



## Appendix 4D

### HALF-YEAR REPORT

Objective Corporation Limited

**ABN: 16 050 539 350**

For the half-year ended 31 December 2023

(Previous corresponding period being the half-year ended 31 December 2022)

**OBJECTIVE.COM**

## RESULTS FOR ANNOUNCEMENT TO THE MARKET

### KEY INFORMATION

	31 December 2023 \$'000	31 December 2022 \$'000	% Change
Revenue from ordinary activities	57,783	55,033	+ 5 %
Profit from ordinary activities after income tax attributable to shareholders	16,403	10,724	+ 53 %
Net profit attributable to shareholders	16,403	10,724	+ 53 %

### DIVIDENDS

	Financial year ending 30 June 2024		Financial year ended 30 June 2023	
	Amount per security	Franking	Amount per security	Franking
Final unfranked dividend	-	-	13.5 cents	Nil

### EARNINGS PER SHARE

	31 December 2023	31 December 2022
Earnings per share (EPS)	17.2 cents	11.3 cents

### NET TANGIBLE ASSETS PER SHARE

	31 December 2023	31 December 2022
Net tangible assets per share (NTA)	30.8 cents	21.1 cents

## REVIEW OF OPERATIONS

Results summary for half-year ended	31 December 2023	31 December 2022	Change
	\$'000	\$'000	(%)
Revenue	57,783	55,033	+ 5 %
EBITDA	21,666	12,665 <sup>2</sup>	+ 71 %
Net profit after tax	16,403	10,724	+ 53 %
Annualised recurring revenue (ARR)	97,487	89,023 <sup>3</sup>	+ 10 %
R&D investment	13,557	13,435 <sup>1</sup>	+ 1 %
Cash at balance date	67,109	53,969	+ 24 %
Earnings per share	17.2 cps	11.3 cps	+ 52 %

<sup>1</sup> Includes \$6,348,000 in capitalised development costs.

<sup>2</sup> Earnings before interest, tax, depreciation and amortisation expenses is a non-IFRS financial measure.

<sup>3</sup> ARR is a non-IFRS financial measure.

## FINANCIAL HIGHLIGHTS

In first-half financial year 2024 (1HY2024), group revenue grew by 5% to \$57.8 million (1HY2023: \$55.0 million). Total Annualised Recurring Revenue (ARR) grew by 10% to \$97.5 million (1HY2023: \$89.0 million). In 1HY2024, software revenue was 100% subscription and software revenue represented 80% of total revenue.

EBITDA increased by 71% to \$21.7 million (1HY2023: \$12.7 million). Net profit after tax increased by 53% to \$16.4 million (1HY2023: \$10.7 million) for the half-year ended 31 December 2023.

We invested \$13.6 million in Research & Development (R&D), in-line with our investment in 1HY2023 (\$13.4 million) and representing 29% of software revenue. In 1HY2024, \$7.0 million of R&D investment was capitalised (1HY2023: \$nil), representing 52% of the total R&D investment for the period.

Growth continued across all subscription software products including ECMaaS/Nexus (23% growth over 1HY2023); RegWorks (15% growth over 1HY2023); Connect (18% growth over 1HY2023); Trapeze (18% growth over 1HY2023) and Keystone (9% growth over 1HY2023).

The company's cash balance at 31 December 2023 was \$67.1 million. The Company has no external borrowings.

In September 2023, the Company paid an unfranked dividend of 13.5 cents per share.

## BUSINESS LINE SUMMARY

Summary for half-year ended	31 December 2023	31 December 2022	Change
	\$'000	\$'000	
<b>Content Solutions</b>			
Sales revenue	39,507	38,082	+ 4 %
ARR	71,217	64,490	+ 10 %
<b>Planning &amp; Building</b>			
Sales revenue	6,145	5,926	+ 4 %
ARR	13,049	12,226	+ 7 %
<b>RegTech</b>			
Sales revenue	10,770	10,369	+ 4 %
ARR	13,220	11,568	+ 14 %

## CONTENT SOLUTIONS

In 1HY2024, revenue in our Content Solutions business increased by 4% to \$39.5 million (1HY2023: \$38.1 million). ARR increased by 10% to \$71.2 million (1HY2023: \$64.5 million).

During 1HY2024, we renamed the Content & Process LOB as Content Solutions. There was no change required to the comparable period figures following this renaming.

