

19 November 2019

AGM addresses, on track to deliver FY20 guidance

Chair's address

In FY19, our business continued to experience strong growth with revenues up 57% to \$348.3million, and net profit after tax attributable to equity holders increasing to \$54.1million. These results were fuelled by significant organic growth in revenues across our global business, plus the development of hundreds of product enhancements and features for our CargoWise One technology platform, and the acquisition of many strategic assets in new geographies and adjacent technologies.

Importantly, our revenues are high quality. For CargoWise One customers, our recurring revenue is 99% of total revenue, with 98% usage-based and our customer attrition rate remains well below 1% for the seventh year in succession.

During FY19, we continued our focus on innovation, investing over 32% of our revenue and over 47% of our people in product development. We further expanded our pipeline of commercialisable innovations and delivered over 830 product upgrades seamlessly across the CargoWise One platform to our customers across 150 countries. Our investment in product development and innovation over the last five years totalled \$309m, and we are accelerating our development capability within our innovation teams across our 35+ development centres.

Investing deeply, and innovating continuously over the long term, makes our products easier to sell so revenues grow faster and make our sales and marketing efforts highly efficient, utilising just 14% of revenue and 12% of our people.

During FY19, and in the months since, the 15 valuable geographic and adjacent acquisitions we have announced across Europe, Asia, Australasia and the Americas will allow WiseTech to access market positions and key technologies that would otherwise take years to build. We then integrate the acquired industry and developer talent and customers over time to accelerate our long-term organic growth.

Our acquisitions in key adjacent technologies facilitate development of globally scalable innovation and fuel the convergence of technologies that add to our next generation of automations and machine learning. We also use these to grow and enhance our extensive global data and transaction sets. In addition, each new geography and adjacency we acquire adds a valuable point on our strategic map and accelerates the network effects. All of which makes CargoWise even more compelling to local and global logistics providers.

In FY19, we continued to leverage our acquired business relationships with key global customers and explored connections between the adjacent acquisitions, CargoWise and our geographic footholds. With our strategic execution and strong organic growth in FY19, the power of our CargoWise platform, annual attrition rate of less than 1% and continued investment in innovation and expansion across our global business, we are well positioned for the future.

Sustainability and environment

Global logistics is one of the world's oldest and largest industries with annual revenues of \$16trillion – yet that industry is resource intensive. As a pure technology company our own sustainability footprint is small. But our technology is designed to maximise efficiency, minimise energy and resource wastage, and reduce risks across the global supply chain. With CargoWise licensed in 150 countries, increased productivity from our technology can have widespread environmental benefits. Examples include:

- reduction in futile road trips,
- improvement in land transport's impact on local communities, and
- elimination of delays in intermodal transportation.

Efficiency improvements available through the software we provide also allow automation and the removal of numerous manual tasks. This in turn reduces paper, electricity usage, human labour, and commercial costs.

Together, these deliver significant improvement in the world's resources and beneficial impacts on land-side communities which can continue for future generations.

Shareholder returns, dividends and financial strength

In the full year to 30 June 2019, WiseTech provided shareholders with a Total Shareholder Return of 77.1%. The WiseTech share price rose 76.9% and outperformed the ASX 200 by 70.1% for the year.

We have declared a fully franked final dividend of 1.95 cents per share for FY19, which we paid in October. This is in addition to the 1.50 cent interim dividend paid to shareholders in April. We also offer a dividend reinvestment plan to enable eligible shareholders to re-invest their dividends to acquire additional WiseTech shares. Our ongoing dividend policy is to target a dividend payout ratio of up to 20% of our net profit after tax.

Our balance sheet remains healthy, supported by \$112.5m of net cash flows from operating activities. During FY19, we raised \$335.7m, from an institutional equity raising and subsequent share purchase plan for retail shareholders. This added further strength to our balance sheet and increased the capacity at which we can accelerate our long-term organic growth. At 30 June 2019, we held cash and cash equivalents of \$260.1m, compared to \$121.8m a year ago.

Our people

We prize our culture which fosters innovation, diversity of thought, and impactful change, all underpinned by engineered processes and globally scalable architectures. This cultural DNA is core to the Company's growth, technological leadership and global market presence. We now have a team of over 1,900 people, having more than tripled our global workforce in the three years since our listing on the ASX in 2016. We derive significant benefit from having a diverse mix of extraordinary people drawn from over 65 countries and ranging in age from 18 to 75. Importantly, 33% of our employees overall and 33% of our Board are female and across our organisation we strive to encourage more women to enter the technology and logistics industries – the industries from which we draw our talent.

