

Chair's address

2020 was a strong year for WiseTech, despite the extraordinary health and economic challenges that COVID-19 posed. Today, I will touch on our financial performance, solid capital position and governance framework before I hand over to our Chief Executive Officer and Founder, Richard White, who will provide further detail on our strategic progress, in particular, the strong momentum we are gaining in increasing our market penetration.

COVID-19 market context

To begin with, it is worth noting that the 2020 financial year has been like no other. The impact of the pandemic was felt sharply across global supply chains. Our early visibility into disruption of trade flows enabled us to respond rapidly and decisively.

As noted at the time of our 1H20 results, the unexpected outbreak of COVID-19 and the ensuing lockdown restrictions had a distinct negative flow-on effect on industrial production output and supply chains, resulting in a temporary slowing of economic trade globally.

Our foremost priority was, and continues to be, keeping our people, partners, and the communities in which we operate as safe and productive as possible. I am pleased to report that we were able to move our teams seamlessly to remote working and achieve increased productivity and innovation as well as strong growth in high quality revenue throughout FY20.

I am incredibly proud of the way in which our people have navigated the difficult operating environment, displaying resilience and dedication, to ensure our customers could continue to be productive and keep global supply chains moving.

By June, we saw the commencement of a moderate recovery with momentum improving and continuing in July. Year-to-date in FY21 we are seeing CargoWise user numbers and transaction volumes trending upwards and above historical averages. In terms of the remainder of FY21 we are seeing customers remain cautious given the resurgence in COVID-19 infections in Europe and the US. Important short-term indicators for us will be the holiday period volumes (on the upside) and, on the downside, current and possible future COVID-19 lockdowns in major markets as well as any adverse impact on demand resulting from the ending of government stimulus measures.

What has been encouraging throughout this period is the continuing demand amongst CargoWise's larger customers for the acceleration of development and delivery of customer co-funded product enhancements to better navigate the logistical challenges posed during the pandemic which Richard will talk to shortly in his address.

Financial performance

In terms of financial performance, despite the challenges of the COVID-19 pandemic, WiseTech reported another year of strong growth, delivering record revenue and EBITDA, in line with our guidance.

WiseTech generated \$429.4 million in revenue in FY20, representing growth of 23% year-on year.

Our core CargoWise offering continued to excel delivering revenue of \$263.0 million, up 20% on FY19, driven by new customer signings and increased usage by existing customers.

Our strategic acquisitions also provided a strong contribution to our FY20 performance. Revenue from acquisitions was up 29% year-on-year to \$166.4 million, including the five strategic acquisitions across North America, South Korea, Switzerland and Poland we completed in FY20. Importantly, our strategic acquisitions have enabled us to extend our market reach by increasing our penetration of the \$13 trillion global logistics and supply chain market.

From an earnings perspective, we continued to perform strongly. FY20 EBITDA increased 17% to \$126.7million, and our EBITDA margin was strong at 30%, reflecting continued revenue growth and cost savings generated in the second half of FY20. I note that throughout FY20 and to date in FY21, we have not received any material benefit from any COVID-19 government support programs globally.

Our statutory Net Profit After Tax (NPAT) for the year was up 197% at \$160.8 million. This includes a non-cash, non-taxed fair value gain of \$111.0 million from restructuring the earnout obligations relating to 22 of our acquisitions and other adjustments which Richard will cover shortly.

Excluding this fair value gain and \$2.9 million of contingent consideration interest unwind (net of tax), our FY20 underlying NPAT was flat at \$52.6 million. This result reflects increased depreciation and amortisation expenses in FY20 due to our increased investment in R&D and the amortisation from acquisition product development.

Cashflow and financial position

We closed the financial year in a very strong position with cash and cash equivalents of \$223.7 million, and no outstanding debt.

Our business generated operating cash flows of \$146.3 million in FY20 and we have access to a \$190 million undrawn debt facility with an additional \$200 million accordion facility providing us with \$390 million of financial headroom to continue to invest in our technology and pursue future growth opportunities.

Dividends

A fully franked final dividend of 1.60 cents per share was paid on 2 October 2020. Coupled with the FY20 interim dividend of 1.70 cents per share, WiseTech's total FY20 dividend was 3.30 cents per share, representing a payout ratio of 20% of underlying NPAT.

We continue to offer a dividend reinvestment plan that enables eligible shareholders to reinvest their dividends to acquire additional WiseTech shares and our ongoing policy is to target a dividend payout ratio of up to 20% of NPAT.

Board activities

Turning now to developments with your Board which continues to evolve in order to best support WiseTech's needs as we extend our technology leadership position globally, enter new markets and grow.

I said in my address last year that we were working on recruiting new directors as part of our ongoing process of board renewal, and that I expected to appoint new directors in 2020.

