



Objective

1HY2020

INVESTOR PRESENTATION

OUR PURPOSE

Bringing Governance and Better Business to the organisations our communities depend on.





AGENDA

- COMPANY RESULTS
- BUSINESS LINE RESULTS
- OUTLOOK

FINANCIAL HIGHLIGHTS

REVENUE

\$33.3m
75% RECURRING

ANNUAL
RECURRING REVENUE

\$54.1m
28% GROWTH

RESEARCH &
DEVELOPMENT

\$7.7m
23% OF REVENUE

EBITDA

\$6.8m
21% GROWTH

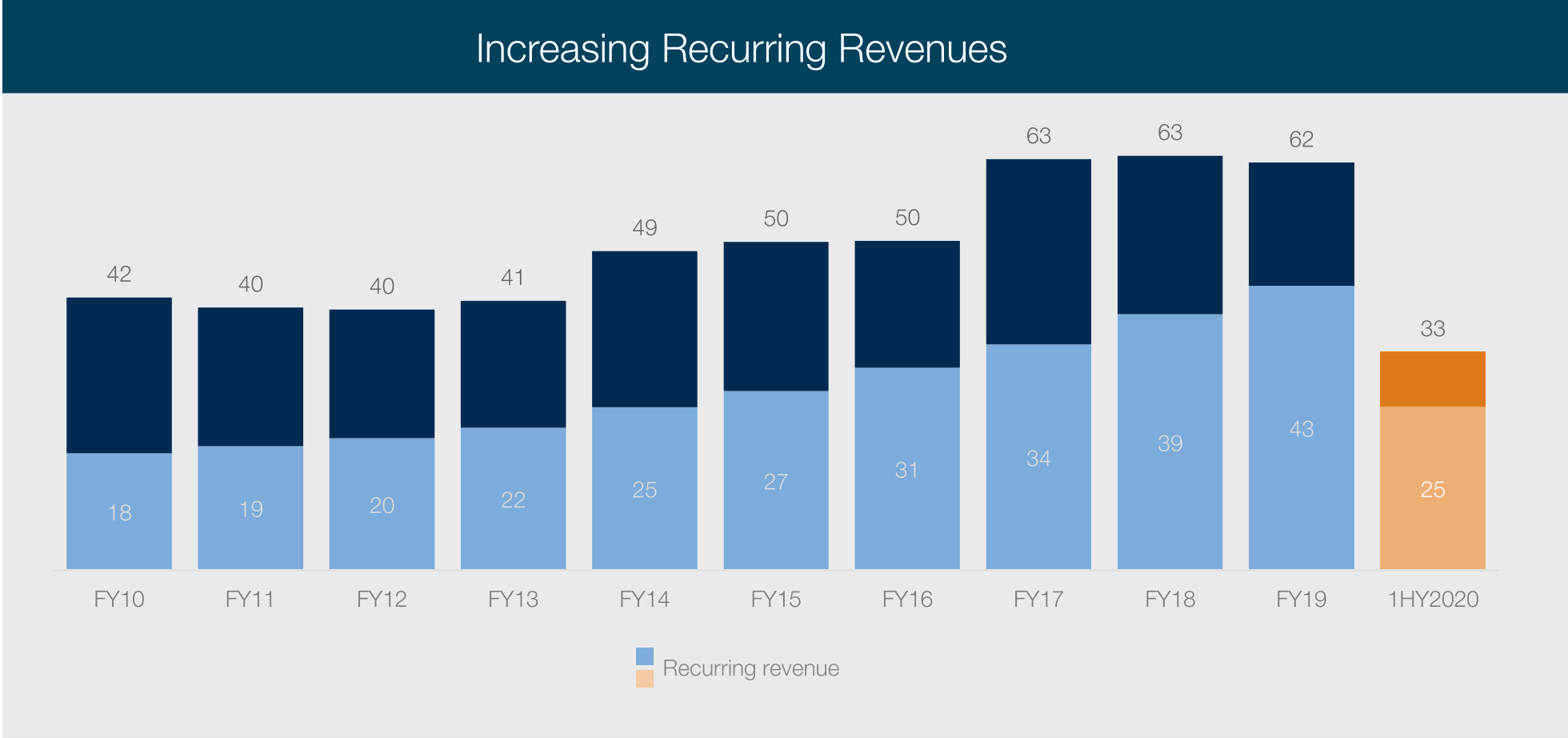
NET PROFIT AFTER TAX

\$4.3m
17% GROWTH

CASH

\$34.0m
\$29.3m AT 31 DEC 2018

FINANCIAL HIGHLIGHTS



GROWTH STRATEGY

1.

Develop outstanding software

We invest to develop outstanding software, focused on our customers needs.

2.

Growth within customers

Leverage deep customer engagement and proven ROI to cross-sell and up-sell new products and solutions.

