WiseTech Global Limited ABN 41 065 894 724

WiseTech GLOBAL

Annual Report 2016

Changing the world of logistics one innovation at a time

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.

Since 1994, we have grown from an Australian niche software supplier to a global provider of software solutions across more than 125 countries. Our customers are logistics service providers in the highly fragmented logistics industry and range from small and mid-sized regional or domestic enterprises to large multi-national companies amongst the world's largest.

Our people are innovators and visionaries.

We love to challenge the status quo and to think bold ideas and build breakthrough products. We have a long track record of innovating continuously and successfully and we build global solutions with deep functionality and productivity to help our customers run their businesses more efficiently.

Changing the world of logistics one innovation at a time

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About this document

This annual report is a summary of WiseTech's and its subsidiary companies' operations, activities and financial position as at 30 June 2016. In this report references to 'WiseTech', 'the Company', 'the Group', 'we', 'us' and 'our' refer to WiseTech Global Limited (ABN 41 065 894 724) unless otherwise stated.

Reference in this report to a 'year' are to the financial year ended 30 June 2016 unless otherwise stated. All dollar figures are expressed in Australian dollars (AUD) unless otherwise stated.

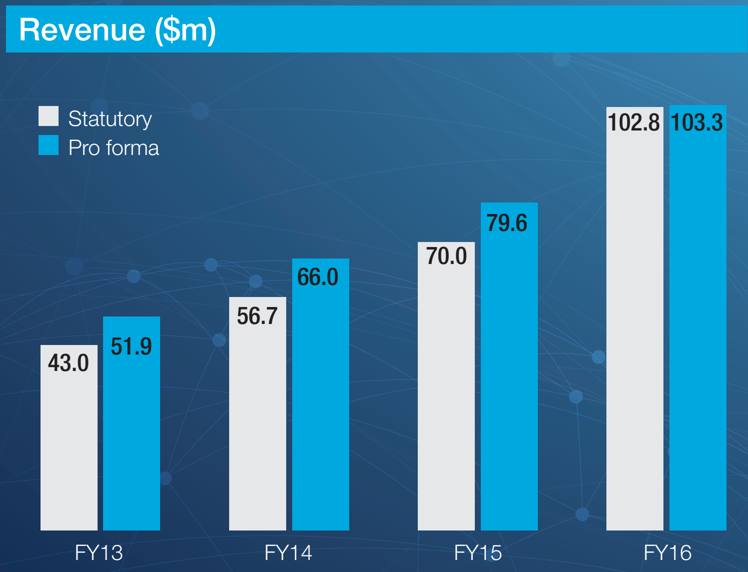
Pro forma information in this report is unaudited.

This document is dated 28 September 2016.

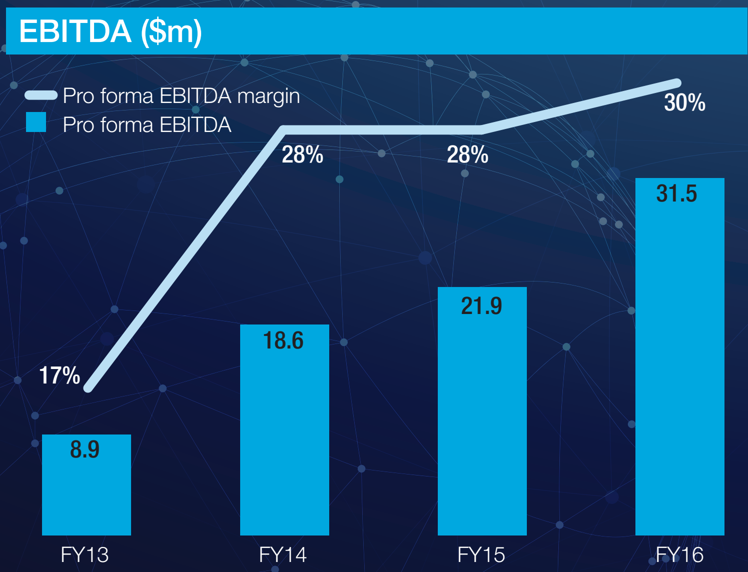
Highlights

30% growth in revenue (pro forma) to **$103.3m**

47% growth in revenue (statutory) to **$102.8m**

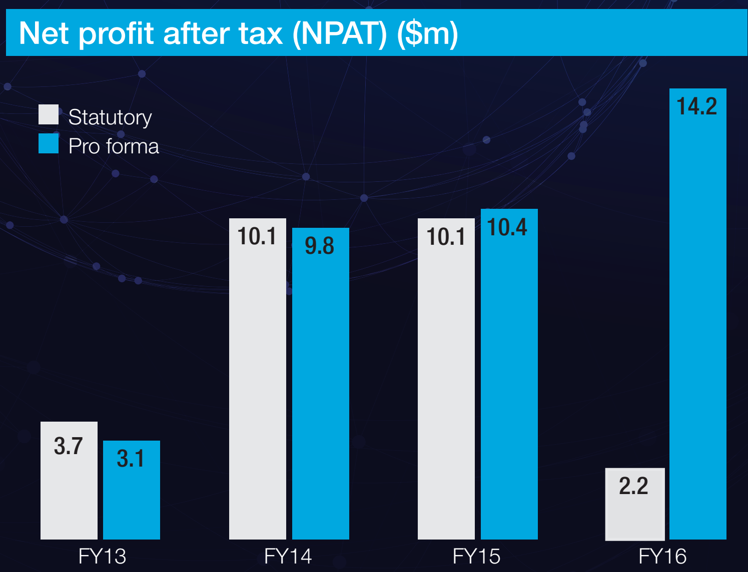


44% growth in EBITDA (pro forma) to **$31.5m**



37% growth in NPAT (pro forma) to **$14.2m**

NPAT (statutory) **$2.2m** reflecting one-off costs in FY16



98%
recurring revenue

83%
of revenue from On-Demand licensing

42%
growth in pro forma new customer revenue

<1% attrition each year for last 4 years (by CargoWise One customers)

We are investing
$165 million
innovating and further developing our global platform in FY13 to FY17

19 of the top 20
largest global logistics service providers in the world are customers[1]

7 of the top 25
global freight forwarders in global rollout on CargoWise One[2]

Our software is licensed for use in
125+
countries

34+ billion
data transactions
executed on our platform in FY16

Targeted, strategic acquisitions in **South Africa, Australia** and **Germany**[3]

1 Source: Armstrong & Associates. Top Global 3PL (Third-Party) Logistics Providers List, ranked by Armstrong & Associates using a combined overall average based on their individual rankings for gross revenue, ocean TEUs and air metric tons, for the 12 months ended 31 December 2014. Customers are as at 31 December 2015

2 Top 25 freight forwarders as listed by Armstrong & Associates, Inc. “Top 25 Global Freight Forwarders List - Ranked by 2015 Logistics Gross Revenue/Turnover” Customers are as at September 2016.

3. Including our increased strategic investment in Softship during July 2016.

Chairman's letter

Strong, profitable growth

The 2016 financial year was a watershed year for WiseTech Global, for both our listing on the ASX on 11 April 2016 and for the way our 'five levers of growth' strategy further cemented our leading position in the global logistics execution software industry. For FY16, pro forma revenue increased 30% year-on-year to $103.3m, statutory revenue increased 47% year-on-year to $102.8m, while pro forma EBITDA increased 44% to $31.5m, the latter showing the positive effects of scale.

Business activity ended FY16 on a strong note which has allowed FY17 pro forma revenue and EBITDA forecasts to be upgraded to $148-155m and $50-53m, respectively. This upgrade reflects both stronger than previously forecasted organic growth as well as the impact of acquisitions.

While our revenue and earnings outcomes for FY16 were strong we also take satisfaction in our key underlying operating metrics. We enjoy an extremely high 'recurring revenue' rate of over 98% and minimal customer 'attrition' rate of less than 1% per year (by CargoWise One customers) which provides high predictability of revenue and allows us to focus on profitable future growth.

Our dedication to innovation is reflected in our product development expenditure which currently accounts for 37%[1] of revenue, and delivers high quality product that allowed us to hold our sales and marketing spend to an efficient, 15%[1] of revenue for FY16. This "high research and development/ low sales and marketing" model underpins long term growth and profitability and as such goes to the heart of what makes WiseTech Global a special and valuable company.

Dividends

Prior to our listing, we paid an interim dividend of 0.6 cents per share and, as we indicated in the Prospectus, given the close proximity to the IPO, we elected not to pay a full year dividend in respect of FY16. It remains the intention of the Board to pay dividends in respect of FY17.

Our ongoing dividend policy is to target a dividend payout ratio of up to 20% of our annual statutory net profit after tax and we intend to declare interim dividends for half years to 31 December and final dividends for half years to 30 June each year.

As a result of the capital raising and the strength of the business in FY16, our balance sheet is robust with cash and cash equivalents of $109.5 million as at the 30 June 2016.

Operating as a listed public company

We are committed to our new responsibilities as a listed company. The Board pays close attention to governance and compliance matters. Andrew Harrison, who joined the Board in July 2015, is Chair of the Audit and Risk Management Committee. Andrew brings considerable public company and finance experience to the Board and we are pleased to welcome him.

1. On a pro forma (unaudited) basis.

“…a watershed year for WiseTech Global, for both our listing on the ASX on 11 April 2016 and for the way our ‘five levers of growth’ strategy further cemented our leading position in the global logistics execution software industry...”

Mike Gregg is Chair of the Remuneration Committee and his report forms part of the Annual Report. KPMG were retained to advise the Committee on remuneration policies and structure. Importantly, for FY17, ‘at risk’ remuneration for Executive Key Management Personnel is oriented towards long-term incentives rather that short-term incentives befitting a company with a longer term investment horizon. The Board is represented on both Committees by the three independent Non-Executive Directors, Andrew Harrison, Mike Gregg and myself.

We have trained our staff in listed company responsibilities and corporate governance and actively worked to ensure our communication to market provide helpful education and clear information about our business and operations.

Our people build our future

WiseTech Global has attained a position of importance in global freight forwarding software and related areas through a sustained commitment to product development, quality and productivity enhancement undertaken by an exceptionally talented team of 525 people. The FY16 result is recognition of that. I am confident that these core attributes will continue to underpin strong revenue and earnings growth into FY17.

We now have employees in many locations around the world, including Australia, China, New Zealand, Singapore, South Africa, the United Kingdom and the United States. It is encouraging that over 75% of staff became shareholders following our listing in April and, as such, are able to participate directly in the future growth of the Company.

On behalf of the Board, I would like to thank our CEO, Richard White, for his tireless hard work, inspiration and vision and also the broader WiseTech Global team without whom little of note would be achieved.

At a personal level, I would like to thank my fellow Directors who have responded to the challenge of becoming a listed company at a time of accelerating underlying growth. Their wisdom and guidance is greatly appreciated.

Finally, we collectively thank our shareholders both old and new for your support and acknowledge the trust you have placed in us. We will strive to do our very best.

Charles Gibbon
Chairman

CEO's message

It has been a momentous year for all of us at WiseTech Global. Our listing on the Australian Securities Exchange was just one of the major milestones that have been achieved in FY16. We have continued to advance our technology, product and markets in ways that others may have thought impossible while delivering high quality financial results. We have won a cadre of global customers, including many of the world's largest logistics service providers, and continued to grow strongly in the mid-market customer space. We have evolved our commercial model further to make our growth easier and have made it easier for our customers to grow their businesses too. We acquired five software businesses in the last 18 months in line with our strategy. We have built on our ability to integrate acquisitions and we intend to drive significant organic growth from these investments over time. We are a profitable, cash generative company, built for growth and, as a result of the good work of our people, customers and partners, we have performed well through the end of FY16 and have upgraded our revenue and EBITDA guidance for FY17.

We will work tirelessly to bring further meaningful technological improvement to global logistics

Our customers, who are almost exclusively logistics service providers, are key to the way the world trades and are a fundamental part of the global economy. Their market, party logistics execution, is global, very large and yet incredibly complex and highly fragmented. We see an industry in transition, under enormous pressure to constantly improve its performance and efficiency, but one full of opportunity for improvement driven by advances in technology.

We intend to bring meaningful, continual improvement to global logistics – replacing ageing bespoke and industry-based legacy systems and old world processes with efficient, highly automated, global, integrated capabilities — and we will not rest until we have delivered on our vision to create the 'operating system for global logistics'. Whilst we have made clear inroads towards this audacious goal, there is still much to do.

At WiseTech Global we are up for the challenge. Together with our partners and customers, we intend to make significant headway towards this vision. If you want to glimpse the passion we have for change and improvement, please read our Credo on page 23.

It's our people that make us who we are

We say that 'culture eats strategy for lunch'. Ultimately at the heart of any good business there are a lot of talented people, and that is particularly so at WiseTech Global. As CEO, it is my responsibility to deliver on strategy and vision, but I am clear it is the talented people in every part of our business worldwide that do the heavy lifting every single day. We are fortunate to have my co-founder, Maree Isaacs, still working hard in the business and many dedicated, motivated long-term senior staff whose deep product, technical and industry knowledge help drive our business to new highs. We are equally fortunate to have a diverse mix of extraordinary people drawn from many countries, across a wide range of ages, backgrounds and skills. It is our eclectic, but cohesive, mix of ages, experiences and skills plus our open, agile, flat structure that creates a vibrant and strong team culture. This fuels ideas and viewpoints that create a vital, forward looking business ethos. We will continue to focus on our people and our culture and to grow our ability to attract, retain and develop even more talented, motivated staff, in order to be the better business.

Sustainable, high growth is a long game

For us building on growth is a long game, played with care and precision. Because of our very low customer attrition rate, our high recurring revenue and our on-demand licence model, our day-to-day business is very stable and predictable. There are no short-cuts, quick fixes or single events that change growth dramatically, but we will continue to work passionately and diligently, on every growth lever and every improvement available to us.

“WiseTech is a profitable, cash-generative company, built for growth, with a strong balance sheet and we are passionate about driving our growth further, faster and well into the long-term”

Where is the growth coming from?

We focus on “five levers of growth” and I have spoken about to the market, in our Prospectus and in our recent results briefing (visit www.wisetechglobal.com/investors).

All five levers of growth contributed to the positive operating result and will continue to support and extend growth into the future. We apply the majority of our effort toward product leadership as we see it as the true catalyst for all our growth. Our product suite (lever one) is expanding at an increased pace as our investment rises and our productivity delivers more from our team. Growth from existing customers (lever two), growth from new customers (lever three) and targeted ‘foothold and adjacent’ acquisitions (lever five), with acquisitions such as those in China, Germany and South Africa are the levers that most people will focus on, because these levers are the most direct measures and highly visible to the market. That said, we are also focussed on powerful and measurable network effects (lever four) from our referral, certification and partner programs, along with powerful industry trends, customer wins and key events that have occurred over the last year that have ratified and accelerated our business model and product leadership.

Productivity at the centre of everything

“Productivity at the centre of everything” is not a throwaway line. Our own productivity and the productivity of our customers are major focal points in our product development. The ability for us to automate or delegate whole processes and accelerate the effectiveness of staff produces huge benefits. Notably, we use our CargoWise One suite across our own business, in every branch of our company and, just like our customers can, we have been able to extract significant productivity benefits and significant commercial advantage by having a single, global operating platform.

Our development pipeline is deep and rich with innovation thus we added more than 670 product enhancements to the CargoWise One platform in the last year alone. Two of our larger development projects, PAVE and GLOW, are, in their own right, powerful productivity tools with broad application potential. These innovations are currently being applied to our internal operations and a few beta projects, and they are helping to increase our already high operational efficiency and expand our innovation pipeline.

Commitment to our future

I am wholly committed to WiseTech Global and its future. I absolutely love my job and the passionate, motivated, talented people that I am fortunate to work with. I am excited to be here every day helping contribute to creating more success and a better future for shareholders, employees, dedicated customers and the world of logistics.

I thank each of our shareholders for their investment in the company and giving us the opportunity to build an even better WiseTech Global.

Richard

Richard White
Founder CEO

Our technology

We are relentless about innovation, constantly seeking new and better ways to surprise and delight our customers and empower their success and deliver incredible value. In FY16, 37%[1] of every dollar of revenue was invested back into building out our technology and 51% of our staff worked on product development (with another 18% involved in delivering the platform).

Our investment in FY16 of more than $38m[1] delivered over 670 product upgrades and added to a significant pipeline of innovation at various stages of ideation, development or commercialisation. Every dollar and every hour we invest further extends our product.

Our developers are charged with making products that customers will want to use, products that delight them, products that can be globally enabled and products that deliver commercial outcomes.

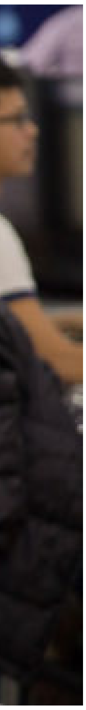
Every innovation is loaded on our global platform and made available to our extensive customer base.