On 1 June 2020, we appointed Arlene Tansey as an additional independent Non-Executive Director to the Board. Arlene brings extensive ASX-listed governance experience, corporate expertise and financial acumen as well as international experience in financial services and investment banking over a 30-year career. Arlene has made a valuable contribution in a very short period of time and was appointed Chair of the Audit Committee in October.

Over the next twelve months we expect to add further depth to the Board through the appointment of an additional independent Non-Executive Director to support the business' long-term growth strategy.

Environment, social and governance

The Board places significant importance on corporate social responsibility, culture, governance and accountability.

We are committed to ensuring that high corporate governance standards are achieved. Our corporate governance policies and practices are set out in our Corporate Governance Statement which is available in our annual report and on our website.

The Board believes that to have a sustainable business, WiseTech needs to continue to make a positive contribution to the communities that it is part of. Our technology solutions have an important role to play in solving the complex pain points of the logistics industry and improving resource usage. Underpinned by our culture of enablement and empowerment, we are committed to improving the global logistics industry through our technology.

With a team of approximately 2,000 people globally, spanning more than 60 nationalities and ranging in age from 18 to 75+ years, we are proud of our highly diverse and inclusive workforce. At WiseTech, 33% of our employees and 43% of our Board are female and we remain dedicated to encouraging and supporting more women to enter the technology and logistics industries.

Acknowledgments

Before I hand over to Richard, I would like to take the opportunity to thank each and every one of our employees for their outstanding contributions throughout the year. As I mentioned earlier, 2020 has been an extraordinarily challenging year and our team have been instrumental in achieving our strong FY20 performance and positioning our Company for future growth.

I would also like to acknowledge our CEO and Founder, Richard White, for his exceptional leadership and vision through the crisis and recognise the tireless work of his

management team in ensuring WiseTech could navigate and prosper in the extraordinary COVID-19 operating environment.

I extend my thanks to all Directors for their continued commitment and insights from decades of experience which is particularly valuable in these uncertain times.

Finally, I would like to thank you – our shareholders – for your continued support and investment in WiseTech.

CEO's address

I would like to start, by recognising the challenges that the COVID-19 pandemic has posed throughout the year, and the dedication, capability and resilience of the WiseTech team in addressing these challenges, continuing to service our customers and delivering on our mission, during this unprecedented period. I am incredibly proud to be a part of the WiseTech team.

Emerging stronger from the challenges of COVID-19

As COVID-19 swept across the world, the logistics industry and the technology we provide became of critical importance. Our real-time data sets allowed us to be amongst the first to call out the dramatic impact of COVID-19 on global trade and the likely impact on us all.

Importantly, our platforms and data centres provided critical support to our customers across the world and our people exemplified our culture, by going above and beyond in servicing our customers and delivering significant product outcomes and productivity increases.

Performance

Throughout this challenging period, we took rapid, necessary action to prioritise critical technology development, improve cost efficiencies, safeguard our financial strength, and continue to build our competitive position.

Our ability to deliver FY20 revenue growth of 23% and EBITDA growth of 17% (in line with our guidance), despite the disruption of the pandemic, is a testament to the strength of our business model and unique customer value proposition.

Importantly, we remained committed to continuing to invest in innovation. Our R&D investment increased by 41% in FY20 to \$159.1 million, representing 37% of our revenue and enabling us to deliver over 1,100 new product features and enhancements to our CargoWise platform – an increase of 32% on last year.

These enhancements are enabling us to increase scalability, expand our addressable market and grow our technology lead at a rapid rate. Over the last five years we have invested \$438 million in product development and innovation, building R&D capability in our global teams across 40 development centres. Our technology delivers data visibility across the entire supply chain, automation, and deep integration on a single platform resulting in demand for our offering gaining momentum.

Whilst it took us more than a decade to sign up our first seven global customers, we have been gaining pace in recent times, with six new global customers signed since January 2020 – Aramex, Seafrigo, a. hartrodt, cargo partner and top 25 global freight forwarders, Hellmann Worldwide Logistics and CEVA Logistics – all of which have committed to CargoWise global rollouts.

These recent signings are in addition to our 17 existing global rollout customers, which include the world's largest logistics organisations DHL Global Forwarding, DSV/Panalpina, and Bolloré.

Given large global customers take multiple years to roll out the CargoWise platform across their sites, usage and transaction revenues are expected to continue to grow over time.

Strategic acquisition integration

Complementing our investment in R&D has been our strategic acquisition program.

In recent years we have completed over 40 acquisitions. These tightly targeted acquisitions have delivered significant product development resources and knowledge to optimise our technology pipeline and expand our geographic footprint by adding global engines, data sets and adjacent technologies.

In FY20, COVID-19 provided the impetus for us to renegotiate and fully or partially close out the earnout obligations for 22 of our acquisitions by replacing nearly all cash payments with equity.

This has not only improved liquidity but also better aligned these acquisitions to the CargoWise technology pipeline.