Our Board

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

Since late 2017, we have been working on Board evolution to meet the needs arising from our global expansion.

In September 2018, I accepted the position of Chair of the Board, succeeding former Chair, Charles Gibbon, who remains on the Board as a Non-Executive Director.

Along with our ongoing process of Board renewal, we continue to assess the Board composition to support the business needs as we grow. For recruitment, we are focusing on candidates with international, entrepreneurial enterprise, finance and governance experience. Following the recent resignation of Non-Executive Director, Christine Holman, we expect to appoint additional independent non-executive directors to the Board in 2020, and that process is underway.

Thank you

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

Finally, we collectively thank all our shareholders and customers for the support and confidence placed in us. And in particular, we appreciated the messages of support and encouragement in recent weeks as we necessarily rebutted the misleading claims in short-seller reports. Be assured the Board, WiseTech leadership and our global teams remain steadfast and focused on delivery of the strategy and building shareholder value.

CEO's address

Our vision and commitment

Our people and teams across the world are aligned in our strong vision to create the *operating system for global logistics*. Now, after our 25th year, we are moving swiftly with determination ever closer to this goal. It is precisely our long-term focus and our discipline that has enabled us to make the deep investments in technology, product, organisational structure and commercial model over many years in order to be able to develop the four components on which we are building the operating system for global logistics.

Firstly, we've solved for the global integrated platform, CargoWise One, to which we apply our relentless technology development in the pursuit of digital straight-through processing. Second, we build cleansed and verified data sets upon which we can apply machine learning, automations and event-driven exception management. Third, we've built a scalable, efficient commercial model ('the WiseTech Way') that speeds on-boarding and disciplines resource usage. Lastly, we have a powerful network of CargoWise connections, drawing in thousands of nodes that bring millions of further connections – each new customer, each customer's customer, each party to a transaction, every module, every geography, every technology and every strategic asset has the opportunity of further nodes, and with them, exponential connections.

Our vision is of a comprehensive global logistics execution solution for our customers, capable of managing from the first-mile road movement, connecting to long-haul air, sea, rail and road, crossing domestic routes and international borders, all while navigating complex regulatory

burdens with improved compliance, safety, visibility, predictability, manageability and productivity.

We know the work we do is valuable. We are the architect of the solution to the logistics industry's pain-points. Throughout the world, the dynamics inherent in the logistics industry causing issues for operators across the globe are cycling up faster. As global trade and supply chains become more complex and challenging, trade barriers and tariffs are escalating, Brexit is looming for the UK and Europe, and worldwide there is constant regulatory change. Retailers are rewiring supply chains across Asia, while the proliferation of digital forwarders, along with the ecommerce giants, compels logistics providers to move faster, at ever lower margins. Yet for the logistics industry, the high fragmentation and disparate data continue to plague accuracy, create risk, destroy margins and compromise decision making capability. All of which create ever stronger tailwinds for greater adoption and use of our global logistics platform, CargoWise One.

With our 36 development centres and over 1,900 staff in 50+ offices around the world, we are well-placed to move swiftly to create the compute engines, global data and transaction sets to address the needs of all logistics providers and their customers for real-time visibility, control over margins, faster multi-modal movement, error reduction and more efficient use of resources. We are delivering this on a scale and quality that is leading improvements in logistics execution, and we are committed to enabling, not disrupting, this important global industry.

Disciplined execution of our five levers of growth

Andrew detailed the financial results and key business metrics for FY19. We are proud of those outcomes that we aspired to achieve and have delivered on for our shareholders. From this standpoint our focus for 2020, and beyond, remains the uncompromising execution of our five levers of growth. Greater usage by existing customers, increasing new customers on the platform, stimulating network effects, innovation and expansion of our global platform, and accelerating organic growth through acquisitions. We push hard on each simultaneously, as together they build long-term revenue, drive customer growth, and speed our global expansion.

We drove greater usage by our existing customers across transactions, modules and geographies with revenue growth from that channel of \$46.8m, providing 86% of our organic revenue growth in FY19. This growth was generated by our large and diverse customer base adding transactions, users and geographies and moving into more modules.

Usage by many of the world's largest freight forwarding groups and organic revenue from our very large customers continues to grow. We continue to attract more of the world's largest logistics organisations onto our platform – including signing Bolloré Logistics in April for a full global rollout. Bolloré is ranked in the world's top 10, with an integrated network of 609 offices in 107 countries. Yet, while our growth rates to date have been strong our penetration of both customers and addressable markets is still in the early stages.