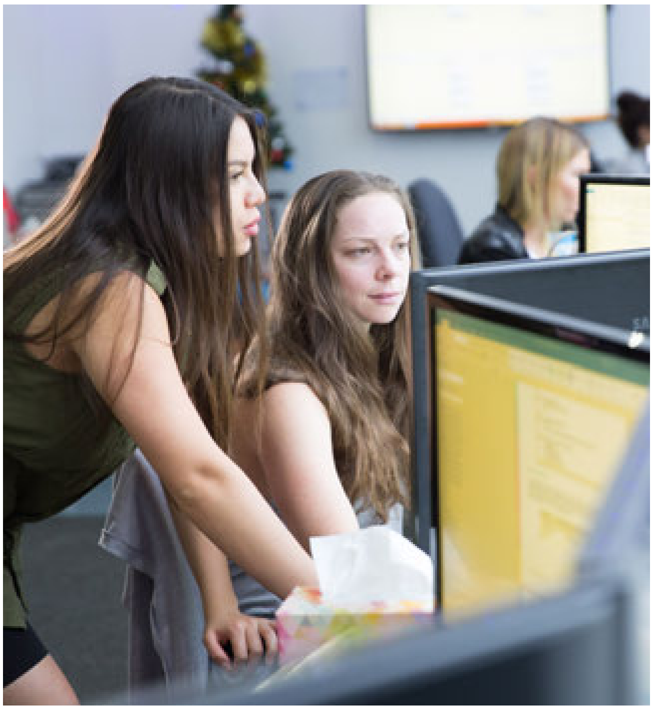
1. On a pro forma (unaudited) basis.

CargoWise One

In building our flagship product CargoWise One, we have invested over 2.8m hours of development effort over 15 years and have created a single source, deeply integrated, truly global, logistics execution platform. Our technology enables customers to execute highly complex logistics transactions and manage their operations on one database across multiple users, functions, offices, countries, languages and currencies.

We operate our own data centres and deliver our CargoWise One software principally through the cloud. In FY16, our platform executed over 34 billion data transactions for our customers. It's translated across currencies and up to 29 languages where required, scales to any size of business, from single user to thousands, and is available in real-time across over 125 countries and counting.





“Innovation and productivity are at the heart of what we do, we invest heavily in product development and have achieved strong and profitable growth during our history.”

51% of our people focused on **innovation and product development** and a further 18% on product delivery

What are we investing in?

- We are upgrading for new regulatory requirements
- We are adding quality improvements – automating or eliminating processes
- We are incorporating new technology or delivery mechanisms
- We are investing in processes, data centres and scalable technology
- We are building next-generation productivity tools
- We are extending access to capabilities in new geographies
- We are making hardware components to complement our software
- We are creating new product components to expand functionality of existing modules
- We are developing new modules to enable additional logistics capabilities or market segments

Integrated modules covering key logistics transactions

- Freight forwarding
- Customs clearance
- Land transport
- Warehousing
- Liner & agency
- Container freight station
- Track, trace & manage
- Geo compliance

+

Integrated modules for enterprise-wide administration, accounting and management

- Accounting & reporting
- Customer relationship management
- Workflow
- Integrated messaging
- Document management
- Human capital management

Our strategy

Our growth strategy is based on five key levers:

1

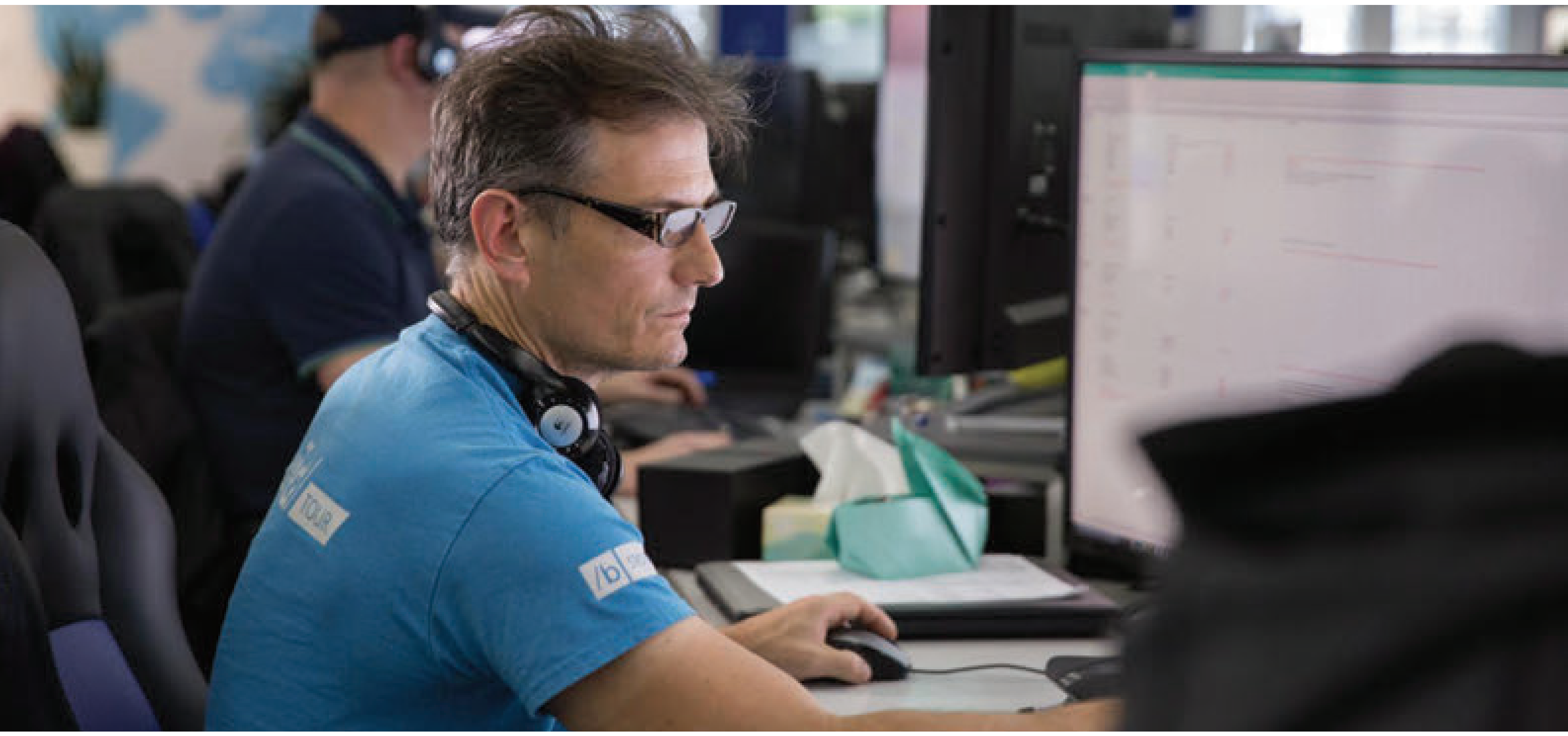
Expanding our global platform through innovation

The core of our growth strategy is relentless product development and investment in innovation to expand our CargoWise One platform as we believe that the quality, depth and breadth of our software drives our success. We continuously upgrade and expand our CargoWise One platform to broaden our product offering and expand our addressable market. See page 8.

2

Enabling greater usage by existing customers

The scalability of our CargoWise One platform and our "empower and enable" sales and marketing strategy enable customers to increase their use of our software as their businesses grow and they take advantage of additional functions. We know our customers come onto the platform and expand their usage and revenue over time. They increase transactions, move into new areas and locations and also acquire their competitors and add those users seamlessly to our integrated platform. We plan to grow the use of CargoWise One by our customers who currently use only a small number of our modules, and/or use our software only in certain regions. We will do this across our entire customer base. Additionally, our long-term experience has shown that, once on our platform, the growth over time from large, global logistics service providers can be significant as their operations may span across many functions across the supply chain and many countries across many trade routes. We are at various stages of global rollout with many of the world's largest forwarding groups including DSV, GEODIS, Hitachi, IJS, JAS, Mainfreight, OHL, Rohlig, Toll and Yusen and, from July 2016, DHL Global Forwarding.



Increasing the number of customers and users using the platform

We drive strong new customer growth, leading with our technology as we are fast to market to meet regulatory changes which are often a trigger for customers to move systems and we can on-board those customers swiftly. Our effective piloting, our open access, usage-based licensing and incentivised transition arrangements encourage efficient rollout and drive transactional revenue.

Our sales and marketing approach comprises a combination of direct sales and referral programs. We target small-to-medium regional logistics service providers through to large multi-region logistics service providers who tend to expand their use across transactions, users, modules and regions over time. In addition, we grow the number of users on the CargoWise One platform by transitioning the customers from companies we acquire over time. These customers will be offered full access to CargoWise One which may assist in enabling their transaction volumes and module use to increase further.

Stimulating network effects

The interconnectedness and collaboration required throughout the supply chain encourage a strong network effect as various participants benefit from utilising common logistics service provider software. Our business grows as customers encourage other logistics service providers to adopt our platform which can increase their efficiency, productivity, accuracy, speed, cost savings and visibility of information between the organisations.

We stimulate the natural network effect through acceleration programs including the Wise Agent Referral Program, the CargoWise certification program and industry education partnering.

Accelerating execution of strategy and growth through acquisitions

To accelerate the execution of our strategy and growth, we make targeted acquisitions of small logistics software providers to enter new geographies and enter new areas of logistics execution. We buy to acquire customers, compliance capabilities and skilled employees with technical knowledge and we then integrate these onto our global CargoWise One platform over time. We believe the acquisition of customer bases of leading domestic logistics service providers in select regions to be an efficient and low cost growth strategy to build a presence in markets where we currently have a limited customer base. We buy into market positions that would otherwise take years to build, integrate swiftly and drive value across our global platform. In FY15 and FY16, we made acquisitions in China, Australia and South Africa and we plan to make a number of targeted acquisitions in Asia, Europe and South America in the coming years.

When considering acquisitions, we look for one or more of the following characteristics: new geographies, strongly entrenched providers (preferably top 3), markets with complex compliance requirements (particularly customs), major markets with larger 3PL customers to allow us to drive network effects and new, complex, adjacent competencies to acquire specialist market knowledge to support our product development.

Our business model

Our business model prioritises product development and "empowering and enabling" our customers to access the platform to execute transactions and easily expand to new modules and into new areas and regions. We believe our software is mission-critical for many of our customers as it enables them to manage highly complex time-critical operations and often heavily regulated compliance requirements that are essential to their core business activities. As a result, our software can become embedded in our customers' organisational processes and procedures. This along with our "empower and enable" business model contributes to our low customer attrition of less than 1% by customer each year for the last four years.

The core elements of our business model are:

Relentless product development and innovation

At the core of our business model is our investment in product development. This is essential as we focus on building products that are compelling for our customers to use rather than extensive sales and marketing activities. See pages 8-9.

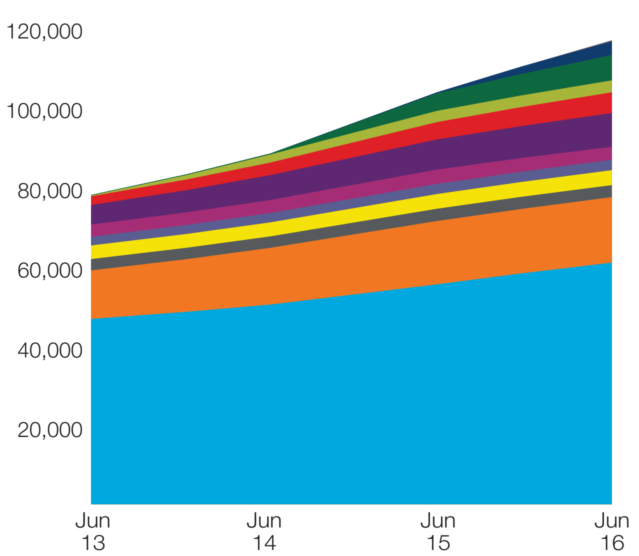
In addition, by rigorously adhering to a single source code, single platform solution in CargoWise One and controlling our own data centres, we can efficiently manage the substantial expansion of our product offering and increase the number of users and volume of transactions.

We empower and enable our customers – help yourself, access all areas

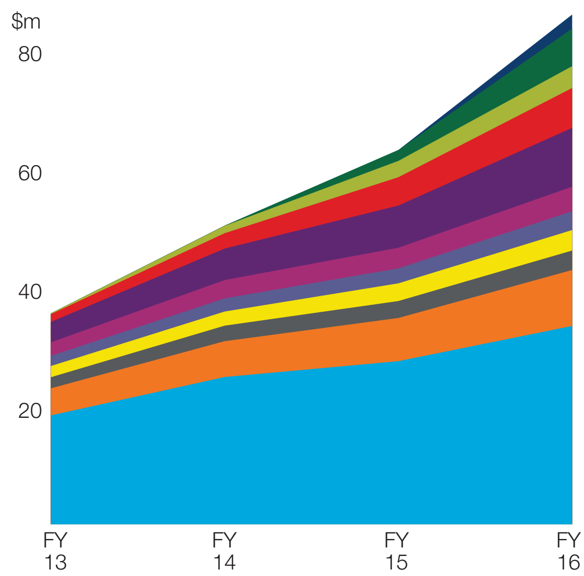
We provide our customers with open access to our entire technology platform so that, regardless of which software capabilities a customer initially chooses to use and the geographies they use them in, our customers are given full and immediate access to our entire global software platform from day one. We also enable our customers to configure the platform so that it is customised to their specific needs. Customers are able to add more users, modules and locations as they wish, without additional sales contracts or customisation, site visits or coding changes.

This strategy assists us to streamline sales, provide swift on-boarding, reduce dependence on direct sales, lower our customer acquisition costs and drive faster customer adoption of our product.

Module users by sale cohort for CargoWise One application suite[1]



Revenue by sales cohort for CargoWise One application suite[2]



FY06 & prior | FY07 | FY08 | FY09 | FY10 | FY11 | FY12 | FY13 | FY14 | FY15 | FY16

1. CargoWise One application suite module users: excludes users on legacy platforms from acquired businesses (TransLogix, Zsoft, CFS, CCL).
2. CargoWise One application suite revenue ($m): excludes revenue on legacy platforms from acquired businesses (TransLogix, Zsoft, CFS, CCL).

"We empower and enable customers – our revenues grow as customers increase transactions, add more users, move into additional modules and expand into new geographies"

On-Demand usage driven licensing – pay for what you use

We offer our software on a usage-based licence model. Customers execute transactions across the platform without limitation on users or transactions and are primarily charged for their actual usage. Our revenues can then grow with increased use. This differs from many Software-as-a-Service companies who predominantly offer contracted subscription services for a set term. In our experience, enabling customers to expand their usage on an as-needed basis without onerous contracts, and to pay for what they use assists us to grow recurring revenue faster. Since 2014, new sales of CargoWise One have been on transaction licensing where we charge a set fee for executing a transaction, which aligns our revenues with the productivity benefits that our software provides to our customers. Ultimately, it enables our revenues to grow as transaction volumes and customer productivity grow, even where fewer users are required to handle the workflow. It also provides us with revenue stability through downturns in economic cycles where our customers' profit margins may decrease but their transaction volumes are not affected.

Support services through automation or external consultants

We enable users to access our help 24-hours-a-day, 7-days-a-week with fast response times via "WiseSupport", our online portal, which is highly automated and facilitated by extensive online content, including more than 2,000 explanatory videos, to build customer understanding how and when they need it. In addition, the WisePartner network of external authorised consultants can assist customers to buy, implement and optimise their use of CargoWise One and provide training and technical support to our customers.

Operating and financial review

"Strong performance from our global business, delivering high growth in pro forma revenue of 30% (47% on a statutory basis) and increasing pro forma EBITDA by 44%, while we also focused on executing significant strategic actions to drive future revenue growth and expand globally."

IPO and ASX Listing

In April 2016, we achieved a significant milestone by undertaking an IPO raising $125m and listing on the ASX.

We believe the IPO and our ASX listing deliver benefit by:

- providing capital to support our growth strategy and future opportunities, including accelerating our organic growth through both product development and acquisitions; and
- increasing our brand value and raising the profile of WiseTech amongst the global logistics industry.

Delivery on strategy

In addition to our ASX listing, the key strategic developments in the year were:

Expansion of our global platform

We invested $41m and 51% of our people in product development, further expanding our pipeline of commercialisable innovations and delivering over 670 product upgrades across the CargoWise One platform. Two of our larger development projects, PAVE and GLOW, are powerful productivity tools with application far beyond the logistics industry. These innovations are currently being applied to our internal operations and are helping to drive our current operational efficiency. While these initiatives are still in development, we expect that they, along with our other significant pipeline of innovations, will contribute to our long-term future. See page 8.

Greater usage by existing customers

All cohorts of our existing customers grew revenue during FY16.

We achieved strong existing customer revenue growth of $15.1m which was more than double the $7.2m growth in the prior year. Growth was generated from our large customer base increasing their use of the CargoWise One platform, adding transactions, users and geographies and moving into more modules.

We further expanded our global rollout program with the world's largest global forwarding groups including DSV, GEODIS, Yusen, Mainfreight, OHL and JAS, and by signing a contract with DHL Global Forwarding which commenced on 1 July 2016 and is expected to deliver $60m of revenue over the first 4.5 years.

We continued the transition of customer licensing with 83% of our revenue generated from on "On-Demand" licensing, an access-as-needed, monthly payment based on usage licence.

Increase in the number of new customers on the platform

We increased growth in revenue from new sales compared to that in the prior year, reflecting strong North American sales following our first-to-market implementation of the new US Customs system (ACE), swifter on-boarding of new customers and increased strength in securing mid-large 3PL clients including large and global rollout contracts with new customers such as Hitachi, XPO and CEVA.