Highlights from 1HY2024 include:

- Improved conversion of sales opportunities in 1HY2024 with strong pipeline for 2HY2024. New and existing customers embraced Objective Nexus with go-lives across the globe.
- 20% of existing customers expanding their use of our solutions by purchasing additional licenses.
- R&D investment leveraged the capabilities of Objective 3Sixty to deliver clustered search (an AI powered capability) and enhanced document migration capability that will streamline the transition of customers from Objective ECM to Objective Nexus.
- Consolidated information governance portfolio featuring Objective Nexus, Objective 3Sixty, Objective Connect and Objective Redact.
- Objective Connect extended its leadership position anchored by implementations where Objective Connect is integrated directly into customers enterprise content management systems.
- Objective Keystone won new customers across FSI and government, extended projects within existing customers and won its first customer with the new use case in climate risk disclosure, a major NZ bank.
- Aligned to the UK Levelling-Up and Regeneration Act becoming law, Objective Keyplan delivered innovations to meet anticipated demand in the areas of support for digital plans including AI decision support capabilities.

## PLANNING & BUILDING

In 1HY2024, revenue in our Planning & Building business increased by 4% to \$6.1 million (1HY2023: \$5.9 million). ARR increased by 7% to \$13.1 million (1HY2023: \$12.2 million).

Highlights from 1HY2024 include:

- While consenting volumes have moderated from the heightened levels of 2022, ARR grew following new customer wins. 50% of NZ Councils have already committed to Objective Build and are progressively going live.
- New capability in Objective Build, Inspections, has just gone live completing end-to-end functionality in the solution: application, processing, inspection and certification.
- The addressable customer set for Objective Build is expanding in NZ following regulatory changes to address the housing shortage crisis in NZ which permit independent building consenting authorities to complete building approvals. Kāinga Ora (NZ Homes and Communities) is an existing Objective customer in this segment, and we contracted with a new entrant, Building Consent Approvals NZ in 1HY2024.
- Strengthened market engagement in geographies beyond NZ, conducted 100+ interviews researching AI opportunities which has prioritised new streams of development work. An increasing proportion of product and development resources in NZ are working on other developments for other geographic regions.
- In Australia, further investment in Customer Success has deepened engagement with Objective Trapeze customers and is delivering feedback to optimise and expand the use cases for the 4,500 professionals that use Objective Trapeze every day.

## REGTECH

In 1HY2024, revenue in our RegTech business increased by 4% to \$10.8 million (1HY2023: \$10.4 million). ARR increased by 14% to \$13.2 million (1HY2023: \$11.6 million).

Highlights from 1HY2024 include:

- Welcomed a new customer, the NSW Natural Resources Access Regulator, tackling water theft and misuse with Objective RegWorks – to be implemented via our new Accelerator delivery model.
- Transition of Return to Work South Australia, Department of Conservation NZ, WorkSafe Tasmania and Queensland Rail to the latest version of Objective RegWorks.
- Reinforcing thought leadership in the regulatory software market, the second Government Regulatory Technology Report for Australia and NZ was published. The UK survey is now closed, report to be published in 2HY2024, partnering with the UK Institute of Regulation.
- R&D investment delivered accessibility improvements to the citizen-facing interface, user experience enhancements and improvements to database performance.
- Te Tari Pūreke – Firearms Safety Authority, NZ marked its 1<sup>st</sup> anniversary with some notable achievements: cleared backlog of 5,700 license applications and applicants can now utilise the portal to pay license fees online.

## RECONCILIATION BETWEEN IFRS AND NON-IFRS FINANCIAL INFORMATION

### CONSOLIDATED

	Notes	31 December 2023	31 December 2022
		\$'000	\$'000
EBITDA		21,666	12,665
- Depreciation and amortisation expenses		(3,104)	(2,370)
- Net interest income / (expense)		1,024	460
- Foreign exchange gains / (losses)		48	(6)
- Income tax expense		(3,231)	(25)
<b>Net profit after tax</b>		<b>16,403</b>	<b>10,724</b>

### AUDIT REVIEW

The half-year financial report has been subject to review and the independent auditor's review report is attached to the report.

The remainder of the information requiring disclosure to comply with listing rule 4.2A.3 is contained in the attached half-year financial report.





## FY2024 Half-Year Financial Statements

Objective Corporation Limited

ABN: 16 050 539 350

## DIRECTORS' REPORT

The Directors of Objective Corporation Limited (the 'Company') present their report together with the condensed consolidated financial report of Objective Corporation Limited and its controlled entities (the 'Group') for the half-year ended 31 December 2023.

