

22 November 2016

AGM Chair and CEO addresses

Chairman's address

It is now 10 years since I joined the Board. At that time, I was one of only six shareholders. Four of those six shareholders are on the stage today: the founders Richard and Maree and directors Mike and myself, and we've seen the company come a long way.

Today, WiseTech executes more than 34 billion data transactions each year, for over 6,000 of the world's logistics corporations, across 125 countries worldwide. It is now a listed company with shareholders in 20 countries and a market capitalisation of \$1.6 billion.

Back then, in 2006, WiseTech's revenues were a healthy \$13m. But by 2016, revenues were a record \$103m representing a compound annual growth rate of 23% over each of those ten years. More importantly, our revenue growth has been accelerating in recent years and, in 2016, our pro-forma revenue grew by 30% compared to the prior year. Our pro-forma EBITDA and Net Profit After Tax rose 44% and 37%, respectively, and we expect high growth to continue. While our revenue and earnings outcomes for 2016 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 for CargoWise One customers.

These metrics show that we have been very successful at growing high quality revenue and keeping our customers while adding more. Which in turn provides high predictability of revenue and allows us to focus on profitable future growth through our 5 levers strategy with unusual confidence.

Innovation

We have a long track record of innovating continuously and successfully and our people build global solutions with deep functionality and productivity. For those less familiar, our flagship product, CargoWise One, is an integrated, global platform that enables logistics companies to execute complex transactions and manage their operations across many

users, countries, languages and currencies. CargoWise One, is the result of over 2.8 million hours of development and WiseTech is relentless about rapidly expanding the platform deeper and wider, to build out the technology lead.

This dedication to a high rate of innovation is reflected in significant product development investment of 37% of revenue in 2016 and, unusually for a software company, allows us to hold our sales and marketing costs to an efficient 15% of revenue. Prioritising high quality product and innovation underpins our long term growth and profitability and, as such, goes to the heart of what makes WiseTech Global a special and valuable company.

Our people

Yet despite being truly global in focus and nature, we are a proudly home-grown technology company. Our innovation centre is headquartered in Sydney, our listing is on the ASX and our earnings are taxed in Australia. We have employees in many locations around the world, including China, New Zealand, Singapore, South Africa, the United Kingdom and the United States and we have a diverse mix of extraordinary people drawn from many countries, across a wide range of ages, backgrounds and skills.

It is important to acknowledge that we attained a leading position in the global logistics execution software industry through sustained commitment to product development and productivity enhancement undertaken by these exceptionally talented people across the globe. The 2016 result is recognition of that. I would like to take this opportunity, therefore, to acknowledge the contribution of each and every one of our 525 employees, and to thank them for their commitment, expertise and passion.

ASX Listing

Our listing on the ASX in April is one part of a momentous year for WiseTech. In addition to the capital raised to accelerate our future growth, which we intend to use wisely, we have benefited from the increased brand profile, transparency and trust that arises from being a listed company. Across financial and commercial markets worldwide we have seen better understanding about who we are, the strength of our business and our growth strategy. This strong support from customers, key industry relationships and shareholders alike, is an asset on which we, quite rightly, place great value.

Our Board

Operating as a listed company increases the governance responsibilities of the Board. Consequently, we were delighted to have Andrew Harrison join the Board in July last year.

Andrew brings considerable public company and finance experience to the Board and he is the Chair of the Audit and Risk Management Committee.

We pay close attention to governance and compliance matters and we have trained our staff in listed company responsibilities and we are committed in our engagement with stakeholders. As a Board we are constantly seeking to improve shareholder communication and we hope that you will take the opportunity today to engage with us and ask any questions that you may have.

Dividends

Before I conclude my opening remarks, I would like to say a few words about dividends. It sometimes comes as a surprise to investors in the Software-as-a-Service space that a high-growth innovator like WiseTech has been profitable and dividend paying for many years. Yet that is the case.

Going forward, our current policy is to target a dividend payout of ratio of up to 20% of our statutory Net Profit after Tax. We expect to declare our first dividend as a listed company at our 2017 interim results and we currently expect our interim dividend will be fully franked. We plan to announce these results on 22 February and that dividend will likely be paid in April.

