2018 ANNUAL REPORT

WiseTech GLOBAL

Our customers move the world
Our people change the world

Our innovations and global technology enable, improve and empower the world's supply chains. We are a force for good, improving productivity, connectivity and resource usage across 130 countries worldwide.

Contents

54+ billion
data transactions annually

30
languages

3.5+ million
development hours

20 million
lines of code

130
countries

$222 million
investment
in innovation FY14–FY18

customers ~8,000
logistics services
organisations worldwide

This annual report is a summary of WiseTech Global and its subsidiary companies' operations, activities and financial position as at 30 June 2018. References to "WiseTech", "the Company", "the Group", "we", "us" and "our" refer to WiseTech Global Limited (ABN 41 065 894 724) unless otherwise stated. Where stated, financial measures for the periods FY14 to FY16 have been prepared on a pro forma ("PF") basis. For details, see page 109. Pro forma information in this report is unaudited. This document is dated 27 September 2018.

Innovation and productivity are at the core of what we do.

We invest relentlessly in product development and have achieved strong and profitable growth during our history. Our CargoWise One platform is the leading deeply-integrated global logistics execution platform of its kind and our solutions are used by 8,000 logistics services organisations across 130 countries.

Through innovation and acquisitions, we are expanding CargoWise One's global platform. Our vision is of a comprehensive global logistics execution solution for our customers, capable of managing from the first-mile road movement, connecting to long-haul air, sea, rail and road, crossing international borders, while navigating complex regulatory burdens and improved safety and productivity through data and device integration, global visibility and system manageability.

We are changing the world of logistics and transforming global trade one innovation at a time.

Get to know who we are
by watching our video at:
www.wisetechglobal.com/
about-us/about-wisetech-global

Financial highlights

Powerful revenue growth

↑44%

revenue

vs FY17

$221.6m

41% CAGR

over 5 years
FY14–FY18

High recurring, high quality revenue

99%

recurring revenue

(CargoWise One)

99%

on-demand

usage-based licensing
CargoWise One customers

Low customer attrition

<1%

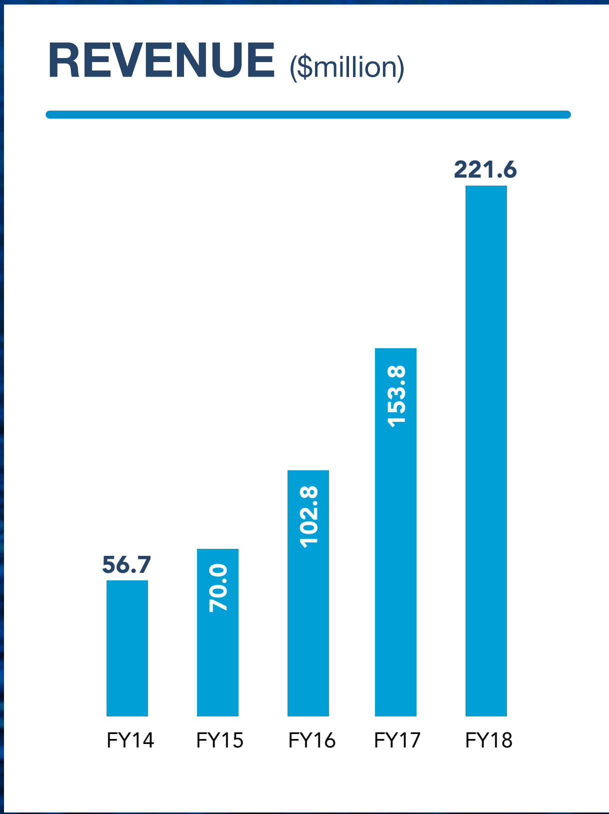
every year for last 6 years

(Annual attrition rate across CargoWise One global platform)

Our efficient commercial model and relentless product development deliver high quality, high recurring, organic revenue growth.

Our global operations continued to deliver high quality growth in the financial year 2018 with revenues up 44% to $221.6m and EBITDA up 45% to $78m, while we focused on accelerating the flywheels of our global growth and industry penetration, driven by geographic expansion, relentless innovation and deepening product capability, global data sets, and rapid adoption by the world's largest logistics providers.

Over the last five years, we have quadrupled our revenue, our EBITDA and our global workforce while investing $222m in our innovation pipeline, adding over 3,000 product enhancements to our global platform and undertaking more than 28 acquisitions across Asia, Africa, Europe, Latin America, Australia and North America.



High innovation and product development investment

34%
of revenue

51%
of our people

$222m
innovation and product spend FY14–FY18

Low sales and marketing expense

11%
of revenue

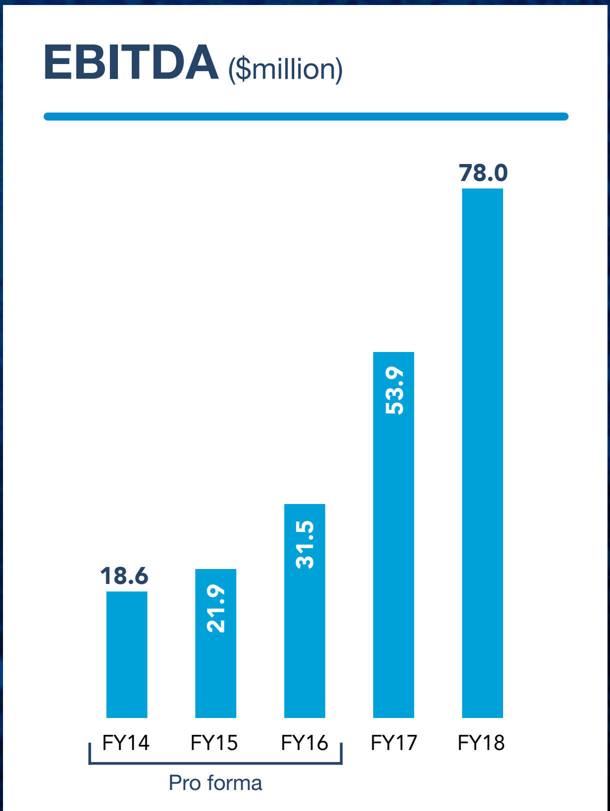
9%
of our people

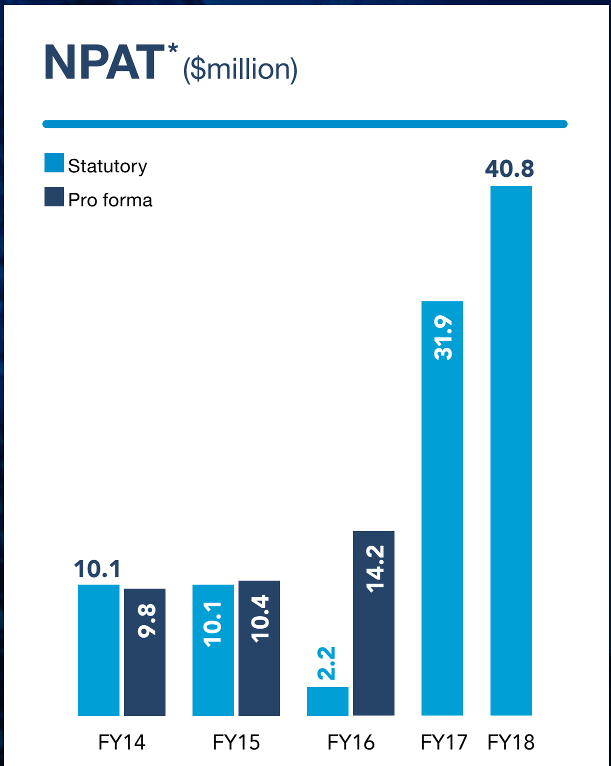
Profitable and cash generative

↑45%
EBITDA $78.0m

EBITDA margin
35% ↑7pp

$40.8m
net profit after tax





* NPAT = Net profit after tax attributable to equity holders

Delivering on our strategy

We focus on what is important to accelerate growth.

In FY18, we continued to drive each of our five powerful growth levers, most notably relentless investment in innovation and expansion of our platform, and our acceleration of organic growth through acquisition. The significant strategic actions we have taken this year will drive customers' growth, build long-term recurring revenue and accelerate global expansion in FY19 and years to come.

Innovation and expansion of our global platform

- Over 550 product upgrades and enhancements in FY18
- $76.4m invested[1] in FY18
- 51% of global workforce focused on innovation and product development
- Investment in expanding core platform
- Launched BorderWise, PAVE
- Global Tracking, e-commerce pilot
- Accelerating development capability building considerable development pipeline of initiatives, with focus on:
  - Global customs – Universal Engine
  - Machine learning, natural language processing, automation, and guided decision making
  - Productivity and visibility tools
  - Global data sets focused on compliance, tariffs, rates, risk reduction, visibility, and event driven automations
  - Building ecosystems for cargo chain and border compliance

Greater usage by existing customers

- Existing customers' revenue grew $32.1m in FY18, and provided 72% of organic revenue growth in FY18
- Licence transition from OTL complete: On-Demand 99% (CargoWise One)
- 34 of top 50 global 3PLs[2] are customers – early penetration
- 24 of top 25 global freight forwarders[2] are customers
- Global freight forwarding rollouts progressing well – those complete now moving to productivity gains
- Every customer cohort from the last 10 years grew revenue during FY18
- Top 10 customers are only 29% of revenue (FY17: 27%), no single customer >10%

1 Total investment in product development and innovation includes both expensed and capitalised amounts each year spent on product development and innovation.

2 Armstrong & Associates: Top 50 Global Third Party Logistics Providers List ranked by 2017 logistics gross revenue/turnover.
Armstrong & Associates: Top 25 Global Freight Forwarders List ranked by 2017 logistics gross revenue/turnover.

3 Including acquisitions announced or completed to September 2018.

Increase new customers on the platform

- New customer wins include Kuehne+Nagel, Logwin, Expolanka Intl and "K" Line Logistics, these rollout over time
- Continued growth as new customers rollout onto the platform which will grow revenue in future years
- Given the extent of our global reach we often have a pre-existing relationship with logistics organisations across the world, yet these are in early penetration
- Re-engineered sales process progressing and inside sales structure now in place
- Acquisitions expanding new customers and network effect – bringing customers to CargoWise One ahead of new product build

Stimulate network effects

- ~230 WisePartner organisations referring, promoting or implementing our platform worldwide and growing:
  - Global customers enhancing impact
  - Over 5,000 CargoWise One Certifications completed in FY18 adding to the 11,000+ certified CargoWise One operators who can 'champion' features
  - Customers are rolling out first level help desks within their organisations improving knowledge and use of CargoWise One capabilities
- Each new geography and adjacency adds a valuable point on the strategic map and accelerates network effect

Accelerate organic growth through acquisitions[3]

- Geographic foothold
  - ✓ Bysoft (Brazilian customs)
  - ✓ Prolink (Taiwanese customs)
  - ✓ ABM Data Systems (Irish/EU customs)
  - ✓ CustomsMatters (Irish customs)
  - ✓ Intris (Belgian customs, Freight Fwd, WMS)
  - ✓ LSP (Dutch customs, logistics, WMS)
  - ✓ Forward (Latin America FF & compliance)
  - ✓ Softcargo (Latin America FF logistics)
  - ✓ EasyLog (French customs)
  - ✓ Ulukom (Turkish customs, logistics)
  - ✓ Fenix (Canadian customs)
  - ✓ Taric (Spanish customs & tariffs)
  - ✓ Multi Consult (Italian customs, FF, TMS, WMS)
- Technology adjacencies
  - ✓ Digerati + TradeFox (global tariffs)
  - ✓ CMS (A&NZ land transport)
  - ✓ Cargoguide (global air rates mgmt)
  - ✓ CargoSphere (global ocean rates mgmt)
  - ✓ Microlistics (multi-region WMS)
  - ✓ Pierbridge (US parcel shipping TMS)
  - ✓ SaaS Transportation (US LTL TMS)
  - ✓ Trinium (Nth America TMS + container tracking)
- Integrations on track
- Strong pipeline of G20+20 geographic footholds plus further larger technology adjacencies

Chair's letter

"In FY18, our people and global operations continued to deliver strong and high-quality growth in revenues and profit while we accelerated our geographic expansion, enlarged our multi-year innovation pipeline and significantly expanded our global platform."

Our business continued to experience powerful growth during FY18, with revenues up 44% to $221.6m, EBITDA up 45% to $78.0m, and net profit after tax attributable to equity holders increasing to $40.8m. These results were fuelled primarily by significant organic growth in revenues across our global business, plus the development of hundreds of product enhancements and features for our CargoWise One technology platform, and the acquisition of many strategic assets in new geographies and adjacent technologies.

Importantly, our revenues are high quality. For CargoWise One customers, our recurring revenue is 99% of total revenue, with 99% usage-based and our customer attrition rate remains well below 1% for the sixth year in succession.

In FY18, we continued our relentless innovation, investing over 34% of our revenue and over 50% of our people in product development and innovation, further expanding our pipeline of commercialisable innovations and delivering over 550 product upgrades seamlessly across the CargoWise One platform to our customers across 130 countries. Our total investment in product development and innovation over the last five years totalled $222m and we are accelerating our development capability within our innovation teams across 20 countries.

Investing deeply, and innovating continuously over the very long term, make our products easier to sell, so revenues grow faster and make our sales and marketing efforts highly efficient, consuming just 11% of revenue and 9% of our people.

During FY18, and in the months since, the 22 valuable geographic and adjacent acquisitions we have announced across Europe, Australasia and the Americas allow WiseTech to access market positions that would take years to build, and then integrate the acquired industry and developer talent and customers over time to accelerate our long-term organic growth. We further utilise acquisitions in key adjacent technology to facilitate our development of globally scalable innovations, to fuel the convergence of technologies that add to our next generation of automations and machine learning and to grow and enhance our extensive global data and transaction sets. In addition, each new geography and adjacency we acquire adds a valuable point on our strategic map, accelerates the network effects and makes CargoWise One even more compelling to local and global logistics providers and their customers.

With our strategic execution and strong organic growth in FY18, the power of our CargoWise One platform, annual attrition rate of less than 1% and continued relentless investment in innovation and expansion across our global business, we are well positioned for the future.

Our FY19 guidance, subject to currency movements, is for revenue of $315m–$325m and EBITDA of $100m–$105m, representing growth of 42%–47% and 28%–35% respectively.

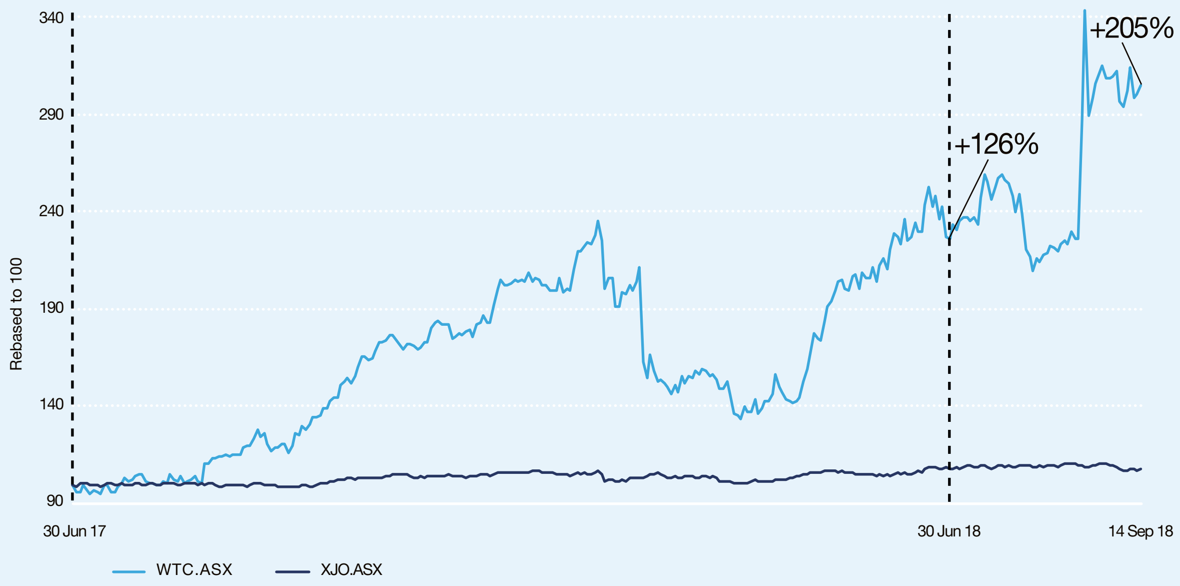
Shareholder returns and dividends

During FY18, WiseTech provided shareholders with a Total Shareholder Return of 126.6%. The WTC share price rose 126.3% and outperformed the ASX 200 by 118% for the year.

We have declared a fully franked final dividend of 1.65 cents per share for FY18, payable on 8 October 2018. This is in addition to the 1.05 cent per share interim dividend paid to shareholders on 6 April 2018. We also offer a dividend reinvestment plan to enable eligible shareholders to reinvest their dividends to acquire additional WiseTech shares.

Our balance sheet remains healthy, supported by $74.2m of net cash flows from operating activities. During FY18, we placed $100.6m of share capital in a single transaction with US-based Capital Group's SmallCap World Fund, to further strengthen our balance sheet, execute our strategy and increase the capacity

WiseTech Global share price v S&P/ASX 200



at which we can accelerate our long-term growth. At 30 June 2018, we held cash and cash equivalents of $121.8m, compared to $101.6m the year prior.

Our ongoing dividend policy is to target a dividend payout ratio of up to 20% of our net profit after tax.

Board activities

As WiseTech continues to expand its technology leadership, global workforce and geographic footprint, we believe it important that the Board keeps pace.

Since late 2017, we have been working on Board evolution to meet the needs arising from our global expansion. In March 2018, we appointed independent Non-Executive Director, Teresa Engelhard, who brings significant international technology sector and ASX-listed company expertise.

In September, I accepted the position of Chair of the Board, succeeding former Chair, Charles Gibbon. We extend our thanks to Charles for his unwavering dedication and significant contribution to WiseTech in leading the Board over the past 12 years. I am delighted that Charles will remain on the Board as a Non-Executive Director.

We are also progressing well for recruitment of additional independent Non-Executive Directors specifically focusing on candidates with international, global organisational, entrepreneurial enterprise and ASX governance experience. We hope to make two further appointments in FY19.

Our people

We have a strong and unique culture which fosters innovation, diversity of thought, creative abrasion and impactful change, well supported by engineered processes and globally scalable architectures. This culture is central to WiseTech's growth, technological leadership and global market presence. We benefit from having a diverse mix of extraordinary people drawn from over 50 countries, ranging in age from 18 to 70+ years, with eclectic backgrounds and remarkable skills. Including our recently announced acquisitions, we now have a team of around 1,500 people, having doubled our global workforce in the last two years while retaining and further embedding our unique culture of freedom and responsibility with productivity at the centre of everything. Importantly, 33% of our employees overall and 33% of our Board are female and we continue to strive to encourage more women to enter technology and logistics – the key industries from which we draw our talent.

On behalf of the Board, I would like to thank our CEO, Richard White, for his leadership, inspiration and vision, and also the broader WiseTech Global team for their dedication and commitment.

Finally, we collectively thank all our shareholders, employees and customers for the support and the confidence you have placed in us. You have entrusted us with tremendous responsibility, be assured every one of us at WiseTech is committed to delivering long-term value.

Andrew

Andrew Harrison
CHAIR

CEO's message

In FY18, we pushed the accelerator on our growth levers, most notably on the innovation and expansion of the CargoWise One platform and acceleration of organic growth through acquisition.

Moving with precision and at speed to execute these strategic actions is important, as we know they will deliver exponential results in coming years.

The business that started with a small team in my basement in 1994 with a vision of enabling and improving one of the world's oldest and largest industries, is now a global leader in logistics execution software with over 1,500 staff in 39 offices around the world. We continue to evolve rapidly, expanding into more products, deeper functionality, more geographies and more adjacencies, driving our long-term growth with each innovation and acquisition.

For FY18, in addition to executing on our key strategic actions, we delivered revenue of $221.6m, up 44% year on year – in fact, we earnt more in the second half of FY18 than we did in a full year only 18 months ago, such is the power of our platform and growth in usage by our customers – and we expect to grow revenue 42-47% this coming year.

You can see the strength of our CargoWise One platform and the innovative commercial model we have built over the long term in our revenue trajectory with a CAGR of 41% over the last five years and the jump in EBITDA for CargoWise One from 30% to 48% in the last two years. Year after year, CargoWise One's 99% recurring revenue continues to grow, impervious to business transformation, licence conversions, economic cycles, and customer consolidations and in the face of an onslaught of logistics industry pressures. With customer attrition well below 1% for the sixth year running and incredibly efficient spend on sales and marketing (just 11% of revenue) creating organic revenue growth of 37%, the unit economics of our commercial model are compelling. This result is no accident, it is a deliberate and highly engineered outcome – the result of relentless innovation in our business model and internal architectures and our laser-like focus on building globally scalable processes that remove the constraints to growth across our operations.

Our five levers of growth

More important than our strong FY18 financial performance is the continued execution of our five levers of growth: innovation and expansion of our global platform, greater usage by existing customers, increasing new customers on the platform, stimulating network effects and accelerating organic growth through acquisitions. Together, these levers work to build long-term revenue, drive customer growth, and accelerate our global expansion. (Read more on these on pages 4-5.)

We remain relentless about innovation, investing $76.4m in FY18, further expanding our pipeline of commercialisable innovations and delivering over 550 product upgrades and enhancements seamlessly across our global platform and, in FY19, we expect our investment in innovation and product development to rise to $100m. We are accelerating our development capability within our development teams across 20 countries (see pages 12-15 for more detail on these enhancements and larger pipeline components).

We have also invested resources into machine learning, natural language processing, process automation and guided decision support, driven by vast volumes of transactional and border agency data sets to enable enhanced compliance, due diligence, risk assessment and risk mitigation.

We also drive greater usage by our existing customers across transactions, modules and geographies with revenue growth in FY18 from that channel of $32.1m, providing 72% of our organic revenue growth in FY18. This growth was generated by our large customer base adding transactions, users and geographies and moving into more modules, increased usage by many of the world's largest freight forwarding groups, continued transition of customer licensing and revenue from our very large customers continuing to grow. We have started to see improvements from the reorganisation of our sales function in FY18 and from a network effect perspective, we now have over 230 external WisePartner organisations across the world, (actively referring, promoting or implementing our platform) along with over 11,000 CargoWise One Certified practitioners employed within our customers organisations and across the industry.

Strategic growth

Since the start of FY18, utilising our own origination team and M&A engine, we have been accelerating organic growth from our acquisitions, with 22 valuable acquisitions across Europe, Asia and the Americas. Of these, 15 were geographic expansion where we acquired leading customs or freight forwarding software providers, predominantly founder-led, in non-English speaking countries. Small, targeted acquisitions are a risk reduction and expansion strategy for us, providing safer, faster, stronger entry to new key markets along with talented industry experts and developers, local management, local infrastructure and high-quality customer bases. Ultimately, we are targeting the G20+20 countries that combined will ensure we cover 90% of the world's manufactured trade flows. With each asset, we integrate, build the new product fully embedded into CargoWise One, and drive revenue growth by making our full platform available into each region and making the new customs and local compliance component available seamlessly to our thousands of existing customers (see pages 16-17 for more detail).

As we expand geographically, we have also been widening our reach into and across the supply chain. Moving out from our stronghold of international logistics and complex cross-border compliance to leverage our innovation pipeline and put in place the key technologies and assets to start to build unassailable ecosystems (see pages 14-15).

As a result, we are accelerating the convergence of technologies by acquiring software vendors in key adjacencies (new verticals) to build valuable ecosystem components and global product sets. In FY18, we have been deepening our focus on specialist warehousing, global multi-modal rates management, global shipping, global data sets and domestic transport (particularly road freight last-mile) and we will continue to increase the size of these adjacencies as we ourselves grow (see pages 18-19).

We are building a truly global whole-of-supply-chain intergrated solution that will be capable of operating across borders, regulatory boundaries and freight modes – just as we have managed to create a truly modeless and borderless international freight forwarding system used by the world's largest logistics organisations.

Building ecosystems for the world's supply chains

I think back to the time we launched the third generation product, CargoWise One, in 2014, we had 100 product developers in four countries, now we have over 600 developers across 20 countries. We run incredibly efficient operations – having moved ahead of the curve in transforming our commercial model, platform and technologies and building architectures that allow us to develop low defect, powerful software solutions in a fraction of the time that many new entrants can. As an innovator, we iteratively build the future models needed for industry transformation and business acceleration. We challenge the convention and norms that many, sometimes lazily, accept as 'best practice', and while we are open to learning from others and actively observe changes in our markets, technology, business, culture, logistics and other areas, we are able to envision new ways of creating value, capturing opportunity, improving efficiency, driving home automation, productivity and lifting quality.

Our market is expanding

The global logistics industry is significant, with revenues of over $14trillion[1] annually. While technology spend is currently a fraction of that, the opportunity ahead of us is very large and, though our growth rates to date have been strong, our penetration of customers and our addressable markets is still in the early stages. We have a significant and highly profitable runway for many decades. Importantly, our addressable market is also likely to grow as technology replaces low labour cost, low skill, repetitive jobs. Just like the advent of the iPhone and android phones dramatically expanded the size of the mobile market more than a decade ago, the convergence of technologies such as cloud, big data, machine learning and IoT enable technology convergence for logistics and with it, for us, a much larger potential share of the logistics wallet.

Our commitment

We know the work we do is valuable for the world, so we will continue the relentless innovation on our platform and maximise the opportunities available to us from building out key ecosystems. We will continue to acquire the remaining key market positions and valuable adjacencies, to add to our innovation pipeline that can be grown to a global scale. Also, we will accelerate the flywheel of growth from the network effect of our new geographic markets with our integrated, globally capable CargoWise One platform, while adding new market adjacencies.

I truly love working at WiseTech Global and with our incredible people across the organisation. We are all committed to the long-term and we have built and continue to grow a unique workforce of smart, motivated and experienced people, who thrive in our environment of freedom and responsibility, working relentlessly to solve the deep and complex pain points of the logistics industry. I encourage you to read pages 20-26 to understand more about our prized innovation culture, commitment to changing the world for the better and our Credo that gives us purpose and meaning.

On behalf of our WiseTech Global team, I thank each of our shareholders for their investment and support and for giving us an opportunity to build an even more powerful and valuable organisation.

Richard

Richard White
FOUNDER & CEO

1 Source: The World Bank: Performance and Prospects of Global Logistics, 2017.

Our business

CargoWise One and customers

We are a leading provider of software solutions to the logistics industry globally. We develop, sell and implement software solutions that enable logistics service providers to facilitate the movement and storage of goods and information, domestically and internationally. We provide our solutions to 8,000 organisations across 130 countries supported through 39 offices across the globe.

Our industry-leading flagship technology, CargoWise One, is a deeply-integrated global software solution that enables our customers to execute highly complex logistics transactions and manage their operations on one database across multiple users, functions, offices, countries and languages. We operate our own data centres and deliver our CargoWise One software principally through the cloud. We provide our software as a service, which customers access as needed, without limitation, and pay for usage of modules or transactions as they execute on the platform.

Our customers are 'the people who move the world'. They range from large multi-national companies to small and mid-sized regional and domestic enterprises, including 24 of the top 25 global freight forwarders and 34 of the top 50 global 3PLs[1] such as DSV, DHL, Toll, Yusen, Mainfreight and GEODIS. Our software is designed to assist our customers to better address the complexities of the logistics industry while dramatically increasing productivity, reducing costs and mitigating risks in a global integrated software platform.

We provide our customers with open access to our entire technology platform so that, regardless of which software capabilities a customer initially chooses to use and the geographies they use them in, our customers are given full and immediate access to our entire global software platform from day one.

Innovation and productivity are at the core of what we do. We invest relentlessly in product development and our commitment to building the best product and prioritising highly scalable long-term solutions has ensured we have delivered strong and profitable growth during our history.

Customers

Our 8,000 existing customers = significant runway for increased usage in transactions, geographic expansion and entering new verticals across the supply chain.

Growth opportunities from:

- 34 of top 50 global 3PLs;
- 24 of top 25 global freight forwarders;
- global rollouts progressing for largest freight forwarders; and
- top 10 customers represent 29% of FY18 revenue.

Get to know more about our customers.
Watch the video series
People Who Move The World at
www.wisetechglobal.com/customers

"Today, we have a lot of business that we could not handle without CargoWise One. With this system, we are ready for the world."

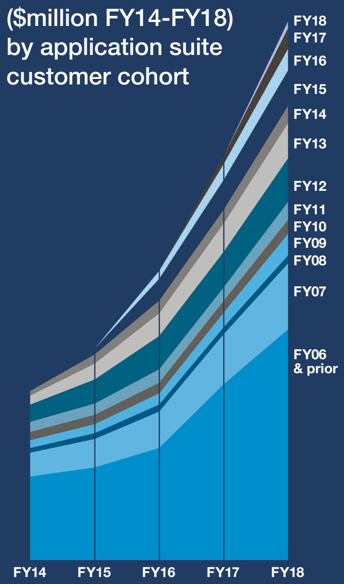
Tim-Oliver Kirschbaum
CEO, Senator International

1 Armstrong & Associates: Top 50 Global Third Party Logistics Providers List ranked by 2017 logistics gross revenue/turnover. Armstrong & Associates: Top 25 Global Freight Forwarders List ranked by 2017 logistics gross revenue/turnover.

CargoWise One enables logistics service providers to execute highly complex transactions in areas such as freight forwarding, customs clearance, warehousing, shipping, tracking, land transport, e-commerce, and cross-border compliance, and to manage their operations on one database across multiple users, functions, countries, languages and currencies.

CargoWise One revenue

($million FY14-FY18) by application suite customer cohort



Each annual cohort of customers from the last 10 years grew revenue in FY18.

CargoWise One

- Scalable to any size of business
- Global reach – 130 countries
- Deeply integrated with real-time visibility
- Reduces risks, costs and data entry
- Detailed compliance
- 30 languages
- Data entered only once
- Automations and delegations
- Built-in productivity tools
- On-demand / transaction-based licensing
- Global data sets and execution engines
- Swift on-boarding, efficient sales process
- Open-access, cloud enabled
- Available anywhere, anytime

In FY18, our platform executed over 54billion data transactions for our customers.

Through innovation and acquisitions, we are expanding CargoWise One's integrated global platform. Each new geography and adjacency we acquire adds a valuable point on our strategic map, accelerates the network effects and makes CargoWise One even more compelling to local and global logistics providers and their customers. In FY18, we leveraged our acquired business relationships with key global customers and explored connections between the adjacent acquisitions, CargoWise One and geographic footholds. We also implemented development partnerships with large regional and global rollout customers on pilot technology developments which will drive network effects across the customer base.

