APPENDIX 4D
WiseTech Global Limited
For the half-year ended 31 December 2017

Results for announcement to the market

Six months ended 31 December ($000)			2017	2016
Revenue from ordinary activities	Up	31%	93,352	71,102
Profit from ordinary activities after tax attributable to members	Up	8%	15,584	14,373
Net profit for the period attributable to members	Up	8%	15,584	14,373

Dividends - Ordinary shares	Amount per security	Franked amount per security	Record date	Payment date
FY18 interim dividend	1.05 cents	1.05 cents	12 March 2018	6 April 2018
FY17 final dividend	1.20 cents	1.20 cents	11 September 2017	4 October 2017

Dividend reinvestment plan

WiseTech has a dividend reinvestment plan ("DRP") under which eligible shareholders can reinvest all or part of any dividends to acquire additional WiseTech shares. The price of the shares under the DRP will be the volume weighted average price per share of all shares sold in the ordinary course of trading on the Australian Securities Exchange ("ASX") for the five trading days from 14 March 2018 to 20 March 2018, rounded to the nearest cent. The last date receipt of election notices from shareholders wanting to commence, cease or vary their participation in the DRP for the FY18 interim dividend is by 5.00pm (Sydney time) on 13 March 2018.

Net tangible assets (NTA) backing

As at 31 December	2017	2016
NTA ($000)	(14,935)	97,829
Number of shares (000)	291,164	290,784
NTA per share (cents)	(5)	34

Entities for which control has been gained

During the half-year, the Group acquired the following businesses.

Acquired entities/businesses	Date control gained
TradeFox[1]	26 Jul 2017
Bysoft Solucoes em Sistemas Para Comercio Exterior Ltda ("Bysoft")	31 Jul 2017
Digerati[1]	9 Aug 2017
Prolink[1]	31 Aug 2017
CMS Transport Systems Pty Ltd ("CMS")	31 Aug 2017
Cargoguide International B.V. ("Cargoguide")	11 Sep 2017
Planet Traders Inc. ("CargoSphere")	30 Sep 2017

[1]Asset acquisitions

Review

This report is based on the consolidated financial statements for the half-year ended 31 December 2017 which have been reviewed by KPMG.

Directors' report

The Directors present their report together with the consolidated financial statements of the Group comprising WiseTech Global Limited ("Company") and its controlled entities for the half-year ended 31 December 2017 and the review report thereon.

Directors

The following persons were Directors of the Company during the whole of the interim period and up to the date of this report unless otherwise stated:

- Charles Llewlyn Gibbon
- Richard John White
- Michael John Gregg
- Andrew Charles Harrison
- Maree McDonald Isaacs.

Principal activities

We are a leading provider of software solutions to the logistics industry globally. We develop, sell and implement software solutions that enable logistics service providers to facilitate the movement and storage of goods and information domestically and internationally. We provide our solutions to more than 7,000 customers across 130 countries through offices in Australia, Brazil, China, Germany, Ireland, Italy, Japan, the Netherlands, New Zealand, North America, the Philippines, Singapore, South Africa, Taiwan and the United Kingdom.

Our industry-leading flagship technology, CargoWise One, is a deeply integrated global software solution for logistics service providers that enables our customers to execute highly complex logistics transactions and manage their operations on one database across multiple users, functions, offices, countries and languages. We operate our own data centres and deliver our CargoWise One software principally through the cloud. We provide our software as a service, which customers access as needed and pay for usage monthly. Our customers range from large multinational companies to small and mid-sized regional and domestic enterprises. Our software is designed to assist our customers to better address the complexities of the logistics industry while dramatically increasing productivity, reducing costs and mitigating risks in a global integrated software platform.

Innovation and productivity are at the core of what we do. We invest heavily in product development and have achieved strong and profitable growth during our history. Through innovation and acquisition, we are expanding CargoWise One's integrated global platform. Our vision is of a comprehensive global logistics execution platform for our customers capable of managing from the first-mile road movement, connecting to long-haul air, sea, rail and road, crossing complex borders, while navigating significant regulatory burdens and improved safety and productivity through data and device integration, global visibility and system manageability.

In addition to strong organic growth from our existing technology platform in recent years, we have acquired, or announced the acquisition of, 14 logistics solutions businesses spanning new geographies focusing primarily on customs and new adjacencies with future global capacity. These acquisitions are at various stages of completion and integration and, once fully integrated, they will expand the functionality, scope and value of our industry-leading technology and provide strong bases for further accelerating our organic growth.

Review of operations

Operating and financial review

Summary of statutory financial performance

During the six months to 31 Dec 2017 (“1H18”) we delivered significant revenue growth of 31%, compared to the prior year, driven by continued organic growth across our business further accelerated by prior year and new 1H18 strategic acquisitions. Revenue for the period was $93.4m (1H17: $71.1m).

Operating profit increased 26% to $22.5m (1H17: $17.9m). The increase was driven by strong revenue growth partially offset by the dilutive margin impact of acquisitions which are acquired for their significant strategic value but which currently have higher cost structures and less efficient operating models compared to our core business.

Net profit after tax attributable to equity holders of the parent was up 8% at $15.6m (1H17: $14.4m) including the impact of the acquisitions.