Stimulated network effects

We harness important natural network effects that exist because of the nature of global logistics. In FY16, we further stimulated these effects with active targeting programs including launching the CargoWise Certification program, initiating the next-generation WARP and signing a further 19 multi-national freight forwarding networks.

Acceleration in organic growth through acquisitions

We acquired and commenced integration of leading South African software vendor, Compu-Clearing Outsourcing Limited ("CCL") on 31 July 2015 and Australian and New Zealand air messaging distributor, Cargo Community Network Pty Ltd ("CCN") on 30 April 2016.

We completed stage 1 integration into our global group of acquired South African software provider, Core Freight Systems (Proprietary) Limited ("CFS") and the trading assets of Chinese vendor, Shenzhen Zsoft Software Development Co. Ltd ("Zsoft").

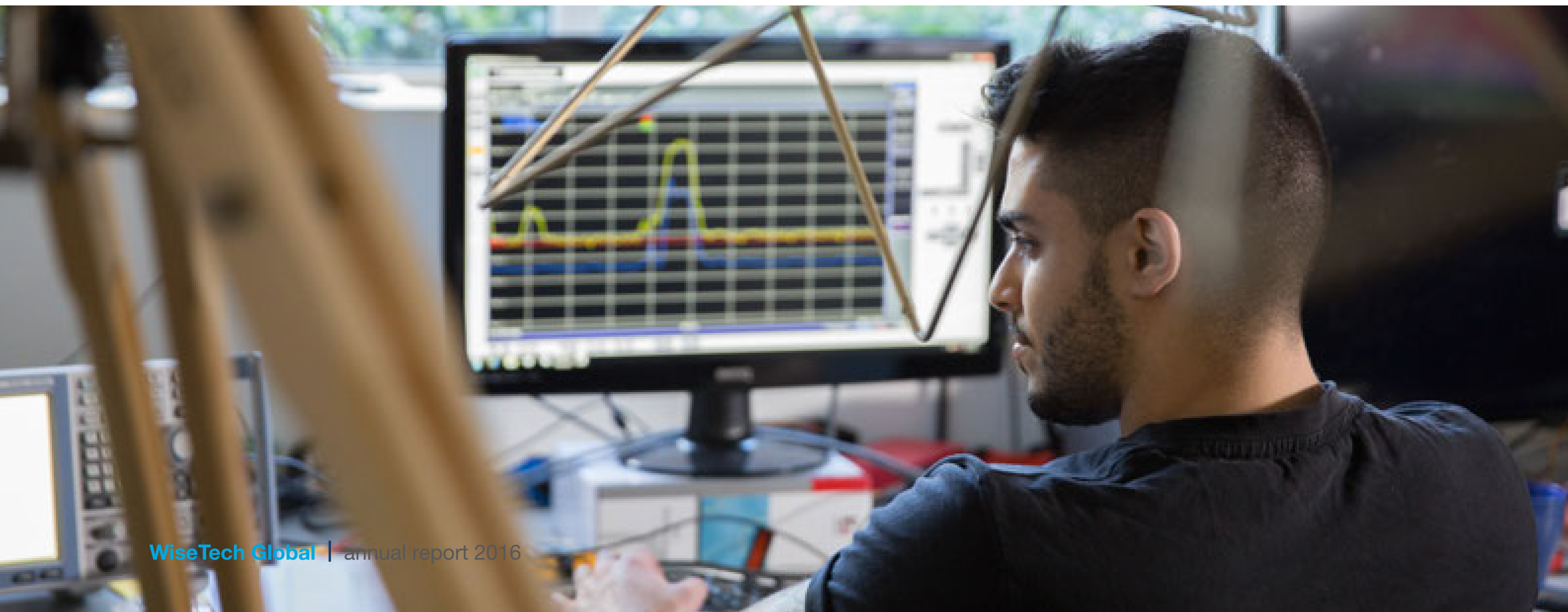
We increased our strategic holding in German-domiciled, provider of logistics software solutions to the global sea-freight industry, Softship AG ("Softship") during the year and in July 2016 achieved a majority shareholding of 50.01%.

Operating and financial review (continued)

Four year financial summary

	Notes 1	FY13 $m	FY14 $m	FY15 $m	FY16 $m
Recurring monthly and annual software usage revenue		37.3	53.8	67.3	**101.2**
OTL and support services		5.7	2.9	2.7	**1.6**
Total revenue		43.0	56.7	70.0	**102.8**
Cost of revenues		(7.7)	(8.5)	(11.4)	**(15.4)**
Gross profit		35.3	48.2	58.6	**87.4**
Product design and development		(15.9)	(17.1)	(19.6)	**(30.4)**
Sales and marketing		(8.2)	(9.0)	(11.7)	**(22.8)**
General and administration		(6.0)	(8.1)	(12.9)	**(29.5)**
Total operating expenses		(30.1)	(34.2)	(44.2)	**(82.8)**
EBIT		5.2	14.0	14.4	**4.6**
Finance income		0.3	0.4	1.0	**1.3**
Finance cost		(0.7)	(0.6)	(0.9)	**(2.5)**
Share of profit of equity accounted investees		–	–	0.0	**–**
Profit before income tax		4.8	13.8	14.5	**3.5**
Tax expense		(1.1)	(3.7)	(4.4)	**(1.3)**
NPAT continuing operations		3.7	10.1	10.1	**2.2**
Key financial metrics					
Recurring revenue %		87%	95%	96%	**98%**
Gross profit margin		82%	85%	84%	**85%**
Product design and development expenses as % of total revenue	2	37%	30%	28%	**30%**
Sales and marketing expenses as % of total revenue		19%	16%	17%	**22%**
General and administration expenses as % of total revenue		14%	14%	18%	**29%**
Capitalised development cost ($m)	3	7.0	9.5	13.5	**17.6**

1. Differences in tables are due to rounding.
2. Product design and development expenses includes $7.0m (FY15: $5.3m. FY14: $3.9m, FY13: $3.6m) depreciation and amortisation but excludes capitalised development amounts.
3. Includes software licences.



FY16 results

	Notes	FY15 $m	FY16 $m	Change $m	Change %
	1				
Recurring monthly and annual software usage revenue		67.3	101.2	33.9	50%
OTL and support services		2.7	1.6	(1.1)	(41)%
Total revenue		**70.0**	**102.8**	**32.8**	**47%**
Cost of revenues		(11.4)	(15.4)	(4.0)	35%
Gross profit		**58.6**	**87.4**	**28.8**	**49%**
Product design and development		(19.6)	(30.4)	(10.8)	55%
Sales and marketing		(11.7)	(22.8)	(11.1)	95%
General and administration		(12.9)	(29.5)	(16.6)	129%
Total operating expenses		**(44.2)**	**(82.8)**	**(38.6)**	**87%**
Operating profit		**14.4**	**4.6**	**(9.8)**	**(68)%**
Net finance (costs)/income		0.1	(1.2)	(1.3)	n/a
Profit before income tax		**14.5**	**3.5**	**(11.0)**	**(76)%**
Tax expense		(4.4)	(1.3)	3.1	(70)%
NPAT		**10.1**	**2.2**	**(7.9)**	**(78)%**
Key financial metrics					
Recurring revenue %		96%	98%	2pp	
Gross profit margin		84%	85%	1pp	
Product design and development expenses as % of total revenue	2	28%	30%	2pp	
Sales and marketing expenses as % total revenue		17%	22%	5pp	
General and administration expenses as % of total revenue		18%	29%	11pp	
Capitalised development cost ($m)	3	13.5	17.6	4.1	

1. Differences in tables are due to rounding.
2. Product design and development expenses includes $7.0m ($5.3m in the prior year) depreciation and amortisation but excludes capitalised development amounts.
3. Includes software licences.

Financial performance

During FY16, we delivered significant revenue growth of 47% compared to the prior year through strong organic growth across our business, further accelerated by strategic acquisitions.

We achieved an operating profit of $4.6m compared to $14.4m in the prior year, including one-off IPO and employee incentive and commission scheme close-out costs of $16.7m ($0.3m in the prior year). Despite these one-off costs, we achieved NPAT of $2.2m compared to $10.1m in the prior year.

On a pro forma basis, NPAT increased 37% to $14.2m from $10.4m in the prior year.

Revenue

Total revenue grew by $32.8m or 47% from $70.0m in the prior year to $102.8m. This growth was driven by a combination of:

- revenue growth from the existing customer base;
- revenue growth from new customers won in the year, the full year impact of customers won in FY15 and growth in customers won in FY14; and
- revenue from customers on acquired technology platforms resulting from recent acquisitions.

Revenue from the existing customer base grew by $15.1m or 22%, driven by increased usage of the core CargoWise One technology platforms including a positive impact of $7.7m arising from beneficial foreign exchange movements, predominantly in the first half.

Revenue growth was achieved across all customer cohorts.

Operating and financial review (continued)

This table reconciles the statutory reported revenue and NPAT to pro forma revenue and NPAT using pro forma adjustments consistent with those presented in our Prospectus.

Reconciliation of statutory revenue and NPAT to pro forma revenue and NPAT (Prospectus basis)

$m	Notes	FY13	FY14	FY15	FY16
Statutory revenue		**43.0**	**56.7**	**70.0**	**102.8**
Net impact of acquisitions	1	8.9	9.3	9.6	0.5
Pro forma revenue		**51.9**	**66.0**	**79.6**	**103.3**
Statutory NPAT		**3.7**	**10.1**	**10.1**	**2.2**
Net impact of acquisitions	1	1.3	1.7	1.5	0.5
Acquisition transaction costs	2	–	–	0.5	0.5
Incremental public company costs	3	(2.6)	(2.6)	(2.6)	(1.8)
Offer costs	4	–	–	0.3	6.7
Net finance costs	5	0.4	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	0.3	0.2	(5.3)
Pro forma NPAT		**3.1**	**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.

Revenue (continued)

New customer revenue increased by $7.8m ($5.5m in the prior year), of which $1.5m of growth was driven by foreign exchange movements ($1.1m in the prior year).

Customers on acquired platforms represent customers not yet transitioned onto CargoWise One. Year on year growth is typically lower than the growth experienced on our CargoWise One platform. In FY16, increases in revenue from acquired customers were supplemented by acquisitions completed in the year and the full year impact of acquisitions from previous years. In total, revenue from acquired platform customers grew by $9.9m, slightly offset by adverse foreign exchange movements of $0.5m.

Acquired growth reflected:

- the full year impact of acquisitions from the prior year: CFS and Zsoft trading assets;
- majority acquisition of CCL on 31 July 2015; and
- the 100% acquisition of CCN on 30 April 2016, although this had an immaterial effect on FY16 revenue.

During FY16, revenue from our "On-Demand" licence models increased from 70% of total revenue to 83%, reflecting our strategy to have all new customers on the Seat plus Transaction Licensing ("STL") revenue model and to transition existing customers off One-Time Licence ("OTL") agreements to "On-Demand" licence models. For CargoWise One customers, we expect this transition to be substantially complete by the end of December 2016. Consistent with this strategy, our total OTL maintenance revenue reduced in the year.

Recurring revenue increased from 96% of total revenue in the prior year to 98% in FY16.

Gross profit and gross profit margin

Gross profit increased by $28.8m or 49% from $58.6m in the prior year to $87.4m. Gross profit growth was mainly driven by revenue growth. The rate of increase in cost of revenues was lower than the revenue growth rate, reflecting better leverage within cost of revenues. It also reflects the categorisation of certain costs to product design and development, reflecting role re-alignment, that were previously categorised as cost of revenues, and the impact of the acquired businesses. This resulted in an overall increase in gross profit margin of 1pp from 84% to 85% in FY16.

"This year's strong performance, combined with our 98% recurring revenue, annual attrition of less than 1%, earnings contributions from recent small acquisitions and continued growth across our global operations affirm that we are on track to exceed our Prospectus forecast for FY17 revenue of $135m. We are expecting revenue growth for FY17 of 43% to 50% and therefore, we upgraded our guidance for FY17 for revenue to a range of $148m to $155m and for EBITDA, to a range of $50m to $53m."

Operating expenses

Product design and development expenses increased to $30.4m, an increase of $10.8m or 55%, from $19.6m in the prior year. The increase reflects our continued investment in development resources, including the full year impact of staff related to acquisitions. Product design and development expenses also included $1.3m higher amortisation of development costs, $1.2m of costs re-defined from cost of revenues and $2.4m of costs attributable to the close-out of certain employee incentive arrangements concurrent with our IPO.

In addition, we further invested in development activities for new products and functionality enhancements to support current and future growth which is reflected in an increase in the level of capitalised development cost (including external software licences) which grew from $13.5m in the prior year to $17.6m.

Sales and marketing expenses increased by $11.1m to $22.8m. The costs reflected the increased scale of the business including acquisitions and also included one-off costs of $6.4m of sales commission and employee incentive close out costs concurrent with our IPO. Excluding these costs, sales and marketing expenses as a percentage of total revenue were 16% compared to 17% in the prior year.

General and administration expenses also increased as a result of growth of the business and were similarly impacted by $7.7m related to IPO offer costs and the employee incentive scheme close out. Excluding these items, general and administration expenses were 21% of total revenue compared to 18% in the prior year.

Cash flow

We continued to generate cash in the year. Net cash flows from operating activities were in line with prior year at $21.1m (prior year $21.3m) including cash outflows in FY16 of $6.4m relating to IPO costs. Operating cash was used for investment in development, IT equipment and acquisitions. In total, $18.5m was invested in acquisitions, mainly relating to the acquisition of CCL in South Africa.

The IPO raised $125m of new equity which, after $14.0m of current year total offer costs ($7.6m of which were attributable to equity), contributed to the year-end net cash position of $103.2m.

Post balance date events

During July 2016, the Group increased its strategic investment in Softship from 19.99% to 50.01%. While the Company has made no offer, nor has the Company entered into any agreement with respect to the full acquisition of Softship, our 50.01% investment provides the Company with financial control and financial consolidation. German domiciled and listed, Softship is a leading provider of logistics software solutions to the global sea-freight industry, with a significant European customer base.

Risks and risk management

The Group's operations and financial results are subject to a number of risks. The main risks affecting WiseTech and the steps we take to manage or mitigate these risks are described on pages 37-39 of this report.

Outlook for FY17

During FY16 we exceeded our operating profit forecasts set out in the Prospectus on both a statutory and pro forma basis.

FY16's strong performance, combined with our 98% recurring revenue, annual attrition of less than 1%, earnings contribution from recent small acquisitions and continued growth across our global operations, affirms that we are on track to exceed our Prospectus forecast for FY17 revenue of $135m. We are expecting revenue growth for FY17 of 43% to 50% and therefore, we upgraded our guidance for FY17 for revenue to a range of $148m to $155m and for EBITDA, to a range of $50m to $53m.

Environment, social and governance

WiseTech is focused on the long-term sustainability of its business. Environment, social and governance risks are monitored as part of the Board's oversight of our risk management framework. This section describes how WiseTech addresses these risks.

Ethics and integrity

WiseTech's Code of Conduct and Whistleblower Protection Principles promote ethical and responsible decision making by all Directors and employees of WiseTech. All employees are required to complete training on WiseTech policies, including our Code of Conduct, Equal Employment Opportunity Policy, Securities Trading Policy and Whistleblower Protection Principles.

Employees and culture

At WiseTech, we have built a culture of innovation and productivity where we seek to solve complex industry problems and challenges with a "test first, fail quickly and improve rapidly" approach. We seek to recruit and develop individuals with a diverse range of professional backgrounds and experience and we provide extensive upfront and ongoing technical and strategic training.

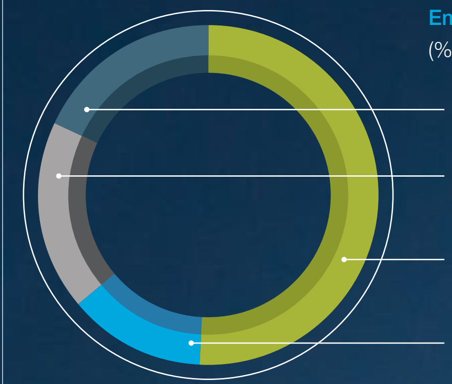
We seek to create a work environment for our "tech creatives" that supports bold ideas and innovation and a focus on "freedom and responsibility". We operate a flat, low hierarchy management with small diverse teams in open plan hubs to stimulate creativity and workflow.

Employees

As a global organisation, we have offices in seven countries around the world and our workforce includes a broad mix of cultures and ethnicities.

The Remuneration Committee oversees and receives periodic reports regarding our remuneration structure, succession plans, recruitment and retention policies and achievement against diversity objectives in relation to remuneration.

Employees by function
(%, as at 30 June 2016)



Employees by region
(%, as at 30 June 2016)

Remuneration

We compete in a highly mobile global market for talent and our innovation and growth strategy is highly dependent on recruiting and retaining talent. Our staff are offered a remuneration package that can include a combination of fixed pay, cash bonus and shares. Our Remuneration Report on pages 26 to 33 describes our approach to remuneration for senior executives.

Share ownership

Many of our employees have been WiseTech shareholders for a number of years. Our IPO in April 2016 provided additional opportunities for our staff to invest in the business through the purchase of shares via the employee offer, the reinvestment of a portion of their incentive bonuses in respect of FY15 and FY16 and via the employee gift offer, where eligible employees could acquire up to $1,000 of shares at no cost. As a result, on completion of the IPO, over 75% of our employees held WiseTech shares.

