ASX Announcement: 2024/08

21 February 2024

WiseTech Global 1H24 Appendix 4D and financial report

Attached are the Appendix 4D, half year information given to ASX under listing rule 4.2A, and the financial report for the half-year ended 31 December 2023.

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Authorized for release to ASX by David Rippon, Corporate Governance Executive and Company Secretary.

Contact information

Investor Relations and Media

INVESTOR RELATIONS:		MEDIA	
Ross Moffat	+61 412 256 224	Catherine Strong	+61 406 759 268

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 181 countries, including 45 of the top 50 global third-party logistics providers and 25 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 5,500 product enhancements to our global CargoWise application suite in the last five years while bringing meaningful continual improvement to the world's supply chains. Our breakthrough software solutions are renowned for their powerful productivity, extensive functionality, comprehensive integration, deep compliance capabilities, and truly global reach. For more information about WiseTech Global or CargoWise, please visit wisetechglobal.com and cargowise.com

[1] Includes customers on CargoWise and non-CargoWise platforms whose customers may be counted with reference to installed sites
[2] Armstrong & Associates: Top 50 Global 3PLs & Top 25 Global Freight Forwarders ranked by 2022 gross logistics revenue/turnover and freight forwarding volumes – Updated 5 October 2023

APPENDIX 4D

WiseTech Global Limited

For the half-year ended 31 December 2023

Results for announcement to the market

Six months ended 31 December ($M)			2023	2022
Revenue from ordinary activities	Up	32%	500.4	378.2
Statutory net profit after tax	Up	8%	118.2	109.0
Underlying net profit after tax[1]	Up	5%	128.4	121.8
Basic earnings per share (cents)	Up	7%	35.7	33.4

[1] Underlying net profit after tax excludes fair value adjustments from changes to acquisition contingent consideration (2023: nil, 2022: nil), non-recurring tax on acquisition contingent consideration (2023: $1.6m, 2022: $0.6m), acquired amortization, net of tax (2023: $8.3m, 2022: $2.9m), contingent and deferred consideration interest unwind, net of tax (2023: $0.4m, 2022: $0.3m) and M&A (mergers and acquisitions) costs (2023: $3.1m, 2022: $10.1m).

Dividends – Ordinary shares	Amount per security	Franked amount per security	Record date	Payment date
FY24 interim dividend	7.70 cents	7.70 cents	11 March 2024	5 April 2024
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 March 2024 to 19 March 2024, rounded to the nearest cent. The last date for receipt of election notices from shareholders wanting to commence, cease or vary their participation in the DRP for the FY24 interim dividend is by 5pm (Sydney time) on 12 March 2024.

Net tangible asset/(liability) (NTA) backing

As at 31 December	2023	2022
NTA ($M)	(281.2)	336.2
Number of shares (millions)	333.4	327.0
NTA per share (cents)	(84)	103

Entities for which control has been gained

Please refer to note 11 of the notes to the Consolidated financial statements for details.

Audit

This report is based on the interim Consolidated financial statements for the half-year ended 31 December 2023 which have been reviewed.

WiseTech Global Limited

1H24 Financial Report

CONTENTS

Directors' report

The Directors present their report together with the interim Consolidated financial statements of the Group comprising WiseTech Global Limited (Company) and its controlled entities for the half-year ended 31 December 2023 and the review report thereon.

Directors

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

- Andrew Harrison
- Richard White
- Lisa Brock (Appointed: 1 February 2024)
- Richard Dammery
- Teresa Engelhard
- Charles Gibbon
- Maree Isaacs
- Michael Malone
- Fiona Pak-Poy (Appointed: 1 February 2024)

Operating and financial review

for the half-year ended 31 December 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 181 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 all of the Top 25 Global Freight Forwarders[1] and 45 of the Top 50 Global Third-Party Logistics Providers (3PLs)[2]. Our software solutions are designed to assist our customers to efficiently navigate the complexities of the logistics industry and can dramatically increase productivity, reduce costs and mitigate risks for our customers.

Innovation and productivity remain key areas of focus for the business. We invest significantly in product development, with over $1b invested in the last five years, and continue to deliver, on average, over 1,000 new product enhancements to the CargoWise application suite 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, through to connecting to long-haul air, sea, rail and road, and crossing international borders – all while navigating complex regulatory frameworks with improved compliance, safety, visibility, predictability, manageability and productivity.

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

Our technology solutions have an important role to play in solving the complex pain points of the logistics industry and in enhancing productivity and efficiencies for logistics providers. We have secured a strong foundation for future technology development and geographic expansion, with 40 product development centers, including centers of excellence in Bengaluru and Nanjing, and a headcount of over 3,300 people globally across 37 countries.

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

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

Summary of statutory financial performance

During the six months to 31 December 2023 **(1H24)**, we delivered a strong financial performance, with significant revenue growth and robust margins.

Revenue increased 32% to $500.4m (1H23: $378.2m)

Operating profit increased 17% to $175.6m (1H23: $150.1m)

Net profit after tax increased 8% to $118.2m (1H23: $109.0m)

Underlying NPAT increased 5% to $128.4m (1H23: $121.8m)

Basic earnings per share increased 7% to 35.7 cents (1H23: 33.4 cents)

Summary financial results[1]

