Objective

Annual Letter to Shareholders

Financial Year 2025

Objective Corporation Limited (ASX: OCL)

From Tony Walls

CEO, Objective Corporation

Fellow Shareholders,

I am pleased to share the results of Objective's performance for the financial year 2025 (FY2025), demonstrating the continued strength of the business model that we have built. Equally, it has been very encouraging to witness all the foundations being laid to give our customers new opportunities for success.

This month marks 25 years since Objective listed on the ASX. As I pause to reflect on all we've achieved, the moments that shine most brightly are those working with the amazingly talented people who've contributed to our success along the way – some of whom I am privileged to still work alongside today. Our people care deeply about delivering on our mission, to deliver outstanding GovTech that helps our public sector customers build stronger communities and nations. And their commitment to this north star ensures we fulfil this promise as we help our customers navigate the emerging opportunities presented by artificial intelligence (AI), balanced with the responsibilities and obligations of government and regulated organisations to respect and protect often highly confidential, sensitive or private information, and where human judgement matters.

In 2000 when we listed, we had just signed the Australian Department of Defence as a customer. Today, the number of Objective users at Defence exceeds 130,000 and the department continues to invest in our solutions to manage and protect their vast stores of information and to utilise it in their complex and highly secured environment in locations world-wide. As we enter FY2026, we now have over 2,000 customers globally across all levels of government and regulated industries, many of whom have been working in partnership with us for more than a decade and in many cases more than two decades.

Since the very first day of Objective, we have maintained discipline in the allocation of capital, but always with a view to creating customer experiences that will deliver enduring value. At the core of this, are the great software products we produce from the significant investment we make in research and Development (R&D)

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each year. In FY2025, we again invested 30% of software revenue into R&D placing us proudly amongst global industry leaders in our commitment to innovation. Over the past four years alone we have invested $112m in R&D, representing 57% growth in our all-time investment since listing on the ASX. It enables us to attract the best and brightest talent to join us at Objective, who collaborate to deliver a regular cadence of new capabilities and innovations for customers.

In FY2025, this investment in R&D was accompanied by increased investment in sales and marketing and a continuation of our M&A program which together, drove annualised recurring revenue (ARR) growth to 15.1%. As I've highlighted in previous letters, we are focused not just on growth alone, but profitable growth, and I am pleased that the FY2025 adjusted EBITDA margin was 39%. We also increased the proportion of subscription revenue to 84% of total revenue.

AI IN THE PUBLIC SECTOR; TRUST MATTERS

Our customers include councils and planning authorities setting the standards for our built environments; the public sector that delivers the services our communities and nations rely upon; they are the institutions that uphold peace, justice and the law; the companies that manage our wealth ethically and responsibly; they are the agencies that protect our national security, our safety, and our livelihoods.

One of the favourite parts of my role is talking to the people in these organisations who share a common desire to embrace the opportunities new technology, particularly AI, presents. The potential for automating monotonous administrative work, enhancing research with curated data sets, or accelerating report and content generation is just the beginning of where they see AI helping them to deliver better outcomes for their communities. But the nature of the regulatory environment in which they operate, together with the trust placed in them by society, means these organisations need to be supremely careful with sensitive information.

Governance, auditability, security and trust are the pillars of our promise to customers. They are the guiding principles for our product design, and this does not change as we expand the use of AI through our solutions.

Our framework for embedding AI in our products, together with the specific capabilities we've developed (and the many more on our roadmaps) enables the public sector and regulated industries to embrace AI while applying the transparency, security, and human judgment we expect from them.

We are beyond the conversations of the potential of AI, and actively working with customers to bring their ambitions to life – where AI is used to support their work and elevate their expertise, not replace it. And best of all, we're invigorated as a team to meet our customers' enthusiasm for innovation across so many areas.

A centralised framework: Objective Intelligence

At the heart of our innovation strategy is Objective Intelligence (OI), a capability to leverage AI technologies across the full portfolio of Objective solutions.