Employee wellbeing

WiseTech has support systems in place to promote the safety and wellbeing of our employees. Our Workplace Health and Safety Policy is designed to ensure that we provide a safe and healthy workplace for our people and visitors. Employees are encouraged to observe and practise safe working methods to support a healthy and safe work culture and environment. 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. This service is delivered by external, qualified, experienced professionals at no cost to the employee.

Other wellbeing initiatives include in-house fitness classes, lunchtime sport and company-funded social activities.

Diversity and inclusion

We value a strong and diverse workforce and are 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.

To us, 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.

Prevention of harassment and discrimination

Our Equal Employment Opportunity Policy includes sections on the prevention of discrimination, bullying and harassment and establishes complaint procedures to ensure that any complaints or concerns are investigated in a confidential and sensitive manner.

Environment

WiseTech is a service-based organisation, not directly involved in the manufacture or transport of goods. As such, our environmental footprint is relatively small and primarily comprises the energy used by our offices and data centres and the typical consumables of an office-based business. Accordingly, our environmental risks are not significant.

We operate waste recycling programs and our main office in Sydney features energy-efficient lighting.

In Australia, hardware that has reached the end of its useful life is sent to an e-waste recycling centre that is approved under the National Television and Computer Recycling Scheme.

Environment, social and governance (continued)

WiseTech in the community

WiseTech has an active program of scholarships and sponsorships with university and school groups in Australia and the South Pacific region. This program fosters student engagement, promotes our brand awareness and gives us a kick-start in the recruitment of top talent. It also serves to “Give Back to the Future of the Technology Industry”.

Key features of the program include:

- University of Technology Sydney, Bachelor of Information Technology Co-op Scholarship: we sponsor six students each year;
- platinum sponsor of the National Computer Science School (NCSS). Events include the NCSS Summer School, a 10 day summer camp held at the University of Sydney for school students in years 10 to12 and the NCSS Challenge, a six week programming challenge for anyone from primary school onwards;
- platinum sponsor of the South Pacific regional finals of the ACM-ICPC (Association for Computing Machinery – International Collegiate Programming Contest). The ACM-ICPC is a multi-tier, team-based, programming competition targeted at university students.
- gold sponsor of the Australian Computer Society Foundation events, The BiG Day In and Junior BiG Day In. 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.

By donating redundant computer equipment, we support WorkVentures, a Sydney-based social enterprise that offers people from all walks of life a chance to amplify their potential through technology and training to become, skilled and productive members of our digital society.

NCSS Summer School for students entering year 11-12, Jan 2016

Political donations

WiseTech does not make donations to political parties.

Corporate governance

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

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 busy work. We believe 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 say '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 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.

Board of Directors

Charles Gibbon

Independent Chairman and Non-Executive Director

Charles joined the Board and became Chairman in 2006, 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 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 associate director of Schroders Australia.

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

Richard White

Executive Director and CEO

Richard founded WiseTech 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, 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.

Michael Gregg

Independent Non-Executive Director

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

Michael currently serves as a director of The Roar Pty Limited, Conversant Media Pty Limited, 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 Health Communication Network Limited, which was an ASX listed medical software company. Michael has also held executive positions in the telecommunications, transport and retail industries.

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

Andrew Harrison

Independent Non-Executive Director

Andrew joined the Board in 2015. He is also chairman of the Audit and Risk Management Committee.

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, Xenith IP Limited and IVE Group Limited. Andrew is also a director of ingogo Limited.

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

Maree Isaacs

Executive Director and Company Secretary

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

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

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

Director attendance at meetings

Director attendance at meetings for FY16.

	Board		Audit and Risk Management Committee		Remuneration Committee	
	Held	Attended	Held	Attended	Held	Attended
Charles Gibbon	17	17	4	4	1	1
Richard White	17	17	–	–	–	–
Michael Gregg	17	16	4	4	1	1
Andrew Harrison	17	17	4	4	1	1
Maree Isaacs	17	17	–	–	–	–

Remuneration Committee Chairman's letter

I am pleased to present our Remuneration Report for the year ended 30 June 2016.

WiseTech is a meritocracy and rewards capability, talent and achievements. WiseTech competes in a highly mobile global market for talent and our innovation and growth strategy is highly dependent on attracting and retaining talent. The Remuneration Committee is conscious of the need to build levels of equity amongst our employees broadly, and key senior staff specifically, to ensure we have the right retention and alignment to business success.

Accordingly, the Remuneration Committee has developed a strategy for FY17 that will support our objective of retaining talent, fit with WiseTech's long-term goals and align the interests of staff with those of all shareholders. The Committee looked at local as well as international reward practices in technology companies to inform its view.

Our strategy is to offer key senior staff (excluding our Executive Directors) a market competitive Target Total Remuneration ("TTR") package from which they can choose the mix of fixed remuneration and long-term incentives ("LTI"), within defined parameters. For our executive Key Management Personnel, no less than 40% of their TTR must be taken as LTI.

WiseTech thinks long-term and our senior staff are necessarily focused on solid, long-term, profitable growth. Accordingly, the Board has eschewed cash-based short-term incentives ("STI") for this group because they do not align with our long-term strategy.

The LTI will involve two components underpinning two key reward objectives:

- retention of the executive via Share Rights that are time based; and
- achievement of strategic and financial objectives critical to WiseTech's success via Share Rights that are performance based.

The Board has determined that our Executive Directors, Richard White and Maree Isaacs, will not participate in the TTR package offered to other key senior staff. The Board believes that their significant shareholdings in the Company already provide sufficient incentive and alignment with other shareholders. Accordingly, Richard's FY17 remuneration will comprise a fixed amount of $1m.

For other WiseTech staff, the following principles are used to guide our remuneration framework and reward structure:

- we provide employees with opportunities to receive part of their remuneration in the form of shares to reinforce the ownership culture which prevails;
- pay changes are set prospectively and the onus is on the employee to demonstrate their value; and
- managers are given a range of reward tools to reward results outside of the annual cycle within defined parameters (e.g. to recognise key project outcomes).

Our approach to remuneration will be continually reviewed and modified to suit WiseTech's changing needs.

We welcome you to read the Remuneration Report for FY16 and encourage feedback on the development of our remuneration practices and reporting. We hope that you find this report useful and thank you for your continued support.

Mike Gregg
Chairman, Remuneration Committee

28 September 2016

1 Introduction

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 2015 to 30 June 2016.

The information provided in this report has been audited as required by section 308 (3c) of the Corporations Act 2001.

1.1 Details of Directors and Executives

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

The KMP for the period from 1 July 2015 to 30 June 2016 were:

Charles Gibbon	Chairman and Non-Executive Director
Michael Gregg	Non-Executive Director
Andrew Harrison	Non-Executive Director
Richard White	Executive Director and Chief Executive Officer ("CEO")
Maree Isaacs	Executive Director
Andrew Cartledge	Chief Financial Officer ("CFO") from 7 September 2015
James Powell	Chief Productivity Officer
Adam Kossak[1]	Chief Commercial Officer, General Counsel and Company Secretary
Kate Malov	CFO until 7 September 2015

1. Adam Kossak left employment with the Group effective 30 June 2016.

2 Remuneration governance

2.1 Remuneration Committee

The Remuneration Committee is responsible for ensuring WiseTech's remuneration strategy and frameworks support Group performance while ensuring Executives and Non-Executive Directors are rewarded fairly and responsibly with regard to legal compliance and corporate governance requirements.

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

The Remuneration Committee comprises three Non-Executive Directors including the Committee Chairman.

2.2 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.

During FY16, the Committee sought advice from independent remuneration consultants who provided advice on market practice incentive arrangements, executive remuneration benchmarking and reporting, including current market practices. This advice did not constitute remuneration recommendations for the purpose of the Corporations Act 2001.

3 Pre-IPO arrangements

Prior to listing, the Company had a number of incentive arrangements for its Executives and the broader employee population. These incentives were awarded in regard to meeting or exceeding agreed goals and achievement targets for the relevant financial period. Concurrent with our IPO, the Board determined to close out these incentives. The close-out arrangements did not result in any change to fair value of the incentives, which involved:

- accelerating the vesting of previously unvested shares issued in respect of FY14 incentives to the date of completion of the IPO. The shares were subject to an escrow agreement until their original vesting date of 1 August 2016;
- paying Australian-based employees' (other than Andrew Cartledge and Adam Kossak) incentive entitlements in respect of FY15 and/or FY16 in cash at IPO. The cash entitlement was subject to a further requirement for the recipient to reinvest at least 50% of the incentive into shares at the IPO offer price of $3.35 per share. The acquired shares are subject to escrow agreements with 50% released following announcement of our 1H17 financial results and 50% following announcement of our 1H18 financial results;
- for Andrew Cartledge, Adam Kossak and James Powell and for selected employees in overseas jurisdictions, FY15 and/or FY16 cash incentives being settled in Share Rights (being rights which automatically convert to ordinary shares at no cost to the employee on the expiry of specified escrow periods). FY16 incentives were determined by the Board based on the individual's performance in the period to IPO and their contribution to the IPO project. The number of Share Rights was determined by dividing the cash entitlement by the IPO offer price of $3.35 per share. The Share Rights were fully vested on grant and are subject to disposal restrictions, but no further performance conditions or service requirements apply; and
- Share Rights were also granted at IPO to Andrew Cartledge and Adam Kossak as part of pre-existing salary sacrifice arrangements. The number of Share Rights was determined by dividing the salary sacrifice amount by the IPO offer price of $3.35 per share. The Share Rights were fully vested on grant and are subject to disposal restrictions, but no further performance conditions or service requirements apply.

The table below summarises the incentive entitlements reinvested into shares and Share Rights granted to Executives at completion of the IPO on 14 April 2016. Further details on the Share Rights are included in section 6.

	Number of Share Rights granted[2]	Number of shares granted	Face value at date of grant
Richard White	–	–	–
Maree Isaacs	–	–	–
Andrew Cartledge	355,820	–	$1,191,997
James Powell	107,462	–	$359,998
Adam Kossak	279,103	–	$934,995
Kate Malov[1]	–	16,582	$55,550

1. Kate Malov had a cash entitlement of $110,000 in respect of her FY15 incentive award, $55,550 of which was reinvested into shares on IPO.
2. Share Rights granted to Andrew Cartledge and Adam Kossak include performance incentives and those arising from salary sacrifice arrangements.

4 Group performance

The tables below summarise the performance of WiseTech shares from the date of listing, 11 April 2016, to 30 June 2016 and our financial performance for the four years FY13 to FY16. The information below has been taken into account by the Remuneration Committee when determining Executive KMP remuneration.

Share performance

IPO offer price	Closing share price	Dividends per share	TSR[1]
$3.35	$4.43	–	32%

1. Total shareholder return for the period from 11 April 2016 to 30 June 2016.

Financial performance

	FY13	FY14	FY15	FY16
Revenue ($m)	43.0	56.7	70.0	102.8
Revenue growth	n/a	32%	23%	47%
NPAT[1]($m)	3.7	10.1	10.1	2.2
Dividends (cents per share)	0.83	0.84	0.91	0.60

1. NPAT from continuing operations.

5 Executive remuneration FY17

5.1 Remuneration strategy

WiseTech competes in a highly mobile global market for talent. In order to pursue our strategy and grow our value we aim to have a remuneration framework that supports the recruitment, motivation and retention of the right people for our business.

Following the IPO, the Remuneration Committee set out to develop a remuneration strategy that would support this objective and align with WiseTech's long-term business goals. The Committee looked at local as well as international reward practices to inform its view. The resulting strategy provides a framework that will evolve and adapt to WiseTech's changing needs.

Executive Target Total Remuneration ("TTR") package

The key objective of the strategy is to offer the Executives and other key senior staff a market competitive and motivating TTR package. We expect, like our software and business model, that this strategy will be refined over time to ensure the best outcomes. The TTR package is structured so that an Executive can choose between a mix of fixed remuneration and long-term incentives, within defined parameters, that ensure that a significant portion, regardless of the individual preference, is delivered through equity.

The equity attached to long-term incentives has two components designed to underpin two key reward objectives, both of which are in shareholders' interests:

1. Retention of the Executive – time-based rights linked to continued employment; and
2. Achievement of strategic and financial objectives aligned to WiseTech's success - performance rights.

In total, the equity structure reinforces our desired culture of ownership.

Because we focus on long term, profitable growth the Board elected to not establish a cash-based short term incentive (STI) for Executives as it believes that would not serve to increase the alignment of our Executives with the future of the Company and the interests of shareholders.

Executive Director remuneration

The Board has determined that the Executive Directors will not participate in the Executive TTR package. The Board considers that Richard White and Maree Isaacs are already highly aligned to the long-term interests of the Company due to their significant shareholdings and that providing additional equity incentives through the TTR package would be unlikely to materially add to their motivation or alignment with interests of other shareholders. As a result, the Board has decided to maintain Richard's existing remuneration arrangements of $1m per annum fixed pay (inclusive of superannuation) for FY17. The Board benchmarked this package against the remuneration packages of executives of comparable Australian, listed, technology companies. Similarly, Maree will maintain a fixed pay remuneration for FY17.

Other staff

The remuneration framework for other staff provides a package that includes a combination of fixed pay, cash bonus and shares. Targets for goals and achievements to determine STI are agreed with managers in advance and may include the use of short-term project bonuses.

5.2 Remuneration structure

FY17 Executive remuneration arrangements	
Who is eligible?	Executive KMP plus selected senior staff at the invitation of the Board.
What is TTR?	TTR is the total remuneration package from which Executives can choose their pay mix between fixed remuneration and long term incentives. This choice can be made annually in advance. TTR for the Executives going forward will be set with reference to external market data, taking into consideration comparable roles in other listed Australian companies of comparable size in the information technology sector. **Fixed remuneration:** • Guaranteed salary inclusive of superannuation. **LTI:** • Equity based remuneration: – time-based rights; and – performance rights. • Supports the long-term strategy of the Company and aligns the Executives closely with shareholder interests. • Remains at risk until rights vest.
What can Executives elect as their pay mix?	WiseTech Executives can choose their pay mix between fixed and LTI within the defined parameters of 30:70 (fixed:LTI) to 60:40. Changes to the pay mix are determined in 10% increments. For FY17, the allocation of LTI between time-based rights and performance rights is 50:50.

5 Executive remuneration FY17 (continued)

5.3 Long-term incentive

What is the LTI plan?	An incentive plan where an Executive's allocated percentage of TTR to LTI is delivered as a combination of time-based and performance rights. Vesting of the rights is dependent on the Executive's continued employment, the Company achieving performance metrics over the performance period as well as the Executive achieving individual performance metrics.
Time-based rights	Time-based rights issued under the LTI plan are subject to the Executive's continued service over the specified period. Rights will be granted at the beginning of the performance period and vest in three equal annual tranches, after one, two and three years from the grant date.
Performance rights	Performance rights are subject to performance hurdles to be determined at the time of each grant. Each performance right will entitle the Executive to one ordinary share at the end of the four year performance period, subject to the extent to which the performance hurdles are met. For FY17, at least 30% weighting of the performance hurdles will be determined by the Company's earnings per share outcomes over the performance period and the remainder will be subject to specific strategic goals, to be determined by the Board for each participant.
What is the vesting period for the LTI plan?	Typically, grants will be made annually, commencing on 1 July of each financial year. For FY17 the vesting periods are: • time-based rights: three years from 1 July 2016 through to 30 June 2019; and • performance rights: four years from 1 July 2016 through to 30 June 2020.
How will rights be allocated for the FY17 LTI plan?	Allocation will be determined by the dollar value of the grant divided by the 30-day volume weighted average price at the time of grant ("market price"). The number of rights is subject to a multiplier to recognise the proportion of TTR that the Executive elects to put 'at risk'. For FY17, the multiplier for the minimum 'at risk' proportion is 1.0 and the multiplier for any amount elected above the minimum is 1.4.
Are the performance hurdles re-tested?	No, performance hurdles will only be tested at the end of each relevant performance period. Any performance rights that remain unvested at the end of the performance period will be forfeited.
Under what circumstances will LTI entitlements be forfeited?	The Board will establish provisions in relation to LTI entitlements of exiting Executives taking into account the circumstances of the departure.

6 Other statutory disclosures

6.1 Executive remuneration FY16

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 2015 to 30 June 2016:

	Short-term benefits	Post-employment	Share-based payments[1]		Long-term benefits	Total	
	Base salary and benefits	Super-annuation	Shares and Share Rights	Cash settled	Other[2]	Total	Performance related %
Richard White	$965,000	$35,000	–	–	$65,721	$1,065,721	–
Maree Isaacs	$241,477	$20,863	–	–	$18,629	$280,969	–
Andrew Cartledge[3]	$433,713	$19,519	$672,000	–	$33,141	$1,158,373	58%
James Powell	$424,614	$17,678	$180,000	–	$27,046	$649,338	28%
Adam Kossak	$459,196	$29,458	$534,998	–	$36,104	$1,059,756	50%
Kate Malov[3]	$67,801	$9,719	$37,805	$37,056	$1,537	$153,918	49%

1. Share-based payments reflect incentive awards settled as Share Rights, other than the FY15 incentive for Kate Malov which was settled in cash (with 50.5% reinvested in shares at IPO as described in section 3).
2. Other long-term benefits relate to annual and long service leave.
3. Andrew Cartledge was appointed CFO on 7 September 2015. Kate Malov was CFO until 7 September 2015. Data for these Executives are for the part-period.