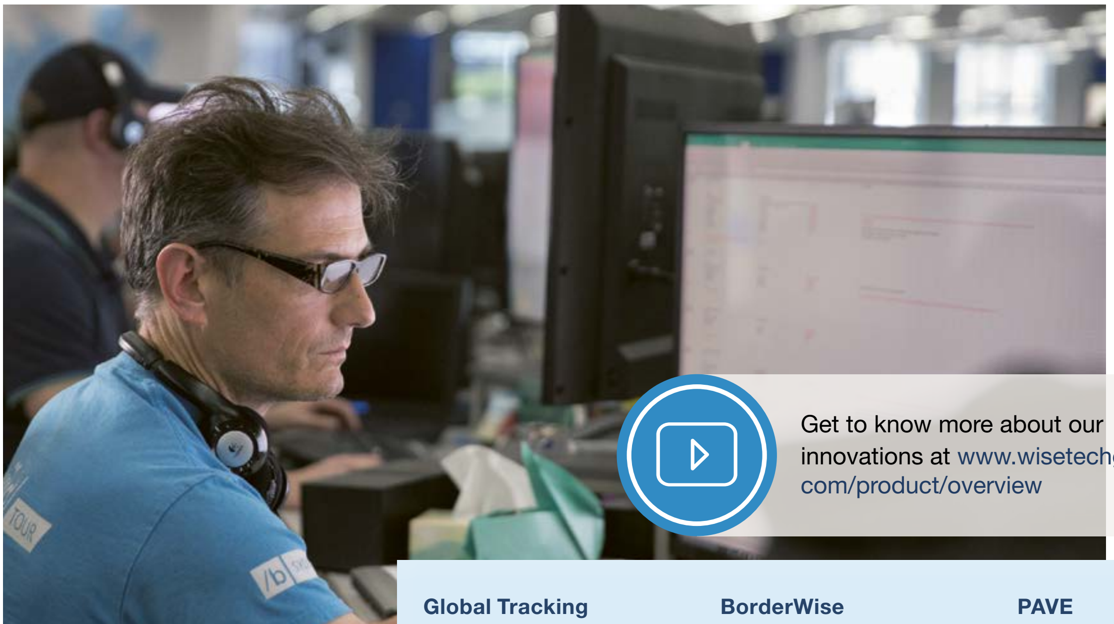
In addition, we harness important natural network effects that exist because of the necessarily collaborative nature of supply chain execution and the inherent effect of our deeply-integrated global platform. We further stimulate these effects with targeted partner programs through WiseBusiness, WiseService and WiseTechnical partners, the WisePartner Referral Program, Certified Professional and deeper WiseIndustry programs for freight forwarding network groups globally. We currently have ~230 external WisePartner organisations across the world, actively referring, promoting or implementing our platform.

Our vision

Our vision is of a comprehensive global logistics execution solution for our customers, capable of managing from the first-mile road movement, connecting to long-haul air, sea, rail and road, crossing international borders, while navigating complex regulatory burdens and improved safety and productivity through data and device integration, global visibility and system manageability.

We are passionate about creating the global data and transaction sets to address the needs of all logistics solutions providers for real-time visibility, control over margins, faster multi-modal movement, error reduction and more efficient use of resources. We are delivering this on a scale and quality that is leading improvements in logistics execution and we are enabling, not disrupting, this important global industry.

Our innovation pipeline

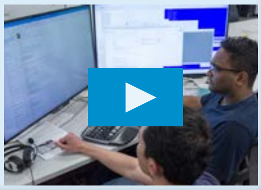


Get to know more about our innovations at www.wisetechglobal.com/product/overview

Global Tracking

BorderWise

PAVE



Innovation and productivity are at the core of what we do. Our relentless focus on product development positions us at the forefront of technology in managing international and cross-border logistics, changes in trade patterns and evolving logistics regulations. Our major focus is on productivity, global data sets, global automations, machine learning, e-commerce, and regulatory environments.

In building CargoWise One, now in its third iteration, we have invested over 3.5million development hours, over 15 years and written 20million lines of code to create the leading deeply-integrated global logistics execution platform of its kind. We operate our own data centres and deliver our CargoWise One software principally through the cloud and we see into the world's supply chain to a level and depth that allow us to identify and build large global data and transaction execution capabilities, which we load seamlessly onto our CargoWise One global platform and make available to thousands of logistic providers without further sales or licensing requirements. As a result, we enjoy a high innovation to commercialisation ratio, ensuring our product development investment delivers long-term valuable assets to fuel future revenue growth.

In FY18, our platform executed over 54billion data transactions for our customers. It is translated across currencies and 30 languages where required, scales to any size of business from single user to thousands and is available in real-time across 130 countries and counting.

The extent of our future pipeline can be seen in the high level of capitalised development versus expensed maintenance annually which has been accelerating in recent years.

Over half our global workforce focus on innovation and product development and we now have 20 product development centres worldwide and 39 regional offices. We have the development capacity, geographic footprint and global data sets that provide a strong foundation to build the critical cargo chain, border compliance and e-commerce ecosystems.

In FY18, we added to our considerable innovation pipeline of development initiatives by investing research and development resources into machine learning, natural language processing, process automation and guided decision making, driven by vast volumes of transactional and border agency data sets.

During FY18, our development teams delivered over 550 product upgrades and enhancements to the CargoWise One global platform.

These product upgrades include initiatives such as:

- launch of BorderWise in December 2017 with global rollout for Australia, New Zealand and the United States data sets of our comprehensive border compliance engine and rollout across Europe, Mexico and Singapore to come;
- expanded and embedded Global Tracking across the platform covering vessels and containers for 90% of ocean volumes;
- WiseRates, additional functionality in rates automation and bookings;
- launch of PAVE, Productivity, Acceleration and Visualisation Engine, a technology layer applied across our CargoWise One workflow engine;
- completion of native China customs and localised CargoWise One platform (including sales, content, education and certification materials); and
- regulatory upgrades for a myriad of government changes including US Automated Commercial Environment, Canada-EU Free Trade, Malaysian uCustoms, Australian GST, China golden tax regime and German ATLAS release.

A sample of larger pipeline components include:

- international e-commerce solution for high volume, low value e-commerce shipments from origin to door, currently in pilot test with development partner;
- comprehensive port integration for bookings, manifests, status terminal releases, container load plans and VGM to terminals, carriers, customs and agents;
- Universal Customs Engine designed to deliver complex, multi-year localisations in a fraction of time and cost;
- advancements in architecture engine, GLOW, which allows rapid product development across multiple operating systems on any device, by our industry experts;
- global air cargo tracking, including air waybill tracking, events and automations allowing exception-based logistics transaction execution; and
- integration of acquired adjacencies and our innovation developments to help build out the cargo chain ecosystem for rates, schedules and bookings.

Work faster, harder, smarter

Reduce cost, time, error, risk

Supply chain behavioural change

550+
product upgrades and enhancements in FY18

34%
of revenue invested in FY18

51%
of employees focus on innovation and product development

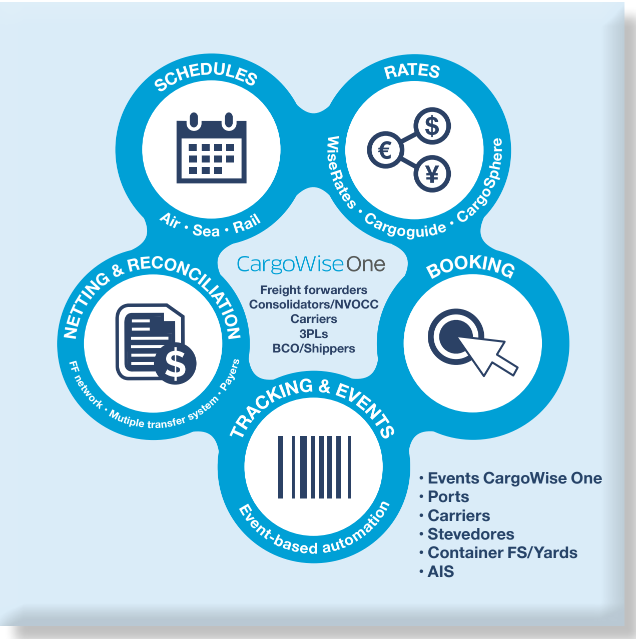
>720,000
unit tests executed every 45 minutes

$222m
invested FY14-FY18

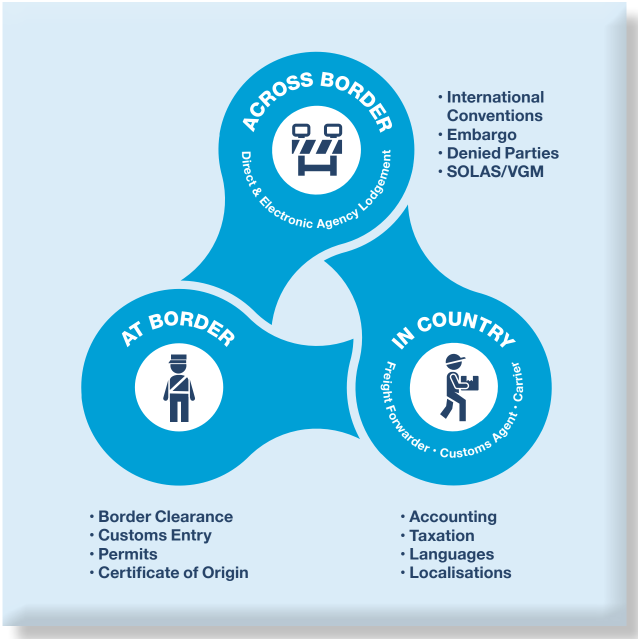
Our innovation pipeline (continued)

We are building ecosystems for the cargo chain, trade and border compliance along with e-commerce international fulfilment.

Cargo chain ecosystem



Trade and border compliance ecosystem



For the logistics industry, we are building out global solutions to schedules, rates, bookings, tracking and event-driven automation, along with netting and reconciliation tools for matching payments to charges.

Over the last 40 years, the industry has been hampered by specialisation designed to increase productivity, yet this has created damaging fragmentation, data islands and legacy point solutions that exacerbate industry problems. The sheer volume of missing, confused and inconsistent data across a myriad of sources has to date made it time consuming, risky and complex for logistics services providers to safely and effectively manage the cargo chain.

A truly complete operating platform for logistics requires real, whole-of-cargo chain data integration and visibility in a single platform that can operate in all the major silos and integrate with those parts of the chain that are not within the operating platform – including many government systems, carriers and other 1st, 2nd and 3rd parties that supply services, permit movement, or manage within the supply chain. CargoWise One is the global, deeply-integrated, single source solution with real-time visibility, global transaction sets and functionality across the supply chain vertical to address these needs.

Our speed to market with regulatory change, deep relationships and work with many major governments, and dominance of deep cross-border compliance capability geographically ensures we are well placed to build out the Trade and Border Compliance ecosystem.

The compliance ecosystem is incredibly complex for logistics providers and difficult to penetrate with a myriad of regulations around border clearances, customs entries, permits, certificate of origin, rules of origin, classification and sheer volume of complex data and documentation that you need in order to legally clear the border. In country, it's the accounting, taxation, language of the country, and other localisations required because of that country's law, regulation, business practices and culture. In addition, cross-border management and international conventions that control and identify the way the industry works add further complexity, including embargoes, denied party restriction and verified gross mass. Through the CargoWise One platform, logistics service providers can gain control over international compliance and as a result protect their margins, achieve low-risk cross-border execution, faster multi-modal movement, and more efficient use of resources with signifcant error reductions.

E-commerce international fulfilment

With our deep international logistics capability and global execution platform, we are well placed to solve the increasingly large international e-commerce problem set.

Exponential growth in e-commerce volumes and new technology demands are creating unique problems for logistics providers, governments, manufacturers and retailers across all major borders and across the supply chain. Border management and compliance risks are the largest pain-point of international logistics and e-commerce, and are a major focus of all border agencies. To that end, we are building capabilities and technology that can operate at massive volume and with the ability to work compatibly with overloaded systems and ever-increasing demand. We have had high volume e-commerce solutions since 2006 and in place for Australia Post since 2013. Now, we have our next-generation e-commerce solution in pilot with a major air freight forwarder, which we will continue to develop. Our long-term solution in development will be international fulfilment, country agnostic and web-enabled, and our phase 2 release will feature at origin, warehousing and last-mile integration.

We are relentless about product development and innovation.

Every year, we increase our investment in:

- developing new modules to enable additional logistics activities or market segments;
- developing new product components to expand productivity of existing modules;
- developing hardware components to complement software modules;
- extending access to new geographies;
- upgrading capabilities to cover compliance with additional, existing and new regulatory requirements;
- incorporating new technology and delivery mechanisms;
- adding quality improvements – simplifying, automating and eliminating errors;
- building next-generation productivity tools to accelerate our customers' productivity, resource efficiency and business growth; and
- investing in disciplined development processes, our data centres and scalable technology for growth in volumes, data storage and usage.

In FY19, we expect to invest a further $100m in innovation and product development, building out our technology lead.

Our expansion pipeline

Accelerating organic growth through acquisition

Since the beginning of FY18, we have acquired, or announced the acquisition of, a further 22 logistics software businesses spanning new geographies (focusing primarily on customs) and new technology adjacencies with future global capacity.

We originate our own acquisition pipeline and execute with our own internally built mergers and acquisition ("M&A") engine. These acquisitions are at various stages of completion and integration and, once fully integrated, they will expand the functionality, scope and value of our industry-leading technology and provide strong bases for further accelerating our long-term organic growth. Together with our significant innovation pipeline and powerful CargoWise One platform, our acquisitions will ensure we are best placed to build the ecosystems necessary to become the operating system for global logistics.

Acquisition integration process

Integrate target
'Acculturation'

- Platform migration
- Business processes
- Development system
- Commercial standards
- Management control of operations
- Interface acquired product with CargoWise One swiftly

3-12 months

Develop product
'Build out'

- Product development utilising Universal Customs Engine where applicable
- Localisation
- E-learning platform
- Innovation and expansion
- Move to fully "embedded" product

Foothold 12-24 months

Grow revenue
' rollout'

- Global customers access new capability integrated in CargoWise One
  Immediate revenue once capabilities embedded in global platform, transaction-based licence
- Conversions of acquired customer base
  On-board transition over 3+ years, full platform access
- Over time, acquired customers expand usage
- Acquired customers can access multi-region rollout

0-36 months

Geographic expansion into new markets

Targeted acquisitions in key regions provide safer, faster, stronger entry to new markets

With our 15 geographic foothold acquisitions, we are acquiring leading customs or freight forwarding providers. These small, targeted acquisitions provide safer, faster, stronger entry to key markets. We have secured these regions and captured hundreds of talented industry experts and developers, local management, local infrastructure and high-quality customer bases. All these acquisitions were executed swiftly with known entry cost of about $90m plus future earnouts, giving us the certainty to expand our lead in cross-border capability geographically.

Ultimately, we are targeting the G20 plus a further 20 countries that combined will cover 90% of the world's manufactured trade flows.

Significant progress has been made and we now cover over 30 countries in depth for customs processing. We have secured key positions in all major English-speaking economies, major European economies and Latin American economies. We will continue to execute on smaller, but important, European economies and the key remaining markets in Asia; however, many of the core assets in our geographic acquisitions are done. Once complete, we will have secured the leading global position in customs clearance and border compliance.

EUROPE

Taric – WISETECH GLOBAL GROUP
Spanish-based provider of customs management solutions and consultancy.

znetgroup – WISETECH GLOBAL GROUP
Germany's key provider of customs solutions to the logistics industry.

aco Informatica – WISETECH GLOBAL GROUP
Italian-based customs and logistics solutions provider.

ABM Data Systems – WISETECH GLOBAL GROUP
Automated EU customs and brokerage solutions, headquartered in Ireland.

LSPsolutions – WISETECH GLOBAL GROUP
A leading customs and warehouse management solutions provider based in the Netherlands.

customsmatters – WISETECH GLOBAL GROUP
A leading customs solutions provider in Ireland and the UK.

intris – WISETECH GLOBAL GROUP
Freight forwarding, warehousing and customs management solutions provider in Belgium and the Netherlands.

EasyLog – WISETECH GLOBAL GROUP
Leading provider of innovative customs management solutions in France.

Multi Consult – WISETECH GLOBAL GROUP
Leading provider of customs solutions and logistics consulting in Italy.

EURASIA

ULUKOM – WISETECH GLOBAL GROUP
A leading provider of logistics, warehouse and customs management solutions in Turkey.

NORTH AMERICA

Fenix – WISETECH GLOBAL GROUP
Specialist in Canadian customs broking solutions.

LATIN AMERICA

Bysoft – WISETECH GLOBAL GROUP
Largest customs solutions provider to the logistics industry across Brazil.

SOFTCargo Software Solutions – WISETECH GLOBAL GROUP
A leading provider of freight forwarding and logistics solutions in Latin America.

Forward – WISETECH GLOBAL GROUP
A leading provider of freight forwarding and accounting compliance solutions in Latin America.

ASIA

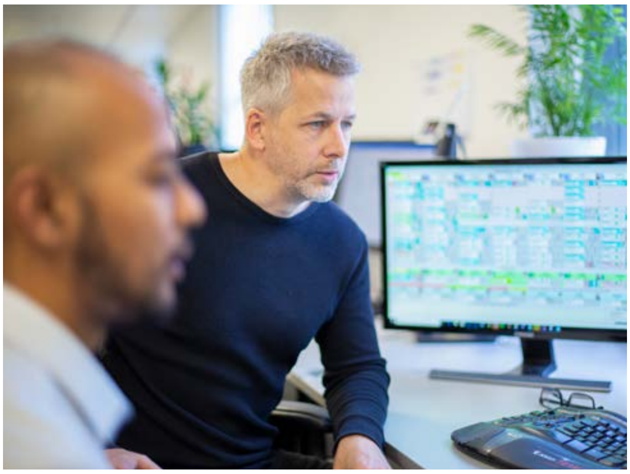
prolink – WISETECH GLOBAL GROUP
Leading software provider of customs solutions across Taiwan.

We expect the development of fully embedded components and the transition of customers will take a number of years. However, this future development will take a fraction of the time, cost and risk that it would take to build in each country from scratch. With each asset, we will integrate, build the new product fully embedded into CargoWise One, and drive revenue growth by making our full platform available in each region and making the new customs and local compliance component available seamlessly to our thousands of existing customers. In the meantime, as a result of the acquired capable local leadership and their highly motivated teams and local infrastructure, we are already seeing sales of CargoWise One lift in these new regions.

Our expansion pipeline (continued)

Acquiring for adjacency technology

Targeting global or multi-regional adjacencies that can scale plus key plug-ins to our global development



As we expand geographically, we have also been widening our reach into and across the supply chain. We are moving out from our stronghold of international logistics and complex cross-border compliance, to leverage our innovation pipeline and put in place the key technologies and assets to start building unassailable ecosystems.

We further utilise acquisitions in key adjacent technologies to facilitate our development of globally scalable innovations, to fuel the convergence of technologies that add to our next generation of automations and machine learning, provide a core element for key ecosystems or grow and enhance our extensive global data and transaction sets.

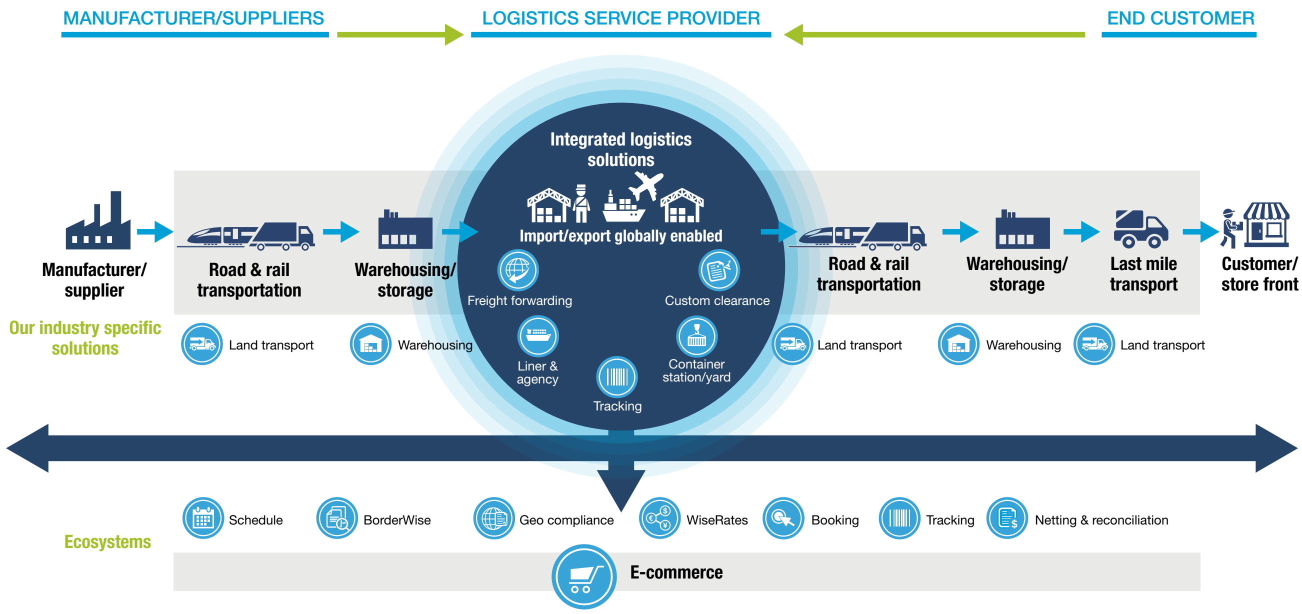
Since FY17, we have added hundreds of talented industry experts and developers, bringing valuable adjacent technology skillsets. In FY18, we have been deepening our focus on specialist warehousing, global multi-modal rates management, global shipping, global data sets and domestic transport – particularly road freight last-mile. With Cargoguide and CargoSphere, we can establish our global rates ecosystem, ultimately incorporating real-time rate processing and management with automations for quoting, bookings, execution, tracking and invoicing. Gartner-rated, Micrologistics' specialist warehouse management systems, used across Asia Pacific and North America, will feed into our warehouse and e-commerce functionality. Softship, as the leading global solutions provider to international ocean carriers, will grow our ability to service the global carrier and ships agency marketplace, while CMS Transport Systems will feed into our next-generation Land Transport system. Now with SaaS Transportation, Pierbridge and Trinium we are on the path to building deep first- and last-mile capabilities that cross road freight modes. The domestic logistics markets in key regions are formidably large yet highly fragmented, often along multiple barriers of country borders and freight modes, including parcel, Less Than Truckload, Truckload, Container Haulage and various bulk modes. We are targeting a true global solution that will be capable of operating across borders, regulatory boundaries and freight modes – just as we have managed to create a truly modeless and borderless international freight forwarding global platform, used by the world's largest freight forwarders including DHL and DSV.

We further utilise acquisitions in key adjacent technologies to facilitate our development of globally scalable innovations.

We have been taking larger steps with adjacencies in line with the addressable markets and need to acquire a substantial entry point in each key technology adjacency and we will continue to do so. We believe the strategy identified here and the acquisitions undertaken are the critical pieces to complete the key ecosystems we have identified (see pages 14-15).

Get to know more about our acquired businesses and CEO Founders watch www.wisetechglobal.com/about-us/wisetech-global-businesses

We can integrate multiple businesses simultaneously because we are an engineering-led business that has built a significant amount of intellectual property around management of processes, software development, sales and marketing and people and culture management. As can be seen by the way we have engineered our M&A origination pipeline and acquisition processes to be a highly repeatable, consistent engine that is now largely in-house and



As we expand adjacencies across the supply chain and into new ecosystems we are targeting a true global solution that will be capable of operating across borders, regulatory boundaries and freight modes – just as we have managed to create a truly modeless and borderless international freight forwarding global platform used by the world's largest freight forwarders.

Since the start of FY17, we have acquired 10 valuable strategic assets in adjacencies.

TRANSPORT MANAGEMENT SOLUTIONS

pierbridge – WISETECH GLOBAL GROUP
Leading parcel shipping TMS provider in the US.

SaaS Transportation, Inc. – WISETECH GLOBAL GROUP
Specialist US LTL TMS provider.

CMS Transport Systems – WISETECH GLOBAL GROUP
TMS to add to next-generation Land Transport.

TRINIUM Technologies – WISETECH GLOBAL GROUP
Specialist intermodal trucking TMS in the US and Canada.

COMPLIANCE DATA

Digerati / TradeFox – WISETECH GLOBAL GROUP
Australian reference data providers transformed into BorderWise.

GLOBAL RATES MANAGEMENT

CargoSphere – WISETECH GLOBAL GROUP
Leading global ocean rates management solutions provider.

Cargoguide – WISETECH GLOBAL GROUP
Leading global air rates management solutions provider.

GLOBAL SHIPPING

Softship – WISETECH GLOBAL GROUP
Leading global provider of software solutions to international liner shipping industry.

SPECIALIST WAREHOUSE

Microlistics – WISETECH GLOBAL GROUP
Gartner-rated specialist WMS across Asia Pacific, North America and Middle East.

highly predictable, we continue to systematically automate and improve repeatable processes. We apply this approach to the integration of new business units, to enable and empower the founders and senior managers of these acquisitions. The process on page 16 is designed to be delivered through a combination of earnout incentives, self-integration toolkits and the utilisation of our architectures and engines (such as PAVE and Universal Customs).

We also engage the talented teams in our 20 product development centres and 39 regional offices worldwide. We are working hard to ensure that we are able to scale with the rate of growth, the complexity and uniqueness of new businesses units and to ensure that the milestones agreed by the founders/managing directors in the acquisition are delivered and create value for the Group.

Environment, social and governance

At WiseTech Global, we are committed to changing the world of logistics while simultaneously enhancing the quality of life of our employees, communities and industry partners. Our philosophy in the markets in which we operate is one of enablement and empowerment, not disruption. Our long-term focus on technological advances enables the global logistics supply chain to work more efficiently without compromising on speed, quality or accuracy. We are committed for the long-term to the communities and environments in which we operate, and we are dedicated to building and protecting value while maintaining quality governance across our global operations.

WiseTech Global employees help to identify and contribute to our environmental, social and governance ("ESG") responsibilities by openly sharing interests and identifying issues. As the Company grows we will continue to refine our ESG communication based on our global footprint, ethical, cultural and evolving business and shareholder needs.

Environment

WiseTech Global is a leading provider of software solutions to the logistics industry. We are not directly involved in the manufacture or physical transport of goods, thus our environmental footprint is relatively small across our 1,500 strong global workforce and primarily comprises the energy used by our offices and data centres, and the typical consumables of an office-based business. Our environmental risks are not significant.

Our innovations drive business efficiencies that enhance logistics execution and the supply chain worldwide. The CargoWise One platform is used in 130 countries to digitise and integrate the data that enables goods moving through the supply chain. It also assists customers by bringing together large global data sets, which have been cleansed and verified, and uses that information to facilitate key parts of the global cargo chain, including the management of rates, schedules, bookings, tracking and reconciliation.

Our software is designed to maximise performance, minimise energy and resource use, and reduce risks in the global supply chain. Global logistics is one of the world's oldest and largest industries with revenues of $14 trillion. [1]

Our software is designed to maximise performance, minimise energy and resource use, and reduce risks in the global supply chain. Global logistics is one of the world's oldest and largest industries with annual revenues of $14trillion.

By digitising and integrating data, customers can significantly increase the productivity of their operations, which can have widespread environmental benefits. Small examples are the significant reduction in futile trips, elimination of delays in intermodal transportation and optimised load configuration, so there is less wasted space for shipments across all modes of transport. In the planning and management of logistics operations, efficiency improvements allow automation and the removal of numerous manual tasks. This reduces paper, electricity usage, human labour, commercial costs and wasted resources. Therefore, we believe our global footprint and operational activities contribute significantly to the reduction of resource usage impacting climate change.

CargoWise One is a fully digitised, deeply-integrated platform, seamlessly available to users globally. Once data enters it is immediately available with real-time visibility, globally, removing the need to re-input data. This saves time and resources and the benefits flow on to other organisations in the supply chain, such as governments and border agencies.

1 Source: The World Bank: Performance and Prospects of Global Logistics, 2017.

CargoSphere tackling wasted resources in ocean rates management

A Drewry Research Study [1] from 2017 determined that the annual labour cost of finding, receiving, processing, and analysing ocean freight buy rates for the global freight forwarding community was approximately US$500m. One of our solutions, CargoSphere's neutral global ocean rates management platform, eliminates labour resource wastage, by establishing an automated data transfer of contract and public tariff rates between an ocean carrier, CargoSphere and the ocean carrier's customers. Digital contract management significantly increases accuracy and reduces processing times from several days to just a few hours.

1 'Magnitude of Rate Management Burden on Forwarders', 2017, was sponsored by CargoSphere.

WiseTech in the community

WiseTech is committed to encouraging and supporting the next generation of innovation leaders, and has an active, targeted program of scholarships and sponsorships with university and school groups. These are designed to inspire young people about STEM (Science, Technology, Engineering and Mathematics) subjects and encourage them to pursue careers in technology.

We hire talented people that have a passion to share their knowledge and want to help improve the industry and communities in which they live and work.

A selection of our FY18 activities include:

- Platinum sponsor of the National Computer Science School ("NCSS"). Events include the NCSS Summer School, a 10-day summer camp held at Sydney University for school students in years 10 to 12, the NCSS Challenge, a six-week programming challenge for anyone from primary school onwards and the Girls' Programming Network, which inspires and supports high school girls interested in computers and technology.
- Platinum sponsor of ACCESS for Women (Australian Computing Coding and Engineering Summer School), a summer school held at The University of New South Wales for female students going into years 11 and 12, encouraging young women to pursue computer science as a career path.
- Gold sponsor of the Australian Computer Society Foundation events: The BiG Day In and BiG Day In Junior. The BiG Day In is an IT careers conference designed by students for students. It is targeted at both high school (years 9 to 12) and university students interested in a career in technology. We tour with this event annually around Australia, visiting all major cities and some regional locations, engaging with over 7,500 students last year. The BiG Day In Junior is an interactive ICT event for primary school students.
- Sponsor of 14 information technology-related scholarships at the University of Technology Sydney and The University of New South Wales. These include rotations around different technology areas.
- Winter and summer technology internship programs that provide technology and engineering students with the opportunity to participate in an innovation centre and learn disciplined processes and test-driven approaches. These programs provide an opportunity for our employees to mentor and train, expanding their own leadership qualities.
- Partner of SolarBuddy.org, to teach young Australian students about energy poverty in developing nations, and the value of contributions, through technology, to relieve its impact.
- Sponsor of the Blacktown Girls High School team competing in the FIRST Robotics Championship in the USA. The all-girl team joined 60,000 people from 62 countries to fly the flag for Australians and women in tech.

SolarBuddy school education and corporate engagement programs.
SolarBuddy is a registered Australian charity.

Environment, social and governance (continued)

Since July 2017, we have added 22 founder-led organisations to our global family and many of our newly acquired businesses have strong relationships with government, industry and their local communities, along with ongoing community programs in place that we intend to expand over the coming years.

Our WiseTech Shanghai team supported The Global FoodBanking Network, an international non-profit organisation that fights world hunger by creating and supporting food banks around the world. Our people sorted, packed and delivered food to those in need, including seriously ill patients under financial stress.

Our Softship team in Germany partnered with the University of Applied Sciences, Wedel, in the training of students and supports a development association, which helps students with loans and scholarships, and international education placements. Softship also supported Plan International in the supply of basic needs, education and healthcare to children in developing countries.

Our CustomsMatters team in Ireland provided work experience placement and university internships, and sponsored a transition year program for teaching posts in Africa. CustomsMatters senior managers also gave career talks to students to promote careers in software development.

Our znet team in Germany continued its support of a social program promoting youth access to sport and social integration, and its support of the Belgian national Taekwondo team. znet Group also supported charity fundraiser, Charme & Charity, which raises funds for medical causes in developing countries.

Employees, diversity and culture

Our people are the core of who we are. The accumulation of our collective experience, shared values, and individual skills has allowed our business to deliver industry-leading solutions. We work to enhance the industry and help educate and nurture its people.

The WiseTech Global team is made up of individuals with a diverse range of professional backgrounds and experience, whom we provide with upfront and ongoing technical and strategic training. We have a flat, low hierarchy management with small diverse teams in open plan hubs to stimulate creativity and workflow. In these, we seek to create a work environment for our 'tech creatives' that supports bold ideas and innovation, with focus on 'freedom and responsibility'.

Our industry is faced with a range of complex problems and challenges so we have built a culture of innovation and productivity to help us tackle them, with a 'test first, fail quickly and improve rapidly' approach. We do this in a global environment where competition for skilled talent is in high demand.