Summary financial results[1]	**1H18 $m**	**1H17 $m**	**Change $m**	**Variance %**
Recurring monthly and annual software usage revenue	87.5	66.2	21.3	32%
One-Time Licence (“OTL”) and support services	5.8	4.9	0.9	18%
Total revenue	**93.4**	**71.1**	**22.3**	**31%**
Cost of revenues	(16.1)	(11.6)	(4.5)	39%
Gross profit	**77.2**	**59.5**	**17.7**	**30%**
Product design and development	(22.8)	(17.9)	(4.9)	27%
Sales and marketing	(11.3)	(7.5)	(3.8)	51%
General and administration	(20.7)	(16.2)	(4.5)	28%
Total operating expenses	**(54.7)**	**(41.6)**	**(13.1)**	**31%**
Operating profit	**22.5**	**17.9**	**4.6**	**26%**
Net finance income/(costs)	(0.2)	1.9	(2.1)	n/a
Share of loss of associate	(0.0)	(0.0)	(0.0)	n/a
Profit before income tax	**22.3**	**19.8**	**2.5**	**13%**
Income tax expense	(6.8)	(5.4)	(1.4)	26%
Net profit after tax	**15.5**	**14.5**	**(1.0)**	**7%**
Net profit after tax attributable to:				
Equity holders of the parent	15.6	14.4	**1.2**	**8%**
Non-controlling interests	(0.0)	0.1	**(0.1)**	**n/a**
Net profit after tax	**15.5**	**14.5**	**1.0**	**7%**

Key financial metrics			**Change**
Recurring revenue	94%	93%	1pp
Gross profit margin	83%	84%	(1)pp
Product design and development as % total revenue[2]	24%	25%	(1)pp
Sales and marketing - as % total revenue	12%	11%	1pp
General and administration - as % total revenue	22%	23%	(1)pp
Capitalised development cost ($m)[3]	17.1	9.7	7.4
R&D as a % of total revenue[4]	37%	34%	3pp

1. *Differences in tables are due to rounding.*
2. *Product design and development cost includes $5.6m (1H17: $3.6m) depreciation and amortisation but excludes capitalised development amounts.*
3. *Includes patents and purchased external software licences.*
4. *R&D is total investment in product design and development cost, excluding depreciation and amortisation, and including capitalised development cost each year.*

Review of operations (continued)

Revenue

Total revenue grew 31% to $93.4m (1H17: $71.1m). Our revenue growth came from:

- transaction and user growth amongst our existing customers;
- new customers won in the half and growth in customers won in FY15 and FY16; and
- acquisitions completed in 1H18 and the full period impact of FY17 acquisitions.

Revenue from existing customers increased by $13.0m (1H17: $12.8m increase), net of $1.1m of adverse foreign exchange movements. Growth in revenue was driven by increased usage of CargoWise One, transition of customer licensing, increased transactional revenue from new products and price increases related to commercialisation of new products.

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

New customer revenue (revenue from the current and two previous year cohorts) increased by $3.1m (1H17: $4.0m increase), net of $0.1m adverse foreign exchange movements, while new customer wins in 1H18 were at similar levels to 1H17.

Revenue from acquired businesses and platforms arises from customers of businesses we have acquired which have not yet transitioned onto CargoWise One. These businesses typically grow more slowly than our core business, have lower levels of recurring revenue that is mostly not transaction-based nor On-Demand. The acquired businesses often have higher levels of OTL or consulting revenue which can lead to revenue fluctuations between periods. The transition of customers from our acquired businesses to On-Demand models will take time, vary from business to business, and is a key component of our acquisition integration process.

Revenue from acquired businesses and platforms increased $6.2m in 1H18 (1H17: $7.7m increase), net of $0.1m favourable foreign exchange movements, of which $5.3m arose from the inclusion of our 1H18 acquisitions (eg Bysoft, Digerati, TradeFox, Prolink, CMS, Cargoguide and CargoSphere) and the remainder from the full half impact of acquisitions completed in FY17. The growth from acquisitions was partially offset by a decrease of $1.0m from businesses and platforms acquired prior to FY17 currently in transition.

The $0.9m increase in *OTL and support services* revenue also reflects the additional revenue generated by the acquired businesses which typically have lower levels of recurring revenue and a greater proportion of consulting-based revenue.

Recurring revenue: Excluding all our acquisitions to date, almost 100% of our revenue is recurring revenue, of which 99% is On-Demand. Including acquisitions, many of which have higher levels of OTL and support services revenue, we increased our recurring revenue to 94% of total revenue (1H17: 93%).

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

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

Customer attrition: Attrition rates for the CargoWise One technology platform continued to be very low at under 1%, as it has been for the previous five years since we first started measuring.

Foreign exchange: Our revenue is invoiced in a range of currencies, reflecting the global nature of our customer base, and as a result may be positively or negatively impacted by movements in foreign exchange rates. As we continue to acquire businesses in new geographies, the range of currencies in which we trade expands.

Gross profit and gross profit margin

Gross profit increased by $17.7m, up 30%, to $77.2m (1H17: $59.5m). Gross profit growth was mainly driven by revenue growth, including revenue from acquisitions. The acquired businesses have, on average, lower gross profit margins which mainly reflect their higher product support costs and lower cost leverage due to their smaller size. 1H18 acquisitions contributed an additional $1.5m to cost of revenue and led to an overall reduction of 1 percentage point of gross margin. The transition of businesses acquired occurs over multiple years. For each business acquired, we expect the dilutive impact of the current lower profit margin to reduce over time as they become fully integrated onto the CargoWise One platform.

Operating expenses

Product design and development: We continued to invest significantly in innovation, with product design and development expenses of $22.8m (1H17: $17.9m). The 27% increase compared to 1H17 reflects:

- our continued investment in development for core projects;
- $3.5m related to investments in acquired businesses which:
    - typically have higher levels of maintenance and support costs; and
    - are in the investment phase but do not yet have a method to accurately track capitalisable costs; and
- increased depreciation and amortisation of new commercialised products, including Productivity Acceleration and Visualisation Engine (“PAVE”) and additional language capabilities, which were commercialised and started generating revenue during 1H17.

Research and development: Research and development investment in 1H18 was 37% of total revenue (1H17: 34%), reflecting the increased investment in our innovation pipeline and product design and development. Capitalised development cost increased to $17.1m (1H17: $9.7m), reflecting the growth in the pipeline of innovation, additional investment in industry experts and skilled software developers, along with improvements in our internal development management and time capturing processes through PAVE.