6.2 Executive equity ownership

The following table provides 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 2015[1]	Net change in shareholding[2]	Shares held 30 June 2016[3]	Share Rights held 30 June 2016[4]
Richard White	150,771,269	(2,447,390)	148,323,879	–
Maree Isaacs	11,846,360	(204,167)	11,642,193	–
Andrew Cartledge	–	7,760	7,760	355,820
James Powell	–	74,924	74,924	107,462
Adam Kossak	281,250	(99,702)	181,548	279,103
Kate Malov[5]	104,428	13,095	117,523	–

1. Or date commencing service, if later.
2. Net change in shareholding reflects:
   - the sell-down of shares at IPO by Richard White and Maree Isaacs;
   - shares acquired at IPO by Andrew Cartledge and James Powell; and
   - 298 shares acquired at IPO, net of subsequent sale of 100,000 shares, by Adam Kossak.
3. Or date of leaving service, if earlier.
4. Share Rights granted on completion of the IPO on 14 April 2016. There were no changes to the number of Share Rights held as at 30 June 2016.
5. In addition to the shares shown in the table, Kate Malov had 26,191 unvested shares at 1 July 2015 in respect of her FY14 incentive award. 13,095 of these vested on 1 August 2015 prior to leaving service (and are included in the net change in shareholding figure above). The remaining 13,096 vested on completion of the IPO on 14 April 2016.

6 Other statutory disclosures (continued)

6.2 Executive equity ownership (continued)

Share Rights were granted to Andrew Cartledge, James Powell and Adam Kossak on the following terms:

Share Rights granted on IPO	
Instrument	Share Rights (rights to acquire ordinary shares) were granted on IPO in respect of incentive entitlements and under salary sacrifice arrangements
Grant date	14 April 2016
Grant date fair value	$3.35 per Share Right
Release conditions	Share Rights automatically convert to ordinary shares on the expiry of specified time conditions. There are no further performance or service conditions.
Release dates	Andrew Cartledge: • 262,985 following announcement of FY17 results; and • 92,835 following announcement of 1H18 results James Powell: • 53,731 following announcement of 1H17 results; and • 53,731 following announcement of 1H18 results Adam Kossak: • 279,103 following announcement of FY17 results
Dividends	No dividends or dividend equivalents are paid on Share Rights
Clawback provisions	Our plan rules grant the Board with broad ‘claw-back’ 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.

6.3 Loans to KMP

Details regarding loans outstanding at the end of the reporting period to KMP in the reporting period are as follows:

	Balance on 1 July 2015	Balance on 30 June 2016	Interest not charged	Highest balance the in period
Andrew Cartledge	–	$108,333	$1,304	$173,333
Adam Kossak	–	–	$711	$100,000

These loans relate to salary sacrifice arrangements as disclosed in section 3 due to a timing difference in relation to salary sacrifice payments made during the year and the value of Share Rights granted. The loans must be repaid in full at the earlier of the anniversary of when these arrangements were entered into or when employment with the Group ceases.

6 Other statutory disclosures (continued)

6.4 Key terms of Executive employment contracts

The following table outlines the key terms of the Executives' employment contracts as at 30 June 2016:

Key terms of employment contracts

	Richard White	Maree Isaacs	Andrew Cartledge	James Powell
Commencement date	1 July 2015	1 July 2015	7 September 2015	1 June 2015
Expiry date	14 April 2019	30 June 2017	–	–
Notice period	–	–	6 months	4 weeks

6.5 Related party transactions

The Group is party to arrangements with entities associated with its 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 at arm's length with an unrelated person. Further details of these arrangements are disclosed in note 21 of the financial statements.

7 Non-Executive Director remuneration

7.1 Overview

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 fee pool.

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

7.2 Fee pool and structure

The maximum amount of 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.

In determining the appropriate level of fees, the Board has regard to market practice and survey data. The following table outlines the Board and Committee fees effective from 1 July 2015 (updated since issue of the Prospectus). All fees are exclusive of superannuation.

	Chair fee	Member fee
Board	$140,000	$85,000
Audit and Risk Management Committee	$15,000	–
Remuneration Committee	$10,000	–

7.3 Non-Executive Director remuneration and equity holdings

The following table details Non-Executive Directors' remuneration in respect of FY16, 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	Super-annuation	Total	Shares held on 1 July 2015[1]	Net change in shareholding[2]	Shares held on 30 June 2016
Charles Gibbon	$140,000	$13,300	$153,300	21,348,297	(650,000)	20,698,297
Michael Gregg	$95,000	$9,025	$104,025	16,948,188	(825,000)	16,123,188
Andrew Harrison	$92,052	$8,745	$100,797	–	29,850	29,850
Total	**$327,052**	**$31,070**	**$358,122**	**38,296,485**	**(1,445,150)**	**36,851,335**

1. Or date of appointment as a Director, if later.
2. Net change in shareholding reflects:
   - the sell-down of shares at IPO by Charles Gibbon and Michael Gregg; and
   - shares acquired at IPO by Andrew Harrison.

Directors' Report

For the year ended 30 June 2016

The Directors present their report together with the financial statements of WiseTech Global Limited ("WiseTech" or the "Company"), and its controlled entities (together referred to as "the Group"), for the financial year ended 30 June 2016 and the auditor's report thereon.

Directors

The Directors of WiseTech in office during FY16 and at the date of this report (unless otherwise stated) were as follows:

- Charles Llewlyn Gibbon (Chairman);
- Richard John White (CEO);
- Michael John Gregg;
- Andrew Charles Harrison (appointed on 31 July 2015); and
- Maree McDonald Isaacs.

The qualifications and experience of the Directors, including current and recent directorships, are detailed on pages 24 to 25 of this Annual Report.

Directors' meetings and their attendance at those meetings for FY16 (including meetings of committees of Directors) are disclosed on page 25 of this Annual Report.

Company Secretaries

Natasha Davidson
Group General Counsel and Company Secretary
BA (Hons) LLB (Macquarie), LLM (Sydney)

Ms Davidson is Group General Counsel and Company Secretary. As Company Secretary, she is responsible for company secretarial and corporate governance support across the Group. Ms Davidson has held senior roles at Clayton Utz, the Royal Bank of Scotland and ABN AMRO. Ms Davidson was president of the Australian Financial Markets Association Capital Raising Committee from 2009-2014.

Maree McDonald Isaacs

Details of Ms Isaacs' qualifications and experience are disclosed on page 25 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 14 to19 of this Annual Report.

Dividends

Details of dividends paid during FY16 and the prior period are disclosed in Note 6 to the financial statements included in this Annual Report.

No final dividend was declared in respect of FY16.

Significant changes in the state of affairs

WiseTech completed an IPO in April 2016, raising $125m. The IPO, together with positive cash flows from operating activities, has reduced borrowings and significantly increased the Group's cash balance to $109.5m at 30 June 2016.

In the Directors' opinion, there have been no other significant changes in the state of affairs of the Group during the year.

Events subsequent to balance date

During July 2016, the Group increased its strategic investment in Softship from 19.99% to 50.01%. While we have made no offer, nor entered into any agreement with respect to the full acquisition of Softship, our 50.01% investment provides us with financial control and financial consolidation. German domiciled and listed, Softship is a leading provider of logistics software solutions to the global sea-freight industry, with a significant European customer base.

Other than the matter 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, 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

For further information about likely developments in the operations of the Group, refer to the strategy and outlook sections in the Operating and financial review on pages 14 to 19 of this Annual Report.

Environmental regulation

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 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 FY16, 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.

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 information

Share Rights

At the date of this report, WiseTech had 2,385,628 Share Rights outstanding. The Share Rights were issued to 26 employees coincident with the IPO. Each Share Right entitles the holder to receive one fully paid ordinary share in the Company at no cost to the holder. The Share Rights are not subject to performance or employment related hurdles or conditions. A range of release dates apply corresponding to the announcement of the Company's financial results for the periods 1H17, FY17, 1H18, FY18 and FY19.

No Share Rights were converted to 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 FY16 for the Key Management Personnel and changes for FY17, is included in the Remuneration Report on pages 26 to 33 of this Annual Report.

Corporate Governance

Our Corporate Governance Statement for FY16 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 22 to the financial statements included in this Annual Report.

The Board has considered the non-audit services provided during FY16 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 FY16 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 36 of this Annual Report and forms part of the Directors' Report for the financial year ended 30 June 2016.

Signed in accordance with a resolution of the Directors:

Charles Gibbon
Chairman

28 September 2016

Richard White
Executive Director and CEO

28 September 2016

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 for the financial year ended 30 June 2016 there have been:

(i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and

(ii) no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

KPMG

Caoimhe Toouli

Caoimhe Toouli
Partner

Sydney

28 September 2016

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 and are on track to invest $165m in the period FY13 to FY17. In FY16, we reinvested 37% of our revenues in product development and innovation (calculated on a pro forma basis) and delivered over 670 product enhancements to the platform during the period.

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 potentially have an adverse impact on our operations and customer relations and potential loss of business process knowledge.

To mitigate this risk we have invested in, and continued to invest in, processes and systems to ensure knowledge and skills are maintained within the Group to enable our continued and stable growth. We recruit and develop talented key personnel and our remuneration framework also delivers flexible components designed to support the recruitment, motivation and retention of our people.

Execution of new acquisitions and integration of acquired businesses

We have recently completed a number of strategic acquisitions and part of our growth strategy is to undertake targeted acquisitions. 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 limitation, commercial or regulatory changes), which may result in there being limited or unsuitable opportunities at the relevant time.

We expect that our acquisition strategy will 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 those in the regions in which we currently operate.

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 acquired customer base.

WiseTech operates 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;

Risk management (continued)

- 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 may operate in-house developed systems in preference to commercial logistics software;
- new competitors could emerge and develop products (including cloud-based software) which compete with our products; and
- 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 roll-outs and an efficient consolidation tool for large logistics service providers 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 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 potential 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;
- increased 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 on-boarding of users without additional contract negotiations.

Our success in managing these risks is characterised by the high (98%) level of recurring revenue and the low (<1%) levels of customer attrition the business experiences.

Decline in trade volumes and economic conditions

A decline in regional and global trade volumes and 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 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 amongst our customers.

Financial results impacted by foreign currency

A significant portion of our revenue (FY16: 74%) 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 British pound.

This risk is partially offset by:

- natural hedge, where we also incur operational costs in the same foreign currency; and
- US dollar option contracts which provide coverage of our net US dollar exposure throughout FY17 at an average rate of approximately 0.74 US dollars to one Australian dollar

Where appropriate, we also seek to denominate 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.

Certain of these events may be caused by events outside of 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 support internally and to our customers, automated replication of data as well as disaster recovery planning and testing.

Risk management (continued)

Security breaches 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, either 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 ("SOC") audit of our key WiseCloud systems in Australia, and further independent SOC audits are underway for our overseas hosting operations.

Contents

Financial statements for the year ended 30 June 2016

Consolidated statement of profit or loss and other comprehensive income

For the year ended 30 June 2016

	Notes	2016 $000	2015 $000
Revenue	3	**102,809**	70,003
Cost of revenues		**(15,416)**	(11,398)
Gross profit		**87,393**	58,605
Product design and development		**(30,429)**	(19,589)
Sales and marketing		**(22,815)**	(11,681)
General and administration		**(29,510)**	(12,855)
Total operating expenses		**(82,754)**	(44,125)
Operating profit		**4,639**	14,480
Finance income		**1,255**	958
Finance costs	25	**(2,442)**	(852)
Net finance (costs)/income		**(1,187)**	106
Share of profit of equity accounted investees, net of tax		**–**	13
Profit before income tax		**3,452**	14,599
Income tax expense	4	**(1,285)**	(4,442)
Net profit for the year		**2,167**	10,157
Other comprehensive (loss)/income			
Items that may be reclassified to profit or loss			
Exchange differences on translation of foreign operations		**(4,208)**	134
Net gain/(loss) on available-for-sale financial assets, net of tax		**2,020**	(168)
Other comprehensive loss for the year, net of tax		**(2,188)**	(34)
Total comprehensive (loss)/income for the year		**(21)**	10,123
		Cents	Cents
Earnings per share	5		
Basic earnings per share		**0.8**	4.2
Diluted earnings per share		**0.8**	4.2

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

Consolidated statement of financial position

As at 30 June 2016

	Notes	2016 $000	2015 $000
Assets			
Current assets			
Cash and cash equivalents	9	**109,527**	43,155
Trade receivables	10	**12,102**	7,842
Current tax receivables		**1,747**	1,032
Other current assets	11	**3,668**	1,883
Total current assets		**127,044**	53,912
Non-current assets			
Property, plant and equipment	8	**13,361**	10,021
Intangible assets	7	**96,852**	66,002
Equity accounted investees		**–**	5,579
Equity securities - available for sale		**4,303**	2,018
Other non-current assets	11	**4,219**	3,127
Total non-current assets		**118,735**	86,747
Total assets		**245,779**	140,659
Liabilities			
Current liabilities			
Trade and other payables	12	**8,684**	5,706
Borrowings	15	**3,659**	3,801
Deferred revenue	13	**13,380**	10,568
Current tax liabilities		**1,620**	240
Employee benefits	20	**4,902**	3,830
Other current liabilities	14	**4,182**	1,234
Total current liabilities		**36,427**	25,379
Non-current liabilities			
Borrowings	15	**2,665**	26,662
Employee benefits	20	**699**	588
Deferred tax liabilities	4	**8,031**	11,770
Other non-current liabilities	14	**1,781**	3,253
Total non-current liabilities		**13,176**	42,273
Total liabilities		**49,603**	67,652
Net assets		**196,176**	73,007
Equity			
Share capital	16	**165,571**	44,869
Reserves		**5,354**	1,241
Retained earnings		**25,251**	26,897
Total equity		**196,176**	73,007

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

Consolidated statement of changes in equity

For the year ended 30 June 2016

	Notes	Share capital $000	Fair value reserve $000	Share-based payment reserve $000	Foreign currency translation reserve $000	Retained earnings $000	Total equity $000
Balance as at 1 July 2014		**9,006**	**–**	**1,106**	**(417)**	**18,762**	**28,457**
Net Profit for the year		–	–	–	–	10,157	10,157
Other comprehensive income/(loss)		–	(168)	–	134	–	(34)
Total comprehensive income/(loss)		–	(168)	–	134	10,157	10,123
Transactions with owners							
Issue of share capital (net of issue costs)	16	34,929	–	–	–	–	34,929
Vesting of deferred share rights	16	934	–	(934)	–	–	–
Equity settled share-based payments		–	–	1,520	–	–	1,520
Dividends	6	–	–	–	–	(2,022)	(2,022)
Balance as at 30 June 2015		**44,869**	**(168)**	**1,692**	**(283)**	**26,897**	**73,007**

	Notes	Share capital $000	Fair value reserve $000	Share-based payment reserve $000	Foreign currency translation reserve $000	Retained earnings $000	Total equity $000
Balance as at 1 July 2015		44,869	(168)	1,692	(283)	26,897	73,007
Net Profit for the year		–	–	–	–	2,167	2,167
Other comprehensive income/(loss)		–	2,020	–	(4,208)	–	(2,188)
Total comprehensive income/(loss)		–	2,020	–	(4,208)	2,167	(21)
Transactions with owners							
Issue of share capital (net of issue costs)	16	119,989	–	–	–	–	119,989
Vesting of deferred share rights	16	713	–	(713)	–	–	–
Equity settled share-based payments		–	–	7,014	–	–	7,014
Dividends	6	–	–	–	–	(3,813)	(3,813)
Balance as at 30 June 2016		165,571	1,852	7,993	(4,491)	25,251	196,176

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

Consolidated statement of cash flows

For the year ended 30 June 2016

	Notes	2016 $000	2015 $000
Operating activities			
Receipts from customers		**105,390**	75,730
Payments to suppliers and employees		**(73,277)**	(52,461)
Income tax paid		**(3,073)**	(1,941)
Option premiums paid		**(1,544)**	–
IPO fees paid		**(6,414)**	–
Net cash flows from operating activities	23	**21,082**	21,328
Investing activities			
Payment for intangible assets	7	**(17,738)**	(13,293)
Purchase of property, plant and equipment		**(2,396)**	(2,607)
Interest received		**836**	180
Acquisition of trading assets of Shenzen Zsoft Software Development Co. Ltd	19	**–**	(2,434)
Acquisition of Core Freight Systems (Proprietary) Limited, net of cash acquired	19	**–**	(5,472)
Acquisition of Compu-Clearing Outsourcing Limited, net of cash acquired	19	**(17,543)**	(5,566)
Acquisition of Cargo Community Network Pty Limited, net of cash acquired	19	**(1,036)**	–
Payment for equity securities		**(187)**	(2,186)
Payment of contingent consideration	25	**(1,272)**	–
Net cash flows used in investing activities		**(39,336)**	(31,378)
Financing activities			
Proceeds from issue of shares	16	**125,000**	35,000
Interest paid		**(1,366)**	(706)
Initial Public Offering costs pre-tax		**(7,607)**	–
Repayment of finance lease liabilities		**(3,363)**	(1,558)
Proceeds from borrowings	15	**–**	24,000
Repayment of borrowings	15	**(24,000)**	(5,000)
Dividends	6	**(3,813)**	(2,022)
Financing transaction costs		**(221)**	(333)
Net cash flows from financing activities		**84,630**	49,381
Net increase in cash and cash equivalents		**66,376**	39,331
Cash and cash equivalents at 1 July	9	**43,155**	3,824
Effect of exchange differences on cash balances		**(4)**	–
Net cash and cash equivalents at 30 June	9	**109,527**	43,155

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

Notes to the financial statements

For the year ended 30 June 2016

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" or "WiseTech"). The Company was formerly known as WiseTech Global Pty Limited and became a public company on 4 September 2015 and subsequently listed on the ASX on 11 April 2016. 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 consolidated financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards (AASBs) adopted by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. The consolidated financial statements comply with International Financial Reporting Standards (IFRS) adopted by the International Accounting Standards Board. They were authorised for issue by the Board of Directors on 28 September 2016.