Our people

Our culture is not by accident. Our creativity is by design. Our people define us. WiseTech's future growth and innovation come from the talent, motivation and enthusiasm of our global team. Our people have eclectic backgrounds and remarkable skills, and we encourage our staff to have bold ideas to create bold products. We benefit from having a diverse mix of extraordinary people drawn from around the world, representing 51 nationalities and ranging in age from 18 to 70+.

We believe people should not be limited by the requirement to perform machine-like tasks and fear that automation will lead to redundancy. Rather, the automation and delegation of repetitive tasks to technology should be embraced, as these efficiencies allow people time to perform real and meaningful work. It also allows our people to pursue their intellectual interest which gives purpose to their work, boosts morale and increases individual productivity. Encouraging creativity, problem-solving and continuous skill improvement is essential to innovation.

Phrases spoken frequently, "slower today, faster forever", "anyone can ask anyone anything at anytime", and "changing the world one innovation at a time" are the basis for a fulfilling, empowering environment where the work we do is important, not just for ourselves, but for the world.

National Computer Science School

Helping to ignite students passion for technology and innovation

The National Computer Science School is an annual computer science summer school, at The University of Sydney, Australia.

Creating an environment for innovation to flourish

At WiseTech Global, we foster an environment that encourages innovation by focusing on four key elements:

1. **We welcome questions, we encourage enquiring minds and demand impactful change**

   People with questioning and enquiring minds are inherently curious and never satisfied with the status quo, encouraging others to see things differently. Our people connect the unconnected, think creatively, solve problems, and come up with game-changing solutions.

2. **We encourage our people to take risks, tackle the difficult and complex, and find the root cause**

   The ideas that change the world are the result of resilience, grit and perseverance. Innovators have to withstand negativity, take on board criticism and questions, and keep evolving their ideas into tangible solutions. Our people are tenacious, pushing past the obstacles that hold them back to make their innovations better, stronger, and more effective.

3. **We create a safe environment where failure is supported as a key step towards success**

   If people are afraid to fail, they will be afraid to try. By stretching themselves, testing and failing, our people gain a more sophisticated understanding of the problems they are trying to solve. We reward success, support failure and strive to eliminate inaction. Our teams support this vision and each other, creating a work environment that encourages openness and collaboration and sharing of learnings from iterative steps.

4. **We celebrate diversity of thought**

   Our workforce is made up of individuals who share common values, ambition, and respect for each other; however, they do not share the same thoughts, opinions or backgrounds. This enables us to challenge each other, break down boundaries, and interrogate our own thinking to shift paradigms.

*Our mantras, spoken frequently and written on our walls **"slower today, faster forever"**, **"anyone can speak to anyone at any time for any reason"** and **"bold ideas build bold products"** are the basis for a fulfilling, empowering environment where the work we do is important, not just for ourselves, but for the world.*

Environment, social and governance (continued)

Our values

- We work continuously to improve our culture so that it empowers and drives us
- We work hard to improve ourselves, our colleagues, our teams, our products and our business
- We have a clear purpose and a shared vision
- We manage ourselves and focus on results
- We lead when we see the need and inspire and support each other always
- We fight for excellence
- We focus on the deeper needs of real customers in our chosen markets
- We invent things our customers did not know they needed and cannot live without

Ethics and integrity

Ethics and integrity run through all parts of WiseTech Global and our culture, which is built on honesty, respect and transparency. As such, we promote ethical and responsible decision making by our employees and Directors and these behaviours are outlined in our Code of Conduct, Human Rights Principles and Whistleblower Protection Principles. All our people across our global workforce are required to complete training and testing on WiseTech Global policies, including our Code of Conduct, Equal Employment Opportunity Policy, Securities Trading Policy and Whistleblower Protection Principles.

Integration of new members of the WiseTech family

Our Company is growing both organically and through acquisition of assets which are targeted for business alignment and strategic value along with strong cultural fit.

We respect the skill and talent of the valuable, predominantly founder-led, businesses that we acquire, with their talented industry experts and developers, capable local management and high-quality customer bases. Whether the new members of our WiseTech Global family are geographic acquisitions in non-English speaking regions, or adjacent technology solution providers, we look for cultural alignment in the origination and acquisition process and work with the teams to integrate and embed into their organisations, the DNA of our WiseTech culture and the transformative elements of the WiseTech way – our highly engineered approach to technology development and commercial model components. We encourage and enable staff and teams to grow by allowing them to self-integrate and introduce the best aspects of our cultural DNA while respecting their local heritage and culture.

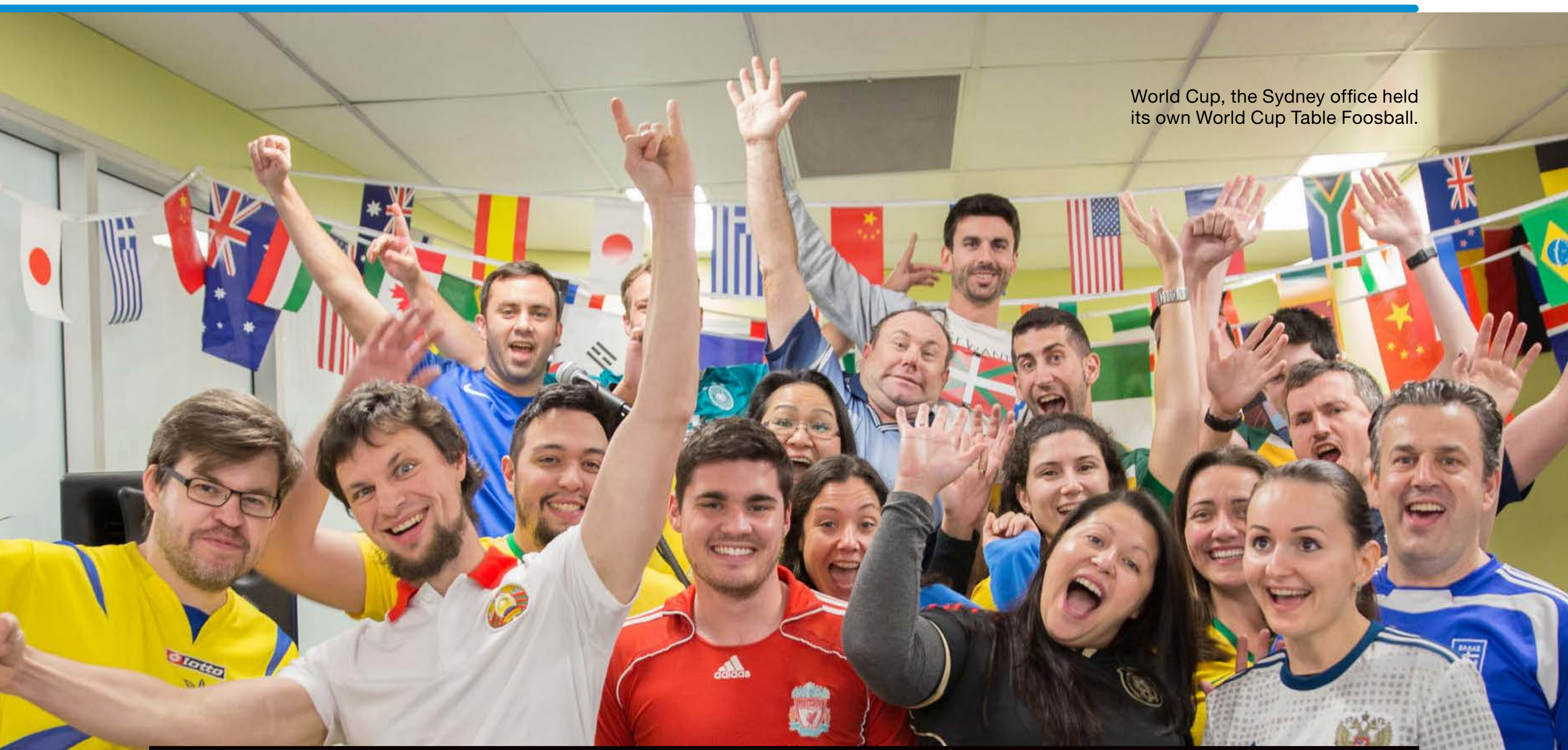
We align together to integrate and grow the teams, allowing a high degree of freedom to utilise our communication and engagement activities, integration tool kits, and technology architectures over time, with a focus on working cohesively and respectfully together.

Employee wellbeing

Each member of our WiseTech family worldwide is encouraged to take personal responsibility for their wellbeing, health and relationships. We enable this through our policies, support services and wellbeing initiatives.

In our global headquarters, wellness initiatives include in-house fitness

World Cup, the Sydney office held its own World Cup Table Foosball.



Our Credo

Our culture is not by accident.
Our creativity is by design.

Our people define us. This Credo, our Mission and our Core Values give us focus and purpose, they inform our head and heart.

We favour principles over policy, open and frank communication over secrecy, agreement over control, results over busywork. We realise that real creativity is delicate and dies with processes, bureaucracy, chain of command and centralised decision making.

Our work environment is flat and open, hierarchy rises only when essential and recedes immediately. We know that 'little things are infinitely the most important' and that 'culture eats strategy for lunch'. We actively embed our creativity, the seeds to our success and the antidote to many problems, deep within our people and culture.

We love to challenge the status quo and to think of breakthrough ideas in order to build something delightfully better. We cannibalise that which needs to be superseded, improve that which is imperfect and add that which is missing, and we have fun!

We think bold ideas and build bold products that people don't know they want...
until they see them, and now can't live without... because they come to love them.

We strive every day to build products that surprise and delight our customers and empower their success, but we also give incredible value to our customers so they drive us to flourish and grow.

We are truly, deeply passionate about what we do and we use all of our empathy, energy, focus, courage, talent, drive and logic to confront the really big stuff that others will not.

We surround ourselves with incredibly smart people with diverse and eclectic experience, an abundance of talents and motivation fuelled by purpose. We care deeply, have real ownership and a sense of connection in every place and in every role. We belong.

We stand with humility on the shoulders of the many that have led us here.
We owe them our dedication, our energy and our results.

Corporate grind be damned! We're doing something that really matters
and it requires us to strive, learn, grow and flourish.

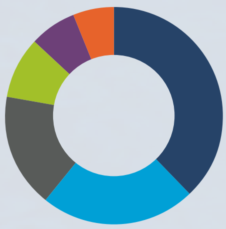
We will change the world: one innovation at a time.

Environment, social and governance (continued)

EMPLOYEES BY FUNCTION
(%, as at 30 June 2018)

- Product design and development **51%**
- Customer support **20%**
- General and administration **20%**
- Sales and marketing **9%**

EMPLOYEES BY REGION
(%, as at 30 June 2018)



- Australia and New Zealand **38%**
- Europe **23%**
- Asia **17%**
- Latin America **9%**
- South Africa **7%**
- North America **6%**

EMPLOYEES BY AGE DIVERSITY
(%, as at 30 June 2018)

- Under 30 **22%**
- 30–44 **52%**
- 45 and over **26%**

We work hard at WiseTech, so we like to celebrate our efforts and achievements in a fun, friendly environment.

classes, nutritional advice, free breakfasts and healthy snacks, lunchtime sport, our family-friendly working week, health campaigns, and company funded social activities. Our offices worldwide offer a mixture of these, with several offering subsidised gym memberships and access to local sporting activities.

WiseTech has a long-held tradition of celebrating each other in a monthly ‘Cake Day’, held at each WiseTech office in the group, in which every new employee is welcomed and birthdays and long service is celebrated. Every Friday, all of our employees, including our newly acquired businesses, meet to socialise and unwind with food and refreshments. This is important because we work hard at WiseTech, so we like to celebrate our efforts and achievements in a fun, friendly environment.

We have support systems in place to promote the safety and wellbeing of our employees. Our global Employee Assistance Program offers short-term, solution-focused counselling to employees that may be experiencing issues or concerns, whether at home or at work, and additional professional guidance counselling. This service is delivered by external, qualified, experienced professionals at no cost to the employee.

Our Workplace Health and Safety policy is designed to ensure that we provide a safe and healthy workplace for our people and visitors. Ergonomics is a part of the workday environment with ergonomics assessments, sit-to-stand desks, large computer monitors and high quality chairs available as appropriate. Employees are encouraged to observe and practise safe working methods to support a healthy and safe work culture and environment.

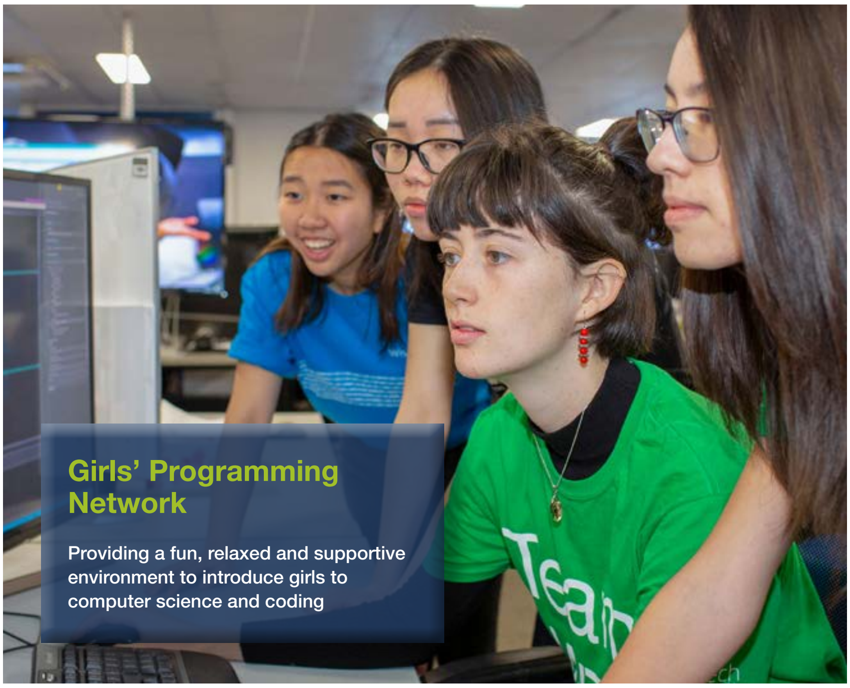
FIRST Robotics Championship

Enabling students to attend and share their ingenuity and knowledge with others at the world’s largest celebration of STEM

Blacktown Girls High School Robotics Team attended the FIRST World Robotics Championships in Houston.

Developing our people

Our talented people are at the centre of everything we do and we provide programs to help our people continually develop. We have an education and training professional certification program and employee education assistance for doctorate, master and bachelor degrees and encourage continuing industry education. We also assist development with mentoring programs worldwide (for new starters), facilitated rotations though multiple development teams, 'theory of constraints' training, and operate an active program of international placements/ global mobility to build skills and understanding of technological and cultural diversity.



Girls Programming Network, Sydney University.

Remuneration

We compete in a highly mobile global market for talent and our innovation and growth strategy is dependent on recruiting and retaining talent. Our employees are offered a remuneration package that can include fixed pay, remuneration equity, cash bonus and deferred equity incentives.

The Remuneration Committee oversees and receives periodic reports regarding our remuneration structure, succession plans, recruitment and retention policies and achievements against diversity objectives in relation to remuneration. Our Remuneration Report on pages 40 to 53 describes our approach to remuneration for our people.

Share ownership

Our goal is for all our employees to be shareholders. Many of our longer-term employees were WiseTech Global shareholders for years prior to our listing on the ASX. Since then, we have provided additional opportunities for our growing global workforce to invest in WiseTech Global through the purchase of shares and participation in equity awards as part of their remuneration package. In FY18, we launched an 'Invest As You Earn' program whereby employees can purchase WiseTech Global shares via monthly deductions from their salary. The program is optional for all staff but has been incredibly well received with over 20% of eligible employees across 15 countries choosing to participate and invest in WiseTech shares. All our employees receive compliance training to ensure that they understand and abide by our Securities Trading Policy and Market Disclosure and Communications Principles.

Diversity and inclusion

We pride ourselves on our highly diverse and strongly inclusive workforce. We remain committed to diversity and inclusion. Our Diversity and Inclusion Principles are designed to foster a culture that values and achieves diversity in our workforce and on our Board.

Diversity refers to all the characteristics that make individuals different from each other. They include attributes or characteristics such as religion, race, ethnicity, language, gender, sexual orientation, disability, age and any other ground for potential unlawful discrimination. Diversity is about our commitment to treating individuals equally and with respect.

The ages of our employees range from 18 to 70+. Our people are made up of over 50 nationalities working together. Importantly, 33% of our employees overall and 33% of our Board are female. We believe our current levels of female representation compare well to other technology companies and are positive in the context of both the logistics industry and technology for business-to-business software. The strong level of female participation reflects our commitment to merit-based employment and promotion. We continue to strive to encourage more women to enter technology and logistics – the industries from which we draw our talent. For more information, please see our Corporate Governance Statement, which is lodged with the ASX and available from our website http://ir.wisetechglobal.com/investors/?page=corporate-governance

Environment, social and governance (continued)

ACCESS for Women (Australian Computing Coding and Engineering Summer School), summer school at The University of NSW.

Prevention of harassment and discrimination

We treat ourselves and our colleagues with respect and we do not allow discrimination, bullying or harassment of any kind. Our Equal Employment Opportunity Policy addresses these areas and establishes complaint procedures to ensure that any complaints or concerns are investigated in a confidential and sensitive manner. Every employee undertakes detailed training and compliance testing on equal opportunity and our approach.

Data privacy

WiseTech Global and its subsidiaries recognise the importance of data privacy, and comply with relevant data privacy regulations, including the EU General Data Protection Regulation ("GDPR"), to safeguard the security and privacy of all customer data.

Political donations

It is our policy not to make donations to political parties. We make our decisions and invest our resources based on appropriate economic, commercial, environmental and governance criteria.

Corporate governance

Our approach to corporate governance and our compliance with the Recommendations of the ASX Corporate Governance Council are described in full in our Corporate Governance Statement, which is lodged with the ASX and available from our website http://ir.wisetechglobal.com/investors/?page=corporate-governance

Governance overview

We have established a governance framework to support our business and help us to deliver on our strategy.

The framework provides the structure through which our strategy and business objectives are set, our performance is monitored, and the risks we face are managed. We are committed to excellence in corporate governance, transparency and accountability. We regularly review our governance arrangements and practices to reflect changes in our business and in market practices, expectations and regulation.

We comply with the third edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations.

Our governance framework

Shareholders

WiseTech Global Limited Board
Oversees management on behalf of shareholders

Audit and Risk Management Committee	Nomination Committee	Related Party Committee	Remuneration Committee
Oversees financial reporting and risk management	Considers Board composition and succession planning	Reviews proposed transactions between the Company and its related parties	Oversees the remuneration and incentive framework for all our people

CEO
Responsible for day-to-day management of WiseTech and the implementation of our strategy

Management team
Responsible for running the business and delivering on our strategic objectives

Our Board

As at the date of this report, our Board comprises six Directors: four independent Non-Executive Directors and two Executive Directors, including WiseTech's Founder and CEO, Richard White. Details of the Directors' qualifications and experience can be found in the Board of Directors section on the next page.

During FY18, we appointed one additional independent Non-Executive Director to the Board, Teresa Engelhard, on 1 March 2018, who has more than 20 years' experience as a director, executive and venture capitalist in the information, communication, technology and energy sectors. In 2018, Teresa was appointed Lead Independent Director.

In September 2018, the Board appointed existing Board member, Andrew Harrison, as Independent Chair, taking over from long-term Chair, Charles Gibbon, who is remaining on the Board as a Non-Executive Director.

The appointment of Teresa to the Board and the appointment of Andrew as Chair are part of a Board evolution to meet the needs of the expanded WiseTech Global group. Andrew served as our Chair of the Audit and Risk Management Committee since 2015 and his governance expertise, international experience and deep interest in innovation and global technology are of great value to the Board. As part of assuming his Board Chair responsibilities, Andrew is reviewing his existing board portfolio and intends to significantly reduce these commitments in the coming months in order to focus on WiseTech. As a first step, Andrew resigned from the board of Xenith IP Group Limited with effect from 24 September 2018.

We are also progressing well in our recruitment process for additional independent directors with appointments, expected in FY19. For these appointments we are focusing on candidates for future Chair of the Audit and Risk Management Committee and those with international, global organisational, entrepreneurial enterprise and governance experience.

The Board has four standing committees: the Audit and Risk Management Committee, the Nomination Committee, the Related Party Committee and the Remuneration Committee. The committees assist the Board by focusing in more detail on specific areas of our operations and governance framework.

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. He is currently a non-executive director of ASX-listed companies Bapcor Limited, Estia Health Limited and IVE Group Limited and a non-executive director of Moorebank Intermodal Company Ltd.

Andrew has previously held executive roles and non-executive directorships with public and private companies, including as CFO of Seven Group Holdings, group finance director of Landis+Gyr, CFO and a director of Alesco Limited and a director of Xenith IP Limited.

Andrew was previously a senior manager at Ernst & Young (Sydney and London) and Gresham Partners Limited, and 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 and is a Chartered Accountant.

Richard White

Executive Director, Founder and CEO

Richard founded WiseTech Global in 1994 and has been CEO and an Executive Director since then.

Richard has over 30 years of experience in software development, embedded systems and business management and over 20 years of freight and logistics industry experience.

Prior to founding WiseTech Global, Richard was the 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 IT management from the University of Technology, Sydney.

Teresa Engelhard

Lead Independent Director and Non-Executive Director

Teresa joined the Board in March 2018 and is chair of the Nomination Committee. Teresa was appointed as chair of the Audit and Risk Management Committee and the Related Party Committee in September 2018.

Teresa has more than 20 years' experience as a director, executive and venture capitalist in the information, communication, technology and energy sectors.

Teresa is a currently a non-executive director of ASX-listed Origin Energy Limited. She is also a non-executive director of Planet Innovation, StartupAUS and Redkite, a former director of Redbubble Limited and a former managing partner of Jolimont Capital.

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

Director attendance at meetings in FY18

Meetings attended as a member of the Board and of each relevant committee. Directors also frequently attend meetings of committees of which they are not members.

	Board		Audit and Risk Management Committee		Nomination Committee		Related Party Committee		Remuneration Committee	
	Held	**Attended**	Held	Attended	Held	Attended	Held	Attended	Held	Attended
Charles Gibbon	**15**	**15**	4	4			3	3	5	5
Richard White	**15**	**15**			2	2				
Teresa Engelhard	**5**	**5**			2	2				
Michael Gregg	**15**	**15**	4	4			3	3	5	5
Andrew Harrison	**15**	**14**	4	4	2	2	3	3	5	5
Maree Isaacs	**15**	**14**								

Charles Gibbon

Independent Non-Executive Director

Charles joined the Board in 2006, served as Chair from 2006 to September 2018, and has been a shareholder since 2005.

Charles is currently a director of Monbeef Pty Ltd and has previously been a director of Photolibrary Pty Ltd, and the former ASX-listed Health Communication Network Limited.

Charles has over 20 years of experience in institutional funds management, and has previously been a member of the Investment Committee of Quadrant Capital Funds I, II and III for Quadrant Private Equity and has held roles as the CEO of Russell Private Equity, CEO of Risk Averse Money Managers Pty Ltd, a director of Morgan Grenfell Australia, and an associate director of Schroders Australia.

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

Michael Gregg

Independent Non-Executive Director

Michael joined the Board in 2006 and has been a shareholder since 2005. Michael is also chair of the Remuneration Committee.

Michael currently serves as a director of Playground (XYZ) Holdings Pty Ltd and Jeenee Communications Pty Ltd and is the chairman of Community Connections Australia.

Previously, Michael was the managing director of the former ASX-listed Health Communication Network Limited. Michael has also held executive positions in the telecommunications, transport and retail industries.

Michael holds a Bachelor of Science from The University of Sydney and a Master of Business Administration from the Australian Graduate School of Management and is a Graduate of the Australian Institute of Company Directors.

Maree Isaacs

Executive Director, Co-founder and Head of Invoicing & Licensing

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

Maree is focused on invoicing and licensing, group operations, quality control and administration. Maree is also a Company Secretary of WiseTech Global.

Prior to co-founding WiseTech Global, Maree worked with Richard at Real Tech Systems Integration and Clear Group.

Operating and financial review

Financial performance

During the year to 30 June 2018, we continued to deliver significant revenue growth driven primarily by continued strong organic growth across our global business, the addition of over 550 internally developed product enhancements and features to our CargoWise One technology platform, and the acquisition of 15 strategic assets in new geographies and adjacent technologies from which we will accelerate our future growth.

Revenue for FY18 increased 44% to $221.6m (FY17: $153.8m)

Operating profit increased 41% to $58.4m (FY17: $41.5m)

Net profit after tax increased 27% to $40.8m (FY17: $32.2m)

Net profit attributable to equity holders of the parent increased 28% to $40.8m (FY17: $31.9m)

Earnings per share increased 28% to 13.9 cents per share (FY17: 10.9 cents per share)

Summary financial results [1]

	FY18 $m	FY17 $m	Change $m	Change %
Recurring monthly and annual software usage revenue	**198.7**	142.4	56.3	40
One Time Licences ("OTL") and support services	**22.9**	11.4	11.5	101
Total revenue	**221.6**	153.8	67.8	44
Cost of revenues	**(38.7)**	(26.1)	(12.6)	48
Gross profit	**182.9**	127.7	55.2	43
Product design and development [2]	**(53.4)**	(35.6)	(17.8)	50
Sales and marketing	**(24.6)**	(16.7)	(7.9)	47
General and administration	**(46.6)**	(33.9)	(12.7)	37
Total operating expenses	**(124.6)**	(86.2)	(38.4)	45
Operating profit	**58.4**	41.5	16.9	41
Net finance (costs)/income	**(1.2)**	2.7	(3.9)	n.a.
Share of profit/(loss) of equity accounted investees	**0.0**	(0.1)	0.1	n.a.
Profit before income tax	**57.2**	44.2	13.0	29
Tax expense	**(16.4)**	(12.0)	(4.4)	37
Net profit after tax	**40.8**	32.2	8.6	27
Net profit after tax attributable to:				
Equity holders of the parent	**40.8**	31.9	8.9	28
Non-controlling interests	**(0.0)**	0.3	(0.3)	n.a.
Net profit after tax	**40.8**	32.2	8.6	27

Key financial metrics	FY18	FY17	Change
Recurring revenue %	**90%**	93%	(3)pp
Gross profit margin %	**83%**	83%	–
Product design and development as % total revenue [2]	**24%**	23%	1pp
Sales and marketing as % total revenue	**11%**	11%	–
General and administration as % total revenue	**21%**	22%	(1)pp
Capitalised development investment ($m) [3]	**35.3**	22.0	13.3
R&D as % of total revenue [4]	**34%**	33%	1pp

1 Differences in tables are due to rounding.

2 Product design and development expense includes $12.2m ($7.2m in the prior year) depreciation and amortisation but excludes capitalised development investment.

3 Includes patents and purchased external software licences.

4 R&D is total investment in product design and development expense, excluding depreciation and amortisation, and including capitalised development investment each year.

Operating and financial review

Revenue

Total revenue grew 44% to $221.6m (FY17: $153.8m). Increased revenue growth came from:

- increased transaction and user growth within the existing customer base;
- new customers won in the year and growth from customers won in FY17 and FY16; and
- strategic acquisitions completed in FY18 and the full year impact of FY17 acquisitions.

Organic revenues from our existing and new customers rose 37% delivering more than two thirds of our total revenue growth year on year. Growth in organic revenue from existing and new customers was driven by:

- continued increased usage of the CargoWise One platform by existing customer organisations – adding transactions, users, new sites, consolidating operations;
- transition of customer licensing to standard transaction-based licensing;
- revenue from new products and features; and
- onboarding of new sales and increased usage by new customers.

This strong organic growth was despite $1.4m of adverse foreign exchange movements and the effect of transition revenue components that, by their static nature, do not grow period to period. Revenue from existing customers increased by $32.1m, whereas revenue from new customers increased by $12.5m. Given our global reach across 8,000 logistics organisations, many new regional customers will appear in the existing customer category due to an existing relationship for a select component or region.

Revenue growth for CargoWise One was achieved across all existing customer cohorts.

Revenue from customers on acquired platforms increased by $23.2m, including $21.7m from acquisitions completed in FY18. Our strategic acquisitions bring seamless entry into new markets, local leadership, quality customer bases and local infrastructure and development teams which, over time, we will utilise to expand geographically and build globally scalable adjacencies. Initially, the revenue from strategic acquisitions may not be as high growth as our CargoWise One business, nor have our high recurring revenue levels as their revenues tend to have higher levels of OTL and/or consulting revenue which we will transition over time.

Revenue from OTL and support services rose to $22.9m (FY17: $11.4m), mainly reflecting the contribution of revenue from strategically acquired businesses.

Recurring revenue: 99% of our CargoWise One revenue is recurring revenue. Even with our significant volume of acquisitions in FY18, many of which have higher levels of OTL and support services revenue, our recurring revenue for the Group overall was 90% of total revenue (FY17: 93%).

Customer attrition: The attrition rate for the CargoWise One technology platform continued to be extremely low at under 1%, as it had been for the previous six years since we started measuring. Our customers stay and grow their transaction usage due to the productivity of our platform.

Licensing and transition: All new CargoWise One customers use our transaction-based Seat Plus Transaction Licensing ("STL") revenue model. With the transition from historical OTL agreements to On-Demand licence models essentially complete, we are focusing on the transition of customers from:

- our Module User Licence ("MUL") model to STL; and
- acquired platforms to CargoWise One.

For the CargoWise One application suite, the percentage of our On-Demand licence model for FY18 is 99%. Overall, the percentage of On-Demand licence model revenue is 77% of total revenue (FY17: 83%), predominantly reflecting the impact of acquisitions which have higher levels of OTL and support services revenue compared to our CargoWise One 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 exchange rates. As we continue to acquire businesses in new geographies, the range of currencies in which we trade expands.

Operating and financial review

Gross profit and gross profit margin

Gross profit increased by $55.2m, up 43%, to $182.9m (FY17: $127.7m). Gross profit growth was mainly driven by organic revenue growth.

The acquired businesses have, on average, higher product and service support costs and lower cost leverage due to their smaller size which impact gross profit margins. For each business acquired, we expect the dilutive impact of the current lower profit margin to reduce over time as they become fully integrated onto the CargoWise One platform.

We maintained a strong gross profit margin of 83% (FY17: 83%) for the Group overall, even with the impact of the acquisitions in FY18 on the cost of revenues. The transition of acquired businesses occurs over multiple years.

Operating expenses

Product design and development expense increased to $53.4m (FY17: $35.6m), reflecting:

- our ongoing investment in development and maintenance for core projects;
- $10.7m related to investments in acquired businesses which:
  - typically have higher levels of maintenance and support costs; and
  - are in the investment phase but were not yet able to accurately track capitalisable costs to the level required; and
- increased depreciation and amortisation of new commercialised products, including PAVE and additional language capabilities, which were commercialised and started to generate revenue during FY18.

Capitalised development investment increased 60% to $35.3m (FY17: $22.0m), reflecting significant growth in the multi-year pipeline of commercialisable innovation assets, additional investment in industry experts and skilled software developers, further investment in customs products, BorderWise and language translations and improvements in our internal development management and time capturing processes through PAVE.

Total research and development investment: We continued our relentless product innovation to further develop our software platform and build our innovation pipeline, increasing our research and development investment over 51% to $76.4m in FY18 (FY17: $50.4m) and to 34% of total revenue (FY17: 33%).