Sales and marketing: During 1H18, expenses increased to $11.3m (1H17: $7.5m), being 12% of revenue compared to 11% in the prior year. The $3.8m increase partly reflected $1.2m of additional costs from acquisitions and $1.7m of costs associated with the impact of the increased share price on equity granted as part of the close out of pre-IPO commission schemes.

General and administration: These expenses rose to $20.7m (1H17: $16.2m), being 22% of total revenue (1H17: 23%), as we invested in supporting and growing our business globally. The $4.5m increase was driven by:

- increased costs from acquired businesses with their own General and administration line;
- headcount additions in Finance, M&A, Communications, and People and Culture to support the expansion of our global operations; and
- additional M&A costs for both our in-process pipeline and to complete the 1H18 acquisitions.

Finance income
Finance income in 1H17 included a one-time, non-taxable, non-cash gain of $2.0m, which arose due to an increase in the fair value recognised in relation to the acquisition of Softship AG.

Cash flow
We continued to generate positive cash flows, with $30.5m of net cash flows from operating activities.
Investing activities included:
- $46.7m in acquisitions (1H17: $5.5m); and
- $17.1m in intangible assets, as we further developed and expanded our global platform resulting in capitalised development cost for both commercialised and those products yet to be launched (1H17: $9.7m).

Financing activities included $3.8m (1H17: $nil) invested in treasury shares for the issuance of shares to satisfy employee incentive commitments and $1.4m (1H17: $1.6m) of repayment of finance leases.

Dividends of $3.2m (1H17: $nil) were paid, with shareholders choosing to reinvest an additional $0.3m of dividends via the DRP.

Delivery on our growth strategy

The key strategic developments during the first half were:

Innovation and expansion of our global platform
In 1H18, we invested $34.3m and 50% of our people in product development, further expanding our commercialisable innovations and delivering 230 product upgrades and enhancements seamlessly across the CargoWise One platform. These hundreds of upgrades and new enhancements included significant initiatives such as:
- Launch of BorderWise, first regional rollout of this comprehensive global border compliance engine;
- WiseRates, additional functionality in rates automation;
- Launch of PAVE, a technology layer applied across our CargoWise One workflow engine; and
- Regulatory upgrades for a myriad of government changes including US Automated Commercial Environment, Canada-EU Free Trade and China golden tax regime.

A sample of the larger pipeline components include:
- Development of our global rates ecosystem, incorporating real-time ocean and air rate processing and management with automations for bookings, invoicing and execution;
- International e-commerce integrated solution for high volume, low value (“HVLV”) e-tail shipments from origin to door, currently in prototype test with development partner;
- Universal Customs Engine designed to deliver complex, multi-year localisations in a fraction of time and cost;
- Advancements in architecture engine, GLOW, which allows rapid product development across multiple operating systems on any device, by non-technical staff; and
- Comprehensive global air cargo tracking, including air waybill tracking, events and automations.

Additionally, within our innovation pipeline, we continue to invest research and development resources into machine learning, natural language processing, robotics, process automation and guided decision support, all of which must be driven by large volume transaction data and deep learning around vast border agency data sets, compliance, due diligence, and risk assessment and mitigation. We are uniquely placed to build these global data sets – with our global footprint, global CargoWise One platform and our 7,000 strong customer base, we see into the supply chain to a depth and breadth that is invaluable for technology development.

Greater usage by existing customers

We experienced continuing existing customer growth of $13.0m which delivered 81% of the 1H18 organic revenue growth. This growth was generated by:

- Our large customer base continuing to increase their use of the platform, adding transactions, users and geographies and moving into more modules;
- Increasing usage by many of the world's largest freight forwarding groups. Overall, 24 of the top 25 Global Freight Forwarders[1] are customers. DHL Global Forwarding rollout progressing well while those global freight forwarding rollouts recently completed (eg Yusen) will start to access productivity gains.
- Continued transition of customer licensing (excluding acquisitions) with 99% of CargoWise One revenues generated from On-Demand licensing, an access-as-needed, monthly payment based on usage licence; and
- Further growth in revenue from larger customers, yet our top 10 customers contribute only 28% of revenue (1H17: 26%). Pleasingly, 33 of the top 50 global 3PLs[2] are now customers.

Increasing new customers on the platform

New customer revenue growth rose $3.1m in 1H18 while new customer sales were on par with prior period. As we increase our global penetration, we also continue to sign new customer deals with customers where we have a pre-existing relationship in another region. We allocate those new customers to our existing customers' revenue.

Stimulated network effects

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

In addition, each new geography and adjacency we acquire adds a valuable point on our strategic map, accelerates the network effects and makes CargoWise One even more compelling to local and global logistics providers and their customers.

Accelerating organic growth through acquisitions

We have progressed product development in China, Italy, Germany, Brazil and across our global adjacencies. We have announced a further 11 valuable acquisitions across Brazil, Taiwan, Australia, North America, the Netherlands, Ireland and Belgium. These acquisitions are at various stages of completion and integration and once fully embedded they will expand the functionality, scope and value of our industry-leading technology and provide a strong base for further accelerating our long-term organic growth.

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[1] Armstrong & Associates: Top 25 Global Freight Forwarders List, ranked by 2016 logistics gross revenue/turnover and freight forwarding volumes.

[2] Armstrong & Associates: Top 50 Global Third Party Logistics Providers List, ranked by 2016 logistics gross revenue/turnover.