### DIRECTORS

The names of the Company's Directors in office during the half-year ended 31 December 2023 and until the date of this report are set out below. Directors were in office for this entire period unless otherwise stated:

- Mr Tony Walls
- Mr Nick Kingsbury
- Mr Darc Rasmussen
- Mr Stephen Bool
- Mr Gary Fisher (Resigned on 21 August 2023)

### REVIEW OF OPERATIONS AND FINANCIAL RESULTS

A review of the Group operations and the results for the half-year ended 31 December 2023 is set out on the inside front cover and on pages 3 to 5 of the half-year financial report and forms part of this Directors' report. This includes the summary of consolidated results as well as an overview of the Group's strategy.

### AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration is included on page 24 of the half-year financial report and forms part of this Directors' report.

### ROUNDING OFF OF AMOUNTS

The Company is a company of the kind referred to in ASIC Corporations (Rounding in Financial / Directors' Reports) Instrument 2016/191. In accordance with that Corporations Instrument, amounts in this Directors' report and the half-year financial report are rounded to the nearest thousand dollars, unless otherwise stated.

The Directors' report is signed in accordance with a resolution of the directors made pursuant to s.306(3) of the Corporations Act 2001 (Cth).



**Tony Walls**

Director

Sydney, 21 February 2024



## CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

### CONSOLIDATED

	Notes	31 December 2023	31 December 2022
		\$'000	\$'000
<b>Revenue</b>	2	57,783	55,033
Cost of sales		(3,802)	(3,530)
<b>Gross profit</b>		53,981	51,503
Interest expense and other finance costs		(337)	(183)
Distribution expenses		(20,920)	(21,523)
Research and development expenses		(7,209)	(13,435)
Administration and other operating expenses		(5,881)	(5,613)
<b>Profit before income tax</b>		19,634	10,749
Income tax expense		(3,231)	(25)
<b>Profit for the period attributable to shareholders of Objective Corporation Limited</b>		16,403	10,724
		Cents	Cents
Basic earnings per share		17.2	11.3
Diluted earnings per share		16.9	11.1

*The consolidated statement of profit or loss should be read in conjunction with the accompanying notes.*

## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

### CONSOLIDATED

	31 December 2023	31 December 2022
	\$'000	\$'000
<b>Profit for the period</b>	16,403	10,724
<b>Other comprehensive income</b>		
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Exchange differences on translation of foreign operations	106	431
<b>Other comprehensive income for the period, net of tax</b>	106	431
<b>Total comprehensive income for the period</b>	16,509	11,155
Total comprehensive income for the period attributable to shareholders of Objective Corporation Limited	16,509	11,155

*The consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.*

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2023

CONSOLIDATED			
	Notes	31 December 2023	30 June 2023
		\$'000	\$'000
<b>Current assets</b>			
Cash and cash equivalents		67,109	72,519
Trade and other receivables		8,379	20,647
Contract assets		3,437	3,252
Current tax assets		1,549	967
Other assets		2,600	2,311
<b>Total current assets</b>		<b>83,074</b>	<b>99,696</b>
<b>Non-current assets</b>			
Trade and other receivables		8	20
Property, plant and equipment		2,320	2,953
Right-of-use assets		12,307	13,643
Deferred tax assets		584	2,419
Intangible assets	4	47,232	41,115
Other assets		6	6
<b>Total non-current assets</b>		<b>62,457</b>	<b>60,156</b>
<b>Total assets</b>		<b>145,531</b>	<b>159,852</b>
<b>Current liabilities</b>			
Trade and other payables		7,723	11,455
Contract liabilities	5	39,344	51,969
Lease liabilities		2,669	2,532
Provisions		5,684	5,847
Other financial liabilities		86	207
<b>Total current liabilities</b>		<b>55,506</b>	<b>72,010</b>
<b>Non-current liabilities</b>			
Lease liabilities		12,002	13,385
Provisions		906	908
<b>Total non-current liabilities</b>		<b>12,908</b>	<b>14,293</b>
<b>Total liabilities</b>		<b>68,414</b>	<b>86,303</b>
<b>Net assets</b>		<b>77,117</b>	<b>73,549</b>
<b>Equity</b>			
Share capital	6	12,279	11,722
Reserves		(10,857)	(10,292)
Retained earnings		75,695	72,119
<b>Total equity</b>		<b>77,117</b>	<b>73,549</b>

*The consolidated statement of financial position should be read in conjunction with the accompanying notes.*