3.

Grow number of customers

Expanding footprint within traditional target verticals while developing new markets.

4.

Geographic expansion

Use experience from APAC industry segments to target new geographies.

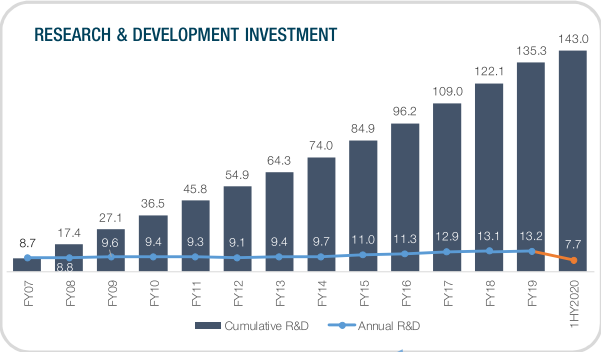
5.

Growth through acquisition

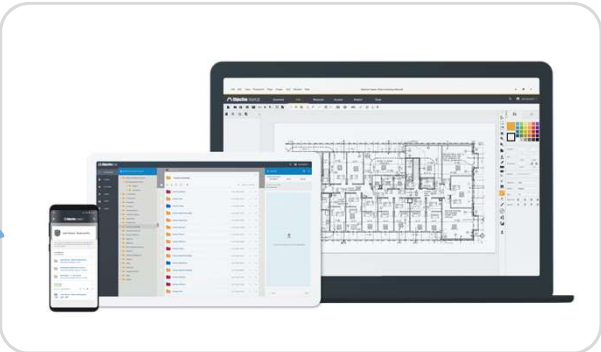
Add additional capabilities through M&A that deliver value for our customers or accelerate our move into new geographic regions.

INVEST TO DEVELOP OUTSTANDING SOFTWARE

Increasing investment in R&D



leads to...



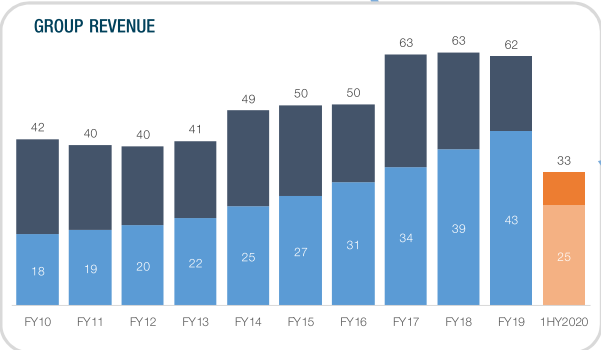
Outstanding products & solutions

so that we can...

DELIVERING OUTSTANDING SOLUTIONS IS CENTRAL TO EVERYTHING WE DO

delivering...