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 27.

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
- 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 Group has applied AASB 133 Earnings per Share for the first time for their annual reporting period commencing 1 July 2015 in order to comply with the AASBs and disclosure requirements for a listed entity.

Functional and presentational currency

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

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.

2. Basis of preparation (continued)

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 and share-based payments) directly associated with cloud infrastructure 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 proportion of product design and development expenses 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. In the current year, expenses also include costs associated with the close out of the legacy employee incentive scheme related to development employees in conjunction with the Initial Public Offering ("IPO").

Sales and marketing expenses

Sales and marketing expenses consist of personnel and related costs (including salaries, benefits, bonus, 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. In the current year, sales and marketing expenses also include the accelerated expense associated with the close out of an uncapped legacy sales commission arrangement in conjunction with the IPO.

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 and administration employees. They also include legal, accounting and other professional services fees, insurance premiums, other corporate expenses and allocated expenses. The General and administration expenses also include professional advisory fees, legal and other expenses relating to the IPO other than those transaction costs associated with the issuance of shares (which are netted against the proceeds received from the IPO) and acquisition and business integration costs related to the Company's acquisition strategy. In the current year, expenses also include costs associated with the close out of the legacy employee incentive scheme related to general and administration employees, in conjunction with the IPO.

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

	2016 $000	2015 $000
Recurring monthly and recurring annual software usage revenue	**101,213**	67,330
OTL and support services	**1,596**	2,673
Total revenue	**102,809**	70,003

Significant accounting policy

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.

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. Revenues that are unbilled at year end are recognised in the Consolidated statement of financial position as unbilled receivables and included in other non-current assets.

One Time Licence ("OTL") maintenance revenues 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.

4. Income tax

(a) Income tax expense

Income tax expense/(income) comprises current and deferred tax expense/(income) 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:

	2016 $000	2015 $000
Current tax	**2,773**	883
Deferred tax	**(1,629)**	3,578
Adjustment for prior years - current tax	**534**	25
Adjustment for prior years - deferred tax	**(393)**	(44)
Income tax expense	**1,285**	4,442

4. Income tax (continued)

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

	2016 $000	2015 $000
Accounting profit before tax	**3,452**	14,599
Accounting profit before income tax	**3,452**	14,599
At Australia's statutory income tax rate of 30% (2015: 30%)	**1,036**	4,380
Add:		
Non-deductible depreciation and amortisation	**–**	181
Non-deductible expenses	**82**	4
Non-deductible share-based payment expense	**373**	475
Non-deductible acquisition expense	**330**	156
Under/(over) provision for income tax in prior year	**141**	(19)
	1,962	5,177
Less:		
Tax effect of:		
Different tax rates in overseas jurisdictions	**(12)**	(12)
Research and development	**(681)**	(630)
Deferred tax adjustments	**20**	(84)
Other	**(4)**	(9)
Income tax expense	**1,285**	4,442

Significant accounting policy

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; or
- 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.

4. Income tax (continued)

(b) Movement in deferred tax balances

2016	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	11,029	3,479	(148)	–	100	14,460
Customer relationships	1,524	(223)	305	(32)	–	1,574
Provisions	(1,559)	(610)	(119)	4	(6)	(2,290)
Straight-line revenue	642	33	–	–	–	675
Unrealised foreign exchange	436	(333)	–	–	–	103
Intellectual property	(91)	(191)	335	(13)	–	40
Property, plant and equipment	61	(141)	169	9	–	98
Future income tax benefits attributable to tax losses and offsets	(71)	(1,279)	(9)	(5)	–	(1,364)
Transaction costs	(106)	(916)	–	–	(2,314)	(3,336)
Employee equity compensation	–	(1,618)	–	19	–	(1,599)
Other	(95)	(223)	(2)	(10)	–	(330)
Net tax liabilities	**11,770**	**(2,022)**	**531**	**(28)**	**(2,220)**	**8,031**

2015	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	7,865	3,164	–	–	–	11,029
Customer relationships	1,194	(161)	491	–	–	1,524
Provisions	(1,019)	(481)	(47)	(12)	–	(1,559)
Straight-line revenue	25	617	–	–	–	642
Unrealised foreign exchange	260	176	–	–	–	436
Intellectual property	(169)	(80)	158	–	–	(91)
Property, plant and equipment	–	56	–	5	–	61
Future income tax benefits attributable to tax losses and offsets	(289)	225	–	(7)	–	(71)
Transaction costs	–	(68)	–	–	(38)	(106)
Other	(162)	86	–	(19)	–	(95)
Net tax liabilities	**7,705**	**3,534**	**602**	**(33)**	**(38)**	**11,770**

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 (continued)

For the year ended 30 June 2016

5. Earnings per share ("EPS")

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

(a) Basic EPS

	2016	2015
Profit attributable to equity holders of the Company ($000)	**2,167**	10,157
Basic weighted average number of ordinary shares	**261,875,342**	243,550,572
Basic EPS (cents)	**0.8**	4.2

(b) Diluted EPS

	2016	2015
Profit attributable to equity holders of the Company ($000)	**2,167**	10,157
Basic weighted average number of ordinary shares	**261,875,342**	243,550,572
Shares issuable in relation to warrants and equity-based compensation schemes	**–**	397,546
Diluted weighted average number of ordinary shares	**261,875,342**	243,948,118
Diluted EPS (cents)	**0.8**	4.2

Significant accounting policy

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

Diluted EPS amounts are calculated by dividing the profit attributable to ordinary 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.

6. Dividends

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

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

	2016 $000	2015 $000
Cash dividends on ordinary shares declared and paid:		
Final dividend: FY15 0.91 cents per share (FY14 0.84 cents)	**2,300**	2,022
Interim dividend: FY16 0.60 cents per share (FY15: nil)	**1,513**	–
	3,813	2,022
Franking credit balance		
Franking account balance as at the end of the financial year	**598**	1,045

For the year ended 30 June 2016, the dividends were paid on 30 September 2015 and 4 April 2016 respectively. Dividends paid during the year were franked at 100%.

7. Intangible assets

	Computer software $000	Development costs (WIP) $000	External software $000	Goodwill $000	Intellectual property $000	Customer relationships $000	Trade names $000	Patents $000	Total $000
At 30 June 2014									
Cost	22,101	9,551	1,494	11,055	6,738	4,974	–	–	55,913
Accumulated amortisation and impairment	(5,437)	–	–	(63)	(5,484)	(994)	–	–	(11,978)
Net book value	**16,664**	**9,551**	**1,494**	**10,992**	**1,254**	**3,980**	**–**	**–**	**43,935**
At 1 July 2014	16,664	9,551	1,494	10,992	1,254	3,980	–	–	43,935
Additions	–	13,457	89	–	468	–	–	–	14,014
Transfers	7,950	(7,950)	(119)	–	–	–	–	–	(119)
Amortisation	(2,908)	–	–	–	(1,013)	(529)	–	–	(4,450)
Acquisition via business combination	–	–	–	9,247	1,642	1,733	–	–	12,622
Net book value at 30 June 2015	**21,706**	**15,058**	**1,464**	**20,239**	**2,351**	**5,184**	**–**	**–**	**66,022**
At 30 June 2015									
Cost	30,051	15,058	1,583	20,302	8,848	6,707	–	–	82,549
Accumulated amortisation and impairment	(8,345)	–	(119)	(63)	(6,497)	(1,523)	–	–	(16,547)
Net book value	**21,706**	**15,058**	**1,464**	**20,239**	**2,351**	**5,184**	**–**	**–**	**66,002**
At 1 July 2015	21,706	15,058	1,464	20,239	2,351	5,184	–	–	66,002
Additions	–	15,960	1,674	–	–	–	–	104	17,738
Transfers	8,796	(8,796)	–	–	–	–	–	–	–
Amortisation	(4,405)	–	(383)	–	(916)	(899)	(63)	–	(6,666)
Acquisition via business combination	–	–	–	20,983	1,025	1,337	647	–	23,992
Exchange differences	–	–	–	(3,541)	(315)	(261)	(97)	–	(4,214)
Net book value at 30 June 2016	**26,097**	**22,222**	**2,755**	**37,681**	**2,145**	**5,361**	**487**	**104**	**96,852**
At 30 June 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**

7. Intangible assets (continued)

Significant accounting policy

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") 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.

7. Intangible assets (continued)

Significant accounting policy (continued)

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.

The estimated useful lives are as follows:

- computer software: 3 - 10 years
- external software licences: 1 - 10 years
- intellectual property: 3 - 5 years
- customer relationships: 10 years
- trade names: 10 years
- patents: 1 - 10 years.

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Intangible assets, other than goodwill, have finite useful lives. Goodwill has an indefinite useful life.

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.

Impairment testing for CGUs containing goodwill

At 30 June 2016, the Group is managed as one collective CGU, which reflects the lowest level of management of the groups of assets and the synergies of the business groupings. The CGU is consistent with the operating segment of the Group at 30 June 2016.

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

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.

	2016	2015
Post-tax discount rate per annum	9%	9%
Pre-tax discount rate per annum	11.5%	11.3%
Long-term perpetuity growth rate	3%	3%

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 have not identified any instances that could cause the carrying amount of the Group to exceed its recoverable amount.

Notes to the financial statements (continued)

For the year ended 30 June 2016

8. 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 2014					
Cost	–	5,191	1,565	46	6,802
Accumulated depreciation	–	(3,384)	(317)	–	(3,701)
Net book value	**–**	**1,807**	**1,248**	**46**	**3,101**
At 1 July 2014	–	1,807	1,248	46	3,101
Additions	–	6,943	2,360	–	9,303
Acquisitions via business combination	–	45	7	–	52
Disposals	–	(14)	–	–	(14)
Transfer	–	–	46	(46)	–
Depreciation	–	(2,070)	(218)	–	(2,288)
Exchange differences	–	21	(154)	–	(133)
Net book value at 30 June 2015	**–**	**6,732**	**3,289**	**–**	**10,021**
At 30 June 2015					
Cost	–	12,186	3,824	–	16,010
Accumulated depreciation	–	(5,454)	(535)	–	(5,989)
Net book value	**–**	**6,732**	**3,289**	**–**	**10,021**
At 1 July 2015	–	6,732	3,289	–	10,021
Additions	–	4,112	581	92	4,785
Acquisition via business combination	1,024	1,507	–	–	2,531
Depreciation	(18)	(3,405)	(1,105)	–	(4,528)
Exchange differences	(179)	259	472	–	552
Net book value at 30 June 2016	**827**	**9,205**	**3,237**	**92**	**13,361**
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**

8. Property, plant and equipment (continued)

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 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 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.

Depreciation is recognised in the profit or loss. 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%
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.

9. Cash and cash equivalents

	2016 $000	2015 $000
Cash at bank and on hand	**19,483**	43,148
Short-term deposits	**90,044**	7
Cash and cash equivalents	**109,527**	43,155
Bank overdrafts	**–**	(50)
Net cash and cash equivalents	**109,527**	43,105

The effective interest rate on short-term bank deposits was 1.36% per annum (2015: 2.24% per annum).

The increase in cash between 2015 and 2016 largely related to the impact of the equity raising in the IPO and cash flow generated from operations offset by investing and non-IPO financing activities.

Significant accounting policy

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.

Bank overdrafts are shown within short-term borrowings in current liabilities on the Consolidated statement of financial position.

10. Trade receivables

	2016 $000	2015 $000
Trade receivables	**12,576**	8,233
Provision for impairment of receivables	**(474)**	(391)
Total	**12,102**	7,842

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 in respect of trade receivables during the year was as follows:

	2016 $000	2015 $000
Opening balance	**391**	53
Impairment loss recognised	**342**	483
Amount written off	**(259)**	(145)
Total	**474**	391

Trade receivables that were not impaired as at 30 June 2016 were as follows:

	2016 $000	2015 $000
Not past due	**9,402**	6,741
Past due 0 - 30 days	**1,719**	591
Past due 31 - 60 days	**464**	167
Past due more than 60 days	**517**	343
Total	**12,102**	7,842

Significant accounting policy

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.

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

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.

11. Other assets

	2016 $000	2015 $000
Current		
Derivative asset[1]	933	–
Prepayments	831	464
Deposits	485	291
Other	1,419	1,128
Total	3,668	1,883
Non-current		
Unbilled receivables	3,437	3,055
Other	782	72
Total	4,219	3,127

1. The Group has entered into United States dollar ("USD") options to protect its USD currency exposure in FY16 and FY17. The foreign currency option contracts protect approximately 60% of forecast revenue exposure which equates to approximately 90% of the net exposure to fluctuations in the USD exchange rate in FY16 and FY17. This resulted in a derivative asset as at 30 June 2016.

Significant accounting policy

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

12. Trade and other payables

	2016 $000	2015 $000
Trade payables	119	1,323
Other payables	8,565	4,383
Total	8,684	5,706

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

Significant accounting policy

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. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

13. Deferred revenue

	2016 $000	2015 $000
Deferred revenue	11,555	10,568
Customer prepayments	1,825	–
Total	13,380	10,568

Deferred revenue reflects the value of advance payments made by customers for the services provided.

Customer prepayments represent amounts paid in advance by customers to prepay their estimated monthly invoices.

Notes to the financial statements (continued)

For the year ended 30 June 2016

14. Other liabilities

	2016 $000	2015 $000
Current		
Other current liabilities	**4,182**	1,234
Total	**4,182**	1,234
Non-current		
Other non-current liabilities	**1,781**	3,253
	1,781	3,253
Total	**5,963**	4,487

Other liabilities predominantly consist of contingent consideration which is further disclosed in notes 19 and 25.

15. Borrowings

	2016 $000	2015 $000
Current		
Finance lease liability	**3,659**	3,751
Bank overdrafts	**–**	50
Total current borrowings	**3,659**	3,801
Non-current		
Finance lease liability	**2,665**	2,924
Secured bank loan	**–**	24,000
Transaction costs	**–**	(262)
Total non-current borrowings	**2,665**	26,662
Total borrowings	**6,324**	30,463

At 30 June 2016, the Group held debt facilities of $55,000,000 (2015: $45,000,000). At 30 June 2016, no amounts were utilised of the debt facilities (2015: $24,000,000).

16. Share capital and reserves

Ordinary shares issued and fully paid	Thousands	$000
At 1 July 2014	**240,702**	**9,006**
Vesting of deferred share rights	521	934
Shares issued	11,257	35,000
Pre-IPO funding costs accounted for in current year	–	(71)
At 30 June 2015	**252,480**	**44,869**
At 1 July 2015	**252,480**	**44,869**
Shares issued under IPO for cash[1]	37,313	125,000
Vesting of deferred share rights	–	713
Gift shares	121	405
Conversion of warrants[2]	707	–
Shares cancelled/other	8	–
Pre-IPO funding costs accounted for in current year	–	(91)
IPO funding costs, net of tax	–	(5,325)
At 30 June 2016	**290,629**	**165,571**

1. On 11 April 2016, the Company issued 37,313,433 shares as a result of the IPO at a price of $3.35 per share.
2. On 15 April 2015, the Group entered into an arrangement with FIL Investment Management (Hong Kong) Limited and SmallCo Investment Manager Limited which resulted in cash injections of $25,000,000 and $10,000,000 respectively in exchange for 11,257,074 shares issued. The arrangement included an issue of 1,876,172 purchased warrants for nil consideration. The warrants expired during FY16. Under the subscription agreements these institutional investors were entitled to be issued with additional shares for nil consideration depending on the price per share paid by successful applicants under the IPO. As a result, a total of 707,081 shares were issued to FIL Investment Management (Hong Kong) Limited and SmallCo Investment Manager Limited on IPO.

The Company incurred $5,324,964 of costs, net of tax, that were attributable to equity. The Company also incurred pre-IPO funding costs of $91,000 (2015: $71,000).

16. Share capital and reserves (continued)

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 entitles the holder 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) 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.

(ii) 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.

(iii) 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.

During the year, the Group undertook an IPO, and $125,000,001 cash was raised. Details of equity and net debt for the year ended 30 June 2016 and 30 June 2015 are as follows:

	2016 $000	2015 $000
Total equity	**196,176**	73,007
Cash and cash equivalents	**109,527**	43,155
Total borrowings	**(6,324)**	(30,463)
Net cash and cash equivalents	**103,203**	12,692
Capital less net cash and cash equivalents	**92,973**	60,315

17. Parent entity information

As at, and throughout the financial year ended, 30 June 2016, the parent entity of the Group was WiseTech Global Limited.