Our acquisition integration is a multi-staged, multi-year process. The operational integration of most acquisition assets is well progressed with the focus now on leveraging the acquired technology and skillsets to expand the CargoWise platform with native components, to expand our total addressable market (TAM) and to convert acquired customers onto the CargoWise platform.

The final stage of integration will involve taking action to deliver operational and cost efficiencies including eliminating duplication and inefficiencies across all functions, growing revenues, enhancing margins and bringing all our acquired platforms into our data centres.

Having completed over 40 acquisitions, we have now assembled significant resources and development capability to fuel our CargoWise technology pipeline and therefore intend to slow this targeted acquisition activity in the near term.

Structural sector changes accelerated by COVID-19

Looking ahead, never before have logistics and the global supply chain been more critical and visible in ensuring the movement of goods around the world.

Despite the challenges posed by COVID-19 in terms of initial, severe disruption to supply chains, the pandemic has provided our business with a unique opportunity.

It has accelerated the longer-term trend away from legacy systems with bolt-together micro-point applications with inherent complexity and cyber security risks, towards integrated global technology that facilitates the ability of logistics providers to navigate the new world normal.

WiseTech is ideally placed to address this growing demand. Our CargoWise offering provides a highly integrated, fully digital, global logistics execution platform that increases productivity and visibility and provides functional depth and rich data driven automation. This enables our customers to better plan, visualise and control their global operations, whilst mitigating risk and facilitating regulatory compliance.

The move to working remotely has further reinforced our value proposition with many of our customers moving swiftly and successfully to a working from home environment facilitated by our product capability and ease of remote access.

A refined focus – Product, Penetration and Profitability

With these structural changes in mind, we are taking clear steps to build upon our solid foundation for future growth. Given our market position, product strength and industry tailwinds from COVID-19 pressures, we are focused on Product, Penetration and Profitability.

Over the next three years, we will concentrate on expanding our technology lead, by realigning additional resources to our CargoWise product suite. We will accelerate key native customs projects, prioritising the largest markets and major customer pain points.

A key focus will be executing 30 geographic custom and border-compliance software builds, native into CargoWise, along with powerful new engines, modules and thousands more features to further drive the evolution of the CargoWise platform.

We will drive market penetration by refining and focusing our high-performance sales team to drive further global rollouts across the top 25 global freight forwarders and the top 200 logistics providers.

This will be complemented by our significant channel partner footprint across 46 countries, which is focused on referring, promoting or implementing our platform and supporting our global rollouts in expansion activities.

In addition, our continued digital-first approach will further expand digital sales tools and processes for our valuable customers and key markets.

We have a solid financial foundation which we will build upon by focusing on driving profitability across our global operations. This will include automating our manual customer facing and internal functions that are high volume and automatable via a self-service portal.

We will also remove duplication and centralise or regionalise where possible and align product teams to key development resources and scale in Sydney to drive operational efficiencies.

Outlook

Looking ahead, with penetration of automated, truly global logistics solutions still in early stages, WiseTech's opportunity for growth is vast. We believe CargoWise is the market-leading platform for global logistics execution and is well-positioned to strengthen its position in the global market over the near-term and long-term.

Notwithstanding the unprecedented challenges of COVID-19, our business has remained resilient, delivering solid revenue and EBITDA growth in FY20, in line with our guidance.

Since June we have seen a recovery, with momentum improving and continuing in FY21. By the end of July, CargoWise user numbers were close to pre-COVID-19 levels and have since been trending upwards and above historical averages.

Whilst this is very encouraging, we nevertheless remain cautious given that the ongoing and longer-term impacts of COVID-19 are still not completely predictable. We have

provided FY21 guidance subject to the assumptions set out in detail in our FY20 Results presentation. Based on these assumptions, and subject to no material adverse events, we expect FY21 revenue to grow between 9% to 19%, to \$470m to \$510m, and our EBITDA to grow between 22% to 42%, to \$155m to \$180m.

As I mentioned earlier, longer term, COVID-19 market disruptions have provided a tailwind for growing our market share as the need for digitalisation across the global logistics execution market accelerates and significantly increases the value and demand for CargoWise.

Within this environment, we are seeing increased demand amongst large global logistics service providers for our technological and digital solutions that drive efficiencies and productivity improvements.

Our vision and commitment

I leave you with this key message – our vision is unwavering – we are building a world-leading organisation, with a clear goal to empower and enable the world’s supply chains.

There has never been a greater need for end-to-end digitised, globally integrated logistics technology that CargoWise provides and we are ideally positioned to deliver continued growth and market penetration.

We have a well-considered and comprehensive strategy, which coupled with our strong balance sheet and robust cashflows mean we have significant financial firepower to fund our growth.

Our product pipeline and R&D program will ensure we have a competitive edge and significant opportunity to continue to improve margins and profitability.

Conclusion

On behalf of the WiseTech Global team, I thank each of our shareholders for your investment and support. We have an exciting future with many growth opportunities ahead of us and the entire WiseTech Global team and I are committed to our long-term vision.