Financial Performance



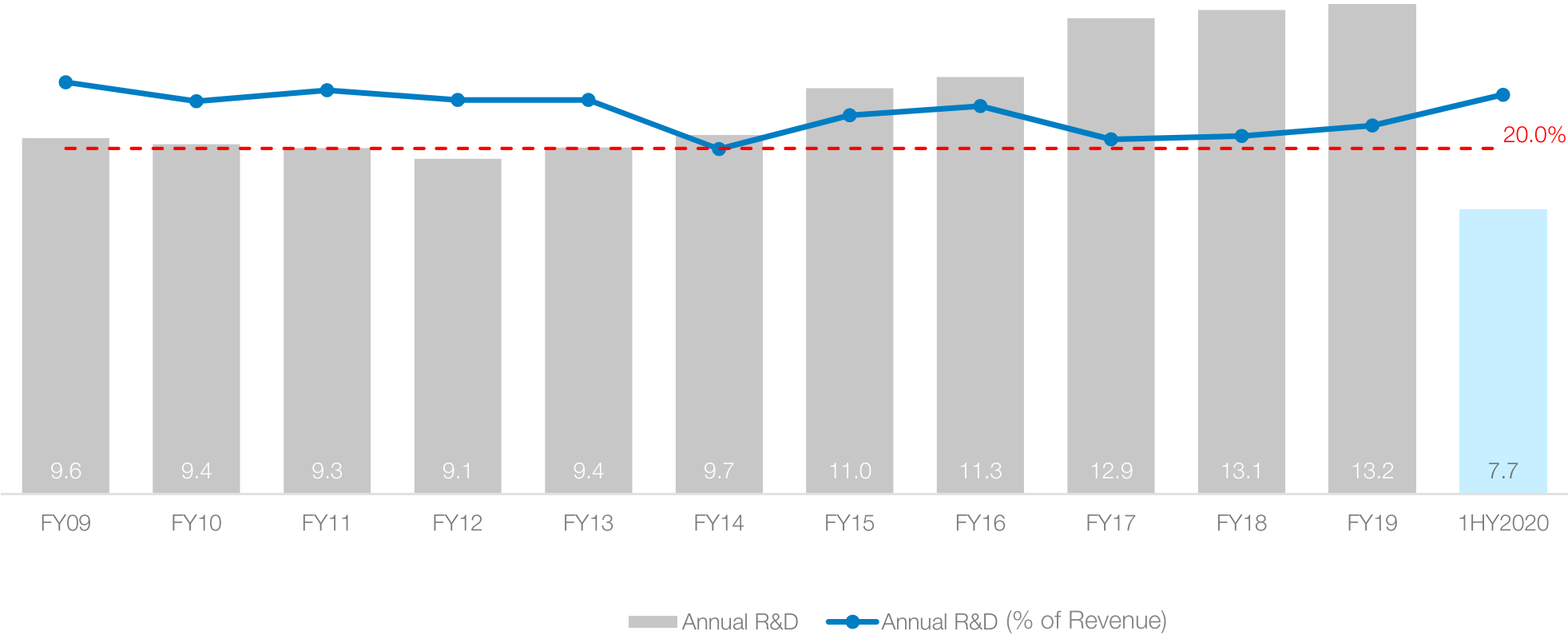
...resulting in



The best outcomes for our customers

CONSISTENT AND SIGNIFICANT R&D INVESTMENT

All R&D investment fully expensed



DISCIPLINED ACQUISITIONS



Alpha Group

22% of New Zealand councils

- Acquired 100% of shares
- Annualised FY19 revenue of NZ\$3.0m, profitable at acquisition
- ARR of NZ\$2.0m at acquisition
- Consideration: NZ\$3m cash and 200,000 OCL shares



Master Business Systems

52% of New Zealand councils

- Acquired 100% of shares
- FY19¹ revenue of NZ\$2.7m, profitable at acquisition
- ARR of NZ\$2.5m at acquisition
- Final consideration: NZ\$4.0m upfront plus NZ\$1.2m deferred over three years

¹ 31 March 2019 year end

ACCELERATED TRANSFORMATION

PLANNING SOLUTIONS
CONNECT
KEYSTONE
CONTENT SOLUTIONS

Investment in R&D + Acquisition Strategy

Ongoing commitment to R&D together with a targeted acquisition strategy has resulted in the ability to accelerate delivery of products to market.