Throughout 1H18, and to February 2018:

- On 1 August 2017, we completed the acquisition of Bysoft, the largest provider of customs and logistics compliance solutions to the logistics industry across Brazil. This provides a significant foothold in the largest South American market and the opportunity to integrate the Bysoft customs solution into CargoWise One for the benefit of all existing customers;
- In August 2017, we acquired the Digerati business, a leading provider of tariff research and compliance tools utilised by the Australasian customs broking community, and reference data provider, TradeFox, both of which we utilised to enhance our cross-border compliance engine, Borderwise;
- On 31 August 2017, we completed the acquisition of the Prolink business, a leading provider of customs and forwarding solutions across Taiwan and China which gives us additional regional strength to accelerate our growth throughout Asia;
- On 31 August 2017, we completed the acquisition of CMS Transport Systems, a leading Australasian provider of road transport and logistics management systems. This acquisition will allow us to further accelerate our local developments in land transport and integrated telematics;
- On 12 September 2017, we announced the acquisition of two global rate management solution providers: Netherlands-based Cargoguide, a leading provider of global air freight rate management solutions and US-based CargoSphere, a leading provider of global ocean freight rate management solutions. Both acquisitions completed in September 2017.;
- On 13 December 2017, we announced the acquisition of Microlistics, a leading provider of specialist warehouse management solutions across Asia-Pacific and North America;
- On 20 December 2017, we announced the acquisitions of two European customs solutions providers, both headquartered in Dublin: ABM Data Systems, a leading pan-European developer and provider of customs clearance solutions and CustomsMatters, a leading Irish provider of e-customs solutions; and
- On 7 February 2018, we announced the acquisition of Intris, the leading Belgian provider of freight forwarding, customs and warehousing management solutions.

In expanding geographically, we buy into market positions that would take years to build, and we then integrate the acquired industry and developer talent and customers over time to accelerate our organic growth. We further utilise acquisitions in key adjacencies to facilitate our development of globally available innovations, to fuel the convergence of technologies that add to our next generation of automations and machine learning and to grow and enhance our extensive global data sets. Accordingly, we will continue to execute on our considerable pipeline of near-term, mid-term and long-term acquisition opportunities in our target areas of Asia, Europe and South America.

Post balance date events

As summarised above, we have announced a number of strategic acquisitions which were not complete at 31 December 2017. Further details can be found in note 14.

Since the period end, the Directors have declared a fully franked final dividend of 1.05 cents per share, payable on 6 April 2018. The dividend will be recognised in the subsequent financial statements.

Expectation for the year ending 30 June 2018

The strong momentum of the Group's performance during 1H18 combined with 100% recurring revenue (excluding acquisitions), annual customer attrition of less than 1% and continued expansion across our global business give us confidence to expect FY18[3] revenue of $207m-$217m, revenue growth of 35%-41%, EBITDA of $71m-$75m and EBITDA growth of 32%-39%.

[3] Our revenue is invoiced in a range of currencies, reflecting the global nature of our customer base and as a result is impacted by movements in foreign exchange rates. Our FY18 guidance is based on rates provided within the investor briefing materials released to the ASX on 21 February 2018.

Directors' report (continued)

Rounding of amounts

The Company is of a kind referred to in Australian Securities and Investments Commission Corporations ("ASIC") (Rounding in Financial/Directors' Reports) Instrument 2016/191, 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.

Auditor independence declaration

The lead auditor's independence declaration is set out on page 12 and forms part of the Directors' report for the six months ended 31 December 2017.

Signed in accordance with a resolution of the Directors:

Charles Llewlyn Gibbon
Chairman
21 February 2018

Richard John White
Executive Director and CEO
21 February 2018

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

To the Directors of WiseTech Global Limited

I declare that, to the best of my knowledge and belief, in relation to the review of WiseTech Global Limited for the half-year ended 31 December 2017 there have been:

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

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

KPMG

Chris Hollis
Partner

Sydney
21 February 2018

Consolidated statement of profit or loss and other comprehensive income

For the half-year ended 31 December 2017

	Notes	31 Dec 2017 $000	31 Dec 2016 $000
Revenue	3	93,352	71,102
Cost of revenues		(16,126)	(11,567)
Gross profit		**77,226**	**59,535**
Product design and development		(22,762)	(17,875)
Sales and marketing		(11,261)	(7,517)
General and administration		(20,695)	(16,217)
Total operating expenses		**(54,718)**	**(41,609)**
Operating profit		**22,508**	**17,926**
Finance income	4	638	3,161
Finance costs	5	(815)	(1,233)
Net finance (costs)/income		**(177)**	**1,928**
Share of loss of equity accounted investees, net of tax		(11)	(20)
Profit before income tax		**22,320**	**19,834**
Income tax expense		(6,782)	(5,375)
Net profit/(loss) for the period		**15,538**	**14,459**
Net profit for the period attributable to:			
Equity holders of the parent		15,584	14,373
Non-controlling interests		(46)	86
		15,538	**14,459**
Other comprehensive income/(loss)			
Items that may be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations		497	1,410
Fair value of available-for-sale financial assets reclassified to profit or loss		-	(2,046)
Net gain on available-for-sale financial assets		-	194
Other comprehensive income/(loss) for the period, net of tax		**497**	**(442)**
Total comprehensive income for the period, net of tax		**16,035**	**14,017**
Total comprehensive income for the period, net of tax attributable to:			
Equity holders of the parent		16,039	13,475
Non-controlling interests		(4)	542
		16,035	**14,017**
Earnings per share			
Basic earnings per share (cents)	6	5.3	4.9
Diluted earnings per share (cents)	6	5.3	4.9

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

Consolidated statement of financial position

As at 31 December 2017

	Notes	31 Dec 2017 $000	30 Jun 2017 $000
Assets			
Current assets			
Cash and cash equivalents		60,248	101,603
Trade receivables		24,311	13,827
Current tax receivables		299	1,754
Other current assets		4,402	5,399
Total current assets		89,260	122,583
Non-current assets			
Intangible assets	8	241,199	133,720
Property, plant and equipment		15,326	16,838
Deferred tax assets		1,365	1,554
Equity accounted investees		173	176
Other non-current assets		517	1,355
Total non-current assets		258,580	153,643
Total assets		**347,840**	**276,226**
Liabilities			
Current liabilities			
Trade and other payables		17,113	15,246
Borrowings	9	1,650	2,622
Deferred revenue		9,767	12,568
Current tax liabilities		1,579	2,452
Employee benefits		7,183	6,203
Other current liabilities	10	13,825	3,236
Total current liabilities		51,117	42,327
Non-current liabilities			
Borrowings	9	851	1,223
Employee benefits		894	754
Deferred tax liabilities		18,591	13,664
Other non-current liabilities	10	50,123	4,496
Total non-current liabilities		70,459	20,137
Total liabilities		**121,576**	**62,464**
Net assets		**226,264**	**213,762**
Equity			
Share capital		170,716	166,606
Reserves		(9,204)	(8,335)
Retained earnings		64,170	53,855
Equity attributable to equity holders of the parent		**225,682**	**212,126**
Non-controlling interests		582	1,636
Total equity		**226,264**	**213,762**

