



Appendix 4D

HALF-YEAR REPORT

Objective Corporation Limited

ABN: 16 050 539 350

For the half-year ended 31 December 2022

(Previous corresponding period being the half-year ended 31 December 2021)

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RESULTS FOR ANNOUNCEMENT TO THE MARKET

KEY INFORMATION

	31 December 2022 \$'000	31 December 2021 \$'000	% Change
Revenue from ordinary activities	55,033	52,675	+ 4 %
Profit from ordinary activities after income tax attributable to shareholders (excluding NZCC settlement in period to 31 December 2021) ¹	10,724	10,115 ¹	+ 6 %
Profit from ordinary activities after income tax attributable to shareholders	10,724	8,675	+ 24 %
Net profit attributable to shareholders	10,724	8,675	+ 24 %

¹ 31 December 2021: NZCC settlement relates to provision raised in relation to the agreed settlement with the New Zealand Commerce Commission amounting to \$1,440,000. Management believes that presenting figures excluding this item can enable a better assessment of Objective's ongoing economic performance. Refer Note 11 for further details.

DIVIDENDS

	Financial year ending 30 June 2023		Financial year ended 30 June 2022	
	Amount per security	Franking	Amount per security	Franking
Final franked dividend	-	-	5.0 cents	100%
Final unfranked dividend	-	-	6.0 cents	Nil

EARNINGS PER SHARE

	31 December 2022	31 December 2021
Earnings per share (EPS)	11.3 cents	9.2 cents

NET TANGIBLE ASSETS PER SHARE

	31 December 2022	31 December 2021
Net tangible assets per share (NTA)	21.1 cents	12.0 cents

REVIEW OF OPERATIONS

Results summary for half-year ended	31 December 2022	31 December 2021	Change
	\$'000	\$'000	(%)
Revenue	55,033	52,675	+ 4 %
EBITDA	12,665	15,082 ^{1,2}	- 16 %
Net profit after tax	10,724	10,115 ¹	+ 6 %
Annual recurring revenue (ARR)	89,023	79,465	+ 12 %
R&D investment (100% expensed)	13,435	12,862	+ 4 %
Cash at balance date	53,969	43,969	+ 24 %
Earnings per share	11.3 cps	10.7 cps ¹	+ 6 %

¹ 31 December 2021: NZCC settlement relates to provision raised in relation to the agreed settlement with the New Zealand Commerce Commission amounting to \$1,440,000. Management believes that presenting figures excluding this item can enable a better assessment of Objective's ongoing economic performance. Refer Note 11 for further details.

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

FINANCIAL HIGHLIGHTS

In first-half financial year 2023 (1HY2023), group revenue grew by 4% to \$55.0 million (1HY2022: \$52.7 million). Total Annual Recurring Revenue (ARR) grew by 12% to \$89.0 million, an increase of \$9.5 million over the balance at 1HY2022 (\$79.5 million).

EBITDA decreased to \$12.7 million (1HY2022: \$15.1 million, excluding NZCC settlement). Net profit after tax increased by 6% to \$10.7 million (1HY2022: \$10.1 million) for the half-ended 31 December 2022.

Growth continued across all subscription software products including ECMaaS (84% growth over 1HY2022); RegWorks (46% growth over 1HY2022); Connect (12% growth over 1HY2022); Trapeze (18% growth over 1HY2022) and Keystone (2% growth over 1HY2022).

We invested \$13.4 million in Research & Development (R&D), an investment increase of 4% over 1HY2022 (\$12.9 million) and representing 24% of revenue. In keeping with our long-term accounting policies, no R&D expenditures were capitalised.

The company's cash balance at 31 December 2022 was \$54.0 million. The Company has no external borrowings.

In September 2022, the Company paid total dividends of 11.0 cents per share. This was comprised of a franked dividend of 5.0 cents per share paid on 14 September 2022 and an unfranked dividend of 6.0 cents per share paid on 16 September 2022.

BUSINESS LINE SUMMARY

Revenue summary for half-year ended	31 December 2022	31 December 2021	Change
	\$'000	\$'000	
Content & Processes			
Sales revenue	38,082	36,667	+ 4 %
RegTech			
Sales revenue	10,369	9,839	+ 5 %
Planning & Building			
Sales revenue	5,926	6,119	- 3 %

CONTENT & PROCESSES

Highlights from 1HY2023 include:

- Go-live of Objective Nexus at South Australian Fire and Emergency Services Commission (SAFECOM) as the initial Objective Nexus customer in July 2022. Conceptually evolved from Objective ECM, Objective Nexus is a next generation SaaS-based platform providing records compliance, enterprise scale information management and process automation. Objective Nexus offers a cloud-only approach that facilitates a transition for existing ECM customers and expands our addressable market for new customer opportunities.
- Delivered the 'Collaborate Roadshow' customer event, covering eight cities across Australia, New Zealand and UK. The return to in-person events drove strong engagement from customers and provided a platform to showcase Objective's complete Content & Processes portfolio, including Objective 3Sixty, Objective Nexus and the latest version of Objective ECM. The pathway for future Objective Nexus migrations is supported by delivering upgrades of Objective ECM at customer sites to newer versions that facilitate a more direct technical and user experience transition to Objective Nexus.
- Continued adoption of Objective Gov365 across all geographic markets included go-live at City of Gold Coast (CoGC), further expanding the usage of the Objective product suite at CoGC and enhancing the cloud-hosted ECMaaS solution that was rolled out to over 4,000 users in 2020.
- Following the acquisition and integration of Simflofy in 2HY2022, the development program for Objective 3Sixty accelerated in 1HY2023. Built for environments with up to petabytes of data, Objective 3Sixty connects information sources across customers enterprises to discover, organise and manage information from a single control centre. Whilst we do not expect a material revenue contribution from Objective 3Sixty in FY2023, we have been investing in market development activities, including the on-going development of partner networks in North America.
- Objective Connect grew subscription revenue by 12% over 1HY2022, supported by the release of functionality in 1HY2023 that allows customers to apply their own branding to Objective Connect, expanding the potential use cases in community-facing deployments. Our long-term investment in enhanced security functionality for Objective Connect, including being IRAP assessed up to PROTECTED level, was evidenced by a leading global cybersecurity consulting firm selecting Objective Connect to securely exchange highly sensitive information with their customers.
- In 1HY2023, we continued to invest in Objective Keystone to establish functional enhancements for consultee submission management, targeted to use cases in the public sector. These innovations will support the separation of the go-to-market strategy for the public sector under the Keyplan brand, whilst the Keystone brand remains focused on the Financial Services market.

REGTECH

Highlights from 1HY2023 include:

- Launched the New Zealand Police Arms Information System (AIS), alongside the establishment of the new Firearms Safety Authority – Te Tari Pūreke (TTP). The AIS utilises Objective RegWorks to deliver a nationwide firearms registration and licensing solution that will assist in the regulation of over 2 million firearms in New Zealand. Following the initial go-live, we are continuing to work with TTP to deliver further enhancements to AIS over FY2023 and beyond.
- Published the Government Regulatory Technology Report, including findings from a first-of-its-kind survey that captured the industry trends impacting regulators at all levels of government across both Australia and New Zealand. Supported by digital materials and webinars, the report further established Objective as the leading specialist in the regulatory software market. This initiative provides a framework that will be utilised to assist in establishing Objective's position in new geographic markets and to direct R&D investment to functionality that provides the most value to customers.
- Launched Objective RegWorks in the UK, supported by a series of events that brought together government leaders, industry experts and key stakeholders to discuss the adoption of regulatory technology within government. These events generated strong engagement from potential customers and showcased numerous use cases from the Australian and New Zealand market where Objective RegWorks has been used to deliver community outcomes that align with those targeted by UK regulators.
- Continued to transition customers from heritage, on-premise regulatory software solutions to Objective RegWorks, providing enhanced functionality and user experience and reducing the number of semi-bespoke systems under support agreements. Additionally, during 1HY2023, the TfNSW Business Application Hosting Strategy (BAHS) migration of the Objective Transport Safety system was completed. This multi-year project has transitioned the existing on-premise software managing traffic enforcement cameras and automated heavy vehicle scanning into a hosted cloud environment, facilitating access to a greater compute capacity required to underpin the expansion of enforcement activities that improve road safety.
- Significant investment in R&D for Objective RegWorks continued in 1HY2023, targeted to improving the user configurability and speed of deployment whilst also delivering functionality enhancements that focused on community-facing components delivered through the Objective RegWorks Gateway.

PLANNING & BUILDING

Highlights from 1HY2023 include:

- Continued innovations and roll out of Objective Build, a cloud-based, end-to-end building consenting automation platform to manage building approvals through councils. The strong market response to Objective Build was evidenced by over 20 councils in New Zealand committing to implement the solution with an expectation that more than half of New Zealand's councils will be live on the platform during 2023. The enthusiastic market response to Objective Build following launch underpins our commitment to the rate of R&D investment to deliver more capabilities that will drive future ARR growth.
- The strong growth of the Objective Trapeze customer base to more than 50% of all councils in Australia and New Zealand and over 350 globally, has been coupled with the strong adoption of Trapeze Professional at most customer sites. Trapeze Professional offers customers an increased feature set, including functionality driven by innovations in computer vision and artificial intelligence, as well as enhanced user experience and connectivity with third party systems. Over 3,000 planning professionals utilise Trapeze Professional each day, demonstrating its position as the market leader for digital plan assessment. In 1HY2023, Kāinga Ora (Homes and Communities) implemented Trapeze Professional, accelerating the plan assessment process for the 40,000 public, affordable

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PLANNING & BUILDING (CONTINUED)

and market homes that will be developed in the next 10-15 years, and expanding the adoption of Objective's products within the agency.