	1H24 $m	1H23 $m	Change $m	Change %
Recurring On-Demand License revenue	429.3	324.3	105.0	*32%*
Recurring One-Time License (OTL) maintenance revenue	56.3	39.4	16.9	*43%*
OTL and support services	14.8	14.5	0.3	*2%*
Revenue	**500.4**	**378.2**	**122.2**	***32%***
Cost of revenues	(85.3)	(56.9)	(28.4)	*50%*
Gross profit	**415.1**	**321.3**	**93.7**	***29%***
Product design and development[2]	(116.2)	(80.9)	(35.2)	*44%*
Sales and marketing	(48.3)	(26.8)	(21.5)	*80%*
General and administration	(75.1)	(63.5)	(11.5)	*18%*
Total operating expenses	**(239.5)**	**(171.2)**	**(68.3)**	***40%***
Operating profit	**175.6**	**150.1**	**25.4**	***17%***
Net finance (costs)/income	(9.0)	2.5	(11.5)	*n.a.*
Profit before income tax	**166.6**	**152.6**	**14.0**	***9%***
Tax expense	(48.3)	(43.5)	(4.8)	*11%*
Net profit after tax	**118.2**	**109.0**	**9.2**	***8%***
Underlying NPAT[3]	**128.4**	**121.8**	**6.6**	***5%***

Key financial metrics	**1H24**	**1H23**	**Change**
Recurring revenue %	**97%**	96%	1pp
Gross profit margin %	**83%**	85%	(2)pp
Product design and development as % total revenue[2]	**23%**	21%	2pp
Sales and marketing as % total revenue	**10%**	7%	3pp
General and administration as % total revenue	**15%**	17%	(2)pp
M&A costs ($m)	**3.1**	10.1	(7.1)
Capitalized development investment ($m)[4]	**95.8**	60.7	35.0
R&D as a % of total revenue[5]	**35%**	30%	5pp

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 $34.4m (1H23: $26.6m) depreciation and amortization but excludes capitalized development investment.
3. Underlying NPAT is Net profit after tax excluding fair value adjustments from changes to acquisition contingent consideration (1H24: nil, 1H23: nil), non-recurring tax on acquisition contingent consideration (1H24: $1.6m, 1H23: $0.6m), acquired amortization, net of tax (1H24: $8.3m, 1H23: $2.9m), contingent and deferred consideration interest unwind, net of tax (1H24: $0.4m, 1H23: $0.3m) and M&A costs (1H24: $3.1m, 1H23: $10.1m)
4. Includes patents and purchased external software licenses used in our products.
5. R&D is total investment in product design and development expense, excluding depreciation and amortization, but including capitalized development investment.

Revenue

Total revenue grew by 32% to $500.4m on 1H23 ($378.2m), with 15% growth delivered organically[3].

Revenue growth came from:

- $53.7m revenue from recent M&A;
- new CargoWise customers won in the period and growth from customers won in FY23 and prior, including new Large Global Freight Forwarder (LGFF) rollouts;
- increased usage by existing customers, price increases during the year to offset the impacts of inflation as well as generate returns on product investment, and new product features and enhancements on the CargoWise application suite;
- $11.0m of favorable foreign exchange (FX) movements (1H23: $2.3m favorable).

Revenue from CargoWise increased by 19% organically on 1H23 to $359.2m, with overall CargoWise revenue growing by 40% to $420.7m including the benefit of acquisitions. Growth was mainly driven by LGFF rollouts, increased CargoWise usage from existing customers, price increases during the year to offset the impacts of inflation and new product releases. CargoWise revenue growth also includes $53.0m from recent M&A. $8.1m of favorable FX was experienced in 1H24 (1H23: $3.2m favorable).

Revenue from customers on non-CargoWise platforms increased by 3% to $79.7m (1H23: $77.3m), driven by increased usage from FY21 and prior acquisitions and general price increases, partially offset by expected contraction in non-recurring revenue from acquisitions completed in FY21 and prior years. Revenue from non-CargoWise platforms included $2.9m of favorable FX movements (1H23: $0.9m unfavorable).

Recurring revenue for the Group increased to 97% of total revenue in 1H24 (1H23: 96%), with CargoWise recurring revenue growing by 39%, as a result of increased usage, price increases and recent M&A, as well as an expected contraction from acquisitions completed in FY22 and prior years from OTL and support services as noted above.

In 1H24, CargoWise revenue growth was achieved across all existing customer cohorts (from FY06 and prior through to FY24), with *the customer attrition rate* for the CargoWise application suite remaining extremely low at less than 1%, as it has been since we started measuring more than 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 $93.7m, up 29% in line with revenue growth, to $415.1m (1H23: $321.3m) and the gross profit margin remained strong at 83% (1H23: 85%), with revenue growth partially offsetting dilution from recent M&A.

Operating expenses

Our strong revenue growth and efficient operating model drives ongoing operating leverage, with overall operating expenses as a percentage of revenue at 47% (1H23: 43%) excluding M&A costs. A company-wide cost efficiency program is on track to deliver $15m in net savings in FY24, as part of an overall target of $40m in annual savings.

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.

Total R&D investment: In 1H24, we continued our significant investment in product innovation to further develop our software platform and to build our innovation pipeline as a strategic priority. Our R&D investment for the period increased by 54% to $177.5m (1H23: $115.1m), reflecting the previously communicated increase in hiring activity to drive future revenue growth, and recent M&A.

In 1H24, 35% of total revenue was reinvested in R&D (1H23: 30%), with the investment more heavily weighted to CargoWise R&D than in previous years.

Product design and development expense increased by 44% to $116.2m (1H23: $80.9m), reflecting:

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

Capitalized development investment increased to $95.8m (1H23: $60.7m), driven by increased investment focused on WiseTech's six key development priorities. Overall, the percentage of R&D capitalized was 54%, up 1 percentage point (pp) on 1H23, and above our target range of 40%–50%. This reflects the quality of WiseTech's development process, which delivers higher productivity and lower defects, enabling teams to focus on developing new products. We expect this trend to continue through FY24 as we continue to grow the base of new product releases across our six key development priorities, which can be seen in development costs for work in progress increasing by 86% to $71.6m at December 2023, with 62% of WiseTech's global workforce now focused on product development (1H23: 57%). As a result of our significant R&D investment, in 1H24 we delivered 576 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 5,500, from a total investment of over $1b. We believe this investment is critical to delivering long-term value for our customers.