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

Consolidated statement of changes in equity

For the half-year ended 31 December 2017

	Share capital	Treasury share reserve	Acquisition reserve	Fair value reserve	Share - based payment reserve	Foreign currency translation reserve	Retained earnings	Total	Non-controlling interests	Total equity
	$000	**$000**	**$000**	**$000**	**$000**	**$000**	**$000**	**$000**	**$000**	**$000**
As at 1 July 2016	**165,571**	**-**	**-**	**1,852**	**7,993**	**(4,491)**	**25,251**	**196,176**	**-**	**196,176**
Net profit for the period	-	-	-	-	-	-	14,373	14,373	86	14,459
Other comprehensive income/(loss)	-	-	-	(1,852)	-	954	-	(898)	456	(442)
Total comprehensive income	-	-	-	(1,852)	-	954	14,373	13,475	542	14,017
Equity settled share-based payment expense	-	-	-	-	780	-	-	780	-	780
Dividends declared	-	-	-	-	-	-	(5)	(5)	-	(5)
Acquisition of non-controlling interest without a change in control	-	-	(1,166)	-	-	-	-	(1,166)	3,456	2,290
At 31 December 2016	**165,571**	**-**	**(1,166)**	**-**	**8,773**	**(3,537)**	**39,619**	**209,260**	**3,998**	**213,258**

Consolidated statement of changes in equity (continued)

For the half-year ended 31 December 2017

	Share capital	Treasury share reserve	Acquisition reserve	Fair value reserve	Share - based payment reserve	Foreign currency translation reserve	Retained earnings	Total	Non-controlling interests	Total equity
	$000	$000	$000	$000	$000	$000	$000	$000	$000	$000
As at 1 July 2017	**166,606**	**(6,767)**	**(11,352)**	**-**	**10,690**	**(906)**	**53,855**	**212,126**	**1,636**	**213,762**
Net profit for the period	-	-	-	-	-	-	15,584	15,584	(46)	15,538
Other comprehensive income/(loss)	-	-	-	-	-	455	-	455	42	497
Total comprehensive income	-	-	-	-	-	455	15,584	16,039	(4)	16,035
Issue of share capital (net of issue costs)	3,810	(3,810)	-	-	-	-	-	-	-	-
Dividends declared	-	-	-	-	-	-	(3,490)	(3,490)	-	(3,490)
Shares issued under DRP	312	-	-	-	-	-	-	312	-	312
Vesting of share rights	-	7,521	-	-	(4,459)	-	(3,062)	-	-	-
Vesting shares withheld	-	(1,182)	-	-	-	-	-	(1,182)	-	(1,182)
Transaction costs	(12)	-	-	-	-	-	-	(12)	-	(12)
Equity settled share-based payment expense	-	-	-	-	4,574	-	-	4,574	-	4,574
Tax benefit from equity remuneration	-	326	-	-	-	-	1,283	1,609	-	1,609
Acquisition of non-controlling interest without a change in control	-	-	(4,294)	-	-	-	-	(4,294)	(1,050)	(5,344)
At 31 December 2017	**170,716**	**(3,912)**	**(15,646)**	**-**	**10,805**	**(451)**	**64,170**	**225,682**	**582**	**226,264**

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

Consolidated statement of cash flows

For the half-year ended 31 December 2017

	Notes	31 Dec 2017 $000	31 Dec 2016 $000
Operating activities			
Receipts from customers		84,407	70,581
Payments to suppliers and employees		(52,701)	(41,474)
Initial public offering fees paid		-	(740)
Income tax paid		(1,206)	(2,910)
Net cash flows from operating activities		**30,500**	**25,457**
Investing activities			
Payments for intangible assets		(17,150)	(9,676)
Purchase of property, plant and equipment		(2,617)	(4,144)
Interest received		638	780
Acquisition of businesses, net of cash acquired		(46,673)	(5,532)
Net cash flows used in investing activities		**(65,802)**	**(18,572)**
Financing activities			
Interest paid		(102)	(133)
Repayments of finance lease liabilities		(1,362)	(1,624)
Repayment of borrowings		(52)	(113)
Dividends received from equity accounted investees		-	33
Dividends paid	7	(3,178)	(5)
Proceeds from issue of shares		3,810	-
Treasury shares acquired		(4,992)	-
Transaction costs on issue of shares		(12)	-
Net cash flows used in financing activities		**(5,888)**	**(1,842)**
Net (decrease)/increase in cash and cash equivalents		(41,190)	5,043
Cash and cash equivalents at 1 July		101,603	109,527
Effect of exchange differences on cash balances		(165)	151
Cash and cash equivalents at 31 December		**60,248**	**114,721**

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

Notes to the consolidated financial statements

For the half-year ended 31 December 2017

1. Corporate information

WiseTech Global Limited ("Company") is a company domiciled in Australia. These consolidated interim financial statements comprise the Company and its controlled entities (collectively "Group") as at and for the six months ended 31 December 2017. 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.

A copy of the 2017 Annual Report is available on the Company's website, www.wisetechglobal.com.