- The decrease in headline revenue was a result of the conclusion of one of two long-term IT outsourced services contracts that were non-core inclusions in the acquisition of Master Business Systems (MBS) in FY2020. This contract contributed approximately NZ\$450,000 to revenue in 1HY2022 (annualised revenue of NZ\$890,000) and concluded on 31 December 2021. The second IT outsourced services contract will conclude on 30 June 2023. This second contract will contribute approximately NZ\$780,000 in revenue in FY2023. Objective has not pursued the IT outsourced services market as it is not part of our strategy. The concluding contracts were contracted at rates that could not deliver an appropriate margin for us.

RECONCILIATION BETWEEN IFRS AND NON-IFRS FINANCIAL INFORMATION

CONSOLIDATED

	Notes	31 December 2022	31 December 2021
		\$'000	\$'000
EBITDA		12,665	15,082
- Depreciation and amortisation expenses		(2,370)	(2,440)
- Net interest income / (expense)		460	(200)
- Foreign exchange gains / (losses)		(6)	35
- NZCC settlement		-	(1,440)
- Income tax expense		(25)	(2,362)
Net profit after tax		10,724	8,675

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.

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FY2023 Half-Year Financial Statements

Objective Corporation Limited

ABN: 16 050 539 350

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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 2022.

DIRECTORS

The names of the Company's Directors in office during the half-year ended 31 December 2022 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 Gary Fisher
- Mr Nick Kingsbury
- Mr Darc Rasmussen
- Mr Stephen Bool

REVIEW OF OPERATIONS AND FINANCIAL RESULTS

A review of the Group operations and the results for the half-year ended 31 December 2022 is set out on the inside front cover and on pages 3 to 6 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 25 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, 15 February 2023

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

CONSOLIDATED

	Notes	31 December 2022	31 December 2021
		\$'000	\$'000
Revenue	2	55,033	52,675
Cost of sales		(3,530)	(2,650)
Gross profit		51,503	50,025
Other gains and losses		(5)	50
Interest expense and other finance costs		(183)	(248)
Distribution expenses		(21,523)	(19,610)
Research and development expenses		(13,435)	(12,862)
Administration and other operating expenses		(5,608)	(4,878)
NZCC settlement	11	-	(1,440)
Profit before income tax		10,749	11,037
Income tax expense		(25)	(2,362)
Profit for the period attributable to shareholders of Objective Corporation Limited		10,724	8,675
		Cents	Cents
Basic earnings per share	3	11.3	9.2
Diluted earnings per share	3	11.1	9.0

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

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CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

CONSOLIDATED

	31 December 2022	31 December 2021
	\$'000	\$'000
Profit for the period	10,724	8,675
Other comprehensive income		
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Exchange differences on translation of foreign operations	431	251
Other comprehensive income for the period, net of tax	431	251
Total comprehensive income for the period	11,155	8,926
Total comprehensive income for the period attributable to shareholders of Objective Corporation Limited	11,155	8,926

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

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2022

CONSOLIDATED			
	Notes	31 December 2022	30 June 2022
		\$'000	\$'000
Current assets			
Cash and cash equivalents		53,969	63,794
Trade and other receivables		11,690	17,638
Contract assets		4,072	2,972
Current tax assets		613	-
Other assets		2,092	2,007
Total current assets		72,436	86,411
Non-current assets			
Trade and other receivables		21	33
Property, plant and equipment		3,669	4,258
Right-of-use assets		5,551	6,712
Deferred tax assets		2,518	2,270
Intangible assets	5	40,726	40,726
Other assets		6	6
Total non-current assets		52,491	54,005
Total assets		124,927	140,416
Current liabilities			
Trade and other payables		7,681	11,998
Contract liabilities	6	39,790	48,690
Lease liabilities		2,927	3,333
Current tax liabilities		-	312
Provisions	7	5,255	6,959
Other financial liabilities		405	394
Total current liabilities		56,058	71,686
Non-current liabilities			
Lease liabilities		4,710	5,884
Provisions		827	889
Total non-current liabilities		5,537	6,773
Total liabilities		61,595	78,459
Net assets		63,332	61,957
Equity			
Share capital	8	11,373	11,310
Reserves		(9,797)	(10,807)
Retained earnings		61,756	61,454
Total equity		63,332	61,957