UCREATE.
UENGAGE.



VERSION 7



VERSION 8



VERSION 10



VERSION 3

2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 2018 2019 2020

GOLD COAST CITY COUNCIL CONTRACT



Continuing digital transformation with City of Gold Coast

- 12 year, \$38m contract to provide a cloud-hosted ECM-as-a-service (ECMaaS) solution for the City of Gold Coast (CoGC).
- Includes ECMaaS, Connect and Redact
- Utilising Objective IQ user experience
- Extends the previously announced subscription software solution that formed an integral component of CoGC's Local Government Platform (LGP) from 1,100 LGP users to a full rollout across 4,000 users.
 - Objective will also provide full hosting, managed services, software and implementation services
 - Hosted in Microsoft Azure
- The annual uplift in Annual Recurring Revenue (ARR) totals \$2.2m over FY19 ARR, once the solution is fully implemented.



AGENDA

- COMPANY RESULTS
- BUSINESS LINE RESULTS
- OUTLOOK

CONTENT SOLUTIONS



REVENUE – A\$m

1HY2020	1HY2019	% CHANGE
24.2	22.5	↑ 8%

Increasing Recurring Revenue mix

- Growing proportion of subscription-based revenue:
 - All new customer contracts on subscription.
 - Customers on perpetual license agreements still supported for existing products.
 - Services business focused on recurring managed service engagements.

Product development

- Strategy to drive pervasive adoption of Objective products through deeper connections into users' daily workplace tools:
 - Sustainable governance for Microsoft O365 with document co-authoring, seamless authentication, governance for Microsoft Teams and Microsoft Power Automate.
 - Increasing adoption of Objective iQ user experience facilitating adoption of modern ways of working at customer organisations.

Best practice process automation for the public sector

- Repository agnostic architecture of Objective PERFORM creates broad market opportunity for standardised best practice Industry Solution products:
 - Objective OpenGov released, supported by targeted go-to-market activities.
 - Objective Ministerials 3.1 released.

REVENUE – A\$m

1HY2020	1HY2019	% CHANGE
3.3	3.6	↓ 6%

Strong license revenue growth

- Subscription revenue growth of **↑ 14%**.
- Overall revenue growth impacted by successful completion of major consulting project at DELWP.

Financial Services and Insurance market

- Strong value proposition and demand from A/NZ FSI market, with expected increasing regulatory requirements from 2019 Financial Services Royal Commission positions Objective Keystone for further growth.
- Market assessment of UK FSI market completed with decision to focus go to market resources on other markets: banking applications in A/NZ and public sector market.

Public Sector market

- Local Government market in both A/NZ and UK remains stable
- Increasing demand from state government departments to support the statutory planning process and complex document compilation across numerous use cases.

CONNECT



REVENUE – A\$m

1HY2020	1HY2019	% CHANGE
1.9	1.5	↑ 32%

Strong revenue growth

- Continued strong growth in subscription revenue from increased connections consumption driven by 30% increase in user numbers.