	2016 $000	2015 $000
Result of parent entity		
Net (loss)/profit for the year	(1,760)	8,362
Total comprehensive (loss)/income for the year	(1,760)	8,362
Financial position of parent entity at year end		
Current assets	97,634	27,213
Total assets	236,045	133,289
Current liabilities	12,710	10,920
Total liabilities	33,969	52,644
Net assets	202,076	80,645
Total equity of parent entity comprising:		
Share capital	165,571	44,869
Share based payment reserve	7,993	1,691
Retained earnings	28,512	34,085
Total equity	202,076	80,645

(a) Parent entity contingent liabilities

The parent entity did not have any contingent liabilities as at 30 June 2016 or 30 June 2015.

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

The parent entity had no capital commitments as at 30 June 2016 or 30 June 2015.

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

The parent entity had not entered into a deed of cross guarantee as at 30 June 2016 or 30 June 2015.

Notes to the financial statements (continued)

For the year ended 30 June 2016

18. Group information

Parent entity	Country of incorporation
WiseTech Global Limited	Australia

Subsidiaries	Country of incorporation	% Equity interest 2016	% Equity interest 2015
WiseTech Global Trading Pty Ltd	Australia	**100.0**	100.0
WiseTech Global (Australia) Pty Ltd	Australia	**100.0**	100.0
Translogix (Australia) Pty Ltd	Australia	**100.0**	100.0
Cargo Community Network Pty Limited	Australia	**100.0**	–
WiseTech Global (CA) Ltd	Canada	**100.0**	100.0
WiseTech Global (NZ) Ltd	New Zealand	**100.0**	100.0
WiseTech Global (HK) Ltd	Hong Kong	**100.0**	100.0
WiseTech (Shanghai) Information Technology Ltd	China	**100.0**	100.0
WiseTech Global (SG) Pte Ltd	Singapore	**100.0**	100.0
WiseTech Global (UK) Ltd	UK	**100.0**	100.0
WiseTech Global (US) Inc	USA	**100.0**	100.0
CargoWise GmbH	Germany	**100.0**	100.0
WiseTech Global (Pty) Ltd	South Africa	**100.0**	100.0
Core Freight Systems (Proprietary) Ltd	South Africa	**100.0**	100.0
Compu-Clearing Outsourcing Limited	South Africa	**100.0**	23.5
Compu-Clearing (Pty) Ltd	South Africa	**100.0**	23.5
Three DX Property and Investments (Pty) Ltd	South Africa	**100.0**	23.5
EDI Enterprise (Pty) Ltd	South Africa	**100.0**	23.5
Compu-Clearing Drome Property (Pty) Ltd	South Africa	**100.0**	23.5
Drome Road Share Block (Pty) Ltd	South Africa	**100.0**	23.5

19. Business combinations and acquisition of non-controlling interests

Acquisitions in FY16

During the year, the Group acquired Compu-Clearing Outsourcing Limited ("CCL") and Cargo Community Network Pty Limited ("CCN"). Key information on the acquisitions is summarised in table below:

	CCL $000	CCN $000
Property, plant and equipment	2,531	–
Intangible assets	3,009	–
Trade receivables	1,112	333
Cash and cash equivalents	1,823	839
Other assets	376	4
Trade and other payables	(1,228)	(139)
Deferred revenue	(237)	(86)
Current tax asset/(liability)	50	(106)
Deferred tax liabilities	(899)	–
Other liabilities	(49)	(4)
Fair value of net assets acquired	6,488	841
Total consideration	24,945	3,367
Goodwill	18,457	2,526
Acquisition related costs	322	66

Trade receivables acquired are stated at their fair values and the Group expects full recoverability of these acquired assets.

Compu-Clearing Outsourcing Limited

In the prior year, the Group held a 23.5% interest in CCL and this was recorded as an equity accounted investment.

On 31 July 2015, the Group entered into an arrangement with certain shareholders of CCL to acquire shares that brought the Group's holding to 51% and resulted in the Group obtaining control of CCL. Following this event, a shareholder vote in relation to a scheme of arrangement was held. The scheme was approved by the shareholders and by the Takeover Regulation Panel in South Africa, whereby the Group acquired the remaining 49% of shares outstanding of CCL on 4 September 2015. The results of CCL are consolidated from 31 July 2015, being the date the Group obtained control.

CCL is South Africa's industry leader in the provision of information technology products and services to the customs clearing, freight forwarding, air cargo and related industries.

The total consideration for CCL was $24.9m which was paid in the form of cash at a price per share of South African Rand 5.50 of which $5.6m was paid in the prior year for the acquisition of the initial 23.5% equity interest.

Date	Consideration transferred ($m)	Cumulative ownership
16 June 2015	5.6	23.5%
31 July 2015	7.1	51%
4 September 2015	12.2	100%
Total	24.9	

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

Compu-Clearing Outsourcing Limited (continued)

In the 11 months to 30 June 2016, CCL contributed revenue of $6,686,754 and net profit after tax of $412,492, including integration related accelerated depreciation charge of $268,612. If the acquisition had occurred on 1 July 2015, management estimates that consolidated revenue would have been $7,392,754 and net profit after tax for the period would have been $607,612. In determining these amounts, management assumed that the fair value adjustments that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 July 2015.

A valuation was undertaken by Deloitte Touche Tohmatsu in relation to the acquired intangible assets with respect to customer relationships, reacquired rights, trade name and intellectual property. 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 and reacquired rights by excluding any cash flows related to contributory assets.

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

The replacement cost approach was used to value intellectual property.

Property, plant and equipment is measured at fair value using the market comparison technique which considers quoted market prices for similar items when they are available.

Goodwill

The goodwill is attributable mainly to the skills and technical talent of CCL's work force and the synergies expected to be achieved from integrating the company into the Group's existing business. The goodwill is not deductible for tax purposes.

Cargo Community Network Pty Limited

On 30 April 2016, the Group acquired CCN, the exclusive distributor in Australia and New Zealand of Cargo Community Network Pte Ltd's global messaging and applications for the air cargo industry.

CCN is the leading supplier of mission critical airline messaging solutions and data integration to support activities of the Australian and New Zealand cargo operations of some of the world's leading airlines, ground handling agents and freight forwarders.

Total consideration of $3,367,452 includes contingent consideration of $1,492,452.

In the two months to 30 June 2016, CCN contributed revenue of $235,000 and net profit after tax of $40,351. If the acquisition had occurred on 1 July 2015, management estimates that consolidated revenue would have been $1,362,000 and net profit after tax for the period would have been $240,000. In determining these amounts, management has assumed that the fair value adjustments that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 July 2015.

A valuation was undertaken by management in relation to the acquired intangibles where it was determined that it consists only of goodwill.

Goodwill

The goodwill is attributable mainly to the synergies expected to be achieved from integrating the company into the Group's existing business. The goodwill is not deductible for tax purposes.

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

Acquisitions in FY15

During FY15, the Group acquired the trading assets of Shenzhen Zsoft Software Development Co. Ltd ("Zsoft") and Core Freight Systems (Proprietary) Limited ("CFS"). Key information on the acquisitions are summarised in table below:

	Zsoft $000	CFS $000
Property, plant and equipment	32	20
Intellectual property	1,235	409
Customer relationships	796	937
Deferred tax assets	–	50
Trade receivables	101	317
Cash and cash equivalents	–	204
Trade and other payables	–	(180)
Current tax liabilities	–	(47)
Deferred tax liabilities	(291)	(377)
Fair value of net assets acquired	1,873	1,333
Cash	950	5,676
Contingent consideration	5,826	–
Total consideration	6,776	5,676
Goodwill	4,903	4,343
Acquisition related costs	215	196

The trade receivables balance represents the gross contractual balance and is expected to be collectible.

Shenzhen Zsoft Software Development Co. Ltd

On 16 March 2015, the Group acquired the trading assets of Zsoft for a total consideration of $6,776,269. Zsoft is a leading freight-forwarding software provider in China and the acquisition of the assets will allow the Group to expand its presence in China.

In the period between acquisition date and the year end, Zsoft contributed revenue of $198,653 and net loss of $178,692 to the Group's results.

The Group has agreed to pay contingent consideration of $6,575,239 based on a number of milestones up until 31 December 2017, including the successful integration of customers onto CargoWise One.

A valuation was undertaken by Grant Thornton in relation to all assets acquired as part of the acquisition. In particular, the methodology used to derive the value of intellectual property and customer relationships was the income approach where forecasts of future cash flows were determined and an appropriate discount rate applied.

The goodwill is attributable mainly to the intellectual property, customer relationships and the synergies expected to be achieved from integrating the acquired business into the Group's existing business. The goodwill is not deductible for tax purposes.

Core Freight Systems (Proprietary) Ltd

On 1 June 2015, the Group acquired 100% of the shares of CFS, a South African-domiciled company, for a total consideration of $5,676,175. CFS is a leading player in the South African customs software market and allows the Group to expand its freight forwarding and clearing capabilities in South Africa.

In the period between acquisition date and the year end, CFS contributed revenue of $193,931 and net profit after tax of $29,976 to the Group's results. If the acquisition had occured on 1 July 2014, management estimates that consolidated revenue would have been $2,191,215 and net profit after tax for the year would have been $475,693.

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

Acquisitions in FY15 (continued)

The consideration of $5,676,175 was in the form of cash. The Group has further agreed to pay contingent consideration of $1,076,500 to the selling shareholders based on a number of milestones up until 1 June 2018. The consideration is conditional on continued employment of key shareholders and as such is considered post-combination services and not considered a part of the consideration transferred.

A valuation was undertaken by Deloitte Touche Tohmatsu in relation to acquired intangible assets with respect to intellectual property and customer relationships. The methodology used to derive the value of customer relationships was the multi-period excess earnings method ("MEEM") and the replacement cost approach was used to value the intellectual property. 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 replacement cost approach was used to value intellectual property.

The goodwill is attributable mainly to intellectual property, customer relationships and the synergies expected to be achieved from integrating the acquired business into the Group's existing business. The goodwill is not deductible for tax purposes.

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 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 profit or loss.

20. Employee benefits

	2016 **$000**	2015 $000
Wages and salaries	**60,488**	31,062
Share-based payment expense	**7,014**	921
Defined contribution superannuation expense	**3,395**	2,595
Total employee benefit expense	**70,897**	34,578

20. Employee benefits (continued)

Annual leave and long service leave

	2016 $000	2015 $000
Current		
Annual leave	**3,739**	2,850
Long service leave	**1,163**	980
	4,902	3,830
Non-current		
Long service leave	**699**	588
	699	588
Total annual and long service leave	**5,601**	4,418

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 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 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

As part of the IPO, the Group determined to close out and settle equity incentives in existence at the Prospectus date (and considered appropriate by the Company before it was listed). The incentive plan was modified to bring forward the vesting date to the date of IPO, accordingly the remaining value of the schemes were accelerated and expensed to profit or loss. This was completed through issuing of share rights and cash payments (with the ability for employees to reinvest in shares on IPO). The cost of this accelerated close-out amounted to $4,447,935 which was in addition to $2,421,850 that was expensed to profit or loss prior to the modification.

The Company modified the legacy 'uncapped' sales commission plan from a cash settled plan to an equity settled arrangement. The share rights were issued at the time of the IPO and are not subject to performance or employment hurdles or conditions and will not lapse if the holder's employment with the Group terminates. An expense of $4,825,910 relating to the value of the equity issued and associated taxes of $1,363,275 were recognised in the Consolidated statement of profit or loss.

Total share-based payment related transaction costs of $13,058,970 consisted of non-cash share-based payment expense of $7,013,884 and cash settled expenses of $6,045,086 which is included within wages and salaries above.

21. Key management personnel transactions

Key management personnel ("KMP") are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, and include the Directors, executive and non-executive, and certain other senior executives.

KMP compensation

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

	2016 $000	2015 $000
Short-term employee benefits	**2,837**	2,129
Post-employment benefits	**181**	258
Other long-term benefits	**147**	41
Share-based payments	**1,382**	219
Total KMP compensation	**4,547**	2,647

Short-term employee benefits

These amounts include fees and benefits paid to executive Directors and KMPs as well as salary, fringe benefits and cash bonuses awarded to the non-executive Chairperson 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. As part of the IPO, the share-based payment schemes were closed out on or about completion of the IPO. This removed the vesting conditions and accordingly, the remaining cost was expensed to profit or loss.

Loans to KMP

An unsecured loan to key management personnel was issued during the year ended 30 June 2016 for $108,333. The loan must be repaid in full at the earlier of 31 December 2016 or if employment with the Group ceases.

KMP transactions

Directors of the Company controlled 67.72% (2015: 79.58%) of the voting shares of the Company as at 30 June 2016. 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. A number 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.

21. Key management personnel transactions (continued)

KMP transactions (continued)

The aggregate value of transactions and outstanding balances related to KMP and entities over which they have control or significant influence were as follows:

Director	Transactions	Transaction values for the year ended 30 June 2016 $000	2015 $000	Balance outstanding as at 30 June 2016 $000	2015 $000
R White & M Isaacs	Company apartment rent [1]	**136**	151	**–**	–
R White & M Isaacs	US office costs [2]	**620**	336	**–**	499
R White & M Isaacs	Professional service fee	**–**	44	**–**	–
R White & M Isaacs	Data centre costs [2]	**533**	–	**533**	–
R White & M Isaacs	Office services agreement	**18**	–	**–**	–
R White & M Isaacs	Sale of plant and equipment	**–**	15	**–**	–
R White & M Isaacs	Interest on loan	**–**	15	**–**	–

1 The Group entered into various apartment leases with RealWise Holdings Pty Ltd, a company controlled by R White and M Isaacs. Amounts were billed based on normal market rates for such leases and were due and payable under normal payment terms.

2 The US office and data centre is in a building owned by Realwise Investments LLC, a company controlled by R White & M Isaacs. These arrangements were agreed on normal market rates.

22. Auditor's remuneration

	2016 $	2015 $
Audit and assurance related services		
KPMG Australia		
Audit and review of the financial reports	**397,000**	213,500
Audit and assurance related services		
KPMG overseas		
Audit of statutory financial reports (KPMG overseas)	**94,000**	109,128
Due diligence services (KPMG overseas)	**33,395**	87,831
Total audit and assurance services KPMG overseas	**127,395**	196,959
Total audit and assurance services	**524,395**	410,459
Other services:		
KPMG Australia		
IPO due diligence services	**2,050,000**	–
Other assurance and taxation services	**302,915**	199,474
Total other services KPMG Australia	**2,352,915**	199,474
Total other services	**2,352,915**	199,474
Total auditor's remuneration	**2,877,310**	609,933

Notes to the financial statements (continued)

For the year ended 30 June 2016

23. Reconciliation of net cash flows from operating activities

	2016 $000	2015 $000
Profit after income tax	**2,167**	10,157
Non-cash items:		
Depreciation	**4,528**	2,288
Amortisation	**6,666**	4,450
Doubtful debt expense	**83**	338
Net finance costs/(income)	**1,187**	526
Unrealised foreign exchange	**44**	–
Share-based payment expense	**7,014**	921
Gift shares	**405**	–
Share of profit from equity accounted investees, net of tax	**–**	(13)
Unwinding of contingent consideration	**514**	146
Option premium	**(1,544)**	–
Exchange differences on cash balances	**4**	–
Change in assets and liabilities:		
Increase in trade receivables	**(2,824)**	(3,242)
Increase in other current and non-current assets	**(2,038)**	(1,325)
Increase in trade and other payables	**1,757**	2,997
Increase/(decrease) in current tax liabilities	**611**	(934)
(Decrease)/increase in deferred tax payable	**(2,400)**	3,447
Increase/(decrease) in other liabilities	**1,240**	(53)
Increase in deferred revenue	**2,489**	338
Increase in provisions	**1,179**	1,287
Net cash flow from operating activities	**21,082**	21,328

24. 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	2016 $000	2015 $000
Recurring revenue	**101,213**	67,330
Non-recurring revenue	**1,596**	2,673
Total revenue	**102,809**	70,003
Segment profit before tax	**3,452**	14,599

In general, a large amount of revenue is generated by customers that are global, from transactions that cross multiple countries and where the source of revenue can be unrelated to the location of the users using the software. Accordingly, the Group is managed as a single segment. The amounts for revenue by region in the following table are based on the invoicing location of the customer.

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

24. Segment information (continued)

Geographic information

Revenue generated by location of customer (billing address):

	2016 $000	2015 $000
Asia Pacific	**44,127**	37,438
Americas	**33,262**	20,937
Europe, Middle East and Africa ("EMEA")	**25,420**	11,628
Total revenue	**102,809**	70,003

Non-current assets by geographic location:

	2016 $000	2015 $000
Asia Pacific	**88,522**	69,674
Americas	**1,711**	3,023
EMEA	**28,502**	14,050
Total	**118,735**	86,747

25. 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.

25. Financial instruments (continued)

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 values of the Level 3 contingent consideration is shown below:

	2016		2015	
	Fair value $000	Carrying amount $000	Fair value $000	Carrying amount $000
Contingent consideration	**6,203**	**5,561**	5,143	4,487

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

2015	**$000**
Opening balance	–
Foreign exchange differences	–
Additions/accruals	4,487
Cash paid	–
Closing balance	**4,487**
2016	**$000**
Opening balance	**4,487**
Foreign exchange differences	**(9)**
Additions/accruals	**2,355**
Cash paid	**(1,272)**
Closing balance	**5,561**

The Group has contingent consideration measured at fair value at 30 June 2016 and 30 June 2015 in relation to contingent consideration arising out of the acquisition of Zsoft, CFS and CCN. 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 up to FY18 in relation to Zsoft and CFS and has been discounted accordingly based on a number of milestones including the successful integration of customers into CargoWise One. The contingent consideration in relation to CCN is expected to be settled in the year ending 30 June 2017.