Sales and marketing expense increased to $48.3m (1H23: $26.8m) mainly driven by M&A activity, including $7.3m acquired amortization, increased as a percentage of revenue by 3pp to 10pp, reflecting our targeted focus on the Top 25 Global Freight Forwarders and top 200 global logistics providers.

General and administration expenses of $75.1m (1H23: $63.5m) represented 15% of total revenue (1H23: 17%), returning to pre-FY23 levels after significant one-off M&A costs in 1H23. Excluding M&A costs, general and administration expenses were 14% of revenue in 1H24 (1H23: 14%), reflecting ongoing financial discipline.

Net finance costs

Other net finance costs in 1H24 of $9.0m (1H23: $2.5m net finance income) included $10.6m of finance costs (1H23: $2.4m), driven by increased interest expenses. Finance income of $1.6m (1H23: $4.9m) 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 23% on 1H23 to $249.9m, with net cash flows from operating activities of $211.6m (1H23: $181.0m). Free cash flow of $155.3m was up 13% on 1H23.

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

- $84.4m in intangible assets as we further developed and expanded our commercializable technology, resulting in a substantial increase in capitalized development investment for both commercialized products and those yet to be launched (1H23: $50.1m);
- $10.1m in assets mostly related to data center capacity expansion, and IT infrastructure investments to enhance scalability, reliability and security (1H23: $15.6m); and
- $44.1m for two new acquisitions (one tuck-in, one foothold acquisition), and contingent payments for prior acquisitions (1H23: $85.7m).

Dividends of $27.5m (1H23: $20.2m) were paid in cash during 1H24, with shareholders choosing to reinvest an additional $0.4m of their dividends via the dividend reinvestment plan.

Our closing cash balance of $145.0m, in addition to $300m of undrawn capacity from our $500m unsecured bi-lateral debt facilities as at 31 December 2023 supported by nine 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, foothold and strategically significant acquisitions to accelerate CargoWise product development and ecosystem reach, with 47 acquisitions completed since our IPO in 2016.

In 1H24, the Company completed the acquisitions of MatchBox Exchange, which delivered important new digital landside logistics capabilities to CargoWise, and Sistemas Casa, which gives WiseTech a foothold in Mexico. Following these acquisitions, WiseTech's global customs platform now covers ~55% of global manufactured trade flows, or ~75% including countries in development. The integrations of both businesses, their respective technologies and teams into the CargoWise ecosystem are progressing well. Moving forward, we will continue to evaluate further tuck-in and foothold acquisitions as well as larger, strategically significant acquisition opportunities where there is a compelling strategic rationale.

1H24 strategic highlights

We are focused on our vision – to be the operating system for global logistics – 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 49 LGFFs with global rollouts 'Contracted and In Progress'[5] or 'In Production'[6], including 13 of the Top 25 Global Freight Forwarders. In 1H24, we secured three new global rollout contracts with Sinotrans, APL Logistics and Yamato Transport.
- Two global rollouts transitioned as a result of increased adoption of CargoWise from 'Contracted and In Progress' to 'In Production' with Hankyu Hanshin and deugro.

Throughout 1H24, we continued our extensive product development program, investing $177.5m and 62% of our people in product development. CargoWise product development resources increased by 86% in 1H24, driven by recent M&A, new hire recruitment and transfers from non-CargoWise teams, delivering 576 product enhancements to the CargoWise application suite. We also made significant progress on our six product development priorities, which provides our customers with a global solution with multi-jurisdiction and multi-language capability that automates processes to deliver significant efficiency benefits.

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5. *Contracted and In Progress* refers to CargoWise customers who are contracted and in progress to rolling out the CargoWise application suite in 10 or more countries and for 400 or more registered users, who have fewer than 75% of expected registered users operationally live.
6. *In Production* refers to customers who are operationally live on CargoWise and are using the platform on a production database, having rolled out in 10 or more countries and 400 or more registered users on CargoWise, excluding customers classified as *'Contracted and In Progress'*.

Post balance date events

Since period end, the Directors have declared a fully franked final ordinary dividend of 7.70cps, representing a 17% increase on the FY23 interim dividend of 6.60cps. The interim dividend is payable on 5 April 2024 to shareholders registered as at 11 March 2024 and represents a payout ratio of 20% of Underlying NPAT.

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 1H24 Results presentation, the Company reconfirms FY24 guidance range for revenue of $1,040m–$1,095m (representing revenue growth of 27%–34%) and EBITDA of $455m–$490m (representing EBITDA growth of 18%–27%). The full year EBITDA margin guidance range increases to 44%-46%, due to 1H24 EBITDA margin strength.

Directors' Report

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 Australian Securities and Investments Commission (ASIC) Corporations Instrument 2016/191, dated 24 March 2016. 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 interim Consolidated financial statements due to rounding in millions to one place of decimals.

Auditor's independence declaration

The lead auditor's independence declaration is set out on page 9 and forms part of the Directors' Report for the six months ended 31 December 2023.

ASIC guidance

In line with previous periods and in accordance with the *Corporations Act 2001*, the Directors' Report is unaudited. Notwithstanding this, the Directors' Report (including the Review of operations) contains disclosures which are extracted or derived from the interim Consolidated financial report for the half-year ended 31 December 2023 which has been reviewed by the Group's independent auditor.