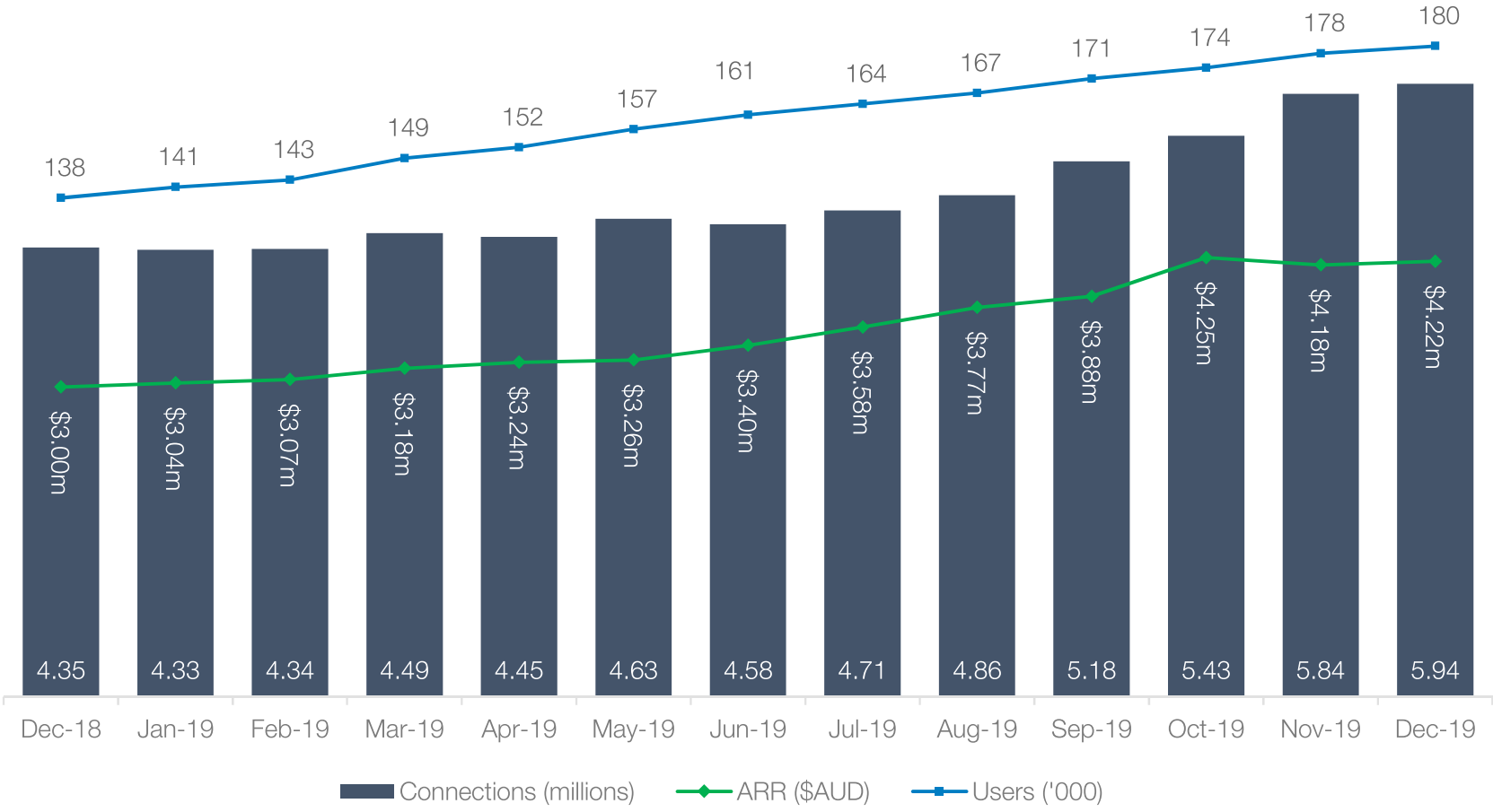
Collaboration for the Public Sector – Security accreditation

- Objective Connect accredited as ISO27001 compliant – strengthening the product’s application to the public sector market to share and collaborate on documents, even highly sensitive content.
- Development remains focused on information security from the code base upwards.
- Adoption within existing customer base grew through increased levels of customer engagement and opportunity to demonstrate new use cases.

Growing addressable market

- Tight integration into the native user interface of Microfocus Content Manger underpins opportunity to develop a 1,850 organisation-strong addressable market.