For our customers, OI is a flexible, secure, and customisable environment that provides choice and control. Customers can choose from multiple AI models — commercial, open-source, or custom-built— but importantly, it can be deployed on-premise or in private clouds; customers retain control over their infrastructure and the data sources input to the models ensuring accurate, high-quality outputs.

For our ongoing development program, it's all about a reusable, repeatable and scalable framework. OI spans our complete product portfolio, enabling any product to rapidly incorporate developments in another product.

Providing customers with solutions, not just agents

While some customers are seeking the tools to trial AI for themselves, at Objective we hit our sweet spot when we play to our differentiator, leveraging our unparalleled domain expertise to deliver products that solve real, daily challenges our customers face. For example:

▪ **In local government** – Within Objective Build, AI is assisting overworked planning departments assess development, without sacrificing safety, transparency or public trust. Capabilities designed to work with planners, not around them, include instantly surfacing relevant planning precedents, automatically summarising submissions, and generating first-draft reports on-demand. It helps planners assess applications more consistently, with accuracy; ultimately resulting in faster approvals. Councils face enormous public scrutiny in the role they play in the housing supply issues; faster approvals allow them to address this challenge head on.

▪ **State and federal government departments** – These customers have massive volumes of unstructured information, in many different formats, siloed across multiple systems. In conjunction with Microsoft Copilot we're helping these organisations reach the information that lies beyond the Microsoft ecosystem, to know what exists, to enhance and augment the information before it's consumed by the large language models (LLMs). It provides a level of reassurance that quality information is going in, resulting in quality outputs they can rely on.

  For some customers, stringent security requirements mean Copilot is not an option, OI can be provided in a completely private environment, delivering them the benefits of AI in a safe space.

▪ **Regulators** – often face overwhelming surges in enquiry volumes when regulatory change is implemented. Using the retrieval augmented generation (RAG) capability from OI, Objective RegWorks' chat bot conducts intelligent conversations with the members of the public, drawing on the specific applications of the regulation or legislation and the context of their questions.

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DELIVERING ON OUR ORGANIC OPPORTUNITIES

Objective's flywheel of innovation is driven by a disciplined focus on balancing revenue growth and profit margin to deliver strong profitability and free cashflow, providing us with the means to re-invest. We have an expanding portfolio of organic growth drivers that will deliver a high return on the investment we make in them. Over FY2025, we have taken the opportunity to hire high-calibre executives in sales, marketing, services and technical roles, bolstering our capacity and skillset to execute on these opportunities.

Innovation at our core

In FY2025, we invested a further $31m into our R&D program and, in addition to incorporating new AI functionality, we released innovations across the full product portfolio.

- **Content Solutions** – We deepened the integration between the products in this portfolio to meet our customers' evolving data management requirements and to unify their engagement with our products to govern information wherever it resides and leverage information more intelligently; readying them to embrace the next wave of AI.

- **Regulatory Solutions** – The new version of Objective RegWorks released this year, incorporates significant advancements in functionality for the delivery of data-driven regulation in the community. We also evolved the Accelerator delivery model, that embeds best-practice workflows for common regulatory functions, and improves time-to-value for customers.

- **Planning & Building Solutions** - In Planning & Building we continued to expand the capability of the platform, investing in functionality to meet the complex requirements of larger metro councils and the new challenges presented by markets outside of New Zealand.

Innovation across our product suite is enhanced by advancements we continue to make in how the Objective Design Language (ODL) is applied across the user experience of all products, creating a platform for users to address different use cases across their organisation. As we harmonise the user experience, we also leverage common components and methodologies across products, accelerating the time to develop and release new functionality to our customers.

New markets, more opportunities

In May, we proudly launched Objective Build to the Australian market at the Planning Institute of Australia's (PIA) annual convention in Darwin. Leveraging the platform which has seen strong take up by councils in NZ, we are enhancing the Objective Build solution to specifically meet Australian planning regulations. We've worked hand in hand with six Australian councils as foundation customers, shaping and iterating Objective Build to be fit for purpose and ready for this market, including integration into the NSW Planning Portal.