In addition, the Board has decided to offer a Dividend Reinvestment Plan which will enable eligible shareholders in Australia and New Zealand to re-invest their dividends in shares. Further details on the reinvestment plan, and how to participate, will be provided to shareholders in the new year.

Thank you

On behalf of the Board, I would like to thank our CEO for his inspiration and vision. Building a truly global technology business in the complex world of logistics from a garage start is no small achievement. It's been a privilege to have worked alongside Richard and the WiseTech teams over the past ten years and I look forward to continued growth and success in the future.

Together with my fellow Directors I would also like to thank all our Shareholders, both old and new, for your support and the trust you place in us. I can assure you we will continue to do our very best.

I'll now hand over to Richard to outline our growth strategy and provide an update on the progress of the business.

CEO address

Good morning everyone, and thank you for joining us today. It's been a momentous year for all of us at WiseTech Global. Our listing on the ASX was just one of the major milestones that we've achieved. We have continued to advance our technology, product and markets in ways that others may have thought impossible, all the while delivering high quality financial results.

Financial highlights

In FY16, the business delivered strong, high quality growth, with revenues exceeding our prospectus forecasts, while continuing to expand our global footprint and improving operating leverage.

We are pleased to see our business continuing to gain traction with statutory revenue growth of 47% year on year to \$103M, and importantly recurring revenue is now 98% of the total, and 83% of all revenue was derived from usage based, or what we call "on-demand", licensing. We continue to enjoy extremely low customer attrition, running at less than 1% as it has for the last 4 years. Our customers stay, and grow transactions and users, due to the power, depth and productivity of CargoWise One.

In FY16 we committed 37% of revenue to innovation and development and we are on track to spend \$165M in the period FY13-FY17 on a pro forma basis. Investing deeply, and innovating continuously over the very long term, makes our product much easier to sell and makes our sales and marketing efforts highly efficient, accounting for just 15% of revenue and 13% of our people.

Our strong revenue growth and efficient business model drove a 44% growth in EBITDA this year to \$31.5M.

Strategy – five levers of growth

More important than these strong performance numbers is the resolute and continued execution of our five levers of growth. As the CEO of a business with 98% recurring revenue, practically no attrition and an efficient business model, I focus almost entirely on future growth. Each of these levers help drive customer growth, build long term revenue, and accelerate global expansion. So, I want to explain each of these powerful levers to you so you can understand our growth engine.

1. Innovation and the expansion of our global platform
2. Greater usage by EXISTING customers
3. Increasing NEW customers on the platform
4. Stimulating network effects
5. Acceleration of organic growth through targeted acquisitions

Growth lever 1: Innovation and the expansion of our global platform

We apply the majority of our effort toward product leadership as we see it as the true catalyst for all our growth. 51% of our staff work on product development (with a further 18% involved in delivering the platform to our customers). Our product suite is expanding at an increased pace as our investment rises and our productivity delivers more from our teams.

We've spoken previously about two of our larger development projects, PAVE (Productivity, Acceleration and Visualisation Engine) and GLOW (a development architecture that streamlines coding resources), both of which have 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 significant pipeline further.

In our 2016 Annual Report we also provided an overview of the broad areas of technology we are investing in. Today to give you a flavour of the breadth of our innovation pipeline, I'll touch on a few logistics specific developments.

Universal Customs Engine

The depth of our cross-border expertise and geographic reach means we have moved beyond grappling with local markets piece-meal and now have the capability to build a Universal Customs Engine that will cull development timelines for resource intensive whole-of-country customs solutions. When fully developed, it will deliver complex, major multi-year customs localisation projects in a fraction of the time. This is particularly relevant as we enter many new geographic regions for customs clearance. The work we are doing now will, in future, rapidly increase our capacity to build out customs modules in new regions and accelerate integration of our acquisitions.

Address Cleansing, Validation and Geocoding

To eliminate industry pain points around international addressing and participant identification, we have integrated address validation and geocoding with our own proprietary algorithms and data sources into CargoWise One. This allows cleansing, correction and validation of addresses so they can be the base for many functional improvements — such as local pickup and delivery and participant identification and deduplication. This will help customers significantly reduce incorrect data entry, duplicate master data, futile trips and customs holds and penalties.