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

### CONSOLIDATED

	Note	Share capital	Reserves	Retained earnings	Total
		\$'000	\$'000	\$'000	\$'000
<b>As at 1 July 2023</b>		11,722	(10,292)	72,119	73,549
Profit for the period		-	-	16,403	16,403
Exchange differences on translation of foreign operations		-	106	-	106
<b>Total comprehensive income for the period</b>		-	106	16,403	16,509
<b>Transactions with owners in their capacity as owners:</b>					
Share-based payments		-	350	-	350
Shares issued	6	-	-	-	-
Share options exercised	6	624	-	-	624
Dividends provided for or paid	3	-	-	(12,827)	(12,827)
Buy-back of ordinary shares	6	-	(1,021)	-	(1,021)
Treasury shares acquired and issued	6	(67)	-	-	(67)
<b>Total transactions with owners in their capacity as owners</b>		557	(671)	(12,827)	(12,941)
<b>As at 31 December 2023</b>		12,279	(10,857)	75,695	77,117
<b>As at 1 July 2022</b>		11,310	(10,807)	61,454	61,957
Profit for the period		-	-	10,724	10,724
Exchange differences on translation of foreign operations		-	431	-	431
<b>Total comprehensive income for the period</b>		-	431	10,724	11,155
<b>Transactions with owners in their capacity as owners:</b>					
Share-based payments		-	300	-	300
Shares issued	6	137	-	-	137
Share options exercised	6	205	-	-	205
Dividends provided for or paid	3	-	-	(10,422)	(10,422)
Buy-back of ordinary shares	6	-	-	-	-
Treasury shares acquired and issued	6	(279)	279	-	-
<b>Total transactions with owners in their capacity as owners</b>		63	579	(10,422)	(9,780)
<b>As at 31 December 2022</b>		11,373	(9,797)	61,756	63,332

The consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

### CONSOLIDATED

	Note	31 December 2023	31 December 2022
		\$'000	\$'000
<b>Cash flows from operating activities</b>			
Receipts from customers		60,495	56,536
Payments to suppliers and employees		(43,123)	(52,411)
Payment for NZCC settlement		-	(1,440)
Interest received		1,210	491
Interest paid		(331)	(173)
Income taxes paid, net		(1,977)	(1,198)
<b>Net cash inflow from operating activities</b>		16,274	1,805
<b>Cash flows from investing activities</b>			
Repayment of loans by employees		12	11
Payment for acquisition of subsidiaries, net of cash acquired <sup>1</sup>		(93)	-
Payments for property, plant and equipment		(239)	(343)
Payments for intangible assets		(7,048)	-
<b>Net cash outflow from investing activities</b>		(7,368)	(332)
<b>Cash flows from financing activities</b>			
Dividends paid		(12,782)	(10,381)
Repayment of lease liabilities		(1,226)	(1,633)
Treasury shares acquired and issued	6	(67)	-
Payment for buy-back of shares		(1,021)	-
Proceeds from issue of shares		624	342
<b>Net cash outflow from financing activities</b>		(14,472)	(11,672)
<b>Net decrease in cash and cash equivalents</b>		(5,566)	(10,199)
Cash and cash equivalents at the beginning of the half-year		72,519	63,794
Effects of exchange rate changes on cash and cash equivalents		156	374
<b>Cash and cash equivalents at the end of the half-year</b>		67,109	53,969

<sup>1</sup> Represents part of the third instalment payment of \$93,000 (NZD100,100) made in settlement of the deferred consideration payable in relation to the acquisition of Master Business Systems Limited, which was acquired in a prior year.

*The consolidated statement of cash flows should be read in conjunction with the accompanying notes.*

## CONDENSED NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

### NOTE 1 MATERIAL ACCOUNTING POLICIES

#### **Basis of preparation**

Objective Corporation Limited (the 'Company') is a limited company incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange (ASX). The Company is a for profit entity for the purpose of preparing the half-year financial report.

The half-year financial report is a general purpose financial report prepared in accordance with the Corporations Act 2001 (Cth) and AASB 134 Interim Financial Reporting and complies with other requirements of the law and the Listing Rules of the Australian Securities Exchange Limited. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 Interim Financial Reporting. The half-year financial report includes the condensed consolidated financial statements of Objective Corporation Limited and its controlled entities (the 'Group').

The half-year financial report does not include all the notes normally included in an annual report. Accordingly, it is recommended that this report be read in conjunction with annual financial report of Objective Corporation Limited for the year ended 30 June 2023 and any announcements to the market made during the half-year in accordance with the continuous disclosure obligations arising under the Corporations Act 2001 (Cth) and ASX Listing Rule 3.1.

The consolidated half-year financial statements have been prepared on the basis of historical cost and in accordance with the same accounting policies adopted in the Group's last annual financial statements for the year ended 30 June 2023.

