



Annual Letter to Shareholders

Financial Year 2026

Objective Corporation Limited (ASX: OCL)



From Tony Walls

CEO, Objective Corporation

Fellow Shareholders,

Hard lessons are a proven path to forging stronger companies, and we begin the new financial year tougher, wiser, and more determined than ever.

It is hard not to start this letter without acknowledging the impact we all felt from the abrupt change in the commercial relationship with the Defence Digital Group (DDG) at the end of financial year 2026 (FY2026). Our 26-year partnership with the Department of Defence is a source of pride at Objective and, for now, not being able to advance our latest technologies for Defence was a hugely disappointing outcome and also very concerning in the national defence context. As previously communicated, there was no impact on FY2026 revenue or earnings, the FY2026 ARR balance reflects us falling short of the growth rate goals we had set for the year.

Within weeks of the end of FY2026 we also discontinued a heritage support contract with the National Heavy Vehicle Regulator (NHVR), which will result in a \$3.2m reduction in ARR in FY2027. This was a bespoke services contract from the 2019 iTree acquisition and unrelated to any of our SaaS platforms.

These events however, do not define the year for us: the 12 months of FY2026 demonstrated significant progress across every part of our business, with SaaS revenue growth of 22% year-on-year, and a seven-year CAGR of 27%.

Our considered response reflects the consistency of our business model: invest for the long term. The customer success and support programs that we have built over recent years are improving engagement, giving us earlier insight into customer health and providing paths to expanding use cases within our customers' operations. We're proud to work with a growing group of Objective customer advocates who very actively share the benefits of working with our products and the positive experiences of working with our people – we call these our Objective Blue customers.

Throughout FY2026, Objective continued investment against our strategic plans. We invested \$33.8 million into research and development (R&D), maintaining investment in sovereign innovation at 30% of software revenue. This

level of investment leveraged multiple AI models, and delivered us truly world leading solutions that are delivering real customer value and incorporate Agentic AI by design.

We also invested a record amount in building out our go-to-market during FY2026, building momentum across our whole product portfolio. We know where we need to focus our attention; we're bringing greater domain expertise to our go-to-market discipline, aligning Objective operations to the broader needs of our target markets rather than individual Objective products. This creates larger, more strategic opportunities and elevates our engagement with the change-makers, leading AI initiatives and strategic digital transformation.

Our strengths are clear. We are a trusted partner to our customers globally. We have genuine product leadership in the markets we target and significant domain knowledge to improve our customers' process efficiency and regulatory compliance. This positions us to be a global GovTech leader.

OUR PLAYBOOK FOR GLOBAL LEADERSHIP

The thesis is very much alive

With a base of more than 2000 customers around the world and with many relationships spanning decades, our solutions are embedded in mission critical workflows for our customers as they deliver the services their nations and communities depend upon.

Consistent long-term investment in R&D has delivered products highly valued by customers, while maintaining profitability and cash generation to invest in new markets and go-to-market capability.

FY2026 demonstrated our model at work. We welcomed new customers in Defence and National Security, a market we targeted and invested in during FY2026, and will continue to strongly invest in into the future. Objective Build in Australia evolved from market development and a foundation customer program to its first customer contract with North Sydney City Council. Investment in the security posture of Objective RegWorks through IRAP certification contributed to winning the Australian federal government Department of Climate Change, Energy, the Environment and Water.

But winning new customers is only the beginning. In FY2026 we delivered a record 115 Project go-lives for new customers, and for existing customers expanding or evolving their use of our solutions. This is the return from long-term investment in implementation methodologies, reusable technology, and customer success programs designed to reduce time-to-value for customers while building enduring relationships.

Across our company, we've massively embraced AI for productivity gains and quality improvements - from coding and testing to marketing, from business reporting to project delivery tools. Today, individuals and teams see AI as business as usual, shaped by a culture that enthusiastically embraces new technology and the opportunities it creates.

AI CONTINUES TO BE THE NEW BLACK

But SAAS is way more than just lines of code

We continue to invest in Objective Intelligence, the secure gateway to large language models (LLMs) and other AI technologies, where both access and usage cost can be controlled and optimised for customers. Objective Intelligence is now embedded in every product we take to market, delivering AI trust and excellence based on the data and information our solutions manage, and the context our workflows provide.