Sales and marketing: During FY18, we invested $24.6m (FY17: $16.7m) in sales and marketing expenses which at 11% of revenue appeared stable year on year (FY17: 11%). However, the total included costs from FY18 acquisitions ($2.9m), costs associated with the impact of the significant increase in WiseTech's share price on deferred equity granted at IPO to close out commission schemes ($1.7m) and costs incurred in building out the commercial foundation as we continue to grow in different geographies.

General and administration expense: These expenses rose to $46.6m (FY17: $33.9m), being 21% of total revenue (FY17: 22%), as we invested in supporting and growing our business globally. The $12.7m increase was driven by:

- increased costs from acquired businesses with their own general and administration costs, including the management teams and CEO Founders for these strategic assets;
- headcount additions in Finance, M&A, Growth and People and Culture to support the expansion of our global operations; and
- additional external M&A costs for FY18 and recently completed acquisitions as well as our in-process pipeline.

Net finance (costs)/income

Net finance costs in FY18 mainly comprised the non-cash interest unwind on contingent consideration, net of interest received on cash reserves. FY17 finance income included a non-taxable, non-cash gain of $2.0m, which arose due to an increase in the fair value recognised in relation to the acquisition of Softship AG ("Softship").

Cash flow

We continued to generate positive cash flows, with $74.2m of net cash flows from operating activities. Investing activities included:

- $104.2m in new acquisitions, as well as contingent payments for acquisitions made in prior years (FY17: $22.9m);
- $35.3m in intangible assets as we further developed and expanded our global platform, resulting in capitalised development investment for both commercialised products and those yet to be launched (FY17: $22.0m); and
- $5.0m in fixed assets mostly related to our data centres and IT infrastructure to enhance the scalability and reliability of our platform and increase capacity for future growth (FY17: $6.9m).

Financing activities included $20.1m (FY17: $7.5m) invested to acquire treasury shares for the issuance of shares to satisfy employee incentive commitments and $2.2m (FY17: $3.7m) of repayments of finance leases.

During FY18, we raised $100.6m of issued share capital to strengthen our balance sheet, execute our strategy and increase the capacity at which we accelerate our long-term growth.

Dividends of $6.0m (FY17: $2.7m) were paid, with shareholders choosing to reinvest an additional $0.5m of dividends via the dividend reinvestment plan (FY17: $0.2m).

Delivery on our growth strategy

The key strategic developments in the year were:

Expansion of our global platform

We invested $76.4m and 51% of our people in product development, further expanding our pipeline of commercialisable innovations and delivering over 550 product upgrades and enhancements seamlessly across the CargoWise One global platform. We are accelerating our development capability within our development teams across 20 countries. The hundreds of upgrades include initiatives such as:

- launch of BorderWise in December 2017 with regional rollout to Australia, New Zealand and the United States of our comprehensive border compliance engine and subsequent rollout across Europe, Mexico and Singapore to come;
- expanded and embedded global tracking across the platform covering vessels and containers for 90% of ocean volumes;
- WiseRates, additional functionality in rates automation and bookings;
- launch of PAVE, a technology layer applied across our CargoWise One workflow engine;
- completion of native China customs and localised CargoWise One platform (including sales, content, education and certification materials); and
- regulatory upgrades for a myriad of government changes including US Automated Commercial Environment, Canada-EU Free Trade, Malaysian uCustoms, Australian GST, China golden tax regime and German ATLAS release.

A sample of larger pipeline components include:

- international e-commerce integrated fulfilment solution for high volume, low value e-commerce shipments from origin to door, currently in pilot test with development partner;
- comprehensive port integration for bookings, manifests, status terminal releases, container load plans and Verified Gross Mass to terminals, carriers, customs and agents;
- Universal Customs Engine designed to deliver complex, multi-year localisations in a fraction of time and cost;
- advancements in architecture engine, GLOW, which allows rapid product development across multiple operating systems on any device, by non-technical staff;
- global air cargo tracking, including air waybill tracking, events and automations allowing exception-based logistics transaction execution; and
- integration of acquired adjacencies and our innovation developments to build out the cargo chain ecosystem for rates, schedules and bookings.

Operating and financial review

In addition to CargoWise One, in FY18, we also developed single sign on for CargoSphere integrated with WiseRates, developed a standalone PAVE variant, ProductivityWise, which we have licensed for early marketing pilot in non-logistics industries, and progressed our own internal productivity, quality and throughput. We have also invested resources into machine learning, natural language processing, process automation and guided decision support, driven by vast volumes of transactional and border agency data sets to enable enhanced compliance, due diligence, risk assessment and risk mitigation.

Greater usage by existing customers

We experienced continuing existing customer revenue growth of $32.1m which delivered 72% of the FY18 organic revenue growth. This growth was generated by:

- our large customer base increasing their use of the CargoWise One platform, adding transactions, users and geographies, and moving into more modules;
- increasing usage by many of the world's largest freight forwarding groups. We have 24 of the top 25 global freight forwarders as customers and 7 of the top 25 who are on, or have completed, global forwarding rollout, including DSV, DHL and Yusen. The DHL Global Forwarding rollout commenced in FY17 is making significant progress across EMEA and Asia;
- continued transition of customer licensing (excluding acquisitions), with 99% of CargoWise One revenues generated from On-Demand licensing, an access-as-needed, monthly payment based on usage licence and select customers moving off static transition pricing arrangements to standard transaction-based licence arrangements; and
- further growth in revenue from larger multi-region customers – 34 of the top 50 global 3PLs are now customers, yet, our top 10 customers contribute only 29% of revenue (FY17: 27%).

Increasing the number of new customers on the platform

Revenue growth from new customers rose $12.5m in FY18. New customer wins in FY18 progressed with larger 3PL customers, including Kuehne + Nagel, Expolanka Intl, "K" Line Logistics and Logwin, which are expected to roll out over the coming years. As we increase our global penetration, we also continue to sign new customer deals with customers where we have a pre-existing relationship in another region so those new customers add to our existing customers' revenue. Regardless, we are still in early penetration of both new and existing customers.

Stimulated network effects

We harness important natural network effects that exist because of the necessarily collaborative nature of supply chain execution and the inherent effect of our deeply integrated global platform. We further stimulate these effects with targeted partner programs through WiseBusiness, WiseService and WiseTechnical partners, the WisePartner Referral Program, Certified Professional and deeper WiseIndustry programs for freight forwarding network groups globally. We currently have ~230 external WisePartner organisations across the world, actively referring, promoting or implementing our platform.

In addition, each new geography and adjacency we acquire adds a valuable point on our strategic map, accelerates the network effects and makes CargoWise One even more compelling to local and global logistics providers and their customers. In FY18, we leveraged our acquired business relationships with key global customers and explored connections between the adjacent acquisitions, CargoWise One and geographic footholds. We also implemented development partnerships with large regional and global rollout customers on pilot technology developments which will drive network effects across the customer base.

Operating and financial review

Accelerating organic growth through acquisitions

In expanding geographically, we buy into market positions that would take years to build, and we then integrate the acquired industry and developer talent and customers over time to accelerate our organic growth. We further utilise acquisitions in key adjacent technology to facilitate our development of globally scalable innovations, to fuel the convergence of technologies that add to our next generation of automations and machine learning and to grow and enhance our extensive global data and transaction sets.

In FY18, we have progressed product development in China, Italy, Germany, Brazil, Ireland and Australasia, and across our global adjacencies including global rates management, border compliance and land transport. In addition, we announced a further 22 valuable geographic and adjacent acquisitions across Brazil, Taiwan, Australia, North America, the Netherlands, Ireland, France, Belgium, Latin America and Turkey.

Throughout FY18 and to September 2018, our acquisitions for geographic expansion included:

- on 1 August 2017, we completed the acquisition of Bysoft Soluções em Sistemas Para Comércio Exterior Ltda ("Bysoft"), the largest provider of customs and logistics compliance solutions to the logistics industry across Brazil, the largest economy in South America;
- on 31 August 2017, we completed the acquisition of the Prolink business, a leading provider of customs and forwarding solutions across Taiwan and China which gives us additional regional strength to accelerate our growth throughout Asia;
- on 31 January 2018, we completed the acquisitions of two European customs solutions providers, both headquartered in Dublin: ABM Data Systems Limited ("ABM Data Systems"), a leading pan-European developer and provider of customs clearance solutions and Cargo Community Systems Limited ("CustomsMatters"), a leading Irish provider of customs solutions;
- on 28 February 2018, we completed the acquisition of Intris N.V. ("Intris"), the leading Belgian provider of freight forwarding, customs and warehousing management solutions ("WMS");
- on 31 March 2018, we completed the acquisition of LSP Solutions B.V. ("LSP Solutions"), a leading provider of customs solutions and WMS in the Netherlands, Europe's largest port and critical transport hub;
- on 1 May 2018, we completed the acquisitions of two leading Latin American freight forwarding and logistics solutions providers, Posbeyikian Butcher y Asociados S.R.L. ("Forward") and Eyalir S.A., Ilun S.A., Softcargo Chile SpA ("Softcargo"), who together provide freight forwarding solutions to 16 countries across Latin America;
- on 1 May 2018, we completed the acquisition of EasyLog SAS ("EasyLog"), a leading customs solutions provider in France, the second largest importer and exporter country in Europe;
- on 2 July 2018, we completed the acquisition of Ulukom Bilgisayar Yazılım Donanım Danışmanlık ve Ticaret AŞ ("Ulukom"), a leading logistics and customs solutions provider in Turkey – one of Europe's largest trading partners bridging Europe, the Middle East and Asia;
- on 2 July 2018, we completed the acquisition of Fenix Data Systems ("Fenix"), a Canadian customs management solutions provider with specialised focus on cross-border road and rail movements;
- on 9 August 2018, we announced the acquisition of Taric S.A. ("Taric"), a leading provider of customs management solutions in Spain who will accelerate the European development of our global BorderWise solution and extend customs and compliance capabilities for our recent acquisitions of freight forwarding solution providers across Latin America; and
- on 1 September 2018, we completed the acquisition of Multi Consult S.R.L. - Information Technology Solutions ("Multi Consult"), the leading provider of customs solutions in Italy, along with their expert solutions for freight forwarding, local transportation management solutions ("TMS") and WMS.

Operating and financial review

Throughout FY18 and to September 2018, our acquisitions for adjacencies and technologies convergent with our innovation pipeline included:

- on 9 August 2017, we acquired the Digerati business, a leading provider of tariff research and compliance tools utilised by the Australasian customs broking community and on 26 July 2017, we acquired reference data provider, TradeFox, both of which we utilised to enhance our cross-border compliance engine, BorderWise;
- on 31 August 2017, we completed the acquisition of CMS Transport Systems Pty Ltd ("CMS"), a leading Australasian provider of road transport and logistics management systems. This acquisition allows us to further accelerate our local developments in land transport and integrated telematics;
- on 12 September 2017, we completed the acquisition of Netherlands-based Cargoguide International B.V. ("Cargoguide"), a leading provider of global air freight rate management solutions and on 29 September 2017, we completed the acquisition of US-based Planet Traders Inc. ("CargoSphere"), a leading provider of global ocean freight rate management solutions. These global rate management solutions enable freight forwarders to save millions of hours annually and optimise margins by accessing, organising and systematising rates, contracts and quotes;
- on 1 February 2018, we completed the acquisition of Gartner-rated Microlistics International Pty Ltd and Microlistics Pty Ltd ("Microlistics"), a leading provider of specialist WMS for enterprise, express, third-party logistics and cold storage across Asia Pacific and North America;
- on 2 July 2018, we completed the acquisition of SaaS Transportation, a specialist Less Than Truckload ("LTL") TMS provider in the United States with US LTL road rate capabilities which will expand our road booking and road rates offering;
- on 2 July 2018, we completed the acquisition of Pierbridge Holdings Inc. ("Pierbridge"), a leading parcel TMS provider, whose enterprise-class, multi-carrier, parcel shipping solution, allows freight forwarders, warehouses and shippers, such as online retailers, to more efficiently manage high volumes of parcel shipments, and will enable our customers to ship with US-based global couriers; and
- on 16 August 2018, we announced the acquisition of Trinium Technologies ("Trinium"), a leading intermodal trucking TMS and container tracking provider in the United States and Canada.

These acquisitions are at various stages of completion and integration and, once fully embedded over the coming years, they will expand the functionality, scope and value of our industry-leading technology and provide a strong base for further accelerating our long-term organic growth.

Accordingly, we will continue to execute on our considerable pipeline of near-term, mid-term and long-term acquisition opportunities in our target areas of Asia, Europe and North America.

Expectation for year ending 30 June 2019

The strong momentum and significant organic growth of the Group during FY18, the power of the CargoWise One platform, annual customer attrition rate of less than 1% and continued relentless investment in innovation and expansion across our global business give us confidence to expect, subject to currency movements: FY19 revenue of $315m–$325m, revenue growth of 42%–47%, EBITDA of $100m–$105m and EBITDA growth of 28%–35%.

Operating and financial review

Five year financial summary [1]

	FY14 $m	FY15 $m	FY16 $m	FY17 $m	**FY18 $m**
Recurring monthly and recurring annual software usage revenue	53.8	67.3	101.2	142.4	**198.7**
OTL and support services	2.9	2.7	1.6	11.4	**22.9**
Total revenue	56.7	70.0	102.8	153.8	**221.6**
Cost of revenues	(8.5)	(11.4)	(15.4)	(26.1)	**(38.7)**
Gross profit	48.2	58.6	87.4	127.7	**182.9**
Operating expenses					
Product design and development	(17.1)	(19.6)	(30.4)	(35.6)	**(53.4)**
Sales and marketing	(9.0)	(11.7)	(22.8)	(16.7)	**(24.6)**
General and administration	(8.1)	(12.9)	(29.5)	(33.9)	**(46.6)**
Total operating expenses	(34.2)	(44.2)	(82.8)	(86.2)	**(124.6)**
Operating profit	13.8	14.4	4.6	41.5	**58.4**
Finance income	0.4	1.0	1.3	4.6	**1.4**
Finance cost	(0.6)	(0.9)	(2.4)	(1.9)	**(2.7)**
Share of profit/(loss) of equity-accounted investees	–	0.0	–	(0.1)	**0.0**
Profit before income tax	13.8	14.5	3.5	44.2	**57.2**
Tax expense	(3.7)	(4.4)	(1.3)	(12.0)	**(16.4)**
Net profit after tax	10.1	10.1	2.2	32.2	**40.8**
Net profit after tax attributable to:					
Equity holders of the parent	10.1	10.1	2.2	31.9	**40.8**
Non-controlling interests	–	–	–	0.3	**0.0**
Net profit after tax	10.1	10.1	2.2	32.2	**40.8**
Key financial metrics					
Recurring revenue %	95%	96%	98%	93%	**90%**
Gross profit margin	85%	84%	85%	83%	**83%**
Product design and development as % of total revenue [2]	30%	28%	30%	23%	**24%**
Sales and marketing as % of total revenue	16%	17%	22%	11%	**11%**
General and administration as % of total revenue	14%	18%	29%	22%	**21%**
Capitalised development investment ($m) [3]	9.5	13.5	17.7	22.0	**35.3**
Total R&D as a % of total revenue [4]	41%	40%	40%	33%	**34%**

1 Differences in tables are due to rounding.

2 Product design and development expense includes $12.2m (FY17: $7.2m, FY16: $7.0m, FY15: $5.3m and FY14: $3.9m) depreciation and amortisation but excludes capitalised development investment.

3 Includes patents and purchased external software licences.

4 R&D is total investment in product design and development expense, excluding depreciation and amortisation, and including capitalised development investment each year.

Remuneration Report

WiseTech's future growth and innovation come from the talent, motivation and enthusiasm of our people across the world and we aim to align and reward our high-performance global workforce with a remuneration and incentive program matched to our specialised operations and aspirations.

This Remuneration Report sets out the Board's approach to the remuneration of our key management personnel ("KMP"). The report covers company performance and remuneration outcomes for the period from 1 July 2017 to 30 June 2018. The information provided in this report has been audited as required by section 308(3C) of the *Corporations Act 2001*.

In the interests of clear communication, we have included some additional, simplified tables showing the total remuneration awarded for FY18 and the actual remuneration received in FY18 for our Executive KMP. These additional disclosures are intended to supplement the statutory disclosures contained later in the report.

Remuneration policy and governance

Our remuneration policy is designed to:

- support our business strategy and reinforce our culture and values;
- link financial rewards directly to employee contributions and WiseTech's performance;
- provide market competitive remuneration to attract, motivate and retain highly skilled people; and
- support commercially responsible pay decisions.

Remuneration Committee

Although the Board is ultimately responsible for ensuring that WiseTech's remuneration strategy and frameworks support the Group's performance and ensure Executives and Non-Executive Directors are rewarded fairly and responsibly with regard to legal compliance and corporate governance requirements, it has delegated certain responsibilities to the Remuneration Committee. The Committee monitors and reviews remuneration matters and, where appropriate, makes recommendations to the Board. The Committee comprises three independent Non-Executive Directors, including the Committee Chair.

Further information on the Committee's responsibilities is set out in the Remuneration Committee Charter available at: http://ir.wisetechglobal.com/investors/?page=corporate-governance

Annual remuneration review

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

Independent remuneration consultants

The Committee has protocols in place to ensure that any advice is provided in an appropriate manner and is free from undue influence of management.

Details of Directors and Executives

KMP comprises all Directors and those executives who have specific responsibility for planning, directing and controlling material activities of the Group. In this report, the term "Executive KMP" refers to the KMP excluding Non-Executive Directors.

The KMP for the period from 1 July 2017 to 30 June 2018 were:

Charles Gibbon	Chair and Non-Executive Director
Teresa Engelhard	Non-Executive and Lead Independent Director, appointed 1 March 2018
Michael Gregg	Non-Executive Director
Andrew Harrison	Non-Executive Director
Richard White ("RW")	Executive Director, Founder and Chief Executive Officer ("CEO")
Maree Isaacs ("MI")	Executive Director, Co-founder and Head of Invoicing & Licensing
Andrew Cartledge ("AC")	Chief Financial Officer
James Powell ("JP")	Chief Productivity Officer
Brett Shearer ("BS")	Chief Technology Officer ("CTO"), appointed 1 April 2018

Remuneration Report

Our remuneration approach

WiseTech's future growth and innovation come from the talent, motivation and enthusiasm of our people across the world and we aim to align and reward our high-performance global workforce with a remuneration and incentive program matched to our specialised operations and aspirations.

Over the past 15 years, while accelerating our product development capacity and expanding our global platform, we have iterated and transformed our commercial model to focus on recurring revenue and scalable efficiency, to move the constraints to growth outside our organisation and to reduce risks across our operations. As a result, we have a high degree of consistency and visibility of our performance. In any given year, our economic outcomes and financial results are the result of laser-like focus in previous years on strategic goals, meaningful lead indicators and execution on critical short-term project deliverables aligned to our strategic plan.

To assist us achieve our strategic outcomes we utilise our comprehensive productivity tools, custom built architectures and our Productivity Acceleration and Visualisation Engine to engineer and effectively manage short-term workflows throughout our business functions, to ensure accurate and disciplined delivery of long-term strategic imperatives.

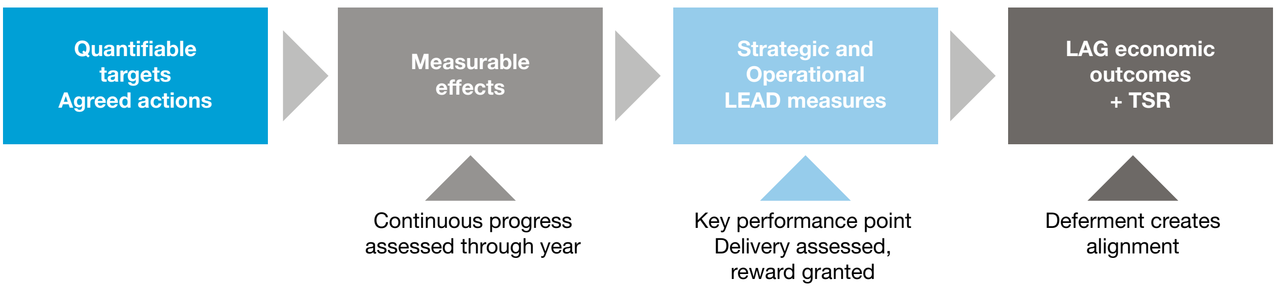
Our highly disciplined and engineered approach has created a powerful operational growth engine with 99% recurring revenues, 48% EBITDA margin and less than 1% attrition by customer for CargoWise One in FY18. We know the financial results we have delivered in FY18 reflect key actions taken in prior years and, importantly, that the full impact of the strategic actions that our people undertook this year will deliver shareholder value in the many years to come. Beneficially, we spend the majority of our operational time in the current year executing on the essential short-term deliverables of our growth strategy for future years and it is to those initiatives that we align our remuneration.

Our remuneration framework reflects our belief that effective performance incentives are best focused on key strategic priorities, financial targets and operational Key Performance Indicator ("KPI") lead measures and delivered in the form of multi-year deferred equity to ensure alignment with shareholders' interests.

Many of our employees are shareholders, participating through deferred share rights, equity components of base remuneration, or accessing our Invest As You Earn program (equity investment plan to acquire WiseTech shares along with a '1 for 5' matching offer). Together, these assist with the alignment of interests with other shareholders and our focus on the building and protection of long-term value.

Our remuneration framework

Our current year financial and strategic outcomes are the result of a laser-like focus in previous years on strategic goals, lead indicators and execution on critical short-term and medium-term project deliverables. To assist us achieve our outcomes, we utilise strategic and tactical plans which feed our comprehensive productivity tools and PAVE to create engineered and predictable outcomes throughout our business functions. Agreed actions, such as project deliverables, feed direct measurable effects and we use lead measures to predict longer-term lag outcomes such as growth in revenue and EBITDA.



As shown in this diagram, we focus on clear measures which result in predicable long-term results from actions, measurable effects and lead indicators. Our view is that this approach, combined with three-year vesting on equity incentive, obviates the need for a separate long-term incentive to align interests with those of shareholders.

Remuneration outcomes and the link between performance and reward

Component	Performance measures	Strategic objective/performance link
Fixed annual remuneration	Outcomes in key function responsibilities and committed deliverables as outlined in individual position description	Remuneration 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
Performance incentive	Financial and operational targets weighted to individual areas of control: • *at least 70% financial and operational lead targets,* including KPI measures such as revenue growth, EBITDA, recurring revenue, customer attrition, operational efficiency, productivity, technology, platform scalability and security, product development outcomes, commercialisation, customer and licence transition and risk; and • *up to 30% for strategic outcomes,* as determined by CEO annually	Ensures execution and accountability with actions, direct outcomes and meaningful lead measures that correlate to lag economic outcomes but may have limited fiscal impact on current period financials Longer-term lag outcomes ultimately reflected in growth in revenue, EBITDA and TSR Reflects our focus and strategy
Deferred equity vesting	Four-year incentive: one-year assessment with vesting of deferred equity over following three years subject to relative TSR check at each vesting date	Ensures strong link with creation of shareholder value
Minimum holding requirement	Executive KMP must maintain 100% of fixed remuneration in WiseTech equity (in form of shares or share rights)	Ensures alignment with long-term shareholder interests
Post-tax investment program: Invest As You Earn	Invest up to 20% of post-tax salary with potential to receive one share right for every five purchased subject to two-year vesting	Builds further alignment with long-term shareholder interests

Remuneration Report

Board assessment of WiseTech's FY18 performance against key indicators

In assessing performance in relation to determining equity incentives of Executive KMP, the Board takes into account the market conditions and short-term performance in the context of WiseTech's longer-term strategy. For example, newly acquired businesses may have an initial dilutive impact on certain key indicators, but, where appropriate, the Board may consider that the objectives have been met.

Financial and operational indicator	Performance	Board assessment	Executives
Revenue growth	44% growth in revenue to $221.6m	At target	RW, AC, MI
EBITDA	45% growth in EBITDA to $78.0m	At target	RW, AC, JP, MI
Recurring revenue	40% growth in recurring revenue to $198.7m Recurring revenue: 90% of total revenue and 99% of CargoWise One revenue	At target	RW, AC, MI
Customer attrition	CargoWise One customer attrition < 1%	At target	RW, AC, MI, BS
Operational efficiency	Operating expenses (excluding depreciation and amortisation): 49% of total revenue EBITDA margin: 35%	At target	RW, AC, JP, BS
Product development outcomes	Pipeline and commercialisation: • over 550 product upgrades and enhancements in FY18, including Global Tracking; • Commercialisation of PAVE and BorderWise successfully launched and generating revenue	Above target	RW, MI, JP, BS
Customer and licence transition	Transition of CargoWise One customers off OTL to On-Demand – complete Transition of CargoWise One customers from On-Demand MUL to STL – on track	At target	RW, MI
Productivity	Expanded CargoWise One developer teams by 22% (excluding acquisitions) whie improving code quality measures by 17% compared to FY17	At target	RW, JP, BS
Platform scalability and security	Maintained highly scalable architecture for high performance and repeatable implementation Increased focus on CPU utilisation in WiseCloud Security implementation at all layers to protect software, data centres, access and development Critical platform availability No reportable data breaches or material security incidents or outages	At target	RW, BS
Risk	• Test-driven software development • Ongoing risk framework and management • Efficient operational integration of acquired businesses • General Data Protection Regulation compliance	At target	RW, AC, JP, MI, BS

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 below particular to each Executive's role in the organisation:

- Andrew Cartledge: financial integration of acquired businesses;
- Maree Isaacs: contract management, legacy conversion, pricing;
- James Powell: development and launch of productivity components; and
- Brett Shearer: global rollouts, assessment of technology and platform architecture.

In FY18, our CEO and Founder, Richard White, was remunerated solely with fixed pay as we believe that his significant equity holdings provide adequate motivation and alignment with other shareholders.

Remuneration Report

Outcomes for FY18 and the link to WiseTech performance

The tables below summarise the performance of WiseTech shares for the period since our ASX listing in April 2016 and for FY18, and our financial performance for the five years from FY14 to FY18. The information has been considered in conjunction with an assessment of individual performance by the Remuneration Committee when determining Executive KMP remuneration.

Period	Period start	Share price at start of period	Share price 30 June 2018	Change in share price	Change in ASX 200	WTC outper-formance v ASX 200	Dividends paid per share	WTC TSR
Since listing	11 April 2016	$3.35 [1]	$15.66	+367.5%	+25.6%	**+341.9%**	**$0.0325**	**368.4%**
FY18	1 July 2017	$6.92	$15.66	+126.3%	+8.3%	**+118.0%**	**$0.0225**	**126.6%**

1 IPO offer price.

	FY14	FY15	FY16	FY17	**FY18**
Revenue ($m)	56.7	70.0	102.8	153.8	**221.6**
Revenue growth	32%	23%	47%	50%	**44%**
NPAT [1] ($m)	10.1	10.1	2.2	31.9	**40.8**
Earnings per share (cents)	4.9	4.2	0.8	10.9	**13.9**
Dividends [2] per share (cents)	0.84	0.91	0.60	2.20	**2.70**

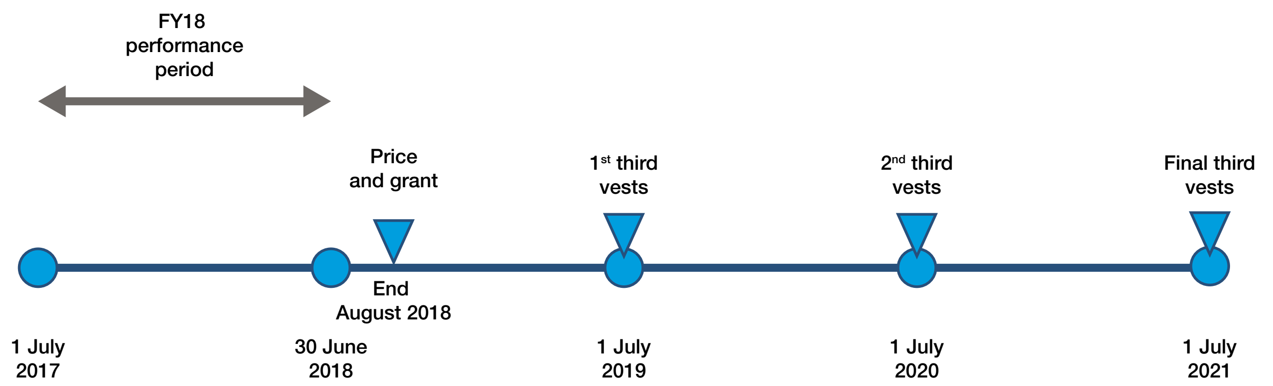
1 NPAT attributable to equity holders of the parent.

2 Dividends declared in respect of the financial year.

Remuneration awarded for FY18

The remuneration awarded to the Executive KMP in relation to performance during FY18 is set out in the table below. The incentives awarded reflect performance assessed against key strategic priorities, financial targets and operational lead measures over FY18. The table also shows the performance outcome for each Executive KMP as a percentage of target opportunity.

To ensure alignment with shareholder returns over time, equity incentives for Executive KMP are delivered as multi-year deferred equity, with a grant date in September 2018 and vesting in three instalments in July 2019, 2020 and 2021. The grant of equity was determined using the market value based on the WiseTech share price following the announcement of our FY18 results on 22 August 2018.



Short-term remuneration awarded for FY18 includes any cash incentives paid after the period end. The value of the equity incentives in the table reflect face value at the date the grant was determined. The actual value at vesting will depend on the WiseTech share price at date of vesting. In the event of the executive ceasing employment, it is expected that any unvested share rights will lapse; however, for exceptional circumstances, the Board retains discretion.

Remuneration awarded for FY18

	Short-term		Deferred – at risk				
	Fixed [1]	Cash incentive	Equity incentive			Total potential remuneration	% of target incentive awarded
			Jul 19	Jul 20	Jul 21		
Richard White	$1,000,000	–	–	–	–	$1,000,000	n.a.
Maree Isaacs	$350,000	$150,000	–	–	–	$500,000	100%
Andrew Cartledge	$625,000	–	$158,333	$158,333	$158,333	$1,100,000	100%
James Powell [2]	$365,819	–	$81,280	$81,280	$81,280	$609,659	100%
Brett Shearer [3]	$300,000	–	$100,000	$100,000	$100,000	$600,000	150%

1 Fixed 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.

2 James Powell's remuneration is denominated in NZ$. The amounts above reflect the A$ equivalent.

3 Brett Shearer was appointed CTO and became a KMP on 1 April 2018. Fixed remuneration presented in the table is the annualised amount of his remuneration on appointment as CTO.

Actual remuneration received in FY18

In the table below, executive remuneration received in FY18 is separated into remuneration received for employment in FY18 and deferred equity incentives from previous years that vested in FY18.

Current year remuneration represents FY18 fixed remuneration plus any FY18 incentive payments paid in cash.

Prior years' remuneration represents any deferred equity awards from prior periods that vested during FY18. The value of the vested deferred equity is shown in two components: the face value at date of original award and the contribution from growth in the WiseTech share price over the period from award to vesting date. For any share rights that do not automatically convert to ordinary shares at vesting but are exercisable at the discretion of the executive, the values in the table reflect the market value at the vesting date regardless of whether the share rights were exercised.

Actual remuneration received in FY18

	Current year remuneration		Prior years' remuneration			
	Fixed [1]	Cash incentive	Deferred equity	Total	Equity growth	Total including equity growth
Richard White	$1,000,000	–	–	$1,000,000	–	$1,000,000
Maree Isaacs	$350,000	$150,000	–	$400,000	–	$400,000
Andrew Cartledge	$625,000	–	$1,192,493	$1,817,493	$1,866,945	$3,684,437
James Powell [2]	$365,819	–	$180,495	$546,314	$424,558	$970,871

1 Fixed 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.

2 James Powell's remuneration is denominated in NZ$. The amounts above reflect the A$ equivalent.

Long-term Chief Architect, Brett Shearer was appointed as CTO and became a KMP on 1 April 2018. As Brett was not a KMP for the whole period and his prior years' remuneration relates to employment before becoming a KMP, we have omitted his remuneration in the table above. Statutory disclosure of his remuneration is included in the table on page 53.