Signed in accordance with a resolution of the Directors:

Andrew Harrison
Chair
21 February 2024

Richard White
Executive Director, Founder and CEO
21 February 2024

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

To the Directors of WiseTech Global Limited

I declare that, to the best of my knowledge and belief, in relation to the review of WiseTech Global Limited for the period ended 31 December 2023 there have been:

i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and

ii. no contraventions of any applicable code of professional conduct in relation to the review.

KPMG

KPMG

Caoimhe Toouli

Caoimhe Toouli

Partner

Sydney

21 February 2024

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Consolidated statement of profit or loss and other comprehensive income

For the half-year ended 31 December 2023

	Notes	31 Dec 2023 $M	31 Dec 2022 $M
Revenue	3	500.4	378.2
Cost of revenues		(85.3)	(56.9)
Gross profit		**415.1**	**321.3**
Product design and development		(116.2)	(80.9)
Sales and marketing		(48.3)	(26.8)
General and administration[1]		(75.1)	(63.5)
Total operating expenses		**(239.5)**	**(171.2)**
Operating profit		**175.6**	**150.1**
Finance income		1.6	4.9
Finance costs	4	(10.6)	(2.4)
Net finance (costs)/income		**(9.0)**	**2.5**
Profit before income tax		**166.6**	**152.6**
Income tax expense		(48.3)	(43.5)
Net profit after income tax		**118.2**	**109.0**
Other comprehensive income/(loss), net of tax			
Items that are/or may be reclassified to profit or loss			
Movement in cash flow hedges, net of tax		13.0	0.2
Exchange differences on translation of foreign operations		(45.0)	9.6
Other comprehensive (loss)/income, net of tax		**(32.0)**	**9.8**
Total comprehensive income, net of tax		**86.2**	**118.9**
Earnings per share			
Basic earnings per share (cents)	5	35.7	33.4
Diluted earnings per share (cents)	5	35.5	33.3

[1]For the half-year ended 31 December 2023, included in General and administration expenses are $1.1m of restructuring expenses (2022: $1.0m) and $3.1m of M&A (mergers and acquisitions) expenses (2022: $10.1m).

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

Consolidated statement of financial position

As at 31 December 2023

	Notes	31 Dec 2023 $M	30 Jun 2023 $M
Assets			
Current assets			
Cash and cash equivalents		145.0	143.0
Trade receivables		121.7	121.0
Current tax receivables		8.5	7.2
Derivative financial instruments		2.0	-
Other current assets		82.4	93.3
Total current assets		**359.6**	**364.5**
Non-current assets			
Intangible assets	7	2,301.8	2,192.1
Property, plant and equipment		88.2	88.9
Deferred tax assets		4.7	5.2
Derivative financial instruments		0.8	-
Other non-current assets		12.0	8.0
Total non-current assets		**2,407.5**	**2,294.1**
Total assets		**2,767.1**	**2,658.6**
Liabilities			
Current liabilities			
Trade and other payables		90.0	85.3
Borrowings	9	-	225.0
Lease liabilities	10	11.7	10.9
Deferred revenue		30.4	30.9
Employee benefits		35.1	36.0
Current tax liabilities		28.6	24.7
Derivative financial instruments		3.5	16.2
Other current liabilities	8	141.5	151.6
Total current liabilities		**340.7**	**580.6**
Non-current liabilities			
Borrowings	9	200.0	-
Lease liabilities	10	16.5	20.5
Employee benefits		13.6	11.4
Deferred tax liabilities		122.0	117.1
Derivative financial instruments		0.2	4.2
Other non-current liabilities	8	53.6	30.3
Total non-current liabilities		**405.8**	**183.5**
Total liabilities		**746.5**	**764.1**
Net assets		**2,020.6**	**1,894.6**
Equity			
Share capital		1,357.6	1,254.7
Reserves		(96.6)	(33.6)
Retained earnings		759.6	673.4
Total equity		**2,020.6**	**1,894.6**

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

Consolidated statement of changes in equity

For the half-year ended 31 December 2023

	Share capital	Treasury share reserve	Acquisition reserve	Cash flow hedge reserve	Share-based payment reserve	Foreign currency translation reserve	Retained earnings	Total equity
	$M	$M	$M	$M	$M	$M	$M	$M
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 period	-	-	-	-	-	-	109.0	109.0
Other comprehensive loss, net of tax	-	-	-	0.2	-	9.6	-	9.8
Total comprehensive income/(loss), net of tax	**-**	**-**	**-**	**0.2**	**-**	**9.6**	**109.0**	**118.9**
Shares issued to employee share trust	38.0	(38.0)	-	-	-	-	-	-
Shares issued for acquisition of subsidiaries	1.8	-	(0.2)	-	-	-	-	1.6
Dividends declared and paid	-	-	-	-	-	-	(20.9)	(20.9)
Shares issued under DRP	0.7	-	-	-	-	-	-	0.7
Vesting of share rights	-	24.0	-	-	(18.6)	-	(5.4)	-
Equity settled share-based payment	-	-	-	-	23.8	-	-	23.8
Equity settled remuneration to Non-Executive Directors	0.2	-	-	-	(0.3)	-	-	(0.1)
Tax benefit from equity settled share-based payment	-	-	-	-	1.6	-	-	1.6
Revaluation of subsidiary due to hyperinflationary economy	-	-	-	-	-	-	0.7	0.7
Total contributions and distributions	**40.7**	**(14.0)**	**(0.2)**	**-**	**6.6**	**-**	**(25.6)**	**7.4**
At 31 December 2022	**947.0**	**(123.2)**	**(17.6)**	**(12.5)**	**76.6**	**(22.2)**	**593.3**	**1,441.5**

Consolidated statement of changes in equity (continued)