From a network effect perspective, we now have hundreds of external WisePartner organisations across the world, actively referring, promoting or implementing our platform along with thousands of CargoWise One Certified Practitioners currently working within our customers' organisations and across the industry.

We have also implemented development partnerships with large regional and global rollout customers on pilot developments or technological expansions of our platform capabilities that will drive product value and network effects across the customer base.

We remain relentless about innovation, having invested \$113m in further expanding our pipeline of commercialisable innovations and delivering over 800 product enhancements and upgrades across our global platform in FY19. Hundreds of upgrades include initiatives around global data sets, regulatory and trade requirements, and leveraging adjacent technologies to address new customer segments and expand our addressable markets. The extent of this future pipeline can be seen in the high level of capitalised development versus expensed maintenance annually. We are building significant, long-term assets.

CargoWise One – building out our ecosystems

With our global reach, we see into the world's supply chains at a breadth and depth that allow us to identify and build large, deeper next-generation functionality, global data sets and powerful transactional execution capabilities.

Just as we have created a truly modeless and borderless international freight forwarding global platform used by the world's largest logistics providers, our teams are building out globally integrated platform capability for customs and border compliance, landside logistics optimisation and transportation management systems and international ecommerce.

Logistics requires real, whole of *Cargo Chain*, data integration and visibility in a single platform. That's one of the capabilities we are building. The compliance ecosystem is incredibly complex and difficult to penetrate with myriad regulations around border clearances requiring byzantine data and documentation to legally clear the borders. In-country, this includes accounting, taxation, the language of the country, and other localisations specific to that country's law, regulation, business practices and culture. Just as we are able to build a full global roll out for international freight forwarding, we are doing the same for customs – building out the global integrated platform that when complete will target 90% of manufactured trade flows. Through CargoWise One, logistics providers can gain control over international compliance, achieve lower-risk cross-border execution, faster multi-modal movement, and more efficient use of resources.

We're also working on solving the significant inefficiencies in logistics, which impose delays, penalties and risk on the landside logistics communities. With our systems-thinking approach, global container automation and domestic land-side technology developments, we intend to provide additional visibility and decision-making capability to optimise landside logistics for depots, warehouses, carriers and terminals.

And in our longer-term pipeline, we are building out our global integrated platform for the consumers of logistics services, CargoWise neXus. The multi-generational development of neXus is significant and will progress over a number of years – at this stage, early alpha release to select Beneficial Cargo Owners and logistics providers is planned for the end of calendar year 2020.

Accelerating organic growth through strategic acquisition

Every key technology component is assessed on a build, buy, licence or partner execution method as we focus on the most effective resource utilisation to expand our technology pipeline. Build utilises the development capability and capacity of our own development centres worldwide with our deep domain knowledge for complex verticals and interdependencies. Whereas, in select areas, we buy strategic assets in the form of software companies and specialist technology teams. These bring additional skills, increase speed to market and access to IP to converge with our own technology.

Since 1 July 2018, we have announced further valuable geographic and adjacent acquisitions. Small, targeted acquisitions are a risk reduction and expansion strategy. These provide safer, faster, stronger entry to new key markets along with talented industry experts and developers, local management, local infrastructure and relevant customer bases.

Significant progress has been made securing key positions in major European and Latin American economies. We will continue to execute on smaller, but important, European economies and the key remaining markets in Asia. However, much of the heavy lifting in our geographic acquisitions is done. To date, we have secured 21 geographic foothold acquisitions, acquiring leading customs (or freight forwarding) software providers, capturing centuries of hard-to-access capability and significant additional development capacity. Within the group these assets span 30 countries in depth for customs processing, reaching 80% of global GDP and 74% of imports. And now each is embarking upon the native builds into CargoWise One for their country or region, ensuring significant progress on our integrated global customs platform. We expect the development of fully embedded components and the transition of customers will take a number of years; however, this future development will take a fraction of the time, cost and risk that it would have taken to build each country's customs and border-compliance capability from scratch.

In addition to our acquisitions in global multi-modal rates management, global shipping and global data sets, in FY19, we deepened our focus on connectivity across landside logistics and domestic transport and we secured additional expertise in container optimisation and container yard solutions and specialist transport management systems.