Please note the actual remuneration in the table differs from the required statutory disclosures on page 53 which are prepared in accordance with the relevant accounting standards and represent a blend of actual amounts and accounting accruals.

Vesting of second tranche of FY17 performance equity incentive

Vesting of deferred equity components of performance incentives each year is subject to consideration by the Board of WiseTech's relative TSR for the year compared to the ASX 200 index. WiseTech shares outperformed the ASX 200 index by 118% in FY18 and the Board determined that the second tranche of share rights would vest in full.

Remuneration Report

FY19 remuneration

Our remuneration framework for FY19 operates in line with our existing framework – see page 41.

Executive Directors

Our Executive Directors, Richard White and Maree Isaacs, as co-founders of WiseTech Global, each have significant equity interests and, as such, their motivations and interests are firmly aligned with those of our other shareholders. Therefore, their FY19 remuneration will contain no deferred equity components.

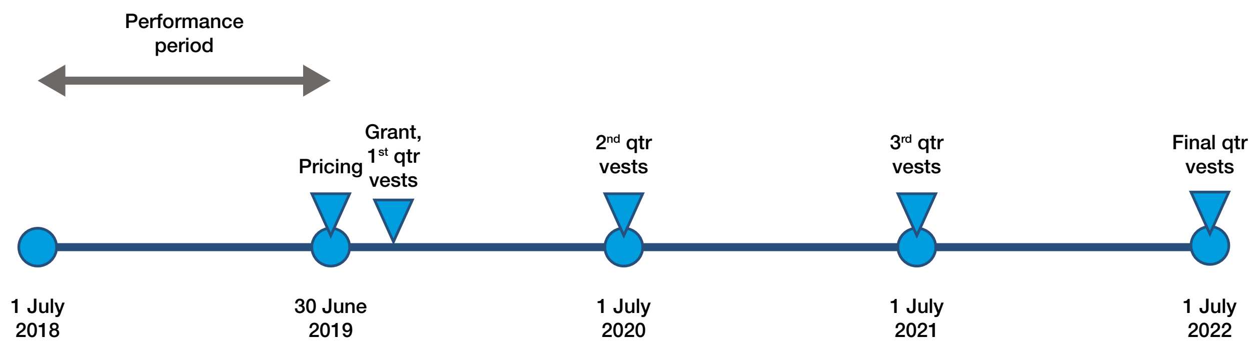
CEO and Founder, Richard, will continue to receive fixed remuneration of $1 million per annum in FY19. Head of Invoicing & Licensing, Maree, will continue to receive fixed remuneration of $350,000 per annum and a performance incentive opportunity of up to 43% of fixed remuneration annually, based on achievement of multi-year strategic goals related to operational delivery on contract management, legacy conversion, licensing transition and pricing. In view of Maree's significant existing ownership of WiseTech equity, the Board determined this performance incentive will be cash-based.

Non-director KMP

Our non-director KMP remuneration structure features:

- fixed remuneration consisting of base salary and superannuation; and
- a target performance incentive opportunity of up to 100% of fixed remuneration for target high performance. In select circumstances, the CEO and Board may use their discretion to grant an additional reward for substantial outperformance, usually capped at an additional 50% of target. For non-director KMP, the performance incentive will be in the form of deferred equity over three years, normally delivered as share rights with vesting after the end of the performance period in four equal tranches in July 2019, 2020, 2021 and 2022. Prior to any vesting in a given year, the Board will consider relative TSR for the year compared to the ASX 200 index and has the discretion to cancel the vesting of that tranche. The grant of equity will be determined using the market value based on the WiseTech share price at the end of the annual performance period in June 2019.

Performance equity incentive



While our preference is for 100% equity, we are cognisant of liquidity requirements and the potential need for allocated shares to be sold to meet taxation commitments. Therefore, Executive KMP can apply to receive up to 30% of their award in cash, at Board discretion, with the remainder issued as deferred equity vesting over three years. Unvested deferred equity will not receive dividends.

In the event of an executive leaving service, unvested share rights will lapse. However, the full Board has discretion in exceptional circumstances to determine that some or all of the unvested share rights will not lapse.

Performance criteria will include company financial outcomes and achievement of strategic goals and project outcomes related to each Executive's role.

Remuneration Report

Executive KMP FY19 remuneration

	Founder and CEO Richard White	Chief Financial Officer Andrew Cartledge	Head of Invoicing & Licensing Maree Isaacs	Chief Productivity Officer James Powell	Chief Technology Officer Brett Shearer
Fixed remuneration	$1,000,000	$625,000	$350,000	NZ$396,000	$300,000
Target performance incentive (% of fixed remuneration)	n.a.	76%	43%	67%	67%
Maximum performance incentive (% of fixed remuneration)	n.a.	114%	43%	67%	100%
Form	n.a.	3-year deferred equity	Taking into account Maree's significant equity holding, incentive is in cash	3-year deferred equity	3-year deferred equity
Performance criteria	• *at least 70% financial and operational lead targets,* including KPI measures such as revenue growth, EBITDA, recurring revenue, customer attrition, operational efficiency, productivity, technology, platform scalability and security, product development outcomes, commercialisation, customer and licence transition and risk; and • *up to 30% for strategic outcomes,* as applied to individual roles, determined by CEO annually				

Executive KMP share ownership policy

Executive KMP are required to maintain a minimum WiseTech equity holding of 100% of fixed remuneration within five years of appointment. Each Executive KMP satisfied this objective as at 30 June 2018.

Trading in WiseTech securities

All KMP must comply with WiseTech's Securities Trading Policy, which includes a requirement that Restricted Employees (including non-director KMP) can only trade WiseTech securities during specified trading windows and after obtaining written clearance to trade. The policy prohibits short-term trading of WiseTech securities and the purchase or creation of hedge or derivative arrangements which operate to limit the economic risk of WiseTech securities under employee share plans.

Our remuneration approach for the broader staff population

WiseTech's future growth and innovation come from the talent, motivation and enthusiasm of our people across the world. We continue to grow our talented workforce rapidly as we expand through new hires and targeted acquisitions into new countries and new technology adjacencies – since 2014, we have quadrupled our workforce worldwide.

For FY19, for fixed remuneration, we are market competitive and benchmark pay scales and performance classifications against a basket of international and Australian technology/software-as-a-service companies to ensure the fixed remuneration for our talented teams match their capabilities.

We will reward significant outperformance, identified by measurable KPIs and key project outcomes, with select performance bonuses, delivered primarily as deferred equity. Where appropriate, we build multi-year deferred equity components into base remuneration to support staff retention and align interests with shareholders.

We believe that the ownership of WiseTech equity is important to align our people with the interests of shareholders. We also offer an Invest As You Earn equity investment plan to enable employees to acquire WiseTech shares by investing up to 20% of post-tax salary, with shares purchased quarterly, and an annual incentive '1 for 5' matching offer for share rights vesting at the end of two years. Over 20% of eligible employees across 15 countries have chosen to participate and invest in WiseTech shares.

To satisfy employee remuneration equity issuance obligations, the Board prefers the issue of new capital (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. No shares were purchased on-market in FY18.

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 an appropriate mix of skills and experience. The remuneration of the Non-Executive Directors is determined by the Board on recommendation from the Remuneration Committee within a maximum annual fee pool.

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

Non-Executive Director fee pool and structure

Since 2017, we have been working on Board evolution to meet the needs of the expanded WiseTech Global group. Having completed early in 2018 the appointment of Lead Independent Director and Nomination Committee Chair, Teresa Engelhard, we are also well progressing in the recruitment process for two new additional independent Non-Executive Directors, with appointments expected in FY19.

As part of the Board evolution process, we have assessed our Non-Executive Director fees against the range paid to those in the ASX 200 and our relevant Software and Services comparators to ensure we are market appropriate and able to attract and retain high quality directors. Our FY18 fees were determined to be well below market appropriate levels. Our previous Director fees were set in 2015 prior to the Company's listing on the ASX, and reflected the significantly smaller size of the WiseTech operations at the time and 'microcap' market position outside the ASX 300. To bring Director fees more in line with other ASX 200 companies and to reflect the significant growth in the WiseTech Group operations and geographic reach, we have increased the fees paid to Non-Executive Directors effective 1 July 2018. In determining the appropriate level of fees, the Board has regard for market practice and survey data. The updated fee structure is outlined in the table. All fees are exclusive of statutory superannuation contributions.

	Chair fee FY18	Member fee FY18	Chair fee FY19	Member fee FY19
Board	$140,000	$85,000	**$250,000**	**$150,000**
Audit and Risk Management Committee	$15,000	–	**$20,000**	**$10,000**
Nomination Committee	$10,000	–	**$10,000**	**–**
Related Party Committee	$10,000	–	**–**	**–**
Remuneration Committee	$10,000	–	**$10,000**	**–**

The maximum amount of annual fees that can be paid to Non-Executive Directors is capped by a pool approved by shareholders. The current fee pool is $900,000 per annum and at the upcoming 2018 Annual General Meeting we will be asking shareholders to approve an updated fee pool of $1.5 million per annum to allow for the intended expansion of the Board (with proposed two new additional independent Non-Executive Directors in FY19) and the updated fee structure introduced in FY19.

Remuneration Report

Non-Executive Director remuneration and equity holdings

The following tables detail Non-Executive Directors' remuneration in respect of FY18 and the prior period, together with details of WiseTech Global Limited ordinary shares held directly, indirectly or beneficially by each Non-Executive Director and their related parties:

		Board and committee fees	Superannuation	Total
Charles Gibbon	**FY18**	**$140,000**	**$13,300**	**$153,300**
	FY17	$140,000	$13,300	$153,300
Teresa Engelhard	**FY18**	**$30,000**	**$2,850**	**$32,850**
	FY17	–	–	–
Michael Gregg	**FY18**	**$95,000**	**$9,025**	**$104,025**
	FY17	$95,000	$9,025	$104,025
Andrew Harrison	**FY18**	**$108,333**	**$10,292**	**$118,625**
	FY17	$100,000	$9,500	$109,500
Total	**FY18**	**$373,333**	**$35,467**	**$408,800**
	FY17	$335,000	$31,825	$366,825

	Shares held on 1 July 2017 [1]	Shares acquired	Shares disposed	Shares held on 30 June 2018
Charles Gibbon	20,698,297	–	–	**20,698,297**
Teresa Engelhard	42,177	–	–	**42,177**
Michael Gregg	16,152,291	20,957	(1,900,000)	**14,288,682**
Andrew Harrison	39,850	–	–	**39,850**

1 Or date of appointment, if later.

Non-Executive Director KMP share ownership policy

The Board has established a policy that each Non-Executive Director 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. Each Non-Executive Director satisfied this objective as at 30 June 2018.

Loans to KMP

There were no outstanding loans to KMP at 30 June 2018 (2017: nil).

Related party transactions

During FY18, the Group was party to onging arrangements with entities associated with Executive Director, Founder and CEO, Richard White, and Executive Director, Maree Isaacs. These transactions were negotiated and agreed on normal terms and conditions no more favourable than those that it is reasonable to expect the entity would have adopted if dealing with an unrelated person at arm's length. Further details of these long–established arrangements are disclosed in note 22 to the financial statements included in this annual report.

Key terms of Executive KMP employment contracts

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

	Richard White	Maree Isaacs	Andrew Cartledge	James Powell	Brett Shearer
Commencement date	1 Jul 2015	1 Jul 2017	7 Sep 2015	1 Jul 2017	1 April 2018
Expiry date	14 Apr 2019	–	–	–	–
Notice period	Fixed term to 2019	3 months	6 months	3 months	3 months

The employment contracts do not contain contractual termination benefits.

Executive KMP equity ownership

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

	Shares held on 1 July 2017 [1]	Shares acquired [2]	Shares disposed	Shares held on 30 June 2018
Richard White	148,323,879	–	(5,823,000)	**142,500,879**
Maree Isaacs	11,642,193	–	–	**11,642,193**
Andrew Cartledge	7,760	356,304	–	**364,064**
James Powell	128,655	53,818	–	**182,473**
Brett Shearer	553,965	1	–	**553,966**

1 Or date of appointment as a KMP, if later.

2 Including the vesting and exercise of employee share rights, participation in the Invest As You Earn Program and in the dividend reinvestment plan.

	Share rights held on 1 July 2017 [1]	Awarded	Vested and converted or exercised [2]	Vested but not yet exercised	Lapsed	Share rights held on 30 June 2018 [3]
Richard White	–	–	–	–	–	**–**
Maree Isaacs	–	–	–	–	–	**–**
Andrew Cartledge	355,907	71,614	(355,907)	35,808	–	**71,614**
James Powell	53,818	23,437	(53,818)	7,812	–	**23,437**
Brett Shearer	27,237	–	–	–	–	**27,237**

1 Or date of appointment as a KMP, if later.

2 Depending on the terms of a grant, on vesting, share rights may automatically convert to ordinary shares, or become exercisable. The Executive can decide when to convert the exercisable share rights to ordinary shares.

3 Including share rights that have vested, but have not been exercised by the Executive.

Schedule of Executive KMP share rights and conditions

	Share rights vested in FY18		
Award	FY17 Equity Incentive	Share rights granted at IPO in respect of salary sacrifice arrangements and incentive entitlements related to bonuses for FY15 and/or FY16	2016 Christmas Equity Bonus, equivalent to $500
Instrument	Share rights (rights to acquire ordinary shares at no cost to the employee)		
Allocation price	$7.68 per share right, being the VWAP [1] for the five business days from release of WiseTech's FY17 results	$3.35 per share right, being the IPO offer price	$5.70 per share right, being the closing share price on 16 December 2016
Allocation	Andrew Cartledge – 35,808 share rights James Powell – 7,812 share rights	Andrew Cartledge – 355,820 share rights James Powell – 53,731 share rights	Andrew Cartledge – 87 share rights James Powell – 87 share rights
Grant date	29 September 2017	14 April 2016	1 June 2017
Grant date fair value	$8.70	$3.35	$7.22
Release conditions	Share rights become exercisable (convert to ordinary shares at the discretion of the Executive) subject to being an employee at the release dates. There are no further performance conditions.	Share rights automatically converted to ordinary shares on the release dates. There were no further performance or service conditions.	Share rights automatically converted to ordinary shares on the release date. There were no further performance or service conditions.
Release date	29 September 2017	Andrew Cartledge – 262,985 share rights on 23 August 2017 and 92,835 share rights on 21 February 2018 James Powell – 53,731 share rights on 21 February 2018	3 July 2017
Dividends	No dividends or dividend equivalents are paid on share rights		
Clawback provisions	Our plan rules grant the Board with broad clawback powers. If in the opinion of the Board, a participant acts fraudulently or dishonestly or is in material breach of his or her obligations to any Group company, the Board may deem any award of share rights held by the participant to be forfeited.		

1 Volume weighted average price.

	Share rights granted in FY18
Award	FY17 Equity Incentive
Instrument	Share rights (rights to acquire ordinary shares at no cost to the employee)
Allocation price	$7.68 per share right, being the VWAP for the five business days from release of WiseTech's FY17 results
Allocation	Andrew Cartledge – 71,614 share rights James Powell – 23,437 share rights
Grant date	29 September 2017
Grant date fair value	$8.70
Release conditions	Share rights become exercisable (convert to ordinary shares at the discretion of the executive) subject to being an employee at the release dates. There are no further performance conditions.
Release date	Vesting in three tranches: 29 September 2017, 2 July 2018 and 1 July 2019 Andrew Cartledge: 50%, 25% and 25% in respective tranches James Powell: three equal tranches
Dividends	No dividends or dividend equivalents are paid on share rights
Clawback provisions	Our plan rules grant the Board with broad clawback powers. If in the opinion of the Board, a participant acts fraudulently or dishonestly or is in material breach of his or her obligations to any Group company, the Board may deem any award of share rights held by the participant to be forfeited.

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* requirements, for the period from 1 July 2017 to 30 June 2018 and the prior period:

		Short-term benefits	**Cash incentives**	**Post employment**	**Share-based payments**	**Long-term benefits**	**Total**	
		Base salary and benefits		Super-annuation	Shares and share rights	Other[2]	Total	Performance related
Richard White	**FY18**	**$975,000**	**–**	**$25,000**	**–**	**$147,254**	**$1,147,254**	**–**
	FY17	$965,000	–	$35,000	–	$126,932	$1,126,932	–
Maree Isaacs	**FY18**	**$325,000**	**$150,000**	**$25,000**	**–**	**$58,706**	**$558,706**	**27%**
	FY17	$233,173	–	$29,167	–	$23,312	$285,652	–
Andrew Cartledge	**FY18**	**$601,560**	**–**	**$25,000**	**$296,126**	**$116,984**	**$1,039,670**	**28%**
	FY17	$535,651	–	$16,000	$441,322	$55,133	$1,048,106	42%
James Powell	**FY18**	**$356,958**	**–**	**$10,709**	**$142,026**	**$21,443**	**$531,135**	**27%**
	FY17	$424,006	–	$23,076	$124,607	$11,603	$583,292	21%
Brett Shearer[1]	**FY18**	**$75,360**	**–**	**$5,012**	**$49,011**	**$72,408**	**$201,791**	**24%**
	FY17	–	–	–	–	–	–	

1 Brett Shearer was appointed CTO and became a KMP on 1 April 2018. His remuneration reflects the period from 1 April to 30 June 2018, inclusive.

2 Other long-term benefits relate to annual and long service leave.

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 2018 and the auditor's report thereon.

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 this entire period unless otherwise stated.

- Charles Llewlyn Gibbon (Chair);
- Richard John White (CEO);
- Teresa Engelhard (appointed 1 March 2018);
- Michael John Gregg;
- Andrew Charles Harrison; and
- Maree McDonald Isaacs.

Andrew Harrison replaced Charles Gibbon as Chair of the Board with effect from 21 September 2018.

The qualifications and experience of the Directors, including current and recent directorships, are detailed on pages 30 and 31 of this annual report.

Directors' meetings and their attendance at those meetings for FY18 (including meetings of committees of Directors) are detailed on page 31 of this annual report.

Company Secretaries

David Rippon, Corporate Goverance Executive and 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) in Australia, before joining WiseTech Global as Corporate Governance Executive and Company Secretary in 2017.

Maree Isaacs

Details of Ms Isaacs' qualifications and experience are disclosed on page 31 of this annual report.

Review of operations

Information on the operations and financial position of the Group and its business strategies and prospects is set out in the operating and financial review on pages 32 to 38 of this annual report.

Dividends

Details of dividends paid during FY18 and the prior period are disclosed in note 7 to the financial statements included in this annual 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

On 2 July 2018, the Group completed the acquisition of a 100% interest in Ulukom, the leading provider of customs and logistics solutions to the logistics industry across Turkey. The Company will pay $2.9m upfront, with a potential earnout payment of $4.6m for future revenue growth. With current annual revenue of approximately $1.9m and approximately $0.5m contribution to EBITDA, this transaction is not material to the Group.

On 2 July 2018, the Group completed the acquisition of a 100% interest in SaaS Transportation, a specialist LTL TMS provider in the United States. Total upfront consideration is $2.1m, with a further multi-year earnout potential of up to $1.7m. With 2017 annual revenue and EBITDA of approximately $1.8m and $0.5m respectively, this transaction is not material to the Group.

Directors' Report

On 2 July 2018, the Group completed the acquisition of a 100% interest in Fenix, the leading provider of customs management solutions provider in Canada. The Company will pay $2.5m upfront, with a potential earnout payment of $0.8m related to business and product integration, and revenue performance. With current annual revenue of approximately $0.9m and approximately $0.1m contribution to EBITDA, this transaction is not material to the Group.

On 2 July 2018, the Group completed the acquisition of a 100% interest in Pierbridge, the leading parcel shipping TMS provider in the United States. The Company will pay $37m upfront, with a potential earnout payment of $22.4m related to business and product integration, and revenue performance. With current annual revenue of approximately $9.3m and approximately $0.1m contribution to EBITDA, this transaction while of strategic value, is not material to the Group.

On 9 August 2018, the Group announced the acquisition of a 100% interest in Taric, the leading provider of customs mangement solutions in Spain. The Company will pay $25m upfront, with a further multi-year potential earnout payment of $21.9m related to business and product integration, and revenue performance. With current annual revenue of approximately $8.9m and approximately $1.2m contribution to EBITDA, this transaction while of strategic value, is not material to the Group.

On 16 August 2018, the Group announced the acquisition of a 100% interest in Trinium, the leading provider of intermodal trucking transportation management systems in the USA and Canada. The Company will pay $40.9m upfront, with a potential earnout payment of $27.7m related to business and product integration, and revenue performance. With 2017 annual revenue of approximately $11.4m and approximately $3.6m contribution to EBITDA, this transaction while of strategic value, is not material to the Group.

On 1 September 2018, the Group completed the acquisition of a 100% interest in Multi Consult, the leading provider of customs solutions in Italy, along with their expert solutions for freight forwarding, local TMS and WMS. The total purchase cost is expected to be less than $4m. With current annual revenue of approximately $4m, this transaction is not material to the Group.

These acquisitions are expected to bring to the Group, key management, specialised know-how, employee relationships, competitive position and service offerings. The initial accounting surrounding these acquisitions has not been completed

Since the period end, the Directors have declared a fully franked final dividend of 1.65 cents per share, payable 8 October 2018. The dividend will be recognised in subsequent financial statements.

Other than the matters discussed above, 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 on pages 32 to 38 of this annual report.

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

Insurance

The Group's officers consist of the Directors of the Company, the Company Secretaries and other officers of the Company, including certain executive officers whose functions include the management of operations, financial management, strategic development, risk management and human resources management of the Company and its related parties.

During FY18, the Company paid a premium under a contract insuring each of certain officers of the Group against liability incurred in that capacity. Disclosure of the nature of the liability and the amount of the premium is prohibited by the confidentiality clause of the contract of insurance.

Directors' Report

Indemnification

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.

Share rights

At the date of this report, WiseTech had 1,614,319 share rights outstanding across 517 holders. The share rights relate to grants of deferred equity to employees under the Long Term Incentive Plan or Equity Incentives Plan and have a range of vesting dates through to July 2022. The share rights are not subject to further performance conditions, but may be subject to employment conditions. On vesting, the holder is entitled to receive one ordinary share at no cost to the holder.

1,234,293 share rights were converted to ordinary shares during the financial year.

Proceedings on behalf of the Group

Under section 237 of the *Corporations Act 2001*, 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 outcomes for FY18 for the KMP and framework for FY19, is included in the Remuneration Report on pages 40 to 53 of this annual report.

Corporate governance

Our Corporate Governance Statement for FY18 is available from our website, www.wisetechglobal.com.

Non-audit services

During the year, KPMG, the Company's auditor, performed certain other services in addition to the audit and review of the 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 23 to the financial statements included in this annual report.

The Board has considered the non-audit services provided during FY18 by the auditor and in accordance with written advice provided by resolution of the Audit and Risk Management Committee, is satisfied that the provision of those non-audit services during FY18 by the auditor is compatible with, and did not compromise, the auditor independence requirements of the *Corporation Act 2001* 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 and Risk Management 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 is set out on page 57 of this annual report and forms part of the Directors' Report for the financial year ended 30 June 2018.

Signed in accordance with a resolution of the Directors.

Andrew Harrison
Chair

27 September 2018

Richard White
Executive Director, Founder and CEO

27 September 2018

Lead auditor's independence declaration under section 307C of the Corporations Act 2001

KPMG

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 2018 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

Chris Hollis

Partner

Sydney

27 September 2018

Risk management

The Group's operations and financial results are subject to a number of risks. Some of these risks are not directly within WiseTech's control. The main risks affecting WiseTech, and the steps we take to manage or mitigate these risks, are described below.

Reliance on our flagship product CargoWise One and failure to adequately maintain and develop it

Our business model depends on our ability to continue to ensure that our customers are satisfied with CargoWise One. There is a risk that we fail to maintain CargoWise One adequately, or that updates introduce errors and performance issues, which may cause customer satisfaction in CargoWise One to fall. Customer satisfaction may also fall as a result of real or perceived reductions in functionality, product quality, reliability, cost effectiveness, and customer support for CargoWise One, or a failure to accommodate and reflect changes and developments in technology and in the commercial, compliance and regulatory environment. Any of these factors may result in reduced sales and usage, loss of customers, reputational damage, an impaired ability to attract new customers and potentially claims for compensation.

Our future revenue and growth also depend on our ability to develop enhancements and new features and modules for CargoWise One so that it continues to meet customer needs, attract new customers and generate additional revenue from increased usage. There is a risk that the development and introduction of new features and modules do not result in a successful outcome for us due to various reasons, such as insufficient investment, unforeseen costs, poor performance and reliability, low customer acceptance, existing competition or economic and market conditions.

To mitigate this risk, we continue to invest significantly in product development and innovation, investing $222m in the period FY14–FY18. In FY18, we reinvested 34% of our revenues in product development and innovation and delivered over 550 product upgrades and enhancements to the platform.

Ability to attract and retain key personnel

Our success is dependent on retaining key personnel, in particular, our founder and CEO, Richard White and members of the senior management and product teams. In addition, we need to attract and retain highly skilled software development engineers. Competition for such personnel is intense. There is a risk that we may not be able to attract and retain key personnel or be able to find effective replacements in a timely manner. The loss of such personnel, or any delay in their replacement, could materially adversely impact our ability to operate our business and achieve our growth strategies and prospects, including through the development and commercialisation of new features, products or modules.

The loss of key personnel could also have an adverse impact on our operations, the potential loss of key customer relations, and potential loss of business process knowledge.

To mitigate this risk, we have invested, and continue to invest, in our workforce by recruiting key individuals and also in processes and systems to ensure knowledge and skills are maintained within the Group to enable its continued and stable growth. Our remuneration framework also delivers flexible components designed to support the recruitment, motivation and retention of our staff.

Execution of new acquisitions and integration of acquired businesses

In recent years, we have completed a number strategic acquisitions and part of our growth strategy is to undertake targeted acquisitions in the future. It is our intention to integrate strategic acquisitions, which includes transitioning customers of the acquired businesses to our CargoWise One platform. We may also choose to utilise aspects of the acquired business or their products to enhance our existing product. There is a risk that customers of acquired businesses do not transition across to CargoWise One. There is also a risk that the transitioning of customers requires significantly more financial and management resources, or time to complete, than originally planned. In addition, there is a risk that the acquisitions may fail to: meet our strategic and financial objectives, generate the synergies and benefits that we expected or provide an adequate return on the purchase price and resources invested in them.

There is a risk that future expansion by acquisition may be affected by factors beyond our control (including without limitations, commercial or regulatory changes), which may result in there being limited or unsuitable opportunities at the relevant time.

Our acquisition strategy has resulted, and is likely to continue to result, in us expanding our presence in new international jurisdictions which may increase our exposure to the risks associated with doing business in such regions. These regions may have greater risk of political, legal and economic instability or different legal and regulatory systems and frameworks compared to the regions in which we currently operate.

Risk management

To mitigate the risk of loss of customers or slow-down in growth, we tailor the acquisition and integration approach to each acquisition and the region in which the acquisition business is based. Broadly, the process is characterised by a three phased approach to:

- integrate the target: operations and workforce;
- develop the product capability into our CargoWise One platform; and
- grow revenue from new capabilities and conversion of the acquired customer base.

When considering a target for potential acquisition, we also assess the capabilities of the business to support the integration and product development phases mentioned above.

WiseTech operation in a competitive industry

We compete against other commercial logistics service software providers as well as our potential customers' in-house IT departments that develop in-house logistics software. Some of our existing and potential competitors have significantly more resources than we do. We face the risk that:

- existing competitors could increase their competitive position through aggressive marketing campaigns, product innovation, price discounting or acquisitions;
- our software products may not be well received by our customers and we may be unable to implement necessary changes to these products to our customers' satisfaction or we may fail to meet our customers' expectations;
- we may fail to anticipate and respond to technology changes as quickly as our competitors;
- our competitors may increase their product offering to compete with us on a larger scale. For example, software vendors that focus on enterprise-wide applications may expand their product offering to include industry-specific applications;
- logistics service providers operate in-house developed systems in preference to commercial logistics software; and
- new competitors could emerge and develop products (including cloud-based software) which compete with our products.

Potential new customers may elect to maintain their own in-house systems rather than elect to change to our software solution due to the perceived risk of change which may adversely impact our growth opportunities.

We believe that our deeply integrated, open-access platform, which provides an efficient platform for global rollouts and an efficient consolidation tool for large 3PLs, and our commitment to relentlessly invest in product development are the most effective mitigants to this risk.

Failure to retain existing customers and attract new customers

Our business success depends on our ability to retain and grow usage by our existing customers and our ability to attract further business from new customers.

There is a risk that our customers reduce the use of our software, for example, in terms of the number of users, number of modules and volume of transactions, or that they cease to use our software altogether. We generally do not require customers to enter long, fixed-term contracts requiring minimum levels of usage or minimum time commitments, and our customer contracts can typically be terminated by either party on short notice. Therefore, there is a risk that if customers terminate their contracts with us, or reduce their usage of our software, our revenue, including revenue that we characterise as recurring revenue, could decrease. There is also a risk that existing customers fail to expand their use of our software or that new customers fail to select our software for their businesses.

We mitigate this risk by:

- providing our customers with open access to our platform to new sites/geographies;
- continuing to innovate and add more modules and functionality which drives productivity benefits for our customers and responds to industry and regulatory changes faced by customers; and
- providing a platform which enables rapid onboarding of users without additional contract negotiations.

Our success in managing this risk is characterised by our high (99%) level of recurring revenue for our CargoWise One platform and our low (<1%) level of annual customer attrition (by CargoWise One customers).

Risk management

Decline in trade volumes and economic conditions

A decline in regional and global trade volumes and recessionary economic conditions, including in the logistics services market, may adversely affect our financial performance. Our customers are logistics service providers whose business operations depend on regional and global logistics activities which are closely linked to regional and global trade volumes. A decline in regional and global trade volumes and recessionary economic conditions, including in the logistics services market, may adversely affect our financial performance.

Our software provides a "mission critical", integrated solution which increases productivity and drives efficiency in a complex, highly regulated and competitive industry. We believe that risks associated with a reduction in trade volumes and economic conditions would be offset by the opportunities which present themselves from increased competition among our customers.

Impact of foreign currency on financial results

A significant portion of our revenue (FY18: 71%) is invoiced in currencies other than Australian dollars. As a result, our Australian dollar financial results are influenced by movements in the foreign exchange rates of currencies including the US dollar, South African rand, euro and pound sterling.

This risk is partially offset by natural hedges where we also incur operational costs in the same foreign currency.

Where appropriate, we also seek to denominate new customer contracts in Australian dollars.

Disruption or failure of technology systems

Together with our customers, we are dependent on the performance, reliability and availability of our technology platforms, data centres and global communications systems (including servers, the internet, hosting services and the cloud environment in which we provide our products). There is a risk that these systems may be adversely affected by disruption, failure, service outages or data corruption that could occur as a result of computer viruses, "bugs" or "worms", malware, internal or external misuse by websites, cyber attacks or other disruptions including natural disasters, power outages or other similar events.

These events may be caused by circumstances outside our control, and may lead to prolonged disruption to our IT platform, or operational or business delays and damage to our reputation. This could potentially lead to a loss of customers, legal claims by customers, and an inability to attract new customers.

We mitigate this risk by operating separate data centres in three distinct regions around the world to reduce reliance on any individual data centre, a global network of support centres providing 24/7 365 support internally and to our customers, automated replication of data as well as disaster recovery planning and testing.