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Delegates at the PIA conference echoed the enthusiasm our foundation customers have shown for a planning approvals platform designed specifically for councils to support faster and fairer planning decisions.

We continue to expand our presence in the UK market as we introduce new capabilities that can leverage the deep trust we have built amongst public sector customers. During FY2025, the Scottish Government (SG) committed to transition to our Objective Nexus cloud platform. SG delivers services to more than 5 million people and is our second largest customer with 18,000 users. The trust shown in Objective by this high-profile, long-term customer complements and extends on the go-to-market activity we've undertaken to build a strong position in the UK market for Objective RegWorks.

We also increased our presence in North America during FY2025, adding additional marketing and sales capacity to drive direct sales opportunities and to further leverage existing partner relationships. Our operations in North America now have a sufficient scale to support the immediate opportunities and we will look for further demonstration of the market potential before materially increasing this investment.

Implement faster; deliver value sooner

Reducing time-to-value for our customers remains a permanent focus. The long-term return of subscription revenue together with customer goodwill far outweighs the contribution of any one-off services projects. As our investments in innovation and go-to-market capacity create more customer opportunities, we are getting our customers to go-live status sooner, with a fixed level of implementation resources.

Demonstrating the progress on this initiative, we released and utilised the Accelerator offering for RegWorks across multiple customers through FY2025. Accelerator solutions are pre-configured and optimised workflows for regulatory applications such as registration and compliance that leverage our domain expertise and motivation to see best-practice regulation implemented across all customers.

We have also been able to identify opportunities where we can automate parts of the implementation process by utilising tools within our own product portfolio, such as Objective 3Sixty. As NZ council customers continue to migrate from GoGet to Objective Build, we have reduced migration times materially by using the capabilities in Objective 3Sixty to migrate building consent data and supporting documents.

WELCOME TO ISOVIST

We are excited to welcome the Isovist team to Objective. Isovist is a specialist provider of e-planning software for local government that transforms planning from a static document-based process to a dynamic digital solution. The Isovist team further enhances the domain expertise that Objective has already built in planning and building. The acquisition provides us with an exciting opportunity to not only expand the market for the Isovist platform throughout the Objective local council customer base in Australia and New Zealand,

but also to accelerate the delivery of artificial intelligence (AI) capabilities to further transform the planning and development process.

OUTLOOK

We head into FY2026 with a strong tailwind behind us. After delivering 15.1% ARR growth in FY2025, we continue to target ARR growth of 15% in FY2026 and profit growth above that level.

The permanent demand drivers that are propelling the GovTech market are still in their early stages, and we have a portfolio of products that deliver exceptional value to customers by solving some of their most complex problems, including the future with AI. We have a strong and resilient business model and a balance sheet that offers us the flexibility to invest wherever we see the best opportunities for returns.

Our global platform provides us with multiple paths to grow business, particularly in a world with an increasing focus on sovereign data governance. The deep domain expertise of the people within each line of business is enhanced by the trust built in the Objective brand for over 25 years and this allows us to continue to focus on our organic growth. As always, we are looking to augment the organic growth opportunities by identifying companies, like Isovist, that align to our strategic plan and see their future with Objective. M&A is a permanent strategic pillar of our business plans, but the opportunities do not arise neatly within each reporting period. Our commitment to shareholders is to stay disciplined until the right opportunities arise and acquire those businesses at a price that allows them to offer similar returns to organic options.

Having just brought the entire company together for Activate, our annual kick-off event, we're united and highly engaged in what we need to achieve in the year ahead. Being named as one of Australia's Best Workplaces in Technology™ 2025, I feel the huge amount of energy and enthusiasm in our team to deliver on our goals for FY2026.

It's a privilege to collaborate with so many incredible people on projects that deliver meaningful outcomes. I see us living and celebrating our values constantly and I am extremely proud of the culture that defines our company.

Tony Walls
CEO, Objective Corporation