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets and liabilities. The significant judgements made by management in applying the Group accounting policies and the key sources of estimation uncertainty were the same as those applied to the annual financial statements as at and for the year ended 30 June 2023 except as disclosed in Note 5.

#### **New or revised accounting standards**

The following minor amendments to standards became effective and applicable to the Group from 1 July 2023:

- AASB 2021-2 Amendments to Australian Accounting Standards: Disclosure of Accounting Policies and Definition of Accounting Estimates;
- AASB 2021-5 Amendments to Australian Accounting Standards: Deferred Tax related to Assets and Liabilities arising from a Single Transaction;
- AASB 2021-7 Amendments to Australian Accounting Standards: Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections; and
- AASB 2022-7 Editorial Corrections to Australian Accounting Standards and Repeal of Superseded and Redundant Standards.

The application of the above standards and amendments has had no material impact on the disclosures or on the amounts recognised in the consolidated half-year financial statements.



## CONDENSED NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

### NOTE 1 MATERIAL ACCOUNTING POLICIES (CONTINUED)

#### Rounding

In accordance with ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, amounts in the Directors' report and half-year financial report have been rounded off to the nearest thousand Australian dollars unless otherwise indicated.

#### Currency

Unless otherwise stated in the half-year financial statements, amounts are in Australian dollars, which is the Group's presentation currency.

### NOTE 2 SEGMENT AND REVENUE INFORMATION

#### Operating and reportable segments

The Group applies a 'management approach' to identify its segments, based on the information provided to the Group's chief operating decision-makers (CODM). Accordingly, segment information is prepared on the basis of internal management reporting that is regularly reviewed by the CODM to assess the performance of the segment and make decisions regarding the allocation of resources. Within the Group, the function of the CODM is exercised by the CEO.

#### Revenue by product group

The revenue analysis presented to the CODM on a monthly basis is categorised by product group. This analysis is presented below:

#### CONSOLIDATED

	31 December 2023	31 December 2022
	\$'000	\$'000
<b>Revenue by product group:</b>		
Content Solutions	39,507	38,082
RegTech	10,770	10,369
Planning & Building	6,145	5,926
<b>Total revenue from contracts with customers</b>	<b>56,422</b>	<b>54,377</b>
<b>Segment profit before tax</b>	<b>16,403</b>	<b>10,724</b>

## CONDENSED NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

### NOTE 2 SEGMENT AND REVENUE INFORMATION (CONTINUED)

Revenue represents invoiced sales subsequently adjusted for the deferred component which is recognised over the service period to arrive at revenue. Revenue comprises product or licence sales, subscription services, professional services, training services and interest income.

The CODM continues to consider the financial position of the business from a geographical perspective and as such the assets and liabilities of the Group are presented by geographical region for both the half-year ended 31 December 2023 and the comparative period.

#### Revenue by geographic location

Revenue is recognised in a Group member entity based on where the services are performed for a particular project.

#### CONSOLIDATED

	31 December 2023	31 December 2022
	\$'000	\$'000
<b>Revenue by location:</b>		
Australia	44,732	40,592
United Kingdom	5,631	5,058
New Zealand	6,684	8,489
Rest of the world	736	894
<b>Total revenue</b>	<b>57,783</b>	<b>55,033</b>

#### Disaggregation of revenue from contracts with customers

#### CONSOLIDATED

	31 December 2023	31 December 2022
	\$'000	\$'000
<b>Timing of revenue recognition:</b>		
- products and services transferred at a point in time	64	1,029
- products and services transferred over time	56,358	53,348
<b>Total revenue from contracts with customers</b>	<b>56,422</b>	<b>54,377</b>

## CONDENSED NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

### NOTE 2 SEGMENT AND REVENUE INFORMATION (CONTINUED)

#### Assets and liabilities by geographic location

Assets allocated to geographic location include all non-current assets and current assets with the exception of net deferred tax assets, current tax assets and other corporate assets including intangible assets, goodwill and investments.

31 December 2023	Asia Pacific	Europe	Total
	\$'000	\$'000	\$'000
Reportable segment assets	82,446	13,720	96,166
Reportable segment liabilities	62,843	5,571	68,414

30 June 2023	Asia Pacific	Europe	Total
	\$'000	\$'000	\$'000
Reportable segment assets	95,949	19,402	115,351
Reportable segment liabilities	78,529	7,774	86,303

#### Reconciliation of assets and liabilities allocated to geographic location

	31 December 2023	30 June 2023
	\$'000	\$'000
<b>Assets</b>		
Reportable segment assets	96,166	115,351
Current tax assets	1,549	967
Intangible assets	47,232	41,115
Deferred tax assets	584	2,419
<b>Consolidated total assets</b>	<b>145,531</b>	<b>159,852</b>
<b>Liabilities</b>		
Reportable segment liabilities	68,414	86,303
<b>Consolidated total liabilities</b>	<b>68,414</b>	<b>86,303</b>

#### Reconciliation of non-current assets

Non-current assets for this purpose consist of property, plant and equipment, intangible assets, deferred taxes and other receivables. Intangible assets and deferred taxes are not allocated to a specific location as they are managed on a group basis.