2. Summary of significant accounting policies

Basis of preparation

Statement of compliance

These consolidated interim financial statements for the half-year ended 31 December 2017 have been prepared in accordance with IAS 34 *Interim Financial Reporting*, AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

They do not include all of the information required for a complete set of annual financial statements and should be read in conjunction with the consolidated financial statements as at and for the year ended 30 June 2017, together with any public announcements made by the Company during the half-year ended 31 December 2017 in accordance with the continuous disclosure obligations of the ASX Listing Rules. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual consolidated financial statements as at and for the year ended 30 June 2017.

The consolidated interim financial statements were authorised for issue by the Board of Directors on 21 February 2018.

Functional and presentation currency

The financial report is presented in Australian dollars.

Rounding of amounts

The Group is of a kind referred to in Australian Securities and Investments Commission ("ASIC") Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, 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.

Accounting policies

The accounting policies applied in these consolidated interim financial statements are the same as those applied in the Group's consolidated financial statements as at and for the year ended 30 June 2017, unless otherwise stated.

Notes to the consolidated financial statements (continued)

For the half-year ended 31 December 2017

3. Revenue

	31 Dec 2017 $000	31 Dec 2016 $000
Recurring monthly and recurring annual software usage revenue	87,550	66,178
OTL and support services	5,802	4,924
Total revenue	**93,352**	**71,102**

4. Finance income

	31 Dec 2017 $000	31 Dec 2016 $000
Fair value of available-for-sale financial assets reclassified to profit or loss	-	2,046
Interest income	638	1,115
Total finance income	**638**	**3,161**

5. Finance costs

	31 Dec 2017 $000	31 Dec 2016 $000
Interest expense	102	133
Other finance charges	63	65
Earnout interest on acquisitions	650	155
Option premium	-	880
Total finance costs	**815**	**1,233**

Notes to the consolidated financial statements (continued)

For the half-year ended 31 December 2017

6. Earnings per share ("EPS")

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

	31 Dec 2017	31 Dec 2016
Profit attributable to equity holders of the Company ($000)	15,584	14,373
Basic weighted average number of ordinary shares	292,456,490	293,014,225
Basic EPS (cents)	5.3	4.9
Profit attributable to equity holders of the Company ($000)	15,584	14,373
Basic weighted average number of ordinary shares	292,456,490	293,014,225
Shares issuable in relation to equity-based compensation schemes	99,921	143,119
Diluted weighted average number of ordinary shares	292,556,411	293,157,344
Diluted EPS (cents)	5.3	4.9

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

Diluted EPS is calculated by dividing the profit for the half-year attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the period plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

7. Dividends

	31 Dec 2017 $000	31 Dec 2016 $000
Declared and paid during the half-year:		
Dividends on ordinary shares:		
Final dividend: FY17: 1.2 cents per share (FY16: nil cents)		
- Paid in cash	3,178	-
- Paid via DRP	312	-
Other	-	5
	3,490	**5**

Notes to the consolidated financial statements (continued)

For the half-year ended 31 December 2017

8. Intangible assets

	Computer software	Development costs (WIP)	External software licences	Goodwill	Intellectual property	Customer relationships	Trade names	Patents	Total
	$000	$000	$000	$000	$000	$000	$000	$000	$000
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**
At 1 July 2016	26,097	22,222	2,755	37,681	2,145	5,361	487	104	96,852
Additions	-	21,266	658	-	-	-	-	83	22,007
Transfers	11,869	(11,869)	120	-	(120)	-	-	-	-
Reclassification	-	-	(595)	-	-	-	-	-	(595)
Amortisation	(4,893)	-	(774)	-	(1,153)	(914)	(116)	-	(7,850)
Acquisition via business combination	-	-	612	14,614	2,638	1,292	839	-	19,995
Exchange differences	-	137	(162)	3,002	51	236	47	-	3,311
Net book value at 30 June 2017	**33,073**	**31,756**	**2,614**	**55,297**	**3,561**	**5,975**	**1,257**	**187**	**133,720**
At 30 June 2017									
Cost	50,752	31,756	4,038	55,360	12,204	9,235	1,429	187	164,961
Accumulated amortisation and impairment	(17,679)	-	(1,424)	(63)	(8,643)	(3,260)	(172)	-	(31,241)
Net book value	**33,073**	**31,756**	**2,614**	**55,297**	**3,561**	**5,975**	**1,257**	**187**	**133,720**
At 1 July 2017	33,073	31,756	2,614	55,297	3,561	5,975	1,257	187	133,720
Additions	-	17,081	19	-	-	-	-	25	17,125
Transfers	17,154	(17,154)	-	-	-	-	-	-	-
Amortisation	(3,391)	-	(461)	-	(870)	(641)	(122)	-	(5,485)
Acquisition via business combination	-	-	32	81,428	5,331	4,288	1,985	-	93,064
Disposals	-	-	-	(100)	-	-	-	-	(100)
Exchange differences	-	74	6	2,500	147	77	71	-	2,875
Net book value at 31 Dec 2017	**46,836**	**31,757**	**2,210**	**139,125**	**8,169**	**9,699**	**3,191**	**212**	**241,199**
At 31 Dec 2017									
Cost	68,463	31,757	6,221	139,125	18,647	13,549	3,484	212	281,458
Accumulated amortisation and impairment	(21,627)	-	(4,011)	-	(10,478)	(3,850)	(293)	-	(40,259)
Net book value	**46,836**	**31,757**	**2,210**	**139,125**	**8,169**	**9,699**	**3,191**	**212**	**241,199**

Notes to the consolidated financial statements (continued)

For the half-year ended 31 December 2017

8. Intangible assets (continued)

Critical judgements

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

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

9. Borrowings

	31 Dec 2017 $000	30 Jun 2017 $000
Current		
Finance lease liability	1,440	2,403
Bank loan	210	219
Total current borrowings	**1,650**	**2,622**
Non-current		
Finance lease liability	48	377
Bank loan	803	846
Total non-current borrowings	**851**	**1,223**
Total borrowings	**2,501**	**3,845**

Bank debt facilities

As at 31 December 2017, the Group has available debt facilities of $55m (30 June 2017: $55m) maturing in September 2019 and no drawdown on these facilities had been made (30 June 2017: nil).

