dividend of 8.40 cents per share, payable on 6 October 2023. The dividend will be recognized in subsequent financial statements.

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 31 to 91 and the Remuneration report on pages 7 to 24 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 2023 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) 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 2023.

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

Andrew Harrison
Chair
23 August 2023

Richard White
Executive Director, Founder and CEO
23 August 2023

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 is in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the Group's financial position as at 30 June 2023 and of its financial performance for the year ended on that date; and
- complying with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The ***Financial Report*** comprises:

- Consolidated statement of financial position as at 30 June 2023
- 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 a summary of significant accounting policies
- 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 .

KPMG

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 ($816.8m)

Refer to Note 3 'Revenue,' and Note 13 'Deferred revenue' of the financial report

The key audit matter	How the matter was addressed in our audit
The recognition of revenue is considered to be a key audit matter due to: • The significance of revenue to the financial statements; • Recurring CargoWise One revenue earned in relation to customer usage is determined by the Group with reference to price lists and complex discount structures. It involves high volumes of customer transaction data recorded using a highly 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. Auditing this revenue requires significant audit effort with extensive sample sizes. We involved IT and Data specialists to supplement our senior audit team members in assessing this key audit matter.	Our procedures included: • Stratified the revenue population into homogenous revenue streams for the purposes of performing our testing; • We tested the IT general controls over the CargoWise One system; • For key recurring CargoWise One revenue streams, where revenue is recognised based on customer usage of the software we developed an expectation of the revenue for the year. We compared this to the amount recorded by the Company. This procedure was performed with the assistance of our IT and Data Specialists. The formation of our expectation involved: - 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; - inspecting transaction data which is not subject to billing for consistency with our understanding of the process; - testing controls over access to the billing module, price lists and discount structures; - testing the interface of the output from the billing module to the general ledger; and - assessing for a sample of customers, the price list records, and discount structures based on their underlying contract documentation.

KPMG

	• We tested the Group's key manual revenue recognition controls including; - approval of new customer contracts; and - approval that the pricing in the customers billing invoice agrees to the underlying signed customer contracts. • For other revenue, we selected a statistical sample of revenue across the Group's subsidiaries to check the timing of revenue and its recognition in the correct accounting period. We tested revenue recognition and related deferred revenue by; - inspecting revenue contracts and invoices; - checking against cash receipts recorded in bank statements; - sample checking post year end credit notes; and - using the conditions of the contract to check the timing of revenue. • We evaluated the adequacy of disclosures included in the financial report against the requirements of the accounting standards.

Capitalisation of software development costs (additions: $133.2m)	
Refer to Note 7 'Intangible assets' of the financial report	
The key audit matter	**How the matter was addressed in our audit**
Capitalisation of software costs is considered to be a key audit matter due to: • The high volume of software developer hours; • The Group's assessment of the number of hours capitalised is reliant on data extracts from the Company's automated software workflow tool (PAVE). This is used for monitoring and recording the activities of software developers for the majority of its capitalised software development;	Our procedures included: • We inspected the Group's documentation of their assessment of capitalised development against AASB 138: *Intangible Assets* including the requirements to demonstrate separability, control and future economic benefit; • We assessed the Group's positions using our knowledge of the business and projects. We furthered this through inquiry with various stakeholders, including: Project Leaders, the Chief Technology Officer, the Chief Executive Officer and the Chief Financial Officer. We also inspected price lists and Board of Director's papers to evaluate these assertions;