	31 December 2023	30 June 2023
	\$'000	\$'000
<b>Non-current assets by location of assets</b>		
Australia	11,309	12,671
United Kingdom	1,571	1,866
New Zealand	1,753	2,075
Rest of the world	8	10
Unallocated non-current assets	47,816	43,534
<b>Total non-current assets</b>	<b>62,457</b>	<b>60,156</b>

## CONDENSED NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

### NOTE 3 DIVIDENDS

During the half-year, the Company made the following dividend payments:

Half-year period	Franking	Cents per share	Total amount \$'000	Date paid / payable
31 December 2023	Unfranked	13.50	12,827	14 September 2023
31 December 2022 <sup>1</sup>	Franked	5.00	4,737	14 September 2022
31 December 2022 <sup>1</sup>	Unfranked	6.00	5,685	19 September 2022

<sup>1</sup> The final dividends for the year ended 30 June 2023 have been recognised in this half-year financial report because it was resolved for payment after 30 June 2023.

### NOTE 4 INTANGIBLE ASSETS

#### CONSOLIDATED

	Intellectual property	Capitalised development costs	Other intangibles	Goodwill	Total
31 December 2023	\$'000	\$'000	\$'000	\$'000	\$'000
Gross carrying amount – cost	2,278	7,048	5,023	39,123	53,472
Accumulated amortisation	(2,278)	(700)	(3,262)	-	(6,240)
<b>Total intangible assets, net</b>	-	6,348	1,761	39,123	47,232

*Represented by:*

Net carrying amount at 1 July 2023	-	-	2,026	39,089	41,115
Additions	-	7,048	-	-	7,048
Amortisation expenses	-	(700)	(252)	-	(952)
Foreign exchange differences	-	-	(13)	34	21
<b>Net carrying amount at 31 December 2023</b>	-	6,348	1,761	39,123	47,232

#### Capitalised development costs

Research costs are expensed in the period in which they are incurred. Capitalised development costs represent the costs of developing new products or enhancing existing products to meet customer needs. Development costs are capitalised when it is probable that the project will be a success considering its commercial and technical feasibility; the Group is able to use or sell the asset; the Group has sufficient resources and intent to complete the development; and its costs can be measured reliably. Capitalised development costs are amortised on a straight-line basis over the period of their expected benefit, being their estimated finite useful life of three to five years.

#### Critical accounting judgements, estimates and assumptions – research and development

In prior periods, all research and development costs were expensed in the period they were incurred. Capitalisation of development costs was contingent upon meeting recognition requirements and anticipating benefits exceeding 12 months. During the current reporting period, the Company transitioned to a fully subscription-based revenue model. In support of this change, we have implemented the necessary systems to reliably measure and capitalise qualifying development costs in accordance with AASB 138.

## CONDENSED NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

### NOTE 4 INTANGIBLE ASSETS

Research and development expenditures incurred relate to works provided by third parties and internal salaries and on-costs of employees. Research costs are expensed in the period in which they are incurred. Development costs are capitalised when it is probable that the project will be a success considering its commercial and technical feasibility, and the costs can be measured reliably.

The key judgements relate to:

- determining the portion of the internal salary and on-costs that are directly attributable to development of the Group's product suite and software; and
- identifying and assessing the technical feasibility of completing the intangible asset and generating future economic benefits.

The Group determines the estimated useful life for the capitalised development costs. The useful lives could change significantly as a result of technical innovations or some other event. The amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or items no longer in use will be written off or written down.

### Critical accounting estimates and judgements – goodwill

The carrying value of goodwill is allocated to the Group's cash generating units ("CGU") identified as follows:

#### CONSOLIDATED

	31 December 2023	30 June 2023
	\$'000	\$'000
Objective Keystone	6,063	5,965
Objective Planning & Building <sup>1</sup>	9,982	9,885
Objective RegTech	16,720	16,720
Objective 3Sixty	6,358	6,519
<b>Total goodwill</b>	<b>39,123</b>	<b>39,089</b>

<sup>1</sup> CGU in New Zealand.