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

Bank loan

The Group acquired a controlling interest in Softship AG ("Softship") on 1 July 2016. Prior to that in June 2014, Softship entered into a debt contract with Commerzbank for $1.4m (Euro 1.0m), having a maturity of eight years and a fixed interest rate of 3.29% per annum. The outstanding balance at 31 December 2017 was $1.0m (Euro 0.6m). The bank loan is not secured.

Notes to the consolidated financial statements (continued)

For the half-year ended 31 December 2017

10. Other liabilities

	31 Dec 2017 $000	30 Jun 2017 $000
Current		
Contingent consideration	6,056	3,057
Customer deposits	7,769	50
Other current liabilities	-	129
	13,825	**3,236**
Non-current		
Contingent consideration	49,527	3,878
Other non-current liabilities	596	618
	50,123	**4,496**

11. Business combinations and acquisition of non-controlling interests

Acquisitions in period ended December 2017

During the period ended 31 December 2017, the Group completed the following seven acquisitions: :

Business acquired	Date of acquisition	Description of acquisition
TradeFox[1]	26 Jul 2017	Tariff research and compliance tools provider utilised by the Australian customs broking community
Bysoft	31 Jul 2017	Customs and logistics compliance solutions provider across Brazil
Digerati[1]	9 Aug 2017	Tariff research and compliance tools provider utilised by the Australian customs broking community
Prolink[1]	31 Aug 2017	Customs and forwarding solutions provider across Taiwan and China
CMS	31 Aug 2017	Road transport and logistics management systems provider across Australia and New Zealand
Cargoguide	11 Sep 2017	Global air freight rate management solutions provider
CargoSphere	30 Sep 2017	Global ocean freight rate management solutions provider

[1]Asset acquisitions.

Notes to the consolidated financial statements (continued)

For the half-year ended 31 December 2017

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

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

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

	Total acquisitions $000
Cash and cash equivalents	333
Trade receivables	1,022
Current tax receivables	22
Other current assets	482
Intangible assets	11,636
Property, plant and equipment	409
Trade and other payables	(1,730)
Borrowings	(70)
Deferred revenue	(2,180)
Employee benefits	(819)
Other current liabilities	(326)
Deferred tax liabilities	(1,761)
Other non-current liabilities	(223)
Fair value of net assets acquired (100%)	**6,795**
Acquisition related costs	**2,472**

	Total acquisitions $000
Total consideration	**88,223**
Less: Fair value of net identifiable assets acquired	**(6,795)**
Goodwill	**81,428**

Goodwill

The total goodwill arising on acquisition is $81.4m which relates predominantly to the key management, specialised know-how of the workforce, employee relationships, competitive position and service offerings that do not meet the recognition criteria as an intangible asset at the date of acquisition.

Consideration paid

Total cash consideration is $41.9m with further contingent consideration payable of $51.5m. Contingent consideration is based on a number of milestones, which are provisionally assessed, including performance-related targets and the integration of the acquired businesses with the Group such as the development of pre-existing capabilities into the Group's existing product. The discounted value of these arrangements is $46.3m. The Group will continue its review of this liability during the measurement period and make necessary adjustments against the liability and goodwill.

Contribution of acquisitions to revenue and profits

In total, these acquisitions contributed $5.3m to Group revenue and a reduction to the net profit of $1.1m from their respective dates of acquisition. If the acquisitions had been acquired from 1 July 2017, the contribution to the Group revenue would have been $7.9m and a reduction to net profit of $1.8m.

Notes to the consolidated financial statements (continued)

For the half-year ended 31 December 2017

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

Additional investment in Softship

During the six months ended 31 December 2017, the Group acquired further shares of Softship, increasing its ownership to 92.51%. $4.6m was paid in cash. The Group has adopted the proportionate method of accounting for non-controlling interest which resulted in a reduction of non-controlling interest by $1.0m, and an increase in fair value reserve of $3.6m.

Softship has made contribution to the Group's revenue and net profit of $6.6m and $0.1m respectively for the six months ended 31 December 2017.

12. Related party disclosures

Directors of the Company controlled 64.97% (30 June 2017: 67.69%) of the voting shares of the Company as at 31 December 2017. A number of key management personnel ("KMP") or their related parties hold positions in other companies that result in them having control or significant influence over these companies. Some of these companies transacted with the Group during the half-year. The terms and conditions of these transactions were no more favourable than those available, or which might reasonably be expected to be available, in similar transactions with non-KMP related companies on an arm's length basis.

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

		Transaction values for half-year ended 31 Dec		**Balance outstanding as at 31 Dec**	
		2017	**2016***	**2017**	**2016**
Director	**Transactions**	**$000**	**$000**	**$000**	**$000**
R White & M Isaacs	Company apartments rent[1]	4	77	-	9
R White	Company apartments rent[1]	75	9	-	9
R White & M Isaacs	US office lease[2]	65	376	-	276
R White	US office lease[2]	330	-	-	-
R White & M Isaacs	US data centre services[2]	64	368	-	678
R White	US data centre services[2]	310	-	-	-
R White & M Isaacs	Office services agreement[3]	-	11	-	-
R White	Office services agreement[3]	10	-	-	-

* The corresponding half-year figures have been restated to show comparable transactional values.

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

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

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

The above agreements are made at normal market rates.

Notes to the consolidated financial statements (continued)

For the half-year ended 31 December 2017

13. 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:

	31 Dec 2017 $000	31 Dec 2016 $000
Recurring revenue	87,550	66,178
Non-recurring revenue	5,802	4,924
Total revenue	**93,352**	**71,102**
Segment profit before income tax	**22,320**	**19,834**

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.