VolCam

Our VolCam innovation utilises AI (artificial intelligence), computer vision and related technologies to be able to rapidly and correctly dimension and weigh from small packages, up to full pallets. Currently this is a labour intensive activity that is often neglected due to

cost and time. To correctly measure a pallet for weight and size, a freight shed may take many minutes to do what our VolCam can do more accurately and in mere seconds. This technology can prevent revenue leakage for many logistics providers including warehousing, trucking and freight consolidators. Our prototype for small parcels, suitable for the world's express couriers and postal services, is currently undergoing proof of concept testing.

There's been a lot of debate in Australia this year about the wide divide between research and commercialisation. Within WiseTech there is no such divide, as we are a true innovator with an in-built research function bringing together decades of deep domain knowledge and technical skills that plug directly into our development. Innovation is delivered rapidly to our global platform and is made available, on-demand, to our extensive customer base around the world. In FY16, we added 670 product upgrades to our CargoWise One platform and every dollar and every development hour we invest extends our product further.

Growth lever 2: Greater usage by existing customers

For some companies, greater usage is a minor contribution. For us it is a central driver of revenue growth and market penetration. Usage by our existing customers across transactions, modules and geographies saw growth in revenue from that channel double in FY16.

You can see from the cohorts over the last decade our customers expand their on-demand usage over time. Customers come onto the platform and grow for years and years.

Every customer cohort since recording began grew revenue last year, because: -

- Customers can increase transactions or user counts as they become more successful
- Customers can expand into other modules, as Yusen did this year, when they decided to move thousands of sea-freight personnel onto CargoWise One having already utilised it for their airfreight operating platform
- Customers can open up in new locations and new geographies without complex licence management, capital payments or local installation headaches
- Customers can use our platform as a consolidation tool, growing by acquiring a competitor and consolidating the new business. For example, DSV, who recently acquired a major competitor UTi, on-boarded thousands of new staff in many countries onto their existing CargoWise One platform.
- Growth within our global customers was significant, contributing 64% of our revenue growth.
- We continued our global rollouts with global customers such as JAS, Yusen and DSV and in March we secured DHL Global Forwarding, the world's largest forwarder, for a global rollout over 4.5 years which is now in pilot and progressing well.

Growth lever 3: increasing new customers on the platform

We are driving strong new customer growth, attracting customers off aging legacy platforms and weak local systems. New customers can on-board swiftly and benefit rapidly from the productivity gains and business improvements our system can enable. Our on-demand commercial model encourages customers of all sizes to migrate from legacy systems and roll out rapidly. This creates efficient global uptake of our product and drives transactional revenue growth. Our partnerships with the world's largest logistics companies serve as proof of our ability, technology and functionality.

In FY16, we increased new customers on our platform, growing that source of revenue by 42%, reflecting large contract wins with Hitachi, XPO and CEVA, growth in North America from our ACE implementation (ACE stands for Automated Customs Environment a US customs requirement) and continued growth in the 100-500 users mid-market.

Growth lever 4: Stimulating network effects

We understand and actively stimulate natural network effects found in international logistics. We build on our strong customer concentration across high GDP trade routes, by supporting our sales activity with effective network programmes such as our Wise Agent Referral Program (WARP), CargoWise Certification Program and by signing an additional 19 multi-national freight forwarding networks, taking our total to 31 in FY16.

Growth lever 5: Acceleration of organic growth through targeted acquisitions

To accelerate our organic growth, we make small, targeted, valuable acquisitions across new geographies and adjacencies. Because entering complex new countries organically can be slow, costly and risky, we buy into established market positions, then we integrate the acquired businesses and drive additional value into our platform

We have a very strong balance sheet and we have built a pipeline of considerable near term, mid-term and long-term opportunities in our target areas of Asia, Europe ex-UK and South America, which we will announce to market as each is executed.

Our stated strategy is to acquire:

- in new geographies;
- strongly entrenched dominant providers (preferably in the top 3);
- in countries with complex compliance requirements (particularly customs);
- in major markets with larger 3PL customers to allow us to drive network effect; and
- in new, complex, adjacent competencies, in order to acquire specialist market knowledge and key customers.

Our more recent acquisitions have been in China, Australia, Germany and in South Africa.