At 31 December 2023, the Group has assessed whether there is any indication that an asset may be impaired. During the half-year, and at the date of this report, no indicators were identified that would require a reassessment of the recoverable amount of goodwill.

### NOTE 5 CONTRACT LIABILITIES

#### CONSOLIDATED

	31 December 2023	30 June 2023
	\$'000	\$'000
Contract liabilities	39,344	51,969

The Group recognises contract liabilities for consideration received in advance from customers in respect of unsatisfied performance obligations and reports these amounts as contract liabilities in the condensed consolidated statement of financial position. This will be recorded as revenue in the condensed consolidated statement of profit or loss as the performance obligations under contracts with customers are satisfied.

## CONDENSED NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

### NOTE 6 ISSUED CAPITAL

	31 December 2023		31 December 2022	
	Number of shares	\$'000	Number of shares	\$'000
<b>Share capital</b>				
95,205,316 fully paid ordinary shares (December 2022: 94,981,118)				
<i>Movement:</i>				
Opening balance	95,116,253	11,722	94,856,118	11,310
Issue of shares <sup>1</sup>	-	-	50,000	137
Share options exercised by employees <sup>2</sup>	176,250	624	95,000	205
Buy-back of shares <sup>3</sup>	(87,187)	-	-	-
Shares issued to Trust <sup>4</sup>	-	(67)	(20,000)	(279)
<b>Closing balance</b>	<b>95,205,316</b>	<b>12,279</b>	<b>94,981,118</b>	<b>11,373</b>

<sup>1</sup> Issue of ordinary shares as a result of options exercised under the Group's Employee Incentive Plan and in cash.

<sup>2</sup> Proceeds from share issues associated with limited recourse loans issued under the Employee Incentive Plan.

<sup>3</sup> Payment for share buy-backs are recognised in a share buy-back reserve within equity.

<sup>4</sup> Cash contributions to the Objective Corporation Limited Employee Share Trust for on-market purchase of shares (FY23: ordinary shares held by The Objective Corporation Limited Employee Share Trust as at 30 June 2022 and subsequently allotted to participants under the Employee Equity Plan during the half-year ended 31 December 2022).

#### Share options outstanding during the half-year under Employee Plans

At 31 December 2023 a total of 862,500 (30 June 2023: 1,038,750) employee share options were outstanding under the Employee Incentive Plan (EIP) and 1,802,500 (30 June 2023: 100,000) employee share options were outstanding under the Employee Equity Plan (EEP).

During the current half-year, 176,250 share options were exercised pursuant to the EIP. A total of 1,702,500 new share options were issued under the EEP during the current half-year.

#### Movement in share options under the EIP during the half-year

The following reconciles the share options outstanding under the EIP at the beginning and end of the current half-year.

Grant date	Expiry date	Option exercise price (\$)	Opening balance	Granted	Exercised	Forfeited / cancelled	Closing balance
24/02/2015	24/02/2025	\$1.17	125,000	-	-	-	125,000
01/01/2019	01/01/2029	\$2.75	308,750	-	(62,500)	-	246,250
01/07/2020	01/07/2030	\$7.50	405,000	-	(113,750)	-	291,250
04/01/2021	31/01/2025	\$12.50	200,000	-	-	-	200,000
Half-year ended 31 December 2023			1,038,750	-	(176,250)	-	862,500
Weighted average exercise price			\$6.29	-	\$5.82	-	\$6.39
Weighted average share price at date of exercise					\$10.16		
Exercisable at the end of the period			620,000				520,000



## CONDENSED NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

### NOTE 6 ISSUED CAPITAL (CONTINUED)

#### Movement in share options under the EEP during the half-year

The following reconciles the share options outstanding under the EEP at the beginning and end of the current half-year.

Grant date	Expiry date	Exercise price (\$)	Opening balance	Granted	Exercised	Forfeited / cancelled	Closing balance
30/04/2022	30/04/2027	\$14.85	100,000	-	-	-	100,000
29/09/2023	01/01/2028	\$10.35	-	965,000	-	-	965,000
29/09/2023	01/01/2028	\$10.35	-	187,500	-	-	187,500
29/09/2023	01/01/2028	\$14.85	-	550,000	-	-	550,000
Half-year ended 31 December 2023			100,000	1,702,500	-	-	1,802,500
Weighted average exercise price			\$14.85	\$11.80	-	-	\$11.97
Exercisable at end of the period			-	-	-	-	29,500

#### Fair value of share options granted in the half-year

Fair value of share options granted in the half-year ended 31 December 2023 are provided in the table below:

Number of options granted	Grant date	Expiry date	Fair value at grant date (\$)	Exercise price (\$)	Risk free interest rate (%)	Expected volatility (%)	Dividend yield (%)
965,000 <sup>1</sup>	29/09/2023	01/01/2028	\$0.73	\$10.35	3.86%	19.46%	1.16%
187,500	29/09/2023	01/01/2028	\$2.08	\$10.35	3.86%	19.46%	1.16%
550,000	29/09/2023	01/01/2028	\$0.73	\$14.85	3.86%	19.46%	1.16%

<sup>1</sup> These options have an exercise restriction that is dependent upon the Company share price reaching \$20/share prior to 15 December 2027.