For the half-year ended 31 December 2023

	Share capital	Treasury share reserve	Acquisition reserve	Cash flow hedge reserve	Share-based payment reserve	Foreign currency translation reserve	Retained earnings	Total equity
	$M	$M	$M	$M	$M	$M	$M	$M
As at 1 July 2023	**1,254.7**	**(118.8)**	**(17.7)**	**(13.2)**	**101.6**	**14.5**	**673.4**	**1,894.6**
Net profit for the period	-	-	-	-	-	-	118.2	118.2
Other comprehensive loss, net of tax	-	-	-	13.0	-	(45.0)	-	(32.0)
Total comprehensive income/(loss), net of tax	**-**	**-**	**-**	**13.0**	**-**	**(45.0)**	**118.2**	**86.2**
Shares issued to employee share trust	68.0	(68.0)	-	-	-	-	-	-
Shares issued for acquisition of subsidiaries	34.3	-	0.1	-	-	-	-	34.4
Dividends declared and paid	-	-	-	-	-	-	(27.9)	(27.9)
Shares issued under DRP	0.4	-	-	-	-	-	-	0.4
Transaction costs, net of tax	(0.1)	-	-	-	-	-	-	(0.1)
Vesting of share rights	-	33.5	-	-	(28.0)	-	(5.5)	-
Equity settled share-based payment	-	-	-	-	29.9	-	-	29.9
Equity settled remuneration to Non-Executive Directors	0.3	-	-	-	(0.2)	-	(0.1)	-
Tax benefit from equity settled share-based payment	-	-	-	-	1.7	-	-	1.7
Revaluation of subsidiary due to hyperinflationary economy	-	-	-	-	-	-	1.5	1.5
Total contributions and distributions	**102.9**	**(34.5)**	**0.1**	**-**	**3.4**	**-**	**(32.0)**	**39.9**
At 31 December 2023	**1,357.6**	**(153.3)**	**(17.6)**	**(0.2)**	**105.0**	**(30.5)**	**759.6**	**2,020.6**

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

Consolidated statement of cash flows

For the half-year ended 31 December 2023

	Notes	31 Dec 2023 $M	31 Dec 2022 $M
Operating activities			
Receipts from customers		505.7	402.6
Payments to suppliers and employees[1]		(255.9)	(199.2)
Income tax paid		(38.2)	(22.5)
Net cash flows from operating activities		**211.6**	**181.0**
Investing activities			
Acquisition of businesses, net of cash acquired		(44.1)	(85.8)
Payments for intangible assets		(84.4)	(50.1)
Purchase of property, plant and equipment, net of disposal proceeds		(10.1)	(15.6)
Interest received		1.5	4.4
Net cash flows used in investing activities		**(137.2)**	**(147.1)**
Financing activities			
Proceeds from issue of shares		68.0	38.0
Transaction costs on issue of shares		(0.1)	(0.1)
Treasury shares acquired		(68.0)	(38.1)
Repayment of borrowings		(25.0)	-
Repayments of lease liabilities		(5.3)	(4.8)
Interest paid		(10.3)	(1.1)
Dividends paid	6	(27.5)	(20.2)
Net cash flows used in financing activities		**(68.2)**	**(26.2)**
Net increase in cash and cash equivalents		6.3	7.7
Cash and cash equivalents at 1 July		143.0	483.4
Effect of exchange differences on cash balances		(4.3)	(1.3)
Cash and cash equivalents at 31 December		**145.0**	**489.9**

[1]For the period ended 31 December 2023, $0.5m of payments related to restructuring activities (2022: $0.8m) and $3.6m of M&A activities (2022: $3.3m) are included in payments to suppliers and employees.

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

Notes to the consolidated financial statements

For the half-year ended 31 December 2023

1. Corporate information

WiseTech Global Limited (Company) is a company domiciled in Australia. These interim Consolidated financial statements comprise the Company and its controlled entities (Group) as at, and for the six months ended, 31 December 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. Summary of significant accounting policies

Basis of preparation

Statement of compliance

These interim Consolidated financial statements for the half-year ended 31 December 2023 have been prepared in accordance with IAS 34 *Interim Financial Reporting*, AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. They do not include all of the information required for a complete set of annual financial statements and should be read in conjunction with the Consolidated financial statements as at, and for the year ended, 30 June 2023, together with any public announcements made by the Company during the half-year ended 31 December 2023 in accordance with the continuous disclosure obligations of the ASX Listing Rules. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual Consolidated financial statements as at, and for the year ended, 30 June 2023. A copy of the 2023 Annual Report is available on the Company's website, www.wisetechglobal.com

The interim Consolidated financial statements were authorized for issue by the Board of Directors on 21 February 2024.

Accounting policies

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

Use of judgments and estimates

In preparing these interim 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 expense. Actual results may differ from these estimates.

The significant judgments made by management in applying the Group's accounting policies were the same as those disclosed in the last annual financial statements.

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, dated 24 March 2016. 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 financial statements due to rounding in millions to one place of decimals.

Notes to the consolidated financial statements (continued)

For the half-year ended 31 December 2023

3. Revenue

	31 Dec 2023 $M	31 Dec 2022 $M
Revenue		
Recurring On-Demand License revenue	429.3	324.3
Recurring One-Time License (OTL) maintenance revenue	56.3	39.4
OTL and support services	14.8	14.5
Total revenue	**500.4**	**378.2**

4. Finance costs

	31 Dec 2023 $M	31 Dec 2022 $M
Unwinding interest on contingent consideration	0.6	0.4
Unwinding interest on lease liabilities	0.6	0.6
Lease liability interest capitalized to intangible assets	(0.1)	(0.1)
Interest expense and facility fees	7.3	0.8
Loss on net monetary position due to hyperinflationary economy	1.2	0.6
Other	1.0	0.1
Total finance costs	**10.6**	**2.4**

Notes to the consolidated financial statements (continued)

For the half-year ended 31 December 2023

5. Earnings per share

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

	31 Dec 2023	31 Dec 2022
Net profit after income tax ($M)	118.2	109.0
Weighted average number of ordinary shares (in millions)		
Basic weighted average number of ordinary shares	330.8	326.9
Shares issuable in relation to equity-based compensation schemes	2.1	0.1
Diluted weighted average number of ordinary shares	332.9	327.0
Basic EPS (cents)	35.7	33.4
Diluted EPS (cents)	35.5	33.3

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 period.