We can integrate multiple businesses simultaneously because we are an engineering-led business with IP around management of processes, software development, sales and marketing and people management. As can be seen by the way we have engineered our M&A origination pipeline and acquisition processes to be a highly repeatable, consistent engine, we continue to systematically automate and improve processes. We apply this approach to the integration of newly acquired businesses, to enable and empower the founders and senior managers of these strategic assets. This process is designed to be delivered through a combination of earn-out incentives, self-integration toolkits and the utilisation of our architectures and engines (such as PAVE and Universal Customs).

It is important to understand that integration and product development are only one part. We are reshaping each strategic asset to evolve from a one-time licence sales, consulting and services business, to be a high-growth, scalable, automated business with high recurring revenue and high EBITDA, what we consider to be a true technology business. This requires a commercial foundation covering content architectures, channel development, sales and

supporting systems. Our proof point is in the transformation we have already undertaken across WiseTech Global – innovating and revolutionising ourselves.

All of which was necessary to ensure CargoWise evolved to the 99% recurring revenue, less than 1% customer attrition and 48% EBITDA margin efficient engine that exists today.

The task we have set ourselves is not easy, building lasting value takes more time than asset-stripping revenue rollups. We are working hard to ensure that we are able to scale with the rate of growth, the complexity and uniqueness of acquired businesses and to ensure that the milestones agreed with the leaders are delivered and create value for the group. With more than 35 strategic assets acquired in recent years we are alert to the challenges ahead.

Our reach now extends out from international freight forwarding and 3PL logistics, making early, but important, inroads into the 2PL, 1PL and domestic transportation markets globally. In order to become the *operating system for global logistics*, we continue to evolve rapidly, expanding into more products, deeper functionality, more geographies and more adjacencies, driving our long-term growth, market position and brand recognition with each new innovation and acquisition.

With the addressable market in technology for global logistics in the hundreds of billions, and the spend on digital transformation itself hundreds of millions more again, we are moving fast to leverage these components and build out our technology lead. We are driving hard on all our levers of growth and at speed. We do this because we can, and because our ambition is significant and the opportunity vast. While there are those who seek to distract, we will not be deterred. We know the work we do is important for the world and it is worth our relentless efforts. My team and I are deeply committed to this long-term trajectory and we continue to grow our unique workforce of diverse, intelligent, and motivated people. We work together to solve the deep and complex pain points of the logistics industry.

Outlook 2020

We reconfirm our FY20 guidance. The strong momentum and significant growth of the Group during FY19, the power of the CargoWise One platform, annual customer attrition rate of less than 1% and continued relentless investment in innovation and expansion across our global business give us confidence to expect, subject to currency movements¹:

**FY20 revenue of \$440m - \$460m, revenue growth of 26% - 32%,
EBITDA² of \$145m - \$153m, EBITDA growth of 34% - 42%.**

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

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¹ 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 FY20 guidance is based on rates provided within the Investor briefing materials released to the ASX on 21 August 2019.

² The application of AASB 16 Leases brought into effect from 1 July 2019, is expected to add \$6m to EBITDA for FY20, with no change to revenue. The total is reflected in the guidance provided.

About WiseTech Global

WiseTech Global is a leading developer and provider of software solutions to the logistics execution industry globally. Our customers include over 12,000 of the world's logistics companies across 150+ countries, including 43 of the top 50 global third-party logistics providers and 25 of the 25 largest global freight forwarders worldwide³. Our flagship platform, CargoWise One, forms an integral link in the global supply chain and executes over 51 billion data transactions annually. At WiseTech, we are relentless about innovation, adding ~3,500 product enhancements to our global platform in the past five years while bringing meaningful continual improvement to the world's supply chains. Our breakthrough software solutions are renowned for their powerful productivity, extensive functionality, comprehensive integration, deep compliance capabilities, and truly global reach.

The WiseTech Global group includes CargoWise One, ABM Data Systems, ACO Informatica, BorderWise, Bysoft, Cargoguide, CargoIT, CargoSphere, CMS Transport Systems, Containerchain, CustomsMatters, DataFreight, Depot Systems, EasyLog, Fenix, Forward, Intris, LSP Solutions, Microlistics, Multi Consult, Pierbridge, Prolink, SaaS Transportation, SmartFreight, Softcargo, Softship, Systema, Taric, Trinium Technologies, Ulukom, Xware, zsoft and znet Group.

For more information about WiseTech Global or CargoWise One, please visit wisetechglobal.com

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³ Armstrong & Associates: Top 50 Global Third Party Logistics Providers List, ranked by 2017 logistics gross revenue/turnover. Armstrong & Associates: Top 25 Global Freight Forwarders List, ranked by 2017 logistics gross revenue/turnover and freight forwarding volumes.