Objective's products help solve high-stakes challenges faced by the public sector and regulated organisations: advice for cabinet, responding to public enquiries, handling classified information with trusted partners, co-ordinating disaster responses, ministerial approvals, firearms licensing, inspecting and enforcing regulations, approving development responsibly to help address the housing crisis.

Organisations trust Objective to deliver solutions that meet their complex and high-stakes challenges, because they have been designed by domain experts to manage their end-to-end processes, rather than offering a generic platform of capability that requires an even bigger investment to configure. Customers also trust us to deliver on what we say. When we commit to our customers, we truly commit. We commit to the ongoing investment in product development, feature completeness, security accreditations, hosting, maintenance, and integration into the other systems they rely on. We offer superior customer services and support thanks to the outstanding and committed people we attract and retain. SaaS is truly far more than just lines of code, which the frontier AI model providers have now acknowledged.

As customer demands move beyond general AI adoption to agentic driven workflows, a trusted source of truth that maintains governance over the decision-making process will be even more highly valued. Objective products are deeply embedded, cross-functional solutions that deliver mission critical workflows in the organisation. These systems provide the data and the context that is essential in any decision whether agentic, or human. And with MCP connectors built in at the platform level, Objective Intelligence provides customers with a safe and trusted interface between the agents and the organisation's most valuable information.

Earlier this year, when long-term customer Tauranga City Council was planning their Microsoft Copilot rollout, they turned to us to ensure users and the council could have confidence in Copilot's outputs. Evolving their use of Objective Nexus underpinned by Objective Intelligence provides them with trusted answers, based on trusted information for sound decision making.

OSCR

Scottish Charity Regulator

"It was clear to us that Objective gave us the best balance of value for money, understanding of OSCR's needs, and an ability to be able to deliver."

Jon Fellows

Senior Manager – Digital Communications

Office of the Scottish Charity Register

The cumulative effect of these pillars of value; our outstanding software, our market knowledge, and our domain expertise, enables us to price our solutions to value, to win broader internal support for business cases put forward by Objective champions, and to be genuine, trusted advisors to our customers.

TRUST CREATES ADVANTAGE

The world is moving towards Objective's strengths

Last year, I talked a lot about trust and AI. The world is catching up. What we were developing then, is what customers are asking for now. And they are trusting us, to deliver. The forces reshaping the public sector and regulated industries are increasingly rewarding the expertise and capabilities Objective has spent decades building and honing.

Government and regulated industries possess sensitive information, make consequential decisions, and operate under intense public scrutiny. Governments want productivity from AI. But they also need security. They want to unlock information. But they must govern it. They need better, faster decisions. But those decisions must remain transparent, accountable, and keep humans in the loop.

Accurate, trusted information accelerating workflows enables our customers to deliver on their purpose. Through FY2026 we helped customers progress and mature their use of AI from planning to real adoption, for example:

- A high-profile UK government Public Enquiry auto-classified 180,000 evidence documents to summarise content, extract key information, flag sensitive material, and organise files for legal analysis.
- Curating information for use in Copilot gives users at Tauranga City Council confidence in its outputs – trusted information in, trusted answers out.
- Councils across New Zealand have reduced manual effort for applicants, accelerated processing time and improved application quality from the start, with AI vetting of building consent applications. Already, thousands of applications have been assessed.

But this is just the beginning. While adoption of AI is in its early stages in the public sector, we are clear on what drives success:



Scottish Government
Riaghaltas na h-Alba
gov.scot

“What feeds AI is information.
What we’re really seeking is trusted
knowledge that people can use and
share.”