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

6. Dividends

Dividend distributions payable to equity shareholders are included in other liabilities when the dividends have been approved prior to the reporting date.

The following dividends were declared and paid by the Company during the half-year:

	31 Dec 2023 $M	31 Dec 2022 $M
Dividends on ordinary shares declared and paid:		
Final dividend in respect of previous reporting period		
(FY23: 8.40 cents per share, FY22: 6.40 cents per share)		
- Paid in cash	27.5	20.2
- Paid via DRP	0.4	0.7
	27.9	**20.9**

Notes to the consolidated financial statements (continued)

For the half-year ended 31 December 2023

7. Intangible assets

	Computer software	Development costs (WIP)	External software licenses	Goodwill	Intellectual property	Customer relationships	Trade names	Patents and other intangibles	Total
Year ended 30 June 2023	**$M**	**$M**	**$M**	**$M**	**$M**	**$M**	**$M**	**$M**	**$M**
At 30 June 2022									
Cost	371.6	24.5	8.2	646.2	41.8	24.0	14.9	1.4	1,132.6
Accumulated amortization	(112.6)	-	(5.4)	(0.1)	(33.2)	(13.9)	(6.0)	(0.3)	(171.4)
Net book value	**258.9**	**24.5**	**2.8**	**646.2**	**8.6**	**10.1**	**9.0**	**1.1**	**961.2**
At 1 July 2022	258.9	24.5	2.8	646.2	8.6	10.1	9.0	1.1	961.2
Additions	-	133.2[1]	1.6	-	2.2	-	-	0.1	137.2
Transfers/reclassifications	103.4	(103.4)	-	-	-	-	-	-	-
Acquisition via business combination	-	-	-	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	(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**
Half-year ended 31 December 2023									
At 1 July 2023	321.5	54.3	2.6	1,551.0	123.8	99.5	38.2	1.1	2,192.1
Additions	-	95.1[1]	2.2	-	-	-	-	-	97.4
Transfers/reclassifications	77.9	(77.9)	-	-	-	-	-	-	-
Acquisition via business combination[2]	-	-	-	125.9	0.1	(31.1)	(1.0)	-	93.9
Amortization	(26.2)	-	(1.1)	-	(6.6)	(2.7)	(1.5)	(0.1)	(38.2)
Exchange differences	(1.1)	-	-	(35.0)	(3.1)	(2.9)	(1.2)	-	(43.3)
Net book value at 31 December 2023	**372.0**	**71.6**	**3.7**	**1,641.9**	**114.3**	**62.9**	**34.5**	**1.1**	**2,301.8**
At 31 December 2023									
Cost	553.8	71.6	12.0	1,641.9	162.4	83.2	44.4	1.6	2,570.9
Accumulated amortization	(181.8)	-	(8.3)	(0.1)	(48.2)	(20.3)	(10.0)	(0.5)	(269.1)
Net book value	**372.0**	**71.6**	**3.7**	**1,641.9**	**114.3**	**62.9**	**34.5**	**1.1**	**2,301.8**

[1]Half-year ended 31 December 2023 includes $1.4m (2022: $1.1m) of depreciation charges on right-of-use (ROU) assets and $0.1m (2022: $0.1m) of interest cost.
[2]Includes recognition of intangible assets resulting from business combinations in the period as well as updates to acquisition accounting from prior periods.

Notes to the consolidated financial statements (continued)

For the half-year ended 31 December 2023

8. Other liabilities

	31 Dec 2023 $M	30 Jun 2023 $M
Current		
Liabilities related to funds collected on behalf of customers[1]	40.7	53.8
Customer deposits[2]	48.9	49.6
Contingent consideration[3]	20.0	15.0
Deferred consideration[4]	1.9	-
Indirect taxes payable[5]	12.6	9.2
Customer payables	-	1.0
Other current liabilities	17.4	23.1
	141.5	**151.6**
Non-current		
Contingent consideration[3]	27.4	17.4
Other non-current liabilities	26.2	12.9
	53.6	**30.3**
	195.1	**181.9**

[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 16 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.

9. Borrowings

Bank debt facilities

In October 2023, the Group refinanced its existing $475m unsecured bank debt facilities with new 5 year unsecured bank debt facilities with a total commitment of $500m expiring in October 2028. The covenant package, Group guarantees and other common terms and conditions in respect of these facilities are governed under a Common Terms Deed Poll.

As at 31 December 2023, $200m of these facilities were drawn as bank loans and $0.5m was utilized for bank guarantees.