Security breach and data privacy

Our products involve the storage and transmission of our customers' confidential and proprietary information, including intellectual property, confidential business information, information regarding their employees or suppliers, and other confidential information. Our business could be materially impacted by security breaches of our customers' data and information, or by unauthorised access, theft, destruction, loss of information or misappropriation or release of confidential customer data.

To mitigate this risk, we have adopted a layered approach to protecting customer data that includes physical security, system security, policy, governance, logging and auditing. We have completed an independent Service Organisation Control audit of our key WiseCloud systems in Australia, the United States and the United Kingdom.

WiseTech Global and its subsidiaries recognise the importance of data privacy, and comply with relevant data privacy regulations, including the EU General Data Protection Regulation, to safeguard the security and privacy of all customer data.

Financial Report contents

for the year ended 30 June 2018

Consolidated statement of profit or loss and other comprehensive income

for the year ended 30 June 2018

	Notes	2018 $000	2017 $000
Revenue	3	**221,598**	153,759
Cost of revenues		**(38,672)**	(26,055)
Gross profit		**182,926**	127,704
Product design and development		**(53,372)**	(35,609)
Sales and marketing		**(24,550)**	(16,729)
General and administration		**(46,641)**	(33,869)
Total operating expenses		**(124,563)**	(86,207)
Operating profit		**58,363**	41,497
Finance income	4	**1,451**	4,627
Finance costs	26	**(2,676)**	(1,896)
Net finance (costs)/income		**(1,225)**	2,731
Share of profit/(loss) of equity accounted investees, net of tax		**14**	(64)
Profit before income tax		**57,152**	44,164
Income tax expense	5	**(16,358)**	(11,972)
Net profit for the year		**40,794**	32,192
Net profit for the year attributable to:			
Equity holders of the parent		**40,799**	31,860
Non-controlling interests		**(5)**	332
		40,794	32,192
Other comprehensive (loss)/income			
Items that may be reclassified to profit or loss			
Exchange differences on translation of foreign operations		**(3,696)**	3,580
Fair value of available-for-sale financial assets reclassified to profit or loss		**–**	(2,046)
Net gain on available-for-sale financial assets		**–**	194
Other comprehensive (loss)/income for the year, net of tax		**(3,696)**	1,728
Total comprehensive income for the year, net of tax		**37,098**	33,920
Total comprehensive income for the year, net of tax, attributable to:			
Equity holders of the parent		**37,053**	33,593
Non-controlling interests		**45**	327
		37,098	33,920

		Cents	Cents
Earnings per share			
Basic earnings per share	6	**13.9**	10.9
Diluted earnings per share	6	**13.9**	10.9

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

Consolidated statement of financial position

as at 30 June 2018

	Notes	2018 $000	2017 $000
Assets			
Current assets			
Cash and cash equivalents	10	**121,824**	101,603
Trade receivables	11	**27,978**	13,827
Current tax receivables		**3,325**	1,754
Other current assets	12	**7,652**	5,399
Total current assets		**160,779**	122,583
Non-current assets			
Intangible assets	8	**360,345**	133,720
Property, plant and equipment	9	**14,291**	16,838
Deferred tax assets	5	**1,650**	1,554
Equity accounted investees	19	**–**	176
Other non-current assets	12	**161**	1,355
Total non-current assets		**376,447**	153,643
Total assets		**537,226**	276,226
Liabilities			
Current liabilities			
Trade and other payables	13	**23,076**	15,246
Borrowings	16	**1,080**	2,622
Deferred revenue	14	**10,133**	12,568
Current tax liabilities		**637**	2,452
Employee benefits	21	**9,182**	6,203
Other current liabilities	15	**35,462**	3,236
Total current liabilities		**79,570**	42,327
Non-current liabilities			
Borrowings	16	**1,408**	1,223
Employee benefits	21	**993**	754
Deferred tax liabilities	5	**23,939**	13,664
Other non-current liabilities	15	**79,161**	4,496
Total non-current liabilities		**105,501**	20,137
Total liabilities		**185,071**	62,464
Net assets		**352,155**	213,762
Equity			
Share capital	17	**288,847**	166,606
Reserves		**(22,206)**	(8,335)
Retained earnings		**85,095**	53,855
Equity attributable to equity holders of the parent		**351,736**	212,126
Non-controlling interests		**419**	1,636
Total equity		**352,155**	213,762

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

Consolidated statement of changes in equity

for the year ended 30 June 2018

	Notes	Share capital $000	Treasury share reserve $000	Acquisition reserve $000	Fair value reserve $000	Share-based payment reserve $000	Foreign currency translation reserve $000	Retained earnings $000	Total $000	Non-controlling interests $000	Total equity $000
Balance as at 1 July 2016		**165,571**	**–**	**–**	**1,852**	**7,993**	**(4,491)**	**25,251**	**196,176**	**–**	**196,176**
Net profit for the year		–	–	–	–	–	–	31,860	31,860	332	32,192
Other comprehensive (loss)/income		–	–	–	(1,852)	–	3,585	–	1,733	(5)	1,728
Total comprehensive (loss)/income		–	–	–	(1,852)	–	3,585	31,860	33,593	327	33,920
Transactions with owners											
Issue of share capital	17	864	(864)	–	–	–	–	–	–	–	–
Dividends declared and paid	7	–	–	–	–	–	–	(2,913)	(2,913)	–	(2,913)
Shares issued under dividend reinvestment plan	17	241	–	–	–	–	–	–	241	–	241
Vesting of share rights	17	–	864	–	–	(521)	–	(343)	–	–	–
Vesting shares withheld		–	(133)	–	–	–	–	–	(133)	–	(133)
Transaction costs		(70)	–	–	–	–	–	–	(70)	–	(70)
Treasury shares		–	(6,634)	–	–	–	–	–	(6,634)	–	(6,634)
Equity settled share-based payment expense		–	–	–	–	3,218	–	–	3,218	–	3,218
Dividend from subsidiary to non-controlling interest		–	–	–		–	–	–	–	(265)	(265)
Total contributions and distributions		1,035	(6,767)	–	–	2,697	–	(3,256)	(6,291)	(265)	(6,556)
Changes in ownership interest											
Acquisition of non-controlling interest without a change in control		–	–	(11,352)	–	–	–	–	(11,352)	(2,378)	(13,730)
Acquisition of subsidiary with non-controlling interest		–	–	–	–	–	–	–	–	3,952	3,952
Total contributions and distributions		**–**	**–**	**(11,352)**	**–**	**–**	**–**	**–**	**(11,352)**	**1,574**	**(9,778)**
Balance as at 30 June 2017		**166,606**	**(6,767)**	**(11,352)**	**–**	**10,690**	**(906)**	**53,855**	**212,126**	**1,636**	**213,762**

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

Consolidated statement of changes in equity

for the year ended 30 June 2018

	Notes	Share capital $000	Treasury share reserve $000	Acquisition reserve $000	Fair value reserve $000	Share-based payment reserve $000	Foreign currency tranlation reserve $000	Retained earnings $000	Total $000	Non-controlling interests $000	Total equity $000
Balance as at 1 July 2017		**166,606**	**(6,767)**	**(11,352)**	**–**	**10,690**	**(906)**	**53,855**	**212,126**	**1,636**	**213,762**
Net profit/(loss) for the year		**–**	**–**	**–**	**–**	**–**	**–**	**40,799**	**40,799**	**(5)**	**40,794**
Other comprehensive (loss)/income		**–**	**–**	**–**	**–**	**–**	**(3,746)**	**–**	**(3,746)**	**50**	**(3,696)**
Total comprehensive (loss)/income		**–**	**–**	**–**	**–**	**–**	**(3,746)**	**40,799**	**37,053**	**45**	**37,098**
Transactions with owners											
Issue of share capital	17	**119,397**	**(18,847)**	**–**	**–**	**–**	**–**	**–**	**100,550**	**–**	**100,550**
Shares issued under acquisition agreements	17	**2,448**	**–**	**–**	**–**	**–**	**–**	**–**	**2,448**	**–**	**2,448**
Dividends declared and paid	7	**–**	**–**	**–**	**–**	**–**	**–**	**(6,547)**	**(6,547)**	**–**	**(6,547)**
Shares issued under dividend reinvestment plan	17	**530**	**–**	**–**	**–**	**–**	**–**	**–**	**530**	**–**	**530**
Vesting of share rights	17	**–**	**10,710**	**–**	**–**	**(5,676)**	**–**	**(5,034)**	**–**	**–**	**–**
Transaction costs		**(134)**	**–**	**–**	**–**	**–**	**–**	**–**	**(134)**	**–**	**(134)**
Treasury shares		**–**	**(1,283)**	**–**	**–**	**–**	**–**	**–**	**(1,283)**	**–**	**(1,283)**
Equity settled share-based payment expense		**–**	**–**	**–**	**–**	**7,777**	**–**	**–**	**7,777**	**–**	**7,777**
Dividend from subsidiary to non-controlling interest		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(19)**	**(19)**
Tax benefit from equity remuneration		**–**	**2,621**	**–**	**–**	**–**	**–**	**2,022**	**4,643**	**–**	**4,643**
Total contributions and distributions		**122,241**	**(6,799)**	**–**	**–**	**2,101**	**–**	**(9,559)**	**107,984**	**(19)**	**107,965**
Changes in ownership interest											
Acquisition of non-controlling interest without a change in control	20	**–**	**–**	**(5,427)**	**–**	**–**	**–**	**–**	**(5,427)**	**(1,243)**	**(6,670)**
Balance as at 30 June 2018		**288,847**	**(13,566)**	**(16,779)**	**–**	**12,791**	**(4,652)**	**85,095**	**351,736**	**419**	**352,155**

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

Consolidated statement of cash flows

for the year ended 30 June 2018

	Notes	2018 $000	2017 $000
Operating activities			
Receipts from customers		**222,980**	156,189
Payments to suppliers and employees		**(139,174)**	(91,953)
Initial public offer fees paid		**–**	(755)
Income tax paid		**(9,631)**	(8,552)
Net cash flows from operating activities	24	**74,175**	54,929
Investing activities			
Payment for intangible assets		**(35,276)**	(22,007)
Purchase of property, plant and equipment		**(5,046)**	(6,890)
Interest received		**1,011**	2,326
Acquisition of businesses, net of cash acquired	20	**(104,162)**	(22,907)
Other income		**440**	298
Net cash flows used in investing activities		**(143,033)**	(49,180)
Financing activities			
Repayments of finance lease liabilities		**(2,233)**	(3,677)
Repayment of borrowings		**(1,470)**	(236)
Interest paid		**(554)**	(273)
Dividends paid	7	**(6,017)**	(2,672)
Dividends paid by subsidiary to non-controlling interests		**(19)**	(265)
Proceeds from issue of shares		**119,397**	864
Treasury shares acquired		**(20,130)**	(7,498)
Transaction costs on issue of shares		**(134)**	–
Net cash flows from/(used in) financing activities		**88,840**	(13,757)
Net increase/(decrease) in cash and cash equivalents		**19,982**	(8,008)
Cash and cash equivalents at 1 July	10	**101,603**	109,527
Effect of exchange differences on cash balances		**239**	84
Net cash and cash equivalents at 30 June	10	**121,824**	101,603

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

Notes to the financial statements

for the year ended 30 June 2018

1. Corporate information

WiseTech Global Limited ("Company") is a company domiciled in Australia. The consolidated financial statements comprise the Company and its controlled entities (collectively "Group") for the year ended 30 June 2018. 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

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. The financial report also complies with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board.

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 understand the basis of preparation of these financial statements are included in note 30.

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

- derivative financial assets and liabilities which are measured at fair value in accordance with AASB 139 *Financial Instruments: Recognition and Measurement*; and
- deferred acquisition consideration which is measured at fair value in accordance with AASB 13 *Fair Value Measurement*.

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

The financial statements were authorised by the Board of Directors on 27 September 2018.

Functional and presentational currency

The financial report is presented in Australian dollars.

Rounding of amounts

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

Presentation of results

The Group has presented the expense categories within the Consolidated statement of profit or loss and other comprehensive income 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 Software as a Service ("SaaS") companies. The methodology and the nature of costs within each category are further described below.

Cost of revenues

Cost of revenues consists of expenses directly associated with securely hosting WiseTech's services and providing support to customers. Costs include data centre 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 amortisation 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. Under IFRS, the identifiable proportion of design and development expenses contributing to building product and systems that create a benefit in future periods is capitalisable as an intangible asset and then amortised to profit or loss over the estimated life of the asset created. The amortisation of those costs capitalised 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 costs, marketing costs and promotional event costs as well as allocated overheads.

2. Basis of preparation (continued)

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, finance, legal, human resources, M&A and administration employees. They also include legal, accounting and other professional services fees, insurance premiums, acquisition and integration costs associated with the Company's ongoing acquisition strategy, 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 judgement. The costs associated with WiseTech's facilities, internal information technology and non-product related depreciation and amortisation are allocated to each function based on respective headcount.

3. Revenue

	2018 $000	2017 $000
Recurring monthly and recurring annual software usage revenue	**198,653**	142,391
OTL and support services	**22,945**	11,368
Total revenue	**221,598**	153,759

Revenue is recognised for the major business activities as follows:

Recurring monthly and recurring annual software usage revenue

Revenue is recognised as the services are provided to the customer.

Under our "On-Demand Licences", customers are charged monthly in arrears based on their actual usage. On-Demand licences comprise STL and MUL. Maintenance revenues associated with OTL are classified for presentation purposes as recurring monthly and recurring annual software usage revenue. Annual revenues from OTL maintenance revenues are recognised evenly over time as services are rendered.

OTL and support services

OTL and support services are recognised when the licences are provided and the services are delivered.

Significant accounting policies

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of discounts and amounts collected on behalf of third parties. The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of its activities as described above.

4. Finance income

	2018 $000	2017 $000
Fair value of available-for-sale financial asset reclassified to profit (note 20)	**–**	2,046
Interest income	**1,011**	2,283
Other income	**440**	298
Total finance income	**1,451**	4,627

5. Income tax

(a) Income tax expense

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

The components of tax expense comprise:

	2018 $000	2017 $000
Current tax	**11,209**	9,707
Deferred tax	**5,844**	2,429
Adjustment for prior years – current tax	**(786)**	(103)
Adjustment for prior years – deferred tax	**91**	(61)
Income tax expense	**16,358**	11,972

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

	2018 $000	2017 $000
Accounting profit before tax	**57,152**	44,164
Accounting profit before income tax	**57,152**	44,164
Add:		
At Australia's statutory income tax rate of 30% (2017: 30%)	**17,146**	13,249
Non-deductible expenses	**292**	88
Non-deductible share-based payment expense	**–**	(111)
Non-deductible acquisition expense	**1,699**	1,139
Over provision for income tax in prior year	**(695)**	(164)
	18,442	14,201
Less:		
Tax effect of:		
Different tax rates in overseas jurisdictions	**59**	10
Research and development	**(1,790)**	(1,003)
Deferred tax adjustments	**(346)**	(607)
Tax effect on fair value of available-for-sale financial asset reclassified to profit or loss	**–**	(622)
Other	**(7)**	(7)
Income tax expense	**16,358**	11,972

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. It is measured using tax rates for each jurisdiction enacted or substantively enacted at the reporting date.

Deferred tax

Deferred tax is recognised 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 recognised 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 recognised 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. 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 realised.

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.

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.

5. Income tax (continued)

(b) Movement in deferred tax balances

2017	Opening balance $000	Charged to profit or loss $000	Charged to goodwill $000	Exchange differences $000	Charged to equity $000	Total $000
Software development costs	14,460	4,706	–	(8)	–	19,158
Customer relationships & brands	1,574	(546)	633	162	–	1,823
Provisions	(2,290)	(2,241)	–	1	–	(4,530)
Straight-line revenue	675	269	–	–	–	944
Unrealised foreign exchange	103	26	–	1	–	130
Intellectual property	40	(178)	788	(48)	–	602
Property, plant and equipment	98	(577)	–	22	–	(457)
Future income tax benefits attributable to tax losses and offsets	(1,364)	1,403	–	17	–	56
Transaction costs	(3,336)	839	–	–	70	(2,427)
Employee equity compensation	(1,599)	(1,559)	–	126	–	(3,032)
Other	(330)	226	–	(53)	–	(157)
Net tax liabilities	8,031	2,368	1,421	220	70	12,110

2018	**Opening balance $000**	**Charged to profit or loss $000**	**Charged to goodwill $000**	**Exchange differences $000**	**Charged to equity $000**	**Total $000**
Software development costs	**19,158**	**8,103**	**–**	**2**	**–**	**27,263**
Customer relationships & brands	**1,823**	**(410)**	**2,658**	**18**	**–**	**4,089**
Provisions	**(4,530)**	**(1,473)**	**1,274**	**12**	**–**	**(4,717)**
Straight-line revenue	**944**	**(843)**	**–**	**–**	**–**	**101**
Deferred revenue	**–**	**252**	**(363)**	**–**	**–**	**(111)**
Unrealised foreign exchange	**130**	**(363)**	**–**	**–**	**–**	**(233)**
Intellectual property	**602**	**(122)**	**977**	**25**	**–**	**1,482**
Property, plant and equipment	**(457)**	**(209)**	**–**	**3**	**–**	**(663)**
Future income tax benefits attributable to tax losses and offsets	**56**	**(623)**	**(111)**	**4**	**–**	**(674)**
Transaction costs	**(2,427)**	**866**	**–**	**–**	**–**	**(1,561)**
Employee equity compensation	**(3,032)**	**429**	**–**	**(37)**	**–**	**(2,640)**
Other	**(157)**	**328**	**(217)**	**(1)**	**–**	**(47)**
Net tax liabilities	**12,110**	**5,935**	**4,218**	**26**	**–**	**22,289**

Critical accounting estimates and assumptions

The Group is subject to tax in numerous jurisdictions. Significant judgement 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 recognises 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 recognised, 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 recognises tax assets based on forecasts of future profits against which those assets may be utilised.

Notes to the financial statements

for the year ended 30 June 2018

6. Earnings per share ("EPS")

The following reflects the income and share data used in the basic and diluted EPS computations:

(a) Basic EPS

	2018	2017
Profit attributable to equity holders of the Company ($000)	**40,799**	31,860
Basic weighted average number of ordinary shares	**293,518,539**	292,953,647
Basic EPS (cents)	**13.9**	10.9

(b) Diluted EPS

	2018	2017
Profit attributable to equity holders of the Company ($000)	**40,799**	31,860
Basic weighted average number of ordinary shares	**293,518,539**	292,953,647
Shares issuable in relation to equity-based compensation schemes	**122,474**	336,807
Diluted weighted average number of ordinary shares	**293,641,013**	293,290,454
Diluted EPS (cents)	**13.9**	10.9

Significant accounting policies

Basic EPS is calculated by dividing profit for the year attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is calculated by dividing the profit for the year attributable to equity holders of the Company 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.

7. 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:

	2018 $000	2017 $000
Dividends on ordinary shares declared and paid:		
Final dividend in respect of previous reporting period (FY17: 1.2 cents per share)		
– Paid in cash	**3,178**	–
– Paid via DRP	**312**	–
Interim dividend for the current reporting period (FY18: 1.05 cents per share, FY17: 1.0 cent per share)		
– Paid in cash	**2,839**	2,667
– Paid via DRP	**218**	241
Other [1]	**–**	5
	6,547	2,913

1 In November 2016, dividend payments totalling $4,738.79 were paid in arrears to certain employees and former employees in relation to dividends from the period from January 2013 to September 2015 in respect of unvested shares.

Franking credit balance:

	2018	2017
Franking amount balance as at the end of the financial year	**11,248**	3,187

Final dividend on ordinary shares:

	2018	2017
Final dividend for FY18: 1.65 cents per share (FY17: 1.2 cents per share)	**4,949**	3,490

After the reporting date, a dividend of 1.65 cents per share was declared by the Board of Directors. The dividend has not been recognised as a liability and will be franked at 100%.

8. Intangible assets

	Computer software $000	Develop-ment costs (WIP) $000	External software licences $000	Goodwill $000	Intellec-tual property $000	Customer relation-ships $000	Trade names $000	Patents $000	Total $000
At 1 July 2016									
Cost	38,847	22,222	3,257	37,744	9,558	7,783	550	104	120,065
Accumulated amortisation and impairment	(12,750)	–	(502)	(63)	(7,413)	(2,422)	(63)	–	(23,213)
Net book value	**26,097**	**22,222**	**2,755**	**37,681**	**2,145**	**5,361**	**487**	**104**	**96,852**
At 1 July 2016	26,097	22,222	2,755	37,681	2,145	5,361	487	104	96,852
Additions	–	21,266	658	–	–	–	–	83	22,007
Transfers	11,869	(11,869)	120	–	(120)	–	–	–	–
Reclassification	–	–	(595)	–	–	–	–	–	(595)
Amortisation	(4,893)	–	(774)	–	(1,153)	(914)	(116)	–	(7,850)
Acquisition via business combination	–	–	612	14,614	2,638	1,292	839	–	19,995
Exchange differences	–	137	(162)	3,002	51	236	47	–	3,311
Net book value at 30 June 2017	**33,073**	**31,756**	**2,614**	**55,297**	**3,561**	**5,975**	**1,257**	**187**	**133,720**
At 30 June 2017									
Cost	51,343	31,756	4,803	55,360	12,705	9,235	1,429	187	166,818
Accumulated amortisation and impairment	(18,270)	–	(2,189)	(63)	(9,144)	(3,260)	(172)	–	(33,098)
Net book value	**33,073**	**31,756**	**2,614**	**55,297**	**3,561**	**5,975**	**1,257**	**187**	**133,720**
At 1 July 2017	33,073	31,756	2,614	55,297	3,561	5,975	1,257	187	133,720
Additions	–	35,258	–	–	–	–	–	25	35,283
Transfer/reclassifications	30,500	(30,500)	(783)	762	–	–	–	–	(21)
Acquisition via business combination	–	–	757	181,331	10,371	7,607	4,765	–	204,831
Amortisation	(7,414)	–	(824)	–	(2,348)	(1,406)	(359)	–	(12,351)
Disposals	–	–	–	(100)	–	–	–	–	(100)
Exchange differences	4	42	(2)	(767)	(193)	(74)	(27)	–	(1,017)
Net book value at 30 June 2018	**56,163**	**36,556**	**1,762**	**236,523**	**11,391**	**12,102**	**5,636**	**212**	**360,345**
At 30 June 2018									
Cost	81,847	36,556	3,795	236,586	23,425	16,757	6,174	212	405,352
Accumulated amortisation and impairment	(25,684)	–	(2,033)	(63)	(12,034)	(4,655)	(538)	–	(45,007)
Net book value	**56,163**	**36,556**	**1,762**	**236,523**	**11,391**	**12,102**	**5,636**	**212**	**360,345**

8. Intangible assets (continued)

Significant accounting policies

Computer software

Computer software comprises computer application system software. Costs incurred in developing products or systems and costs incurred in acquiring software that will contribute to future period financial benefits through revenue generation and/or cost reduction are capitalised to computer software. Costs capitalised include external direct costs of materials and services, personnel costs, directly attributable facilities costs and related costs including on-costs and share-based payments.

Development costs (WIP)

Research expenditure is recognised as an expense as incurred. Costs incurred as development projects (relating to the design and testing of new or improved software products) are recognised as intangible assets when it is probable that the software product will, after considering its commercial and technical feasibility, be completed and generate future economic benefits and its costs can be measured reliably. The expenditure capitalised comprises all directly attributable costs, including costs of materials, services, direct labour and overheads. Other development expenditure that does not meet these criteria is recognised as an expense as incurred. Development costs are capitalised under computer software and subsequently amortised from the point at which the asset is ready for use.

External software licences

External software licences costs relate to fees paid to an external provider for licences relating to specific components of software.

Goodwill

Goodwill arising on the acquisition of subsidiaries is measured at cost less accumulated impairment losses.

The Group tests goodwill for impairment annually or more frequently if events or changes in circumstances indicate that goodwill may be impaired. The recoverable amount of the collective cash generating units ("CGUs"), which is the lowest level within the Group for which information about goodwill is monitored by internal management, is determined based on a value in use calculation which requires the use of cash flow projections based on approved financial budgets, and extrapolated over a five year period. The growth rate used does not exceed the long-term average growth rate for the market in which the segment operates. The discount rate used reflects the Group's pre-tax weighted average cost of capital. No individual CGUs contain goodwill. Goodwill is maintained and monitored at the group segment level.

Intellectual property

Intellectual property acquired as part of a business combination is recognised separately from goodwill. The intellectual property assets are carried at their fair value at the date of acquisition less accumulated amortisation and impairment losses.

Customer relationships

Customer relationships acquired as part of a business combination are recognised separately from goodwill. The customer relationships are carried at their fair value at the date of acquisition less accumulated amortisation and impairment losses.

Trade names

Trade names acquired as part of a business combination are recognised separately from goodwill. They are carried at their fair value at the date of acquisition less accumulated amortisation and impairment losses.

Patents

Patents comprise filing costs for the Group's patents. These are subsequently amortised from the point at which the asset is ready for use. They are stated at cost less accumulated amortisation and impairment losses.

Subsequent expenditure

Subsequent expenditure is capitalised 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 recognised in profit or loss as incurred.

Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives and is recognised in profit or loss. Goodwill is not amortised.

Intangible assets, other than goodwill, have finite useful lives. Goodwill has an indefinite useful life. The estimated useful lives are as follows:

- computer software: 3–10 years;
- external software licences: 3–10 years;
- intellectual property: 3–8 years;
- customer relationships: 10 years;
- trade names: 10 years; and
- patents: 1–10 years.

8. Intangible assets (continued)

Significant accounting policy (continued)

Critical judgements

Management has made judgements in respect of intangible assets when assessing whether an internal project in the development phase meets the criteria to be capitalised, and on measuring the costs and economic life attributed to such projects. On acquisition, specific intangible assets are identified and recognised separately from goodwill and then amortised over their estimated useful lives. These include such items as customer relationships to which value is first attributed at the time of acquisition. The capitalisation of these assets and the related amortisation charges are based on judgements about the value and economic life of such items.

The economic lives for intangible assets are estimated at between three and ten years for internal projects, which include internal use of software and internally generated software, and between three and ten years for acquired intangible assets. Management has also made judgements and assumptions when assessing the economic life of intangible assets and the pattern of consumption of the economic benefits embodied in the assets. Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Impairment testing for CGUs containing goodwill

At 30 June 2018, the lowest level within the Group for which information is available and monitored for internal management purposes is the consolidated Group which comprises a group of CGUs. This reflects the management of assets and synergies across the Group and is consistent with the Group's segment reporting.

The recoverable amount of this group of CGUs was based on value in use, estimated using discounted cash flows.

Key assumptions

The key assumptions used in the estimation of the recoverable amount are set out below. The values assigned to the key assumptions represent management's assessment of future trends in the relevant industries and have been based on historical data from both external and internal sources.

	2018	2017
Post-tax discount rate per annum	**11.0%**	11.0%
Pre-tax discount rate per annum	**14.1%**	14.2%
Long-term perpetuity growth rate	**3.0%**	3.0%

The cash flow projections included specific estimates for five years and a terminal growth rate thereafter.

Management has performed sensitivity analysis and assessed reasonably possible 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.

9. Property, plant and equipment

	Land and buildings $000	Plant and equipment $000	Leasehold improvements $000	Leasehold improvements in progress $000	Total $000
At 30 June 2016					
Cost	845	18,064	4,877	92	23,878
Accumulated depreciation	(18)	(8,859)	(1,640)	–	(10,517)
Net book value	**827**	**9,205**	**3,237**	**92**	**13,361**
At 1 July 2016	827	9,205	3,237	92	13,361
Additions	–	5,362	441	2,018	7,821
Acquisition via business combination	–	337	28	–	365
Impairment	(131)	–	–	–	(131)
Transfer	–	834	1,226	(2,060)	–
Depreciation	(14)	(3,772)	(632)	–	(4,418)
Exchange differences	139	(154)	9	(50)	(56)
Disposals	–	(104)	–	–	(104)
Net book value at 30 June 2017	**821**	**11,708**	**4,309**	**–**	**16,838**
At 30 June 2017					
Cost	975	24,309	6,166	–	31,450
Accumulated depreciation	(154)	(12,601)	(1,857)	–	(14,612)
Net book value	**821**	**11,708**	**4,309**	**–**	**16,838**
At 1 July 2017	821	11,708	4,309	–	16,838
Additons	–	4,021	95	–	4,116
Acquisition via business combination	–	933	286	–	1,219
Transfer	(724)	21	–	–	(703)
Depreciation	(72)	(5,997)	(1,284)	–	(7,353)
Exchange differences	(25)	245	(46)	–	174
Disposals	–	–	–	–	–
Net book value at 30 June 2018	**–**	**10,931**	**3,360**	**–**	**14,291**
At 30 June 2018					
Cost	–	30,356	6,522	–	36,878
Accumulated depreciation	–	(19,425)	(3,162)	–	(22,587)
Net book value	**–**	**10,931**	**3,360**	**–**	**14,291**

Significant accounting policy

Each class of property, plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Any gain or loss on disposal of an item of plant and equipment is recognised in Consolidated statement of profit or loss.

Subsequent costs are included in the asset's carrying amount or recognised 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 recognised as expenses in 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. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain the ownership by the end of the lease term. Land is not depreciated.

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	Depreciation rate
Buildings	2%;
Plant and equipment	5%–50%; and
Leasehold improvements	10%–20%

If an asset's carrying amount is greater than its estimated recoverable amount, it is immediately written down to the recoverable amount.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the CGU to which the asset belongs.

10. Cash and cash equivalents

	2018 $000	2017 $000
Cash at bank and on hand	**121,824**	16,603
Short-term deposits	**–**	85,000
Cash and cash equivalents	**121,824**	101,603

The effective interest rate on cash and cash equivalents was 1.93% per annum (2017: 2.24% per annum).

Significant accounting policies

Cash comprises cash on hand and 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.

11. Trade receivables

	2018 $000	2017 $000
Trade receivables	**29,510**	14,282
Provision for impairment of receivables	**(1,532)**	(455)
	27,978	13,827

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

The movement in the provision for impairment of trade receivables during the year was as follows:

	2018 $000	2017 $000
Opening balance	**455**	474
Acquired via business combination	**567**	185
Impairment loss recognised	**783**	252
Amount written off	**(273)**	(456)
	1,532	455

Trade receivables that were considered recoverable as at 30 June 2018 were as follows:

	2018 $000	2017 $000
Not past due	**25,988**	12,672
Past due 0–30 days	**732**	357
Past due 31–60 days	**683**	534
Past due more than 60 days	**575**	264
	27,978	13,827

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. Other trade receivables are classified as non-current assets.

Trade receivables are initially recognised at fair value less any provision for impairment. A 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 of the receivables.

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

12. Other assets

	2018 $000	2017 $000
Current		
Unbilled receivables	**2,382**	2,546
Prepayments	**2,190**	1,003
Deposits	**893**	486
Indirect tax receivables	**686**	921
Assets held for sale	**724**	–
Other	**777**	443
	7,652	5,399
Non-current		
Unbilled receivables	**55**	906
Other	**106**	449
	161	1,355

Significant accounting policies

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

In January 2018, management committed to a plan to sell certain tangible assets classified as land and buildings in South Africa. These assets were used by the business prior to moving to newly leased premises. Accordingly, these assets are classified as held for sale. An agreement for sale has been signed and the sale is expected to complete by December 2018. The land and buildings are now classified as a current asset and have not been depreciated since January 2018.

13. Trade and other payables

	2018 $000	2017 $000
Trade payables	**2,573**	1,811
Other payables and accrued expenses	**20,503**	13,435
	23,076	15,246

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.