Geographic information

Revenue generated by location of customer (billing address):

	31 Dec 2017 $000	31 Dec 2016 $000
Asia Pacific	30,805	25,201
Americas	24,570	18,525
Europe, Middle East and Africa ("EMEA")	37,977	27,376
Total revenue	**93,352**	**71,102**

Notes to the consolidated financial statements (continued)

For the half-year ended 31 December 2017

14. Events after the end of the reporting period

On 13 December 2017, the Group announced the acquisition of global warehouse management solutions provider Microlistics. The annual revenue and EBITDA for this acquisition are approximately $6.8m and $1.7m respectively. Total upfront consideration $20.0m with future potential earnouts of $20.0m over next three years. The acquisition completed on 1 February 2018.

On 20 December 2017, the Group announced the acquisitions of two European customs solutions providers, ABM Data Systems and CustomsMatters. The combined annual revenues and EBITDA for these acquisitions are approximately $4.1m and $0.8m respectively. Total upfront consideration for both entities is $13.7m with future potential earnouts of $6.3m over next four years. Both acquisitions completed on 31 January 2018.

On 7 February 2017, the Group announced the acquisition of Belgian logistics solutions provider Intris. The annual revenue and EBITDA for this acquisition are approximately $7.1m and $1.1m respectively. Total upfront consideration $11.9m with future potential earnouts of $5.5m over next 4.5 years. The acquisition agreement was signed on 7 February 2018 and its expected to be completed by 28 February 2018.

Since the end of the period, the Directors have declared a fully franked interim dividend of 1.05 cents per share, payable 6 April 2018. The financial effect of this dividend has not been brought to account in the interim financial statements for the half-year ended 31 December 2017.

Other than the matters discussed above, there has not arisen in the interval between 31 December 2017 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.

15. Other disclosures

Measurement of fair values

Fair value is the price the Group would receive to sell an asset or would have to pay to transfer a liability in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques 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 consolidated financial statements.

Notes to the consolidated financial statements (continued)

For the half-year ended 31 December 2017

15. Other disclosures (continued)

Measurement of fair values (continued)

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.

Fair value of assets and liabilities

The fair values of the Level 3 contingent consideration at 31 December 2017 is $55.6m (30 June 2016: $6.9m).

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

Year ended 30 June 2017	**$000**
Opening balance	5,561
Foreign exchange differences	202
Additions	3,658
Unwinding interest and accruals	668
Cash paid	(3,154)
Closing balance	**6,935**

Half-year ended 31 December 2017	**$000**
Opening balance	6,935
Additions	46,304
Unwinding interest and accruals	650
Cash paid	(466)
Foreign exchange differences	2,160
Closing balance	**55,583**

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

The Group has contingent consideration measured at fair value at 31 December 2017 and 30 June 2017 in relation to contingent consideration arising out of various acquisitions made by the Group. The contingent consideration is deemed to be a Level 3 measurement of fair value which will be paid over various periods from the acquisition date. It has been discounted accordingly based on estimated time to complete a number of milestones including the successful integration of customers into CargoWise One.

Notes to the consolidated financial statements (continued)

For the half-year ended 31 December 2017

15. Other disclosures (continued)

Standards issued but not yet effective

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 December 2017 and have not been applied in preparing these consolidated financial statements. Those which may be relevant to the Group are set out below:

(i) AASB 9 *Financial Instruments* ("AASB 9")
The Group has undertaken an initial assessment of AASB 9 and identified no material impact on the classification and measurement requirements surrounding financial assets and liabilities.

(ii) AASB 15 *Revenue from Contracts with Customers* ("AASB 15")
AASB 15 will require the Group to identify deliverables in contracts with customers that qualify as "performance obligations". The transaction price receivable from customers must be allocated between the Group's performance obligations under the contracts on a relative standalone price basis. The standard will also require additional disclosures for disaggregation of revenue, information about performance obligations, remaining performance obligations and other qualitative disclosures.

The Group is conducting a review of the impact of AASB 15. During the six months ended 31 December 2017, the Group has focused its review on revenue generated from the Group's core operations as these comprise the material revenue streams of the Group's results. The Group will then continue its review in relation to revenue recognition from its acquired businesses to determine if there is any impact under AASB 15. It is expected that the Group will adopt AASB 15 on 1 July 2018.

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

The Group is in process of reviewing the impact on this standard.

Directors' declaration

In the opinion of the Directors of WiseTech Global Limited ("the Company"):

1. the condensed consolidated financial statements and notes set out on pages 13 to 29, are in accordance with the *Corporations Act 2001* including:

    (i) giving a true and fair view of the Group's financial position as at 31 December 2017 and of its performance for the half-year ended on that date; and

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

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

Signed in accordance with a resolution of the directors:

Charles Llewlyn Gibbon
Chairman
21 February 2018

Richard John White
Executive Director and CEO
21 February 2018

Independent Auditor's Review Report

To the shareholders of WiseTech Global Limited

Report on the Half-year Financial Report

Conclusion

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

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

- giving a true and fair view of the ***Group's*** financial position as at 31 December 2017 and of its performance for the Half-year ended on that date; and
- complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

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

- Consolidated statement of financial position as at 31 December 2017
- Consolidated statement of profit or loss and other comprehensive income, Consolidated statement of changes in equity and Consolidated statement of cash flows for the Half-year ended on that date
- Notes 1 to 15 comprising a summary of significant accounting policies and other explanatory information
- The Directors' Declaration.

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

Responsibilities of the Directors for the Half-year Financial Report

The Directors of the Company are responsible for:

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

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

Our responsibility is to express a conclusion on the Half-year Financial Report based on our review. We conducted our review in accordance with *Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the Half-year Financial Report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 31 December 2017 and its performance for the half-year ended on that date; and complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*. As auditor of WiseTech Global Limited, *ASRE 2410* requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

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

KPMG

Chris Hollis
Partner

Sydney
21 February 2018