Notes to the consolidated financial statements (continued)

For the half-year ended 31 December 2023

10. Lease liabilities

	31 Dec 2023 $M	30 Jun 2023 $M
Current	11.7	10.9
Non-current	16.5	20.5
	28.2	**31.4**

The movements in lease liability balances are described below:

	31 Dec 2023 $M	31 Dec 2022 $M
Opening balance	31.4	33.6
Additions[1]	4.4	3.3
Acquisitions through business combinations	-	0.1
Payments	(8.0)	(6.9)
Unwinding interest on lease liabilities	0.6	0.6
Exchange differences	(0.3)	0.3
Closing balance	**28.2**	**31.1**

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

Notes to the consolidated financial statements (continued)

For the half-year ended 31 December 2023

11. Business combinations and acquisition of non-controlling interests

Acquisitions in period ended December 2023

During the half-year to 31 December 2023, the Group completed the following acquisitions:

Business acquired	Date of acquisition	Description of acquisition
Matchbox Exchange Pty Ltd[1]	1 October 2023	Provider of an open market platform for reuse and exchange of shipping containers in landside logistics operators
Sistemas Casa S.A. de C.V	3 November 2023	Provider of customs and international trade software solutions in Mexico

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

Neither of the acquisitions completed during the period are individually significant to the Group. Accordingly, key information on these acquisitions has been presented on an aggregated basis as set out below.

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

	$M
Cash and cash equivalents	2.1
Trade receivables	1.3
Current tax receivables	0.2
Other current assets	0.2
Intangible assets	7.0
Property, plant and equipment	0.1
Trade and other payables	(3.9)
Employee benefits	(0.2)
Other liabilities	(0.2)
Deferred tax liabilities	(0.1)
Fair value of net identifiable assets acquired	**6.4**
Total consideration paid and payable	103.9
Less: Fair value of net identifiable assets acquired	(6.4)
Goodwill	**97.5**

Goodwill
The total goodwill arising on these acquisitions is $97.5m 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
Total upfront consideration was $79.6m (cash $50.8m and equity shares $28.8m), with further deferred and contingent consideration payable of $3.6m and $22.3m respectively. Contingent consideration is based on a number of milestones, including the successful integration of acquired intellectual property and performance in future periods based on selected performance targets. At acquisition, the discounted fair value of deferred and contingent consideration were $3.6m and $20.7m respectively. These acquisitions included $2.1m of cash and cash equivalents acquired.

Contribution of acquisitions to revenue and profits
These acquisitions contributed $3.5m to Group revenue and net profit of $0.2m from their respective dates of acquisition. If they had been acquired from 1 July 2023, the contribution to the Group revenue would have been $7.7m and net profit of $0.7m.

11. Business combinations and acquisition of non-controlling interests (continued)

Acquisitions in period ended December 2023 (continued)

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 $3.1m (2022: $10.1m) of expenses for the period ended 31 December 2023 which are recorded within General and administration expenses.

Acquisitions for the year ended June 2023

Updates to provisional accounting

During the period the following events occurred which resulted in an update to the provisional accounting at 30 June 2023:
- Valuations surrounding acquired intangible assets with respect to customer relationships, trade name and intellectual property were finalized;
- New information was obtained about facts and circumstances that existed at acquisition date which affected the measurement of certain net asset balances recognized as of that date;
- Adjustments relating to the upfront purchase price were finalized resulting in a reduction in purchase price.

Envase Holdings

These changes resulted an increase in goodwill of $18.7m as shown in the table below:

	Original $M	Revision $M	Adjusted total $M
Cash and cash equivalents	9.6	-	9.6
Trade receivables	5.4	-	5.4
Other current assets	2.2	-	2.2
Intangible assets	90.6	(20.9)	69.7
Property, plant and equipment	0.7	-	0.7
Deferred tax assets	3.4	-	3.4
Trade and other payables	(8.7)	-	(8.7)
Lease liabilities	(0.2)	-	(0.2)
Deferred revenue	(3.3)	-	(3.3)
Current tax liabilities	(0.1)	-	(0.1)
Other current liabilities	(9.1)	-	(9.1)
Other non-current liabilities	(2.9)	1.1	(1.8)
Fair value of net identifiable assets acquired	**87.6**	**(19.8)**	**67.8**
Total consideration paid and payable	338.9	(1.1)	337.8
Less: Fair value of net identifiable assets acquired	(87.6)	19.8	(67.8)
Goodwill	**251.2**	**18.7**	**269.9**

Notes to the consolidated financial statements (continued)

For the half-year ended 31 December 2023

11. Business combinations and acquisition of non-controlling interests (continued)

Acquisitions for the year ended June 2023 (continued)

Blume Global

These changes resulted an increase in goodwill of $9.7m as shown in the table below:

	Original $M	Revision $M	Adjusted total $M
Cash and cash equivalents	21.4	-	21.4
Trade receivables	6.2	-	6.2
Other current assets	58.0	4.0	62.0
Intangible assets	144.8	(18.1)	126.7
Property, plant and equipment	6.8	-	6.8
Trade and other payables	(28.7)	(0.2)	(28.9)
Lease liabilities	(3.4)	-	(3.4)
Deferred revenue	(7.9)	-	(7.9)
Employee benefits	(3.0)	-	(3.0)
Other current liabilities	(67.9)	6.3	(61.6)
Deferred tax liabilities	(25.5)	3.9	(21.6)
Other non-current liabilities	(2.0)	(10.7)	(12.7)
Fair value of net identifiable assets acquired	**98.8**	**(14.7)**	**84.1**
Total consideration paid and payable	621.4	(5.0)	616.4
Less: Fair value of net identifiable assets acquired	(98.8)	14.7	(84.1)
Goodwill	**522.6**	**9.7**	**532.3**

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

Notes to the consolidated financial statements (continued)

For the half-year ended 31 December 2023

12. Related party disclosures

A key management person (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 half-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 the entity over which he has control or significant influence were as follows:

Director	Transactions	Transaction values for half-year ended		Balance outstanding as at	
		31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
		$000	$000	$000	$000
Richard White	Office lease	503	407	-	-

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

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

Based on a valuation performed by an independent expert, the Group made an offer to Richard White to purchase the building for USD 4.0m, which has been accepted. It is anticipated that the transaction will complete before 30 June 2024.