Eilidh McLaughlin
Deputy Director
Digital Ethics, Inclusion and Assurance

The Scottish Government

- **Systems of record – provide trusted intelligence:** With solutions that are trusted systems of record, housing mission critical information, feeding deeply embedded workflows, Objective is positioned at the high-value end of the AI-disruption spectrum. Demand for AI driven improvements creates a distinctive opportunity for Objective because government demands intelligence it can trust. As AI moves from experimentation into operational and mission-critical agentic workflows, access to powerful models will not be enough. Governments need confidence in the information those models use, where that information resides, how it is accessed, and how AI-generated outcomes can be governed and audited. Objective combines trusted information, deep workflows, secure deployment, and model flexibility; capabilities that become more valuable as AI becomes more effective.



Tauranga City

“We’ve got higher quality decision making and faster access to the right information.”

Geoff Barnard

Head of Enterprise Data, Architecture and Security

Tauranga City Council

- **Sovereign capability – provides trusted control:** Geopolitical uncertainty and growing dependence on global technology platforms are increasing scrutiny of where sensitive government information resides, who can access it, and which technologies process it. Objective supports highly secure government environments, multiple deployment models, and customer control over data and technology choices to meet governments’ needs for greater certainty over where sensitive information resides, its access, how it is processed, and how they operate with external providers.
- **Security – provides trusted access:** As governments automate more work and allow intelligent, agentic systems to interact with larger volumes of sensitive information; identity, permissions, provenance, auditability, and secure information management become even more critical. Objective’s long experience securing highly sensitive government information provides a strong foundation for this more complex security environment; it positions us as trusted advisors and thought leaders for customers and prospects alike.
- **Governance – provides trusted outcomes:** Governments and regulated organisations cannot outsource responsibility for the decisions they make. They need technology that preserves governance, evidence, human oversight, and auditability. Objective’s deep experience in information governance, regulatory workflows, and highly accountable environments becomes increasingly valuable as AI changes how decisions and services are delivered.

These forces are converging, and they play directly to Objective’s strengths. These are challenges Objective understands deeply; challenges we’ve been solving with our customers for decades.

OUTLOOK

In FY2026 we fell well short of our own expectations of performance. These headwinds have not, however, diminished our conviction in our strategy and in FY2027 and we will continue to invest in support of our strategic plans. As we support this level of investment, and against a short-term reduction in ARR, we expect our Adjusted EBITDA in FY2027 to be at least \$40m (FY2026: \$51.5m).

What we have is increasingly rare. Our sustained investment in innovation over many years has delivered a set of proven, world-leading products into a GovTech market somewhat starved of genuine innovation. We are at an inflexion point. Objective Build is transforming the way planning and building approvals are delivered, Objective RegWorks V8 is now a fully featured regulatory platform in a box, Objective Nexus, our new Information Intelligence platform is proven in large-scale implementations and is demonstrating its capabilities in growing markets such as Defence and National Security. All of these opportunities are accelerated by trusted and secure AI delivered through Objective Intelligence.

To realise our ambition, we must continue to invest harder into go-to-market to build our presence in our target markets. This investment will position us in more conversations with potential customers, pursuing larger deals that combine more Objective capabilities to solve more complex problems and selling into the verticals where we have domain expertise. Reflecting the confidence we hold in the opportunities for Objective in the periods ahead, in FY2027 we will continue to invest in: more capacity in Information Intelligence go-to-market including the expansion of the Defence and National Security industry vertical team, expanding our Regulatory Solutions team to support international opportunities, expanding both product and go-to-market teams in Planning & Building to accelerate uptake of Objective Build in Australia, and more dedicated resources for the Objective Intelligence team.

Our commitment to continuing to invest also extends to non-organic opportunities. Our strong cash flow, unleveraged balance sheet and wide footprint of customers, positions us well to acquire businesses that can accelerate our strategic plans. Continued focus by private equity investors on market segments other than vertical market SaaS creates more opportunities for us. We are here for the long-term, we acquire companies to integrate them into Objective permanently and we truly understand the motivation of founders who want their business to continue to have a positive impact on their employees and customers.

Objective gives me the opportunity to collaborate daily with our incredible teams of people, on projects that deliver meaningful national and community outcomes. It is truly a privilege. I see us living and celebrating our values constantly and I am extremely proud of the culture that defines our company – it is what binds us and what will lead us to achieve our vision.



Tony Walls

CEO, Objective Corporation