14. Deferred revenue

	2018 $000	2017 $000
Deferred revenue	**10,133**	9,512
Customer prepayments	**–**	3,056
	10,133	12,568

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

Customer prepayments are now classified as customer deposits in other liabilities due to a change in billing arrangements implemented in FY18.

15. Other liabilities

	2018 $000	2017 $000
Current		
Contingent consideration	**23,420**	3,057
Customer deposits	**10,501**	50
Other current liabilities	**1,541**	129
	35,462	3,236
Non-current		
Contingent consideration	**77,792**	3,878
Other non-current liabilities	**1,369**	618
	79,161	4,496
	114,623	7,732

Customer deposits represent amounts paid in advance by customers to prepay for services in exchange for price discounts. They were included as part of deferred revenue in the prior year.

16. Borrowings

	2018 $000	2017 $000
Current		
Finance lease liability	**459**	2,403
Bank loans	**621**	219
	1,080	2,622
Non-current		
Finance lease liability	**189**	377
Bank loans	**1,219**	846
	1,408	1,223
	2,488	3,845

Bank debt facilities

At 30 June 2018, the Group held debt facilities of $55m (2017: $55m) maturing in September 2019 and no drawdown has been made at 30 June 2018 (2017: nil). Subsequent to year end, in July 2018, the Group extended its debt factility to $100m with maturity in January 2020.

The facility agreement is secured by fixed and floating charges over the whole of the Group's assets including goodwill and uncalled capital.

Other bank loans

The Group acquired a controlling interest in Softship on 1 July 2016. In June 2014, Softship entered into a debt contract with Commerzbank for $1.4m (EUR 1.0m), having a maturity of eight years and a fixed interest rate of 3.29% per annum. The outstanding balance at 30 June 2018 was $0.8m (EUR 0.5m). The bank loan is not secured.

The Group also acquired 100% ownership of EasyLog on 1 May 2018. Prior to being acquired, EasyLog had entered into debt contracts with Credit Agricole bank for $1.2m (EUR 0.8m) having maturity dates between 48 and 84 months and varying interest rates from 0.84% to 2.31% per annum. The outstanding balance at 30 June 2018 was $1.0m (EUR 0.6m).

17. Share capital and reserves

Ordinary shares issued and fully paid	Shares 000	$000
At 1 July 2016	**290,629**	**165,571**
Vesting of deferred share rights	155	864
Shares issued under dividend reinvestment plan	43	241
Transaction costs	–	(70)
At 30 June 2017	**290,827**	**166,606**
At 1 July 2017	**290,827**	**166,606**
Shares issued for cash	7,560	100,550
Shares issued for acquisition of subsidiaries	239	2,448
Shares issued to employee share trust	1,249	18,847
Shares issued under dividend reinvestment plan	57	530
Transaction costs	–	(134)
At 30 June 2018	**299,932**	**288,847**

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 2018, the Group held 1,048,737 of the Company's shares (2017: 940,466 shares).

(ii) Acquisition reserve

The acquisition reserve arises on the acquisition of additional shares in a subsidiary. The difference between the consideration paid and fair value of the identifiable net assets of the non-controlling interests has been accounted for in the acquisition reserve.

(iii) Fair value reserve

The fair value reserve comprises the cumulative net change of fair value of available-for-sale financial assets until the assets are derecognised or impaired.

(iv) Share-based payment reserve

The share-based payment reserve represents the value of unvested shares and unissued shares as part of the share-based payment scheme. As the shares vest to employees, they are transferred to share capital.

(v) Foreign currency translation reserve

The foreign currency translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

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.

On 22 May 2018, the Group issued approximately $100.6m in shares to a single global institutional investor. In addiiton, at 30 June 2018 the Group has an undrawn facility of $55m out of the total facility of $55m, to apply towards future strategic initiatives. The total equity of the Group at 30 June 2018 is $352.2m (2017: $213.8m) and total cash and cash equivalents at 30 June 2018 are $121.8m (2017: $101.6m). The total borrowings at 30 June 2018 are $2.5m (2017: $3.8m).

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

Notes to the financial statements

for the year ended 30 June 2018

18. Parent entity information

As at, and throughout the financial year ended 30 June 2018, the parent entity of the Group was WiseTech Global Limited.

	2018 $000	2017 $000
Result of parent entity		
Net profit for the year	**40,239**	27,101
Total comprehensive income for the year	**40,239**	27,101

	2018 $000	2017 $000
Financial position of parent entity at year end		
Current assets	**183,975**	90,882
Total assets	**409,940**	254,888
Current liabilities	**17,786**	20,363
Total liabilities	**38,439**	32,003
Net assets	**371,501**	222,885

	2018 $000	2017 $000
Total equity of parent entity comprising:		
Share capital	**288,847**	166,606
Share-based payment reserve	**12,791**	10,690
Treasury share reserve	**(13,566)**	(6,767)
Retained earnings	**83,429**	52,356
Total equity	**371,501**	222,885

(a) Parent entity contingent liabilities

The parent entity did not have any contingent liabilities as at 30 June 2018 or 30 June 2017.

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

The parent entity had no capital commitments as at 30 June 2018 or 30 June 2017.

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

The parent entity has entered into a Deed of Cross Guarantee as at 30 June 2018. Refer to note 29 for further details.

19. Group information

Parent entity	Country of incorporation
WiseTech Global Limited	Australia

Subsidiaries	Country of incorporation	% Equity interest 2018	% Equity interest 2017
WiseTech Global (Trading) Pty Ltd	Australia	**100.0**	100.0
Translogix (Australia) Pty Ltd	Australia	**100.0**	100.0
WiseTech Global (Australia) Pty Ltd	Australia	**100.0**	100.0
WiseTech Global (Licensing) Pty Ltd	Australia	**100.0**	–
WiseTech Global Limited Employee Share Trust	Australia	**100.0**	100.0
Cargo Community Network Pty Ltd	Australia	**100.0**	100.0
CMS Transport Systems Pty Ltd	Australia	**100.0**	–
Microlistics International Pty Ltd	Australia	**100.0**	–
Microlistics Pty Ltd	Australia	**100.0**	–
Posbeyikian Buchter y Asociados S.R.L.	Argentina	**100.0**	–
Intris N.V.	Belgium	**100.0**	–
CargoWise Brasil Soluções em Sistemas Ltda	Brazil	**100.0**	100.0
Bysoft Soluções em Sistemas Para Comércio Exterior Ltda	Brazil	**100.0**	–
WiseTech Global (CA) Limited	Canada	**100.0**	100.0
Softcargo Chile SpA	Chile	**100.0**	–
WiseTech Global (China) Information Technology Ltd	China	**100.0**	100.0
EasyLog SAS	France	**100.0**	–
CargoWise GmbH	Germany	**100.0**	100.0
Softship AG	Germany	**95.1**	77.0
znet group GmbH	Germany	**100.0**	100.0
WiseTech Global (HK) Limited	Hong Kong	**100.0**	100.0
Cargowise (Ireland) Ltd	Ireland	**100.0**	–
ABM Data Systems Limited	Ireland	**100.0**	–
Cargo Community Systems Limited	Ireland	**100.0**	–
A.C.O. Informatica S.r.l.	Italy	**100.0**	100.0
WiseTech Global (Japan) K.K.	Japan	**100.0**	–
Cargoguide International B.V.	Netherlands	**95.0**	–
LSP Solutions B.V.	Netherlands	**100.0**	–
WiseTech Global (NZ) Limited	New Zealand	**100.0**	100.0
Softship Inc.	Phillipines	**95.1**	77.0
WiseTech Global (SG) Pte Ltd	Singapore	**100.0**	100.0
Softship Data Processing Pte Ltd	Singapore	**95.1**	77.0
WiseTechGlobal (Pty) Ltd	South Africa	**100.0**	100.0
Core Freight Systems (Pty) Ltd	South Africa	**100.0**	100.0
Compu-Clearing Outsourcing Limited	South Africa	**100.0**	100.0
Compu-Clearing (Pty) Ltd	South Africa	**100.0**	100.0
EDIEnterprise (Pty) Ltd	South Africa	**100.0**	100.0
Three DX Property and Investments (Pty) Ltd	South Africa	**100.0**	100.0
Compu-Clearing Drome Property (Pty) Ltd	South Africa	**100.0**	100.0
Drome Road Share Block (Pty) Ltd	South Africa	**100.0**	100.0
WiseTech Global (Taiwan) Limited	Taiwan	**100.0**	–
WiseTech Global (UK) Ltd.	UK	**100.0**	100.0
Eyalir S.A.	Uruguay	**100.0**	–
Ilun S.A.	Uruguay	**100.0**	–
WiseTech Global (US) Inc.	USA	**100.0**	100.0
Planet Traders, Inc.	USA	**100.0**	–
Softship America, Inc.	USA	**95.1**	77.0

Sale of equity accounted investment (Asistim) – One of the Group's subsidiaries, Softship AG, sold its 50% share of investment held in Asistim (equity accounted associate).

20. Business combinations and acquisition of non-controlling interests

Acquisitions in 2018

During the period ended 30 June 2018, the Group completed the following 15 acquisitions:

Business acquired	Date of acquisition	Description of acquisition
TradeFox[1]	26 Jul 2017	Tariff research and compliance tools provider utilised by the Australian customs broking community
Bysoft	31 Jul 2017	Customs and logistics compliance solutions provider across Brazil
Digerati[1]	9 Aug 2017	Tariff research and compliance tools provider utilised by the Australian customs broking community
Prolink[1]	31 Aug 2017	Customs and forwarding solutions provider across Taiwan and China
CMS	31 Aug 2017	Road transport and logistics management solutions provider across Australia and New Zealand
Cargoguide	12 Sep 2017	Global air freight rate management solutions provider
CargoSphere	29 Sep 2017	Global ocean freight rate management solutions provider
ABM Data Systems	31 Jan 2018	Pan-European developer and provider of customs clearance solutions
CustomsMatters	31 Jan 2018	e-customs solutions provider
Microlistics	1 Feb 2018	Warehouse management solutions provider
Intris	28 Feb 2018	Freight forwarding, customs and warehousing management solutions provider across Belgium and the Netherlands
LSP Solutions	31 Mar 2018	Customs and warehouse management solutions provider in the Netherlands
Forward	1 May 2018	Freight forwarding management and accounting compliance solutions provider across South America
Softcargo	1 May 2018	Freight forwarding management and logistics solutions provider across South America
EasyLog	1 May 2018	Customs clearance and tracking solutions provider in France

1 Asset acquisitions.

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

Provisional details of the fair value of identifiable assets acquired, liabilities assumed, and goodwill determined are set out in the following tables. These values 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 as of the acquisition date and, if known, would have affected the measurement of the amounts recognised as of that date.

	Total acquisitions $000
Cash and cash equivalents	4,032
Trade receivables	5,753
Current tax receivables	61
Other current assets	2,716
Intangible assets	23,500
Property, plant and equipment	1,219
Other non-current assets	52
Trade and other payables	(10,876)
Deferred revenue	(6,047)
Current tax liabilities	(409)
Employee benefits	(2,071)
Other current liabilities	(2,705)
Borrowings	(2,426)
Deferred tax liabilities	(4,291)
Other non-current liabilities	(233)
Fair value of net identifiable assets acquired (100%)	**8,275**
Acquisition related costs	**5,274**

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

Acquisitions in 2018 (continued)

	Total acquisitions $000
Total consideration paid and payable	189,138
Less: Fair value of net identifiable assets acquired	(8,275)
Goodwill	**180,863**

Goodwill

The total goodwill arising on acquisition is $180.9m which relates predominantly to the key management, specialised 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.

Consideration paid

Total cash consideration is $95.9m (includes $94.0m cash and $1.9m equity shares issued) with further contingent consideration payable of $102.5m. Contingent consideration is based on a number of milestones, which are provisionally assessed, including performance-related targets and the integration of the acquired businesses with the Group such as the development of pre-existing capabilities into the Group's existing product. At acquisition, the discounted value of these arrangements was $93.3m. The Group will continue its review of this liability during the measurement period and make necessary adjustments against the liability and goodwill.

In addition to consideration paid, an additional $4.3m of debt like items were settled by the Group following the completion of the acquisitions and are recorded in the Consolidated statement of cash flows as investing activities, acquisition of business, net of cash acquired.

Contribution of acquisitions to revenue and profits

In total, these acquisitions contributed $21.7m to Group revenue and a reduction to net profit of $4.5m from their respective dates of acquisition to 30 June 2018. If the acquisitions had been acquired from 1 July 2017, the contribution to the Group revenue for the year ended 30 June 2018 would have been $42.3m and a reduction to net profit of $7.4m.

Additional investment in Softship

During the year ended 30 June 2018, the Group acquired further shares of Softship, increasing its ownership to 95.1%. $6.1m was paid in cash and $0.6m in shares. The Group has adopted the proportionate method of accounting for non-controlling interest which resulted in a reduction of non-controlling interest by $1.2m, and an increase in acquisition reserve of $5.4m.

Acquisitions in 2017

During the year, the Group acquired Softship, znet group GmbH ("znet") and A.C.O. Informatica S.r.l. ("ACO"). Key information on the acquisitions is summarised in table below:

	Softship $000	Other acquisitions[1] $000
Cash and cash equivalents	3,864	210
Trade receivables	2,246	668
Current tax receivables	9	35
Other current assets	552	568
Intangible assets	3,897	1,484
Property, plant and equipment	268	97
Deferred tax assets	–	30
Equity accounted investees	250	–
Other non-current assets	306	–
Trade and other payables	(1,315)	(454)
Borrowings	(1,300)	(107)
Deferred revenue	(122)	(1,106)
Current tax liabilities	(1)	(11)
Employee benefits	(18)	(160)
Other current liabilities	(306)	(95)
Deferred tax liabilities	(1,110)	(455)
Other non-current liabilities	(306)	(12)
Fair value of net identifiable assets acquired (100%)	**6,914**	**692**
Acquisition related costs	**567**	**948**

1 The provisional fair value calculations of net identifiable assets acquired and liabilities assumed in FY17 have been finalised. This resulted in additional goodwill of $0.5m and increased deferred tax liabilities of $(0.1)m for acquisitions related to FY17. This information has been updated in the table above.

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

Acquisitions in 2017 (continued)

Softship

Softship is a leading provider of logistics software solutions to the global ocean-carrier industry.

On 1 July 2016, the Group acquired a controlling interest in Softship by increasing its ownership from 19.99% to 42.84% of shares on issue. From 1 July 2016, as a result of acquiring a controlling interest, the accounting for the available-for-sale investment at fair value through other comprehensive income no longer applied and Softship forms part of the consolidated financial statements of the Group.

The fair value of Group's purchase consideration for the 42.84% share in Softship was $7.9m which was paid in the form of cash, of which $2.6m was paid in FY16.

In the 12 months ended 30 June 2017, Softship contributed revenue of $14.1m and net profit after tax of $0.4m (after share of profit of non-controlling interest).

A valuation was undertaken by Ernst & Young, Germany, in relation to the acquired intangibles with respect to customer relationships ($0.7m), trade name ($0.8m) and intellectual property ($2.0m).

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 net cash flows expected to be generated by the customer relationships, by excluding any cash flows related to contributory assets.

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

The trade receivables balance represents the gross contractual amounts due of $2.3m, of which $0.1m was expected to be uncollectable at the date of acquisition. The Group also acquired receivables relating to deferred purchase price on a sale of investment that occurred prior to acquisition. The fair value is nil on acquisition and the gross contractual amount receivable was $0.6m. $0.3m of the deferred purchase price was received in April 2017 and the remaining $0.3m was receivable in April 2018; and was contingent upon no claims against warranties given. The amount was successfully collected in FY18.

Non-controlling interest ("NCI") and goodwill

The Group has adopted the proportionate method of accounting for NCI and therefore, on the date of initial control (1 July 2016) NCI was valued at 57.16% of the net identifiable assets acquired.

NCI and goodwill arising from the acquisition were recognised as follows:

	Softship $000
Total consideration paid	7,876
Fair value adjustment of pre-existing interest in Softship	2,046
NCI, based on proportionate interest in the net identifiable assets acquired	3,952
Less: Fair value of net identifiable assets acquired	(6,914)
Goodwill	**6,960**

The fair value adjustment to the pre-existing interest in Softship of $2.0m was reclassified from reserves to finance income in the Consolidated statement of profit or loss on the date of acquisition.

The goodwill was attributable mainly to the key management, specialised 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. The goodwill is not deductible for tax purposes.

Increase in ownership after obtaining control

After obtaining control of Softship on 1 July 2016, the Group increased its ownership percentage throughout FY17 to 76.97%. $13.8m was paid in cash, resulting in a reduction of non-controlling interest by $2.4m. The $11.4m paid in excess of the fair value has been recorded in the acquisition reserve.

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

Other acquisitions

On 31 January 2017, the Group acquired 100% of the shareholding in znet, a provider of customs solutions to the logistics industry across Germany. On 9 February 2017, the Group acquired 100% of the shareholding in ACO, a provider of customs compliance solutions to the logistics industry across Italy.

	Other acquisitions $000
Total consideration paid	8,814
Less: Fair value of net identifiable assets acquired	(692)
Goodwill	**8,122**

Goodwill

The total goodwill arising on acquisition was $8.1m which relates predominantly to the key management, specialised 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 goodwill is not deductible for tax purposes. Of the above, $7.6m goodwill was recorded in FY17 on a provisional basis and a further $0.5m was recognised in FY18 when the accounting was finalised.

Consideration paid

Total cash consideration was $4.8m with further contingent consideration payable of $4.0m. Contingent consideration is based on a number of milestones including the integration of the acquired businesses with the Group such as the development of local customs capability into the Group's existing product. These arrangements are in place up to a period of five years and the undiscounted value of these arrangements is $4.3m.

Contribution of other acquisitions to revenue and profits

In total, the contribution of other acquisitions to revenue was $1.4m and a reduction to net profit of $0.2m from their respective dates of acquisition to 30 June 2017. If the acquisitions had been acquired from 1 July 2016, the contribution to Group revenue and reduction in net profit for the year ended 30 June 2017 would have been $3.5m and $0.5m respectively.

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 recognised (subject to certain limited exemptions).

The consideration transferred in the acquisition including any contingent consideration is generally measured at fair value as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised 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 recognised in the Consolidated statement of profit or loss.

If the contingent consideration is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes in the fair value of the contingent consideration are recognised in the Consolidated statement of profit or loss.

21. Employee benefits

	2018 $000	2017 $000
Wages and salaries	**106,858**	72,681
Share-based payment expense	**7,777**	3,218
Defined contribution superannuation expense	**7,054**	4,983
Total employee benefit expense	**121,689**	80,882

Annual leave and long service leave

	2018 $000	2017 $000
Current		
Annual leave	**6,752**	4,670
Long service leave	**2,430**	1,533
	9,182	6,203
Non-current		
Long service leave	**993**	754
	993	754
Total annual and long service leave	**10,175**	6,957

Significant accounting policy

Short-term employee benefits

Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Group's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade and other payables in the Consolidated statement of financial position. The Group's obligations for employees' annual leave and long service leave entitlements are recognised as employee benefits in the Consolidated statement of financial position.

Long-term employee benefits

Provision is made for employees' long service leave and not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Long-term employee benefits are measured at the present value of the expected future payments to be made to employees.

Expected future 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 for long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

The Group's obligations for long-term employee benefits are presented as non-current employee benefits in its Consolidated statement of financial position, except where the Group does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current employee benefits.

Defined contribution superannuation benefits

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

Share-based payment transactions

The Company had a number of share-based payment arrangements that were granted to employees during FY18. These related to share rights granted as part of employee remuneration packages (base remuneration and performance bonus), Christmas bonuses and arrangements following completion of business acquisitions. The awards were granted on various dates in FY18 based on a specified monetary value to each employee and an underlying 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. The vesting can be dependent on continued employment with the Group. The fair value of the grant is recognised in the profit and loss to match to each employee's service period until vesting. Upon cessation of employment, unvested rights are forfeited. The cost recognised in prior periods in respect forfeited rights is credited to profit and loss.

The total value of share-based payments recognised in the Consolidated statement of profit or loss with a corresponding entry to share-based payment reserve is $7.8m.

22. Key management personnel transactions

Key management personnel ("KMP") compensation

The total remuneration of the KMP of the Company included within employee benefit expense are as follows:

	2018 $000	2017 $000
Short-term employee benefits	**2,857**	2,493
Post-employment benefits	**126**	135
Other long-term benefits	**417**	217
Share-based payments	**482**	566
Total KMP compensation	**3,882**	3,411

Short-term employee benefits

These amounts include fees and benefits paid to executive Directors and other KMP as well as salary, fringe benefits and cash bonuses awarded to the non-executive Chair and the other Non-Executive Directors.

Post-employment benefits

These amounts are the cost of superannuation contributions made during the year.

Other long-term benefits

These amounts represent long service leave and long-term annual leave benefits accruing during the year.

Share-based payments

These amounts represent the expense related to the participation of KMP in equity-settled benefit schemes as measured by the fair value of the shares granted on grant date.

Loans to KMP

There were no loans outstanding to KMP at 30 June 2018 (2017: nil).

KMP transactions

Directors of the Company controlled 63.08% (2017: 67.69%) of the voting shares of the Company as at 30 June 2018. A number of KMP, or their related parties, hold positions in other companies that result in them having control or significant influence over these companies. Some of these companies transacted with the Group during the year. The terms and conditions of these transactions were no more favourable 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 charged/(recovered) and outstanding balances related to KMP and entities over which they have control or significant influence were as follows:

		Transaction values for the year ended 30 June		Balance outstanding as at 30 June	
Directors	Transactions	2018 $000	2017* $000	2018 $000	2017* $000
R White and M Isaacs	Company apartments rent [1]	**4**	91	**–**	–
R White	Company apartments rent [1]	**154**	66	**–**	–
R White and M Isaacs	US office lease [2]	**66**	745	**–**	–
R White	US office lease [2]	**721**	–	**–**	–
R White and M Isaacs	US data centre services [2]	**65**	764	**–**	(406)
R White	US data centre services [2]	**650**	–	**–**	–
R White and M Isaacs	Office services agreement [3]	**–**	(9)	**–**	–
R White	Office services agreement [3]	**(18)**	(9)	**(8)**	–

The above transactions are made at normal market rates.

* The corresponding FY17 figures have been restated to show comparable transactional values.

1 The Group has an agreement for apartment leases on properties owned by Marwood White Administrators Pty Ltd, a company controlled by R White. This agreement was transferred from RealWise Holdings Pty Ltd, a company controlled by R White and M Isaacs, on 1 December 2017.

2 The Group leases office space and procures data centre services from RealWise Chicago LLC, a company controlled by R White. The agreements for office lease and data centre services were transferred from RealWise Investments LLC, a company controlled by R White and M Isaacs, on 31 July 2017.

3 The Group provides office accommodation and related services to RealWise Management Pty Limited, a company controlled by R White. This agreement was transferred from RealWise Holdings Pty Ltd, a company controlled by R White and M Isaacs, on 1 January 2017.

23. Auditor's remuneration

	2018 $	2017 $
Audit and assurance related services		
KPMG Australia		
Audit and review of the financial reports	**640,550**	470,150
Total audit and assurance related services KPMG Australia	**640,550**	470,150
Audit and assurance related services		
KPMG overseas		
Audit of statutory financial reports	**202,800**	202,200
Total audit and assurance related services KPMG overseas	**202,800**	202,200
Total audit and assurance related services	**843,350**	672,350
Other services		
KPMG Australia		
Other assurance, advisory and taxation services	**65,908**	584,100
Total other services KPMG Australia	**65,908**	584,100
Other services		
KPMG overseas		
Other assurance, advisory and taxation services	**117,927**	19,150
Total other services KPMG overseas	**117,927**	19,150
Total other services	**183,835**	603,250
Total auditor's remuneration	**1,027,185**	1,275,600

24. Reconciliation of net cash flows from operating activities

	2018 $000	2017 $000
Cash flow reconciliation		
Reconciliation of net profit after tax to net cash flows from operations:		
Profit after tax from continuing operations	**40,799**	31,860
Share of (loss)/profit of non-controlling interests	**(5)**	332
Net profit after tax	**40,794**	32,192
Adjustments to reconcile profit before tax to net cash flows from operating activities:		
Depreciation and impairment	**7,353**	4,549
Amortisation	**12,351**	7,850
Doubtful debt expense	**783**	367
Net finance costs/(income)	**1,225**	(2,731)
Income from cash flow hedge instrument	**–**	(267)
Unrealised foreign exchange	**474**	223
Share-based payment expense	**7,777**	3,218
Share of (profit)/loss of associate	**(14)**	64
Exchange differences on cash balances	**(239)**	(84)
Dividend income from associate	**–**	(18)
Reclassification adjustment of intangible expensed to profit or losses	**–**	595
Change in assets and liabilities:		
(Increase)/decrease in trade receivables	**(5,857)**	1,387
Decrease in other current and non-current assets	**2,344**	1,053
Increase in trade and other payables	**3,613**	4,432
(Decrease)/increase in current tax liabilities	**(3,680)**	857
Increase in deferred tax payable	**10,407**	2,612
Increase in other liabilities	**1,838**	5
Decrease in deferred revenue	**(5,426)**	(2,397)
Increase in provisions	**432**	1,022
Net cash flows from operating activities	**74,175**	54,929

25. Segment information

The Group manages its operations as a single business operation and there are no parts of the Group that qualify as operating segments under AASB 8 *Operating Segments*. The CEO (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 categorised by type of revenue, recurring and non-recurring. This analysis is presented below:

Continuing operations	**2018 $000**	2017 $000
Recurring revenue	**198,653**	142,391
Non-recurring revenue	**22,945**	11,368
Total revenue	**221,598**	153,759
Segment profit before tax	**57,152**	44,164

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 accessing 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.

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

Geographic information

Revenue generated by location of customer (billing address):

	2018 $000	2017 $000
Asia Pacific	**75,646**	50,859
Americas	**55,844**	40,537
Europe, Middle East and Africa ("EMEA")	**90,108**	62,363
Total revenue	**221,598**	153,759

Non-current assets by geographic location:

	2018 $000	2017 $000
Asia Pacific	**192,353**	101,078
Americas	**72,364**	2,249
EMEA	**111,730**	50,316
Total non-current assets	**376,447**	153,643

26. Financial instruments

Recognition and initial measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument.

Financial instruments are initially measured at fair value plus transaction costs except where the instrument is classified at fair value through profit or loss, in which case transaction costs are expensed to profit or loss immediately.

Classification and subsequent measurement

Financial instruments are subsequently measured at fair value or amortised cost using the effective interest method.

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.

The effective interest method is used to allocate interest income or interest expense over the relevant period within finance income and expense in profit or loss and is equivalent to the rate that discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) over the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying amount with a consequential recognition of an income or expense item in profit or loss.

The Group does not designate any interests in subsidiaries, associates or joint arrangements as being subject to the requirements of accounting standards specifically applicable to financial instruments.

(i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(ii) Financial liabilities

Non-derivative financial liabilities other than financial guarantees are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

Impairment

A financial asset (or a group of financial assets) is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a “loss event”) having occurred, which has an impact on the estimated future cash flows of the financial asset(s).

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance account.

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated, the Group recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated, so that the loss events that have occurred are duly considered.

Fair value of assets and liabilities

The fair value of the Level 3 contingent consideration is shown below:

	2018		2017	
	Fair value $000	**Carrying amount $000**	Fair value $000	Carrying amount $000
Contingent consideration	**108,990**	**101,212**	7,405	6,935

A reconciliation of the movements in recurring fair value measurements allocated to Level 3 of the hierarchy is provided below:

2017	$000
Opening balance	5,561
Foreign exchange differences	202
Additions	3,658
Unwinding interest and accruals	668
Cash paid	(3,154)
Closing balance	6,935

26. Financial instruments (continued)

Fair value of assets and liabilities (continued)

2018	$000
Opening balance	6,935
Foreign exchange differences	2,420
Additions	93,636
Unwinding interest and accruals	2,013
Cash paid	(3,792)
Closing balance	101,212

The Group has recognised a liability measured at fair value at 30 June 2018 in relation to contingent consideration arising out of various acquisitions made by the Group. The contingent consideration is deemed to be a Level 3 measurement of fair value which will be paid over various periods from the acquisition date. It has been discounted accordingly based on estimated time to complete a number of milestones including the successful integration of customers into CargoWise One.

The effect on the Consolidated statement of profit or loss is due to unwinding of interest on contingent consideration and accruals and foreign exchange as indicated in the above reconciliation.

Financial risk management objectives and policies

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

- credit risk;
- liquidity risk; and
- market risk.

(a) Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board of Directors has established an Audit and Risk Management Committee, which is responsible for developing and monitoring the Group's risk management policies. The committee reports regularly to the Board of Directors on its activities.

The Group's risk management policies are established to identify and analyse 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 Audit and Risk Management 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 the risks faced by the Group.

(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 includes establishing customer deposits (refer to note 15).

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 recognised 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 note 11 for further details.

Cash and cash equivalents

The Group held cash and cash equivalents of $121.8m at 30 June 2018 (2017: $101.6m). The cash and cash equivalents are held with creditworthy bank and financial institution counterparties.

26. 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 forecast operating cash flows and unutilised debt facilities.

Exposure to liquidity risk

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

			Contractual cash flow	
2018	**Carrying amount $000**	**Total $000**	**Less than 1 year $000**	**1–5 years $000**
Financial liabilities				
Contingent consideration	**101,212**	**(108,990)**	**(23,563)**	**(85,427)**
Bank loan	**1,840**	**(1,975)**	**(481)**	**(1,494)**
Finance lease liabilities	**648**	**(671)**	**(473)**	**(198)**
Trade payables	**2,573**	**(2,573)**	**(2,573)**	**–**
Other payables and accrued expenses	**20,503**	**(20,503)**	**(20,503)**	**–**
Other liabilities	**13,411**	**(13,411)**	**(12,042)**	**(1,369)**
Total	**140,187**	**(148,123)**	**(59,635)**	**(88,488)**

			Contractual cash flow	
2017	Carrying amount $000	Total $000	Less than 1 year $000	1–5 years $000
Financial liabilities				
Contingent consideration	6,935	(7,405)	(3,285)	(4,120)
Bank loan	1,065	(1,255)	(212)	(1,043)
Finance lease liabilities	2,780	(2,894)	(2,504)	(390)
Trade payables	1,811	(1,811)	(1,811)	–
Other payables and accrued expenses	13,435	(13,435)	(13,435)	–
Other liabilities	797	(797)	(179)	(618)
Total	26,823	(27,597)	(21,426)	(6,171)

Bank loan

The Group currently has a facility agreement in place with Westpac Banking Corporation. Its facility lines at 30 June 2018 are as follows:

- Tranche A $10m (2017: $10m): revolving multi-option facility for general corporate purposes, expiring in September 2019; and
- Tranche B $45m (2017: $45m): revolving acquisition facility to fund permitted acquisitions, expiring in September 2019.

As at 30 June 2018, $nil (30 June 2017: $nil) was drawn down on the facility.

Subsequent to year end, in July 2018, the Group extended its debt factility to $100m with maturity in January 2020.

The facility agreement is secured by fixed and floating charges over the whole of the Group's assets including goodwill and uncalled capital.

Finance costs are broken down as follows:

	2018 $000	2017 $000
Option premium	**–**	1,200
Interest expense	**431**	24
Interest on finance lease liabilities	**122**	250
Unwinding interest on contingent consideration (non-cash)	**2,013**	294
Other	**110**	128
Total finance costs	**2,676**	1,896

26. Financial instruments (continued)

Financial risk management objectives and policies (continued)

(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 optimising 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, the international operations give rise to an exposure to changes in foreign exchange rates as the majority of its revenue from outside of Australia is denominated in currencies other than Australian dollars, most significantly US dollars ("USD"), pounds sterling ("GBP"), South African rand ("ZAR"), and euro ("EUR").