Let me explain how acquisitions work for WiseTech Global as our approach is very different, comprehensive and value creating. Initially we integrate the acquisition by migrating all operations, processes, commercial standards and cultural elements, and take management control. Then we redevelop the acquired local product capability into our global platform and then drive revenue growth and customer acquisition over the next three years in four key areas:

1. Our existing global customers can immediately access the new product capabilities effortlessly and on demand
2. We convert the acquired customer base to the enhanced integrated product
3. Once converted, customers can expand their usage across the platform
4. These converted customers are often part of multinationals who can also experience CargoWise One and chose to rollout in new regions and globally.

Therefore, these small foothold acquisitions drive valuable, longer-term organic revenue across the business.

Industry dynamics

Clearly we are in a strong position from which to ramp up our strategic initiatives and we are very clear on which levers to pull to drive growth.

Our industry is highly competitive but the biggest headwind is that our target customers, third party logistics service providers, more than almost any other vertical, have a low propensity to move away from legacy systems. Many very large players are using systems that originated pre-internet and pre-cloud. Our biggest competitor therefore is “inertia”.

Logistics accounts for around 12%¹ of global GDP and revenue within that attributed to third party logistics makes up over 8%. It’s a large and growing market but the dynamics of the industry create significant pain points for these logistics providers. Increasing regulatory burdens and costs, increasing business complexity, savage competition, exponential growth in transaction volumes, high levels of fragmentation, razor thin margins and capital constraints, to name just a few, are all pain-points that increasingly push logistics providers out of their limited legacy systems and drive them inexorably towards CargoWise One.

The last year, in particular, has seen the industry moving out of in-house proprietary systems more and more to cloud-based, SaaS, commercial integrated execution platforms – such as CargoWise One. The recent difficult experiences of the world’s largest logistics companies in trying to build their own global freight forwarding systems have served as cautionary tales to those on legacy platforms considering in-house builds. For these,

¹ Armstrong and Associates, 2015 GDP Global logistics costs and 3PL Revenues <http://www.3plogistics.com/3pl-market-info-resources/3pl-market-information/global-3pl-market-size-estimates/>

CargoWise One is now a commercially proven global solution, reinforced yet again, by DSV's record-breaking onboarding of UTi's staff and global operations in around 7 months using CargoWise One as its integration tool.

For others, the spectre of political and regulatory change looms large, be it Brexit, or the recent US election, with many economies now believed to be introducing protectionist trade measures at a rapid pace. Complex regulatory change is a positive for WiseTech - as are all of the pain points experienced by logistics service providers: - At WiseTech we turn industry problems into powerful tailwinds.

FY17 Outlook

Looking at FY17 we have strong momentum and the underlying organic growth of our business continues to accelerate. We are starting to benefit from all the pieces we put in place some time ago and we are seeing an improved run rate. We are experiencing the expected uplift in our Brand, greater network effect, growth in revenue from top 20 customers and increasing transactional revenues across all our customer cohorts. At the time of the results in August we upgraded our forecast for FY17 Revenue and EBITDA to reflect this strong business performance, earnings contributions from recent acquisitions and continued growth across our global operations.

I'm pleased to confirm that WiseTech Global continues to perform strongly and is tracking well to deliver on our upgraded FY17 guidance with revenue expected to grow between 43-50% and EBITDA expected to increase between 59-68%.

Forecast	Range	Growth vs pro forma FY16
FY17 Revenue	\$148m - \$155m	43-50% growth
FY17 EBITDA	\$50m - \$53m	59-68% growth

I thank each of our shareholders for their investment in the company and for giving us the opportunity to build an even better WiseTech Global. We are passionately committed to take every opportunity, push every lever and run hard, grow fast and build even greater success.

- ENDS -

About WiseTech Global

WiseTech Global is an innovative, multi-award winning global developer of cloud-based software solutions for the international and domestic logistics industries. Since 1994, we have helped logistics companies efficiently manage the movement of goods and information. Our leading platform, CargoWise One, forms an integral link in the global supply chain. With over 6,000 customers in more than 125 countries, our breakthrough software solutions are renowned for their powerful productivity, extensive functionality, comprehensive integration, deep compliance capabilities, and truly global reach.

WiseTech Global is listed on the ASX (ticker WTC)

For more information on WiseTech Global, please visit: www.wisetechglobal.com

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