Notes to the consolidated financial statements (continued)

For the half-year ended 31 December 2023

13. 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:

	31 Dec 2023	31 Dec 2022
Continuing operations	**$M**	**$M**
Recurring On-Demand License revenue	429.3	324.3
Recurring OTL maintenance revenue	56.3	39.4
OTL and support services	14.8	14.5
Total revenue	**500.4**	**378.2**

Segment EBITDA[1]	229.9	187.3
Depreciation and amortization	(54.4)	(37.2)
Net finance income/(costs)	(9.0)	2.5
Profit before income tax	**166.6**	**152.6**
Income tax expense	(48.3)	(43.5)
Net profit after income tax	**118.2**	**109.0**

[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.

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

Geographic information

Revenue generated by customer invoicing location:

	31 Dec 2023	31 Dec 2022
	$M	**$M**
Americas	180.1	109.2
Asia Pacific	140.2	118.3
Europe, Middle East and Africa	180.1	150.7
Total revenue	**500.4**	**378.2**

Notes to the consolidated financial statements (continued)

For the half-year ended 31 December 2023

14. Commitments and contingencies

Capital commitments

The Group has $12.1m of capital commitments as at 31 December 2023 (FY23: $3.1m).

Guarantees

The Group has not provided any material guarantees at 31 December 2023 (FY23: nil).

Contingent assets and liabilities

There were no contingent assets or liabilities that have been recognized by the Group for the period ended 31 December 2023 (FY23: nil).

15. Events after the end of the reporting period

Dividends

Since the period end, the Directors have declared a fully franked interim dividend of 7.70 cents per share, payable on 5 April 2024. The dividend will be recognized in subsequent financial statements.

16. Other disclosures

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 values 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.

Notes to the consolidated financial statements (continued)

For the half-year ended 31 December 2023

16. Other disclosures (continued)

Measurement of fair values (continued)

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.

Group - 31 December 2023	**Level 1 $M**	**Level 2 $M**	**Level 3 $M**	**Total $M**
Assets				
Forward foreign exchange contracts	-	1.7	-	1.7
Foreign exchange collars	-	1.1	-	1.1
Total assets	**-**	**2.9**	**-**	**2.9**
Liabilities				
Forward foreign exchange contracts	-	1.1	-	1.1
Foreign exchange collars	-	2.6	-	2.6
Deferred consideration	-	1.9	-	1.9
Contingent consideration	-	-	47.4	47.4
Total liabilities	**-**	**5.6**	**47.4**	**53.0**

Group - 30 June 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**

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'.

Notes to the consolidated financial statements (continued)

For the half-year ended 31 December 2023

16. Other disclosures (continued)

Measurement of fair values (continued)

	31 Dec 2023	31 Dec 2022
	$M	$M
Opening balance (pre-tax)	(20.5)	(13.7)
New contracts entered during the period	1.0	(1.1)
Contracts settled or closed during the year	10.1	2.8
Revaluation	8.6	(1.7)
Closing balance (pre-tax)	**(0.8)**	**(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.

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.

	31 Dec 2023	31 Dec 2022
	$M	$M
Opening balance 1 July	32.4	31.2
Change in fair value estimate[1]	-	-
Equity payments	(5.6)	(1.8)
Cash payments	(0.2)	(0.1)
Additions	20.7	7.2
Unwinding interest[1]	0.6	0.4
Foreign exchange differences[1]	(0.5)	0.8
Closing balance	**47.4**	**37.7**

[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.

Standards issued but not yet effective

A number of new standards, amendments to standards and interpretations have been published but are not yet mandatory. The Group had no transactions that are materially affected by these standards and interpretations for the period ended 31 December 2023.

Directors' declaration

In the opinion of the Directors of WiseTech Global Limited:

1. the interim Consolidated financial statements and notes set out on pages 10 to 28, are in accordance with the *Corporations Act 2001* including:

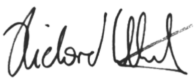
   (i) giving a true and fair view of the Group's financial position as at 31 December 2023 and of its performance for the half-year ended on that date; and

   (ii) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*; and

2. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors:

Andrew Harrison
Chair
21 February 2024



Richard White
Executive Director, Founder and CEO
21 February 2024

KPMG

Independent Auditor's Review Report

To the shareholders of WiseTech Global Limited

Conclusion

We have reviewed the accompanying ***Half-year Financial Report*** of WiseTech Global Limited.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the Half-year Financial Report of WiseTech Global Limited does not comply with the *Corporations Act 2001*, including:

- giving a true and fair view of the ***Group's*** financial position as at 31 December 2023 and of its performance for the Half-year ended on that date; and
- complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

The ***Half-year Financial Report*** comprises:

- Consolidated statement of financial position as at 31 December 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 Half-year ended on that date
- Notes 1 to 16 comprising a summary of significant accounting policies and other explanatory information
- The Directors' Declaration.

The ***Group*** comprises WiseTech Global Limited (the Company) and the entities it controlled at the Half year's end or from time to time during the Half-year.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report.

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with these requirements.

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Responsibilities of the Directors for the Half-year Financial Report

The Directors of the Company are responsible for:

- the preparation of the Half-year Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*
- such internal control as the Directors determine is necessary to enable the preparation of the Half-year Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibility for the Review of the Half-year Financial Report

Our responsibility is to express a conclusion on the Half-year Financial Report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the Half-year Financial Report does not comply with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2023 and its performance for the Half-Year ended on that date, and complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a Half-year Financial Report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with *Australian Auditing Standards* and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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KPMG

Caoimhe Toouli

Caoimhe Toouli

Partner

Sydney

21 February 2024

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