SECURE COLLABORATION BUILT FOR GOVERNMENT



PLANNING SOLUTIONS



REVENUE – A\$m

1HY2020	1HY2019	% CHANGE
3.5	1.4	↑ 147%

Acquisition – Master Business Systems (MBS)

- Extended technical expertise in the local government market, particularly the building consenting process to direct into new product development.

Accelerated development - Building Consent solution

- MBS and Alpha Group products provide a platform to develop an end-to-end (citizen – council – citizen) building consent solution with global application.
- MBS, Alpha Group and Objective Trapeze will relocate to new Planning Solutions Centre of Excellence in Palmerston North, NZ.

Objective Trapeze

- Transition to direct customer engagement resulted in accelerated adoption of Trapeze Professional (more than 40 councils in 1HY2020) and delivers deeper insights into customer needs for ongoing development.
- Usability and functionality enhancements significantly improved the performance of Trapeze Professional and resulting in faster processing of development applications for customers.

Objective Redact

- Growth in footprint and addressable market continues.
- Development focused on functionality and user experience enhancements and deeper integration with other Objective products and industry solutions.

PRODUCT PORTFOLIO

CONTENT SOLUTIONS

1HY2020 REVENUE **\$24.3m**

Target verticals: [local, state & federal government + regulated industries](#)



Objective INFORM

Robust governance across all information



Objective PERFORM

Streamline content-driven processes



Objective ECM

Leverage information and process across your enterprise



Objective KEYSTONE

Author, approve and publish on-brand content with ease.

PLANNING SOLUTIONS

1HY2020 REVENUE **\$3.5m**

Target vertical: [local government](#)



Objective TRAPEZE

Digitally review and manage plans, maps and images



AlphaOne **GoGet**

Digital building consent processing and approval



Objective REDACT

Redaction software for security conscious organisations.



Objective CONNECT

Secure external collaboration

CONNECT

1HY2020 REVENUE **\$1.9m**

Target verticals: [government & regulated industries](#)

TARGETED TO KEY MARKETS

CENTRAL GOVERNMENT



Objective MINISTERIALS
Objective OPENGOV
Objective GDPR

STATE GOVERNMENT



Objective MINISTERIALS
Objective OPENGOV

LOCAL GOVERNMENT



REGULATED INDUSTRIES



FINANCIAL SERVICES

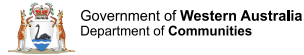


TARGETED TO KEY MARKETS

CENTRAL GOVERNMENT



STATE GOVERNMENT



LOCAL GOVERNMENT



REGULATED INDUSTRIES



FINANCIAL SERVICES





AGENDA

COMPANY RESULTS
BUSINESS LINE RESULTS
OUTLOOK

OUTLOOK

1 STRONG FINANCIAL PERFORMANCE

- Expect material growth in revenue and profitability in FY2020
- Continued strong growth in ARR with focus on continued transition to subscription contracts
- Improved predictability of earnings from subscription revenue and strong cashflow supports on-going investment plans
- No coronavirus impact

2 OUTSTANDING SOFTWARE

- Planned investment of at least 20% of revenue in R&D
- Increased integration of Objective products to automate public sector processes with best practice workflows
- Planned feature releases across product range to improve the functionality and user experience
- Leverage AI and machine learning to allow customers to access additional value from their documents and data

3 OUTSTANDING CUSTOMER OUTCOMES

- Leverage direct relationship with customers across all products to achieve outstanding customer outcomes
- Expand direct customer engagement with Planning Solutions customers in Australia and New Zealand
- Target broadened customer base with cross-sell opportunities, utilising Objective iQ
- Increased activity with Micro Focus direct to customer relationships

4 GROWTH THROUGH ACQUISITIONS

- Leverage financial capacity to execute on the right acquisition opportunities
- Maintain financial discipline around acquisition metrics
- Deployment of management systems and processes for post acquisition success
- Further develop pipeline of opportunities, assessing numerous potential targets with formal process

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