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

A reasonably possible strengthening (weakening) of the USD, GBP, ZAR or EUR against all other currencies at 30 June 2018 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		**Equity**	
	30 June 2018 $000	**Change (+10%) $000**	**Change (–10%) $000**	**Change (+10%) $000**	**Change (–10%) $000**
USD					
Net trade receivables/(payables) exposure	**8,286**	**(753)**	**921**	**–**	**–**
GBP					
Net trade receivables/(payables) exposure	**220**	**(20)**	**24**	**–**	**–**
ZAR					
Net trade receivables/(payables) exposure	**23**	**(2)**	**3**	**–**	**–**
EUR					
Net trade receivables/(payables) exposure	**1,291**	**(117)**	**143**	**–**	**–**

		Profit or loss		Equity	
	30 June 2017 $000	Change (+10%) $000	Change (–10%) $000	Change (+10%) $000	Change (–10%) $000
USD					
Net trade receivables/(payables) exposure	2,715	(247)	302	–	–
GBP					
Net trade receivables/(payables) exposure	118	(11)	13	–	–
ZAR					
Net trade receivables/(payables) exposure	23	(2)	3	–	–
EUR					
Net trade receivables/(payables) exposure	176	(16)	20	–	–

Interest rate risk and cash flow sensitivity

At 30 June 2018, the Group held interest bearing financial liabilities (i.e. borrowings) of $1.8m (2017: $1.1m) and held interest bearing financial assets (i.e. cash and short-term deposits) of $121.8m (2017: $101.6m).

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased or decreased profit after tax for the year by $0.4m (2017: $0.7m). This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

27. Leasing and capital commitments

Finance leases

At inception of an arrangement, the Group determines whether the arrangement is, or contains, a lease.

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset (but not the legal ownership) are transferred to entities in the Group, are classified as finance leases.

Finance leases are capitalised by recognising an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.

Assets held under other leases are classified as operating leases and are not recognised in the Consolidated statement of financial position. Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are recognised as an expense on a straight-line basis over the term of lease.

Lease incentives received are recognised as an integral part of the total lease expenses over the lease term.

	2018			2017		
	Minimum payments $000	**Interest $000**	**Present value of payments $000**	Minimum payments $000	Interest $000	Present value of payments $000
Within one year	**473**	**13**	**459**	2,504	101	2,403
After one year but not more than five years	**198**	**9**	**189**	390	13	377
	671	**22**	**648**	2,894	114	2,780

Finance leases include motor vehicles and computer equipment for a period of three to seven years. The leases are non-cancellable but do not contain any further restrictions.

Operating lease commitments – Group as lessee

	2018 $000	2017 $000
Non-cancellable operating leases contracted for but not recognised in the financial statements		
Within one year	**6,250**	4,626
After one year but not more than five years	**11,980**	10,304
More than five years	**3,692**	3,947
	21,922	18,877

The operating leases are for the Group's premises, motor vehicles and computer equipment for periods of one to ten years.

The finance and operating lease expenses charged to profit or loss for FY18 were $5.7m (2017: $5.4m).

28. Non-controlling interests

Proportion of equity interest held by non-controlling interests:

Name	Country of incorporation and operation	2018	2017
Softship AG	Germany	**5%**	23%
Softship America, Inc.	USA	**5%**	23%
Softship Data Processing Pte Ltd	Singapore	**5%**	23%
Softship Inc.	Philippines	**5%**	23%

The Group intends to acquire 100% of the shares in Softship. The process for squeeze-out of minority interests is in progress in accordance with German Corporate laws.

For movements in non-controlling interests, refer to the Consolidated statement of changes in equity and note 20.

29. Deed of Cross Guarantee

Pursuant to the relief provided under *ASIC Corporations (Wholly-owned Companies) Instrument 2016/785* and *ASIC Instrument 18-0722* (together the "Instruments"), the five wholly-owned subsidiaries listed below are relieved from *Corporations Act 2001* (Cth) requirements for preparation, audit and lodgement of financial reports, and Directors' reports.

In order to receive the benefit of the relief provided under the Instruments, 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. The Company, WiseTech Global (Trading) Pty Ltd and WiseTech Global (Australia) Pty Ltd entered into the Deed of Cross Guarantee on 26 June 2017. On 15 June 2018, WiseTech Global (Licensing) Pty Ltd, Microlistics International Pty Ltd and Microlistics Pty Ltd signed an Assumption Deed for each of them to be joined to the Deed of Cross Guarantee.

WiseTech Global Limited and two of its wholly-owned subsidiaries, namely WiseTech Global (Trading) Pty Ltd and WiseTech Global (Australia) Pty Ltd, are parties to the Deed of Cross Guarantee entered into on 26 June 2017. WiseTech Global (Licensing) Pty Ltd, Microlistics International Pty Ltd and Microlistics Pty Ltd were the parties added to the Deed of Cross Guarantee on 15 June 2018.

The above companies represent a 'Closed Group' for the purposes of the Instruments.

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 are as follows:

	Closed Group	
	2018 $000	2017 $000
Profit from continuing operations before income tax	**62,570**	41,039
Income tax expense	**(18,533)**	(10,670)
Profit after tax from continuing operations	**44,037**	30,369
Net profit for the period	**44,037**	30,369
Retained earnings at the beginning of the period	**53,613**	26,500
Dividend declared or paid	**(6,547)**	(2,913)
Share premium – retained earnings	**–**	(343)
Vesting of share rights	**(5,035)**	–
Tax benefit from equity remuneration	**1,615**	–
Retained earnings at the end of period	**87,683**	53,613

29. Deed of Cross Guarantee (continued)

	Closed Group	
	2018 $000	2017 $000
Assets		
Current assets		
Cash and cash equivalents	**67,129**	92,566
Trade and other receivables	**19,066**	9,000
Current tax receivables	**457**	1,747
Other current assets	**3,111**	4,404
Intercompany receivables	**15,728**	–
Total current assets	**105,491**	107,717
Non-current assets		
Intangible assets	**155,874**	82,319
Property, plant and equipment	**6,901**	9,992
Investments in subsidiaries	**189,123**	75,860
Other non-current assets	**7,492**	1,322
Total non-current assets	**359,390**	169,493
Total assets	**464,881**	277,210
Liabilities		
Current liabilities		
Trade and other payables	**8,691**	8,739
Borrowings	**281**	2,094
Deferred revenue	**4,945**	11,125
Current tax liabilities	**–**	3,336
Employee benefits	**6,671**	4,901
Intercompany payables	**–**	6,491
Other current liabilities	**20,056**	3,319
Total current liabilities	**40,644**	40,005
Non-current liabilities		
Borrowings	**–**	258
Employee benefits	**993**	754
Deferred tax liabilities	**19,493**	11,419
Other non-current liabilities	**26,377**	633
Total non-current liabilities	**46,863**	13,064
Total liabilities	**87,507**	53,069
Net assets	**377,374**	224,141
Equity		
Share capital	**288,847**	166,606
Retained earnings	**87,683**	53,613
Reserves	**844**	3,922
Total equity	**377,374**	224,141

30. Other 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 derecognises the assets and liabilities of the subsidiary, and any related non-controlling interest and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Intercompany transactions, balances and unrealised 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 recognised 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 recognised directly in other comprehensive income to the extent that the underlying gain or loss is recognised in other comprehensive income; otherwise, the exchange difference is recognised 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 recognised 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.

(c) Provisions

Provisions are recognised 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 recognised as a finance cost.

(d) Significant accounting judgements, estimates and assumptions

In preparing the Group financial statements, management is required to make estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities. The resulting accounting estimates, which are based on management's best judgement at the date of the Group financial statements, will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year relate to tax and goodwill which are disclosed in notes 5 and 8 respectively. Critical judgements relate to intangible assets which are disclosed in note 8.

(e) Assets held for sale

Non-current assets, or disposal groups comprising assets and liabilities, are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets, or disposal groups, are generally measured at the lower of their carrying amount, and fair value less costs to sell. Any impairment loss on a disposal group is allocated first to goodwill, and then to the remaining assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets, investment property or biological assets, which continue to be measured in accordance with the Group's other accounting policies. Impairment losses on initial classification as held for sale or held for distribution and subsequent gains and losses on remeasurement are recognised in profit or loss.

Once classified as held for sale, intangible assets and property, plant and equipment are no longer amortised or depreciated, and any equity accounted investee is no longer equity accounted.

30. Other disclosures (continued)

(f) 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 maximise, 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 maximises the receipts from the sale of the asset or minimises the payment made to transfer the liability, after taking into account transaction costs and transport 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

Significant valuation issues are reported to the Audit and Risk Management Committee.

When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair values are categorised 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 categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised 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 recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

The Group does not have any debt securities or derivative financial instruments which require measurement at fair value.

(g) 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 2017 and have not been applied in preparing these consolidated financial statements. Those which may be relevant to the Group are set out below:

(i) AASB 9 *Financial Instruments* ("AASB 9")

The revised standard addresses the classification, measurement and derecognition of financial assets and financial liabilities. AASB 9 also introduces the expected credit losses model which is based on the concept of providing for expected impairment losses at inception of a contract. The Group will be required to evaluate trade receivables for expected lifetime losses and new rules for hedge accounting. The application date of AASB 9 is 1 July 2018.

The Group has undertaken an initial assessment of AASB 9 and identified the following:

- There is no material impact on the classification and measurement requirements surrounding financial assets and liabilities;
- No material impact surrounding the recognition of expected credit losses on contract inception; and
- There will be an impact surrounding hedge accounting where currently the Group recognises the cost of the option portfolio within finance costs. Under AASB 9, the cost of hedging is recognised against the hedge item which will be revenue. At 30 June 2018, the Group does not hold any option contracts and therefore there will be no impact on the Consolidated financial statements upon transition. However, if the Group undertakes an identical hedging strategy to the current and prior year, there will be a change in the recording of the option cost as stated above.

30. Other disclosures (continued)

(ii) AASB 15 *Revenue from Contracts with Customers* ("AASB 15")

AASB 15 requires the Group to identify deliverables in contracts with customers that qualify as "performance obligations". The transaction price receivable from the customer must be allocated between the performance obligations identified in the contract on a relative standalone selling price basis.

Applying the standard requires application of a five-step process:

- identify the contract with the customer;
- identify the performance obligations in the contract;
- determine the transaction price;
- allocate the transaction price to the performance obligations based on their relative standalone selling price; and
- recognise revenue when (or as) performance obligations are satisfied.

The standard will also require additional disclosure for the disaggregation of revenue, information about performance obligations, remaining performance obligations and other qualitative disclosures.

The Group has undertaken and completed a review of its standard customer contract, specific contracts with individually significant customers and contracts with customers in place at acquired subsidiaries in order to determine the impact of AASB 15, and quantified where necessary the impact the standard will have when it becomes effective from 1 July 2018.

Based on the work performed, the Group does not expect the introduction of the standard to have a significant impact on its Consolidated financial statements.

Specific contract arrangements considered were as follows:

On-Demand billing models

Some customers access our software on an as needed basis, this is referred to as SaaS. Customers contracted under these models pay a monthly fee per user and may also be billed for transactions executed in the software. Part of the ongoing SaaS includes providing the customer with a right to upgrades and technical support.

Revenue for these contracts is recognised at the time the customer is billed. The application of AASB 15 is consistent with Group's current approach to revenue recognition and will not result in any change to revenue recognised in future periods.

OTL billing model

The Group has a number of contracts where an OTL is granted to customers to use the system. Technical support is provided to the customer on an as needed basis.

The Group currently recognises the initial licence fee when first billing the customer. Technical support revenue is recognised as a stand-ready service during the contract.

The application of AASB 15 is consistent with Group's current approach to revenue recognition and will not result in any change to revenue recognised in future periods.

Discounts and "bundling" of services

As is a practice of many industries, service offerings can be "bundled" together such that customers achieve a discounted offering by contracting to purchase services (which can be purchased separately) as part of a larger software arrangement.

AASB 15 requires the revenue for individual service offerings to be recognised as they are delivered to the customer at the relative proportion of the transaction price. The discount delivered to the customer is allocated on a basis of the transaction price and recognised as the service is delivered.

The Group has assessed its current recognition basis for bundling of services. Based on this assessment, the Group does not expect the application of AASB 15 to result in a significant impact to its consolidated financial statements.

Termination clauses

The Group operates maintenance and licensing agreements with standard termination clauses. Applying AASB 15, when there is a deviation to standard termination arrangements, revenue recognised when the licence is first established may need to be deferred and amortised over the contract period.

The Group has assessed termination clauses in current contracts. Based on this assessment, the Group does not expect the application of AASB 15 to result in a significant impact to its consolidated financial statements.

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 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 the deferral of revenue until the contract renewal takes place.

The Group has assessed renewal options on current contracts. Based on this assessment, the Group does not expect the application of AASB 15 to result in a significant impact to its consolidated financial statements.

30. Other disclosures (continued)

(iii) AASB 16 *Leases* ("AASB 16")

AASB 16 removes the classification of leases as either operating or finance lease – for the lessee – effectively treating all leases as finance leases. Short-term leases (less than 12 months) and leases of low-value assets (such as personal computers) are exempt from the lease accounting requirements. There are also changes in accounting over the life of a lease. In particular, companies will now recognise a front-loaded pattern of expense for most leases, even when they pay constant annual rentals. The standard will be effective from 1 July 2019.

In FY18, the Group undertook a review of the impact on this standard. Information of the undiscounted amount of the Group's operating lease commitments under AASB 117 *Leases*, the current leasing standard, is disclosed in note 27. The composition of this balance largely relates to the Group's rental premises.

(h) Events after reporting period

Acquisitions

On 2 July 2018, the Group completed the acquisition of a 100% interest in Ulukom, the leading provider of customs and logistics solutions to the logistics industry across Turkey. The Company will pay $2.9m upfront, with a potential earnout payment of $4.6m for future revenue growth. With current annual revenue of approximately $1.9m and approximately $0.5m contribution to EBITDA, this transaction is not material to the Group.

On 2 July 2018, the Group completed the acquisition of a 100% interest in SaaS Transportation, a specialist LTL TMS provider in the USA. Total upfront consideration is $2.1m, with a further multi-year earn-out potential of up to $1.7m. With 2017 annual revenue and EBITDA of approximately $1.8m and $0.5m respectively, this transaction is not material to the Group.

On 2 July 2018, the Group completed the acquisition of a 100% interest in Fenix, the leading provider of customs management solutions provider in Canada. The Company will pay $2.5m upfront, with a potential earn-out payment of $0.8m related to business and product integration, and revenue performance. With current annual revenue of approximately $0.9m and approximately $0.1m contribution to EBITDA, this transaction is not material to the Group.

On 2 July 2018, the Group completed the acquisition of a 100% interest in Pierbridge, the leading parcel shipping TMS provider in the USA. The Company will pay $37m upfront, with a potential earnout payment of $22.4m related to business and product integration, and revenue performance. With current annual revenue of approximately $9.3m and approximately $0.1m contribution to EBITDA, this transaction while of strategic value, is not material to the Group.

On 9 August 2018, the Group announced the acquisition of a 100% interest in Taric, the leading provider of customs management solutions in Spain. The Company will pay $25m upfront, with a further multi-year potential earnout payment of $21.9m related to business and product integration, and revenue performance. With current annual revenue of approximately $8.9m and approximately $1.2m contribution to EBITDA, this transaction while of strategic value, is not material to the Group.

On 16 August 2018, the Group announced the acquisition of a 100% interest in Trinium, the leading provider of intermodal trucking TMS and container tracking provider in the United States and Canada. The Company will pay $40.9m upfront, with a potential earnout payment of $27.7m related to business and product integration, and revenue performance. With 2017 annual revenue of approximately $11.4m and approximately $3.6m contribution to EBITDA, this transaction while of strategic value, is not material to the Group.

On 1 September 2018, the Group completed the acquisition of a 100% interest in Multi Consult, the leading provider of customs solutions in Italy, along with their expert solutions for freight forwarding, local TMS and WMS. The total purchase cost is expected to be less than $4m. With current annual revenue of approximately $4m, this transaction is not material to the Group.

These acquisitions are expected to bring to the Group, key management, specialised know-how, employee relationships, competitive position and service offerings. The initial accounting surrounding these acquisitions has not been completed.

Debt facility

Subsequent to year end, in July 2018, the Group extended its debt facility to $100m with maturity in January 2020.

Dividend

Since the period end, the Directors have declared a fully franked final dividend of 1.65 cents per share, payable 8 October 2018. The dividend will be recognised in subsequent financial statements.

(i) Contingent assets and contingent liabilities

There were no contingent assets or liabilities that have been recognised by the Group in relation to FY18 or FY17.

Directors' declaration

for the year ended 30 June 2018

1. In the opinion of the Directors of WiseTech Global Limited:
   (a) the consolidated financial statements and notes that are set out on pages 62 to 101 and the Remuneration Report set out on pages 40 to 53 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 2018 and of its performance for the year ended on that date; and
      (ii) complying with 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 29 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* and *ASIC Instrument 18-0722*.
3. The Directors have been given the declarations required by section 295A of the *Corporations Act 2001* from the Chief Executive Officer and Chief Financial Officer for the financial year ended 30 June 2018.
4. The Directors draw attention to Note 2 to the Consolidated financial statements, which includes a statement of compliance with International Financial Reporting Standards.

Signed in accordance with a resolution of the Directors:

Andrew Harrison
Chair

27 September 2018

Richard White
Executive Director, Founder and CEO

27 September 2018

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 2018 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 2018
- *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 WiseTech Global Limited (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* (the Code) that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with the Code.

KPMG

Key Audit Matters	
The ***Key Audit Matters*** we identified are: • *Recognition of revenue;* • *Capitalisation of software development costs; and* • *Acquisition accounting.*	***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

Refer to Note 3 'Revenue' ($221.6m), Note 12 'Other assets' (unbilled receivables $2.4m) and Note 14 'Deferred revenue' ($10.1m).

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; • the majority of revenue being derived from customers' usage of WiseTech's software; • revenue earned through usage is calculated with reference to price lists and complex discount structures; • there being high volumes of customer transaction data recorded using a highly automated billing system. Auditing this data requires significant effort, including the use of IT and data specialists; • one off transactions involving multiple elements, requiring judgement in applying the revenue recognition criterion to each element; and • the requirement to align the accounting policies and practices of acquired businesses.	Our procedures included: • we tested the Group's key manual revenue recognition controls including: – approval of new customer contracts; – review and approval of initial billing invoice, including checking prices to signed customer contracts; and – review of monthly billing data. • we stratified the revenue population into homogenous revenue streams for the purposes of performing our testing; • for certain revenue streams, where we determined that the timing of billing and cash receipt is consistent with the expected timing for revenue recognition, we formed an estimate of revenue expected and compared this estimate to the amount recorded by the Company; • for certain revenue streams, where revenue is recognised based customer usage of the software, with the assistance of our Data Specialists, we formed an estimate of the revenue recognised for a sample of transaction types and compared this to the amount recorded by the Company. The formation of this estimation involved: – developing a detailed understanding of the process for collection of transaction data, and the application of price lists and discount structures to this data; – assessing the completeness and accuracy of transaction data interfaced with the billing module;

	– inspecting transaction data which is not subject to billing; – with the assistance of our IT Specialists, testing controls over access to billing module, price lists and discount structures; – with the assistance of our IT Specialists, testing the interface of the output from the billing module to the general ledger; and – assessing whether customers were subject to an appropriate the price list based on their contract. • where contracts involved multiple elements, we consulted our Corporate Finance Specialists on the valuation of any undelivered components; and • for acquired businesses, we obtained an understanding of management's process for aligning revenue recognition policies and practices to those adopted by the Group. We tested a sample of transactions for appropriateness of revenue recognition at year end.

Capitalisation of software development costs	
Refer to Note 8: Computer software ($56.2m) and Development costs (WIP) ($36.6m)	
The key audit matter	**How the matter was addressed in our audit**
Capitalisation of software development costs is considered to be a key audit matter due to: • the high volume of software developer hours to be considered; • the calculation of the amount capitalised is performed using data extracts from the Company's automated software workflow tool (PAVE) used for monitoring and recording the activities of software developers; • WiseTech develops its software products using an iterative development methodology. This approach requires more judgement in assessing WiseTech's application of the requirements of the accounting standards. These assessments include:	Our procedures included: • inspecting WiseTech's documentation on the status of projects and the evaluation of the future economic return of the software under development. We assessed WiseTech's positions using our knowledge of the business and projects, and through discussions with various stakeholders, including: Project Managers, Chief Technology Officer, the Chief Executive Officer and the Chief Financial Officer. We also inspected price lists, development partner contracts and Board of Director's papers to evaluate these assertions; • obtaining an understanding of WiseTech's software development processes and how software developers use PAVE to record activities; • inspecting the information recorded in PAVE and assessing management's identification of activities that constitute development; • testing a statistical sample of developer time capitalised, to check the activities being performed related to a project in development or an enhancement to an existing software

– whether a project can be completed and produce a viable software product; – whether an activity is eligible for capitalisation; – determination of the appropriate rate per hour for developers' time eligible for capitalisation; and – whether a project is available for its intended use and, accordingly, commence amortisation.	product, as opposed to research or maintenance; • using our IT specialists to test the computer system controls that are in place to safeguard information recorded in PAVE; • performing data analytic routines on developer time capitalised, analysing a number of qualitative and quantitative factors to identify unusual trends or anomalies. We performed additional testing to assess the capitalisation of time to projects including: – evaluating task descriptions logged against the criteria in the accounting standards; – inspecting role identification in employee contracts for development related positions and developer allocation listings; – investigated task nature with project managers. • assessing the rate per hour calculations applied to time eligible for capitalisation. This included 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.

Accounting for acquired businesses	
Refer to Note 20: Goodwill ($180.9m) and Fair value of net identifiable assets acquired ($8.3m)	
The key audit matter	**How the matter was addressed in our audit**
The accounting for acquired businesses is a key audit matter due to: • the significant number of business acquisitions during the year; • the high level of judgement for each acquisition that is required in determining: – when control of the acquired business was obtained; – identification of acquired intangible assets, such as customer contracts, software and brands; – the assumptions and estimates used when performing intangible asset valuations, including estimated future cash flows, growth rates and discount rates;	Our procedures included: • evaluating documentation underlying the Group's assessments of when control is obtained of the acquired businesses. • assessing the scope, objectivity and competency of independent valuation specialists engaged by the Company; • working with our valuation specialists, we reviewed the Group's valuation of identifiable intangible assets by: – evaluating the Group's assessment of identified intangible assets, using the diligence information and information from similar business acquisitions; and – evaluating the Group's earnings and growth forecasts by comparing to the past performance of the acquired businesses, due diligence information and our knowledge of the industry trends. • evaluating the Group's fair value accounting adjustments to the tangible assets acquired and liabilities assumed by

– fair value adjustments to tangible assets acquired and liabilities assumed; – the fair value of any contingent consideration; and – whether the acquisition accounting remains provisional at reporting date. Also, whether any new information has been obtained about facts and circumstances that existed as of relevant acquisition dates that, if known, would have affected the valuations.	checking these to due diligence information, board papers, and subsequent transactions; • evaluating management's conclusions as to whether any element of the acquisition accounting is incomplete and provisional; • evaluating management's conclusions whether information that has become available during the 12 months following acquisition provides evidence of conditions or circumstances that existed at the date of an acquisition and requires adjustment.

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.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do 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.

KPMG

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: http://www.auasb.gov.au/auditors_responsibilities/ar1.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 2018, 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 40 to 53 of the Annual Report for the year ended 30 June 2018.

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

KPMG

KPMG

Chris Hollis

Partner

Sydney

27 September 2018

Reconciliation of statutory revenue and NPAT to pro forma revenue and NPAT

Certain financial measures for FY14 to FY16 are provided on a pro forma basis in this annual report. The following table reconciles the statutory reported revenue and NPAT to pro forma revenue and NPAT using pro forma adjustments consistent with those presented in the Prospectus for the IPO.

$m	Note	FY14	FY15	FY16
Statutory revenue		**56.7**	**70.0**	**102.8**
Net impact of acquisitions	1	9.3	9.6	0.5
Pro forma revenue		**66.0**	**79.6**	**103.3**
Statutory NPAT		**10.1**	**10.1**	**2.2**
Net impact of acquisitions	1	1.7	1.5	0.5
Acquisition transaction costs	2	–	0.5	0.5
Incremental public company costs	3	(2.6)	(2.6)	(1.8)
Offer costs	4	–	0.3	6.7
Net finance costs	5	0.3	0.4	0.8
Employee incentive scheme close out	6	–	–	4.4
Commission scheme close out	7	–	–	6.2
Tax impact of pro forma adjustments	8	0.3	0.2	(5.3)
Pro forma NPAT		**9.8**	**10.4**	**14.2**

1. Represents the pro forma impact of acquisitions as presented in the Prospectus and adjustments for FY16 to remove the impact of CCN for May and June 2016.
2. Represents costs associated with acquisitions completed in the respective period.
3. Includes a full year of estimated costs of being a public company.
4. Adds back the costs associated with the IPO, including the foreign currency option cost of $0.6m.
5. Removes historical finance costs on bank debt, borrowings having been repaid as part of the IPO.
6. Adds back the costs associated with the close out of legacy employee incentive arrangements as part of the IPO.
7. Adds back the costs associated with the close out of legacy sales commission scheme as part of the IPO.
8. Adjusts the tax impact of the pro forma adjustments.

Shareholder information

WiseTech Global Limited ordinary shares

WiseTech Global's ordinary shares are listed on the Australian Securities Exchange under ASX code: WTC.

At a general meeting, every shareholder present, in person or by proxy, attorney or representative has one vote on a show of hands and, on a poll, one vote for each share held.

All information below is as at 31 August 2018 unless stated otherwise.

Distribution of shareholdings

Number of shares held	Number of holders	Number of shares	% of issued capital
100,001 and over	57	284,286,960	94.56
10,001 to 100,000	228	5,652,005	1.88
5,001 to 10,000	397	2,817,274	0.94
1,001 to 5,000	2,517	5,947,244	1.98
1 to 1,000	4,439	1,940,923	0.65
Total	**7,638**	**300,644,406**	**100.00**

There were no investors holding less than a marketable parcel of 24 shares (based on a share price of $21.36).

Largest 20 shareholders

	Name	Number of shares	% of issued capital
1	RealWise Holdings Pty Limited	142,557,470	47.42
2	J P Morgan Nominees Australia Limited	31,484,538	10.47
3	HSBC Custody Nominees (Australia) Limited	28,938,949	9.63
4	Fabemu No 2 Pty Ltd ABN 67 003 954 070	20,177,197	6.71
5	Mr Richard John White	11,585,602	3.85
6	MSG Holdings Pty Ltd	7,751,975	2.58
7	Citicorp Nominees Pty Limited	7,585,337	2.52
8	Michael John Gregg & Suzanne Jane Gregg	6,536,707	2.17
9	Merrill Lynch (Australia) Nominees Pty Limited	5,884,878	1.96
10	National Nominees Limited	3,527,221	1.17
11	Mycroft Investments Pty Ltd	1,635,000	0.54
12	BNP Paribas Nominees Pty Ltd	1,518,775	0.51
13	CS Third Nominees Pty Limited	1,164,276	0.39
14	Leon Haddon Ball	1,053,858	0.35
15	Pacific Custodians Pty Limited	1,011,443	0.34
16	Citicorp Nominees Pty Limited	964,241	0.32
17	Mr William Leigh Porter	875,000	0.29
18	UBS Nominees Pty Ltd	820,371	0.27
19	BNP Paribas Noms Pty Ltd	686,602	0.23
20	Pacific Custodians Pty Limited	611,338	0.20
	Total	**276,370,778**	**91.93**

Substantial shareholders

The following have disclosed a substantial shareholder notice.

Name	Number of shares	% of voting power	Date of latest notice
Richard White and RealWise Holdings Pty Ltd	154,143,072	52.94	14 December 2017
FIL Limited	27,915,110	9.61	22 June 2016
Charles Gibbon and Fabemu No 2 Pty Ltd	20,698,297	7.10	14 April 2016

Shares subject to voluntary escrow

Number of shares	Date period of escrow ends
188,291	30 April 2019
712,373	1 July 2019

Unlisted securities

There were a total of 1,627,486 share rights on issue, held by 517 individual holders. Share rights have no voting rights.

On-market buy-back

There is no current on-market buy-back.

Glossary

Term	Meaning
3PL	Third party logistics provider
Adjacency acquisitions	Targeted acquisitions of global or multi-regional software providers in key verticals in the supply chain (e.g. specialist WMS, specialist TMS and rates management), to converge with our own innovation pipeline and build larger globally capable solutions
Attrition rate	Annual attrition rate is a customer attrition measurement relating to the CargoWise One application suite (excluding any customers on acquired legacy 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)
BorderWise	A technical border and customs reference library covering an integrated suite of legislation, technical documents, tariff-classification tools and reference materials with real-time updates and alerts on legislation, publications and notices from regulatory bodies
CAGR	Compound annual growth rate
CargoWise One	Our flagship logistics execution software application suite, see page 10
EBITDA	Earnings before interest, tax depreciation and amortisation
Ecosystem	A complex network or interconnected system of components and participants, enabling the cargochain and trade and border compliance chain
Foothold acquisitions	Targeted acquisitions of strategically valuable software providers in key regions (in Europe, Asia and the Americas focusing primarily on customs and cross-border capability) to provide safer, faster, stronger entry into new geographic markets
Global Tracking	Our powerful, timely and accurate global tracking capability for containers and vessels covering over 90% of industry volume, featuring custom-built global data set, proprietary advanced analytics, customised alerts and workflow automations
GLOW	GLOW is a set of software extensions to CargoWise One that will allow product managers, business analysts and customers to build on, and extend the functionality of, our platform without detailed knowledge of software programming
HVLV	High volume, low value. Refers to e-commerce transactions
IPO	Initial Public Offering of shares in the Company completed on 14 April 2016
LTL	Less Than Truckload
MUL	Module User Licence; an on-demand licence fee charged per month, per user, per module
NPAT	Net profit after tax
On-Demand	On-demand licensing, includes MUL and STL
OTL	One Time Licence; featuring an upfront one-time licence fee plus ongoing maintenance charges
PAVE	Productivity Acceleration and Visualisation Engine: an innovative workflow management tool
Recurring revenue	Recurring revenue is the sum of revenue categorised as On-Demand and OTL maintenance revenue which is categorised in our statutory financial statements as recurring monthly and recurring annual software usage revenue
Share right	A right to receive an ordinary share in the Company at a point in the future
STL	Seat plus Transaction Licensing; an on-demand usage-based licence comprising seat charge per user plus standard charges for transactions
TMS	Transportation management solutions
Total R&D	The total amount spent on development of our software platform annually. This amount is the sum of product design and development expenses, less depreciation and amortisation included in this expense category, plus capitalised development investment and software licences
TSR	Total Shareholder Return
Universal Customs Engine	Our self-developed software, designed to more efficiently deliver complex, multi-year customs localisation projects
WiseRates	An engine within CargoWise One collating contracted and carrier rates for logistics companies to identify optimal options for quotes and booking
WMS	Warehouse management solutions

Corporate directory

Shareholder enquiries

Enquiries about shareholdings in WiseTech

Please direct all correspondence to WiseTech's share registry:

Link Market Services

Level 12, 680 George Street
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Telephone: 1300 554 474

Email: registrars@linkmarketservices.com.au

Website: www.linkmarketservices.com.au

Further information about WiseTech

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Investor relations

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Registered office

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Company Secretary

Email: company.secretary@wisetechglobal.com

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Auditor

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