• The Group develops its software products using an iterative development methodology. This approach requires more judgement in assessing the Group's application of the requirements of the accounting standards to capitalise the development costs. These assessments include: - 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; - determination of the rate per hour for developers' time eligible for capitalisation; and - project availability for its intended use and, accordingly, commencement of amortisation. We involved IT and Data specialists to supplement our senior audit team members in assessing this key audit matter.	• We tested the IT general controls over the PAVE system; • We developed an expectation of development costs capitalised in the year within PAVE. We compared this to the amount recorded by the Group. This procedure was performed with the assistance of our IT and Data Specialists. The formation of our expectation involved: - understanding the Group's software development processes and how software developers use PAVE to record activities; - inspecting the information recorded in PAVE and assessed the Group's identification of development activities; - assessing for a sample of PAVE recorded time capitalised, the hours recorded for coding relates to an employee with a developer related role; and the 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, task descriptions logged against the Group's accounting policy and the criteria in the accounting standards; and - assessing the task nature meets the requirements for capitalisation through inquiry with the developers. • For non-PAVE development costs, we tested a sample of recorded developer time capitalised, and evaluated the activities related to a project in development or enhancement to an existing software product, as opposed to, research or maintenance; • We assessed the time and labour rate eligible for capitalisation by testing a sample of key inputs to underlying records. We also assessed the Group's allocation of directly attributable overhead costs against the criteria within the accounting standards; • We considered the amortisation period including the commencement date of amortisation for completed projects for the capitalised software development costs; • We evaluated the adequacy of the disclosures included in the financial report against the requirements of the accounting standards.

Business Combinations (Envase goodwill and other intangibles: $341.9m, Blume goodwill and other intangibles: $667.4m)	
Refer to Note 18 to the financial report	
The key audit matter	**How the matter was addressed in our audit**

During FY23, the Group has acquired 100% of Envase Holdings, Inc. (Envase) and Blume Global, Inc. (Blume).
 	
The accounting for these acquisitions is a key audit matter due to the:
 	
• Size of the acquisitions having a significant impact on the Group's financial statements;
 	
• Significant judgement for these acquisitions that is required in determining the fair values of assets and liabilities acquired. The Group engaged external valuation experts to assess the:
  - Identification of acquired intangible assets, such as customer relationships, intellectual property, and trade name;
  - Assumptions and estimates used when performing intangible asset valuations, including estimated future cash flows, growth rates and discount rates; and
  - Fair value adjustments to assets acquired and liabilities assumed.
 	
• Complexity associated with the acquisition accounting including the recording of provisional adjustments to the fair value of assets and liabilities acquired at reporting date.
 	
We involved Valuation specialists to supplement our senior audit team members in assessing this key audit matter.
	Our procedures included:
	
	• We read the purchase agreements and other selected key documents associated with the transaction and evaluated the Group's provisional acquisition accounting against the requirements of the accounting standards;
	
	• We assessed the accuracy of the calculation and measurement of consideration paid to acquire Envase and Blume based on the underlying transaction agreements and the Group's bank statements;
	
	• We assessed the scope, objectivity and competence of independent valuation specialists engaged by the Group;
	
	• Working with our valuation specialists, we assessed the Group's provisional valuation of acquired identifiable intangible assets recognised by;
	  - Evaluating the Group's preliminary assessment of identified intangible assets, using the due diligence information and information from other acquisitions;
	  - Benchmarking the input assumptions including discount rates and customer retention rates to external data; and
	  - Evaluated the valuation methodology used to determine the provisional fair value of assets and liabilities acquired, considering accounting standard requirements and observed industry practices.
	
	• We evaluated the Group's provisional fair value accounting adjustments to the assets acquired and liabilities assumed by checking these to due diligence information, supporting documents and subsequent transactions;
	
	• We tested the mathematical accuracy of the underlying calculations;

	• We recalculated the provisional goodwill balance recognised as a result of the transaction and compared it to the provisional goodwill amount recorded by the Group; • We assessed 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 reporting 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, 2023 Highlights, Financial Highlights, Chair and CEO Report, Our Business, Sustainability Report, 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 that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*
- implementing necessary internal control to enable the preparation of a Financial Report that gives a true and fair view and 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. 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 2023, 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 24 of the Directors' report for the year ended 30 June 2023.

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

KPMG

KPMG

Caoimhe Toouli

Caoimhe Toouli

Partner

Sydney

23 August 2023