There is also an unexpensed portion of contingent consideration in relation to CFS of $326,441 which represents the remaining amount of contingent consideration that will be expensed up until 1 June 2018.

The fair value of the Softship AG ("Softship") equity securities are a Level 2 measurement of fair value based on quoted prices of the security which is listed on the Frankfurt Stock Exchange.

25. Financial instruments (continued)

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.

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 10 for further details.

Cash and cash equivalents

The Group held cash and cash equivalents of $109,526,858 at 30 June 2016 (2015: $43,154,717). The cash and cash equivalents are held with credit-worthy bank and financial institution counterparties.

25. 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		
	Carrying amount	Total	Less than 1 year	1 - 5 years
2016	$000	$000	$000	$000
Financial liabilities				
Contingent consideration	5,561	(6,203)	(3,997)	(2,206)
Finance lease liabilities	6,324	(6,716)	(3,970)	(2,746)
Trade payables	119	(119)	(119)	–
Other payables	8,565	(8,565)	(8,565)	–
Total	20,569	(21,603)	(16,651)	(4,952)

		Contractual cash flow		
	Carrying amount	Total	Less than 1 year	1 - 5 years
2015	$000	$000	$000	$000
Financial liabilities				
Bank overdrafts	50	(50)	(50)	–
Bank loan	24,000	(26,916)	(972)	(25,944)
Contingent consideration	4,487	(5,143)	(1,577)	(3,566)
Finance lease liabilities	6,675	(7,309)	(4,089)	(3,220)
Trade payables	1,323	(1,323)	(1,323)	–
Other payables	4,383	(4,383)	(4,383)	–
Total	40,918	(45,124)	(12,394)	(32,730)

Bank loan

On 21 April 2016, the Group extended its facility agreement with Westpac Banking Corporation for a further 18 months and increased its overall facility lines to:

- Tranche A $10,000,000 (2015: $15,000,000): revolving multi-option facility for general corporate purposes expiring in September 2019
- Tranche B $45,000,000 (2015: $30,000,000): revolving acquisition facility to fund permitted acquisitions expiring in September 2019.

As at 30 June 2016, no drawdown on the facility had been made. As at 30 June 2015, $24,000,000 was drawn under Tranche B to finance strategic acquisitions. This amount has subsequently been repaid.

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

25. Financial instruments (continued)

Financial risk management objectives and policies (continued)

Finance costs are broken down as follows:

	2016 $000	2015 $000
Interest expense	**838**	368
Interest on finance lease liabilities	**480**	339
Option premium	**633**	–
Other	**491**	145
Total	**2,442**	852

(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 US dollar, pound sterling, South African Rand and Euro against the Australian dollar at 30 June 2016 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 2016 $000	30 June 2015 $000	Change (+10%) $000	Change (-10%) $000	Change (+10%) $000	Change (-10%) $000
USD						
Derivatives	**–**	–	–	–	1,162	–
Net trade receivables/(payables) exposure	**2,745**	2,919	(112)	305	–	–
GBP						
Net trade receivables/(payables) exposure	**214**	164	(19)	24	–	–
ZAR						
Net trade receivables/(payables) exposure	**369**	–	(34)	41	–	–
EUR						
Net trade receivables/(payables) exposure	**763**	519	(69)	85	–	–

25. Financial instruments (continued)

Financial risk management objectives and policies (continued)

The Company enters into derivative financial instruments to hedge its foreign currency risk exposures. Derivatives are recognised initially at fair value. Subsequent to initial recognition, derivatives are measured at fair value. Ineffective changes in the fair value of any derivative are recognised immediately in profit or loss.

Ineffectiveness during the year was nil (FY15: nil) and is deemed to be a Level 2 measurement of fair value.

The Group has entered into USD options to protect the Company's USD currency exposure in FY16 and FY17. The foreign currency option contracts protect approximately 60% of forecast revenue exposure which equates to approximately 90% of the net exposure to fluctuations in the USD exchange rate in FY16 and FY17.

The following table indicates the periods in which the cash flows associated with cash flow hedges are expected to occur and the carrying amounts of the related hedging instruments:

Asset	Carrying amount $000	Financial asset $000	Financial liability $000	Less than 1 year $000	Greater than 1 year $000
USD options	933	933	–	933	–

Interest rate risk

The Group's facility agreement enables it to borrow at floating rates of interest and hold cash that earns interest at floating rates. Consequently, the Group's cash flows are exposed to the impact of adverse changes in benchmark interest rates.

Exposure to interest rate risk

The Group is exposed to variable interest rate risks at the reporting date on the interest bearing financial assets (i.e. cash and short-term deposits) of $109,526,858 (FY15: $43,154,717) and interest bearing financial liabilities (i.e. borrowings) of $nil (FY15: $24,000,000).

Cash flow sensitivity analysis for variable interest rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased or decreased profit after tax by $770,000 (2015: $131,439). This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

Equity price risk

The Group is exposed to equity price risk which arises from the available-for-sale equity securities in relation to the Group's investment in Softship, a German-domiciled entity which is listed on the Frankfurt Stock Exchange. Softship is a provider of software solutions to the international liner shipping industry and the value of the Group's investment at reporting date was $4,302,584 which represents a 19.99% (2015:18.07%) shareholding. These equity securities are designated as available-for-sale financial assets with movements recorded through the fair value reserve within equity.

	2016 $000	2015 $000
Equity securities - available for sale	**4,303**	2,018
Total	**4,303**	2,018

An increase/decrease of 10% in the value of equity securities would have an effect of increasing/decreasing in the value by $430,258 (FY15: $201,773) respectively.

During July 2016, the Group increased its strategic investment in Softship from 19.99% to 50.01%. While the Company has made no offer, nor has the Company entered into any agreement with respect to the full acquisition of Softship, the 50.01% investment provides the Company with financial control and financial consolidation.

26. 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 Group's 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.

	2016			2015		
	Minimum payments $000	Interest $000	Present value of payments $000	Minimum payments $000	Interest $000	Present value of payments $000
Within one year	3,972	313	3,659	4,031	280	3,751
After one year but not more than five years	2,744	79	2,665	3,144	220	2,924
Total	6,716	392	6,324	7,175	500	6,675

Finance leases for computer equipment are for a period of three years. The leases are non-cancellable but do not contain any further restrictions.

Operating lease commitments - Group as lessee

	2016 $000	2015 $000
Non-cancellable operating leases contracted for but not recognised in the financial statements		
Within one year	3,373	1,770
After one year but not more than five years	13,332	1,307
More than five years	3,098	–
Total	19,803	3,077

The operating leases are for the Group's premises and computer equipment for periods of one to seven years.

The finance and operating lease expenses charged to profit or loss for FY16 were $2,842,265 (2015: $3,308,048).

Capital commitments

The Group has the following capital commitments:

	2016 $000
Leasehold improvements	1,265
Total	1,265

27. 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.

Inter-company 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

Transaction 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 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.

27. Other disclosures (continued)

(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 4 and 7. Critical judgements relate to intangible assets which are disclosed in note 7.

(e) 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.

27. Other disclosures (continued)

(f) 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 2016 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 (2013), AASB 9 Financial Instruments (2010) and AASB 9 Financial Instruments (2009) (together "AASB 9")

AASB 9 (2009) introduces new requirements for the classification and measurement of financial assets. Under AASB 9 (2009), financial assets are classified and measured based on the business model in which they are held and the characteristics of their contractual cash flows. AASB 9 (2010) introduces additional changes relating to financial liabilities. The IASB currently has an active project to make limited amendments to the classification and measurement requirements of AASB 9 and add new requirements to address the impairment of financial assets.

The Group intends to early adopt AASB 9 with effect from 1 July 2016. The Group has performed an initial assessment of the impact to the financial statements where the impact would reduce finance costs and reduce other comprehensive income by $633,300. Under AASB 9, the time value of money associated with options designated in a hedge relationship is able to be deferred in cash flow hedge reserve instead of being charged to profit or loss.

(ii) AASB 15 Revenue from Contracts with Customers

AASB 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces existing revenue recognition guidance, including AASB 118 Revenue, AASB 111 Construction Contracts and IFRIC 13 Customer Loyalty Programmes. The IASB has agreed to defer the mandatory application of IFRS 15 Revenue from contracts with customers to years beginning on or after 1 January 2018. The Australian Accounting Standards Board is yet to confirm this deferral. The Group is yet to undertake a detailed assessment on the potential impact on its consolidated financial statements resulting from the application of AASB 15.

(iii) AASB 16 Leases

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. Lessor accounting remains similar to current practice - lessors continue to classify leases as finance and operating leases. The standard will be effective beginning on or after 1 January 2019.

The Group is yet to undertake a detailed assessment on the potential impact on its consolidated financial statements resulting from the application of AASB 16.

(g) Events after reporting period

During July 2016, the Group increased its strategic investment in Softship from 19.99% to 50.01%. While the Company has made no offer, nor has the Company entered into any agreement with respect to the full acquisition of Softship, our 50.01% investment provides the Company with financial control and financial consolidation.

The consolidated net assets of Softship on the date of control were $5.84m and cumulative consideration paid for the 50.01% of shares acquired by the Group was $9.21m. Softship has a financial year ending 31 December and the parent entity reported revenue and net profit after tax of $9.8m and $0.8m respectively for the year ended 31 December 2015.

German domiciled and listed, Softship is a leading provider of logistics software solutions to the global sea-freight industry with a significant European customer base.

(h) Contingent assets and contingent liabilities

There were no contingent assets or liabilities that have been incurred by the Group in relation to FY16 or FY15.

Directors’ declaration

(1) In the opinion of the Directors of WiseTech Global Limited (“the Company”):

(a) the consolidated financial statements and notes that are contained on pages 41 to 80 and the Remuneration Report set out on pages 26 to 33, are in accordance with the Corporations Act 2001, including:

(i) giving a true and fair view of the Group’s financial position as at 30 June 2016 and of its performance, for the financial year ended on that date; and

(ii) complying with Australian Accounting Standards and the Corporations Regulations 2001; and

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

(2) 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 2016.

(3) 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:

Charles Gibbon
Independent Chairman and Non-Executive Director

28 September 2016

Richard White
Executive Director and CEO

28 September 2016

KPMG

Independent auditor's report to the members of WiseTech Global Limited

Report on the financial report

We have audited the accompanying financial report of WiseTech Global Limited (the "Company"), which comprises the consolidated statement of financial position as at 30 June 2016, and 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 ended on that date, notes 1 to 27 comprising a summary of significant accounting policies and other explanatory information and the Directors' declaration of the Group comprising the Company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement whether due to fraud or error. In note 2, the Directors also state, in accordance with Australian Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements of the Group comply with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

We performed the procedures to assess whether in all material respects the financial report presents fairly, in accordance with the *Corporations Act 2001* and Australian Accounting Standards, a true and fair view which is consistent with our understanding of the Group's financial position and of its performance.

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

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001.*

Auditor's opinion

In our opinion:

(a) the financial report of the Group is in accordance with the *Corporations Act 2001*, including:

  (i) giving a true and fair view of the Group's financial position as at 30 June 2016 and of its performance for the year ended on that date; and

  (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

(b) the financial report also complies with International Financial Reporting Standards as disclosed in note 2.

Report on the Remuneration Report

We have audited the Remuneration Report included in the Directors' Report for the year ended 30 June 2016. The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with Section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with auditing standards.

Auditor's opinion

In our opinion, the Remuneration Report of WiseTech Global Limited for the year ended 30 June 2016, complies with Section 300A of the *Corporations Act 2001*.

KPMG

KPMG

Caoimhe Toouli

Caoimhe Toouli
Partner

Sydney

28 September 2016

Shareholder information

WiseTech Global Limited ordinary shares

WiseTech Global Limited ordinary shares are quoted 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 2016 unless stated otherwise.

Distribution of shareholdings

Number of shares held	Number of holders	Number of shares	% of issued capital
100,001 and over	59	273,719,912	94.18
10,001 to 100,000	318	8,438,976	2.90
5,001 to 10,000	429	3,222,335	1.11
1,001 to 5,000	1,635	4,348,348	1.50
1 to 1,000	1,684	899,026	0.31
Total	**4,125**	**290,628,597**	**100.00**

There were no investors holding less than a marketable parcel of 96 shares (based on a share price of $5.25).

Largest 20 shareholders

	Name	Number of shares	% of issued capital
1	RealWise Holdings Pty Ltd	142,557,470	49.05
2	J P Morgan Nominees Australia Limited	23,881,991	8.22
3	Fabemu No 2 Pty Ltd ABN 67 003 954 070	20,698,297	7.12
4	Richard John White	17,408,602	5.99
5	HSBC Custody Nominees (Australia) Limited	11,222,621	3.86
6	MSG Holdings Pty Ltd	9,613,665	3.31
7	Merrill Lynch (Australia) Nominees Pty Limited	7,101,363	2.44
8	National Nominees Limited	7,067,307	2.43
9	Michael John Gregg & Suzanne Jane Gregg	6,509,523	2.24
10	Citicorp Nominees Pty Limited	4,591,159	1.58
11	Mr William Leigh Porter	2,450,000	0.84
12	Mycroft Investments Pty Ltd	2,100,000	0.72
13	Leon Haddon Ball	1,914,854	0.66
14	Jacaranda Asset Management Pty	1,467,513	0.50
15	BNP Paribas Noms Pty Ltd	1,206,481	0.42
16	HSBC Custody Nominees (Australia) Limited - A/C 2	926,373	0.32
17	Trinity Management Pty Ltd	836,779	0.29
18	Australian Foundation Investment Company Limited	746,269	0.26
19	Zara Assets Pty Ltd	700,000	0.24
20	Peter Joseph Willis	693,563	0.24
	Total	**263,693,830**	**90.73**

Substantial shareholders

Name	Number of shares	% of voting power	Date of latest notice
Richard White and RealWise Holdings Pty Ltd	159,966,072	55.04	14 April 2016
FIL Limited	27,915,110	9.61	22 June 2016
Fabemu No 2 Pty Ltd	20,698,297	7.12	14 April 2016
Michael Gregg, Suzanne Gregg and MSG Holdings Pty Ltd	16,123,188	5.55	14 April 2016

On 25 August 2016, WiseTech Global Limited disclosed a technical ‘relevant interest’ in 197,428,000 of its shares or 67.93% of the total voting power as a result of escrow arrangements disclosed in the Company’s Prospectus dated 17 March 2016. However, WiseTech Global Limited has no rights to acquire those shares and no rights to control the voting of those shares.

Shares subject to voluntary escrow

Number of shares	Date period of escrow ends
320,251	Release of the Company’s financial results for the period ending 31 December 2016
196,787,557	Release of the Company’s financial results for the period ending 30 June 2017
320,192	Release of the Company’s financial results for the period ending 31 December 2017

Unlisted securities

There were a total of 2,385,628 Share Rights on issue, held by 26 individual holders. Share Rights have no voting rights.

On-market buy-back

There is no current on-market buy-back.

Glossary

Term	Meaning
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)
ASX	Australian Securities Exchange
CAGR	Compound annual growth rate
CargoWise One	Our flagship software application suite which comprises our current generation software product known as CargoWise One, and our software it was developed from, ediEnterprise, which is still in use by some customers
CCL	Compu-Clearing Outsourcing Limited, a leading South African software vendor which we acquired in full on 31 July 2015
CCN	Cargo Community Network Pty Ltd, an Australian and New Zealand air messaging distributor on business we acquired on 30 April 2016
CFS	Core Freight Systems (Proprietary) Limited, a South African customs clearance software vendor which we aquired in June 2015
Company	WiseTech Global Limited
EBIT	Earnings before interest and tax
EBITDA	Earnings before interest, tax, depreciation and amortisation
FYXX	Financial year ended/ending 30 June 20XX
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 knowledge of software programming
IPO	Initial public offering Shares in the Company completed on 14 April 2016
MUL	Module user licence
NPAT	Net profit after tax
On-Demand	On-demand licensing includes MUL and STL
OTL	One-time licence
PAVE	'Productivity, Acceleration & Visualisation Engine' is an innovative workflow management tool
Prospectus	The prospectus dated 17 March 2016 issued as part of the IPO
Recurring revenue	Recurring revenue is the sum of revenue categorised as On-Demand revenue and OTL maintenance revenue which is categorised in our statutory financial statements as recurring monthly and recurring annual software usage revenue
Softship	Softship AG, a German-domiciled provider of logistics software solutions to the global sea-freight industry
STL	Seat plus Transaction licence
Total R&D costs	The total amount spent on development of our software platform. This amount is the sum of product design and development expenses, less depreciation and amortisation included in this expense category, plus capitalised development expenditure and software licences
WARP	Wise Agent Referral Program – a referral program which enables and encourages our customers to refer other logistics service providers to us as potential customers
Zsoft	Shenzhen Zsoft Software Development Co. Ltd, a company from which we acquired the trading assets on 16 March 2015

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
Sydney NSW 2000

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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Company Secretary

Email: company.secretary@wisetechglobal.com

Telephone: +61 (0)2 8001 2200

Auditor

KPMG

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