#### Share rights granted in the half-year

Fair value of share rights granted under the EEP during the half-year ended 31 December 2023 are:

Rights Issued	Fair value at grant date	Number	Expiry Date
Rights exercisable at \$nil	\$10.35	6,000	06/10/2028
Rights exercisable at \$nil	\$10.35	17,100	01/01/2028
<b>Total rights Issued</b>		23,100	
Weighted average exercise price		\$nil	

## CONDENSED NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

### NOTE 6 ISSUED CAPITAL (CONTINUED)

#### Movement in share rights under the EEP during the half-year

The following reconciles the share rights outstanding under the EEP at the beginning and end of the current year:

Grant date	Expiry date	Exercise price (\$)	Opening balance	Granted	Exercised	Forfeited / cancelled	Closing balance
30/04/2022	22/12/2026	-	45,000	-	-	-	45,000
21/03/2022	21/03/2027	-	4,000	-	-	-	4,000
28/02/2022	28/02/2027	-	5,000	-	-	-	5,000
02/11/2022	02/11/2027	-	10,000	-	-	-	10,000
24/10/2023	06/10/2028	-	-	6,000	(6,000)	-	-
29/09/2023	01/01/2028	-	-	17,100	-	-	17,100
Half-year ended 31 December 2023			64,000	23,100	(6,000)	-	81,100
Weighted average exercise price			\$nil	\$nil	\$nil	-	\$nil
Exercisable at end of the period			-	-	-	-	-

### NOTE 7 BUSINESS COMBINATIONS

#### Acquisition in the current period

There were no acquisitions in the current period.

### NOTE 8 SUBSEQUENT EVENTS

There has not arisen in the interval between 31 December 2023 and the date of this report, any matter or circumstance that has significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial years.

### NOTE 9 APPROVAL OF HALF-YEAR FINANCIAL STATEMENTS

The half-year financial statements were approved by the board of directors and authorised for issue on 21 February 2024.

**DIRECTORS' DECLARATION**

The directors declare that:

- (a) in the directors' opinion, the attached half-year financial statements and condensed notes thereto are in accordance with the Constitution of the Company and the Corporations Act 2001 (Cth), including complying with AASB 134 Interim Financial Reporting, the Corporations Regulation 2001 and other mandatory professional reporting requirements, and giving a true and fair view of the financial position and performance of the consolidated entity; and
- (b) in the directors' opinion, 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 made pursuant to s.303(5) of the Corporations Act 2001 (Cth).



**Tony Walls**

Director

Sydney, 21 February 2024

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**AUDITOR'S INDEPENDENCE DECLARATION  
TO THE DIRECTORS OF OBJECTIVE CORPORATION LIMITED  
ABN 16 050 539 350**

In relation to the independent auditor's review for the half year ended 31 December 2023, to the best of my knowledge and belief there have been:

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001*; and
- b) no contraventions of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)*.

This declaration is in respect of Objective Corporation Limited and the entities it controlled during the year.



**Mark Godlewski**  
**Partner**

21 February 2024



**Pitcher Partners**  
**Sydney**

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**Independent Auditor's Review Report  
To the Members of Objective Corporation Limited  
ABN 16 050 539 350**

**Report on the Half-Year Financial Report**

**Conclusion**

We have reviewed the half-year financial report of Objective Corporation, (the "Company") and its controlled entities ("the Group"), which comprises the condensed consolidated statement of financial position as at 31 December 2023, the condensed consolidated statement of comprehensive income, condensed consolidated statement of profit or loss, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half-year ended on that date, a summary of material accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Objective Corporation does not comply with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Objective Corporations' financial position as at 31 December 2023 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

**Basis for Conclusion**

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

***Responsibility of Management for the 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* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

***Auditor's Responsibility for the Review of the Financial Report***

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether 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 2023 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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.



Mark Godlewski  
Partner



Pitcher Partners  
Sydney

21 February 2024