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

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

CONSOLIDATED

	Note	Share capital	Reserves	Retained earnings	Total
		\$'000	\$'000	\$'000	\$'000
As at 1 July 2022		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
Total comprehensive income / (loss) for the period		-	431	10,724	11,155
Transactions with owners in their capacity as owners:					
Share-based payments		-	300	-	300
Shares issued	8	137	-	-	137
Share options exercised	8	205	-	-	205
Dividends provided for or paid	4	-	-	(10,422)	(10,422)
Shares issued under acquisition		-	-	-	-
Treasury shares acquired and issued		(279)	279	-	-
Total transactions with owners in their capacity as owners		63	579	(10,422)	(9,780)
As at 31 December 2022		11,373	(9,797)	61,756	63,332
As at 1 July 2021		6,943	(10,372)	50,380	46,951
Profit for the period		-	-	8,675	8,675
Exchange differences on translation of foreign operations		-	251	-	251
Total comprehensive income / (loss) for the period		-	251	8,675	8,926
Transactions with owners in their capacity as owners:					
Share-based payments		-	165	-	165
Issue of shares		230	-	-	230
Exercise of share options		815	-	-	815
Dividends provided for or paid	4	-	-	(8,489)	(8,489)
Treasury shares acquired and issued		-	-	-	-
Total transactions with owners in their capacity as owners		1,045	165	(8,489)	(7,279)
As at 31 December 2021		7,988	(9,956)	50,566	48,598

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

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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2022**
CONSOLIDATED

	Note	31 December 2022	31 December 2021
		\$'000	\$'000
Cash flows from operating activities			
Receipts from customers		56,536	54,548
Payments to suppliers and employees		(52,411)	(46,951)
Payment for NZCC settlement		(1,440)	-
Interest received		491	41
Interest paid		(173)	(223)
Income taxes paid, net		(1,198)	(2,022)
Net cash inflow from operating activities		1,805	5,393
Cash flows from investing activities			
Repayment of loans by employees		11	51
Proceeds from disposal of property, plant and equipment		-	15
Payment for acquisition of subsidiaries, net of cash acquired ¹		-	(401)
Payments for property, plant and equipment		(343)	(762)
Net cash outflow from investing activities		(332)	(1,097)
Cash flows from financing activities			
Dividends paid		(10,381)	(8,455)
Repayment of lease liabilities		(1,633)	(1,531)
Proceeds from issue of shares		342	1,045
Net cash outflow from financing activities		(11,672)	(8,941)
Net decrease in cash and cash equivalents		(10,199)	(4,645)
Cash and cash equivalents at the beginning of the half-year		63,794	48,360
Effects of exchange rate changes on cash and cash equivalents		374	254
Cash and cash equivalents at the end of the half-year		53,969	43,969

¹ Represents second instalment payment of \$401,000 (NZD 420,000) 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.

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CONDENSED NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

Objective Corporation Limited (the 'Company') is a limited company incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange (ASX).

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 2022 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.

Basis of preparation

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 2022.

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 2022.

New or revised accounting standards

In the current half-year, the Group has applied the amendments to Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (the 'Board'), that are effective for the Group's annual reporting period that began on 1 July 2022. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

AASB 2021-7 Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections

AASB 2021-7 again defers (to 1 January 2025) the amendments to AASB 10 and AASB 128 relating to the sale or contribution of assets between an investor and its associate or joint venture. The Standard also includes editorial corrections.

CONDENSED NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Comparative information

Where applicable, comparative information has been reclassified in order to comply with current period disclosure requirements, the impact of which is not material to the half-year financial report.

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.

The Group manages its operations as a single business operation and there are no separate parts of the Group that qualify as operating segments under AASB 8 Operating Segments. The CODM assesses the financial performance of the Group on an integrated basis only and accordingly, the Group is managed on the basis of a single segment.

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 2022	31 December 2021
	\$'000	\$'000
Revenue by product group:		
Content & Processes	38,082	36,667
RegTech	10,369	9,839
Planning & Building	5,926	6,119
Total revenue from contracts with customers	54,377	52,625
Segment profit before NZCC settlement and tax	10,724	12,477
Less: NZCC settlement	-	(1,440)
Segment profit before tax	10,724	11,037

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CONDENSED NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

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 2022 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 2022	31 December 2021
	\$'000	\$'000
Revenue by location:		
Australia	40,592	40,525
United Kingdom	5,058	5,200
New Zealand	8,489	6,938
Rest of the world	894	12
Total revenue	55,033	52,675

Disaggregation of revenue from contracts with customers

CONSOLIDATED

	31 December 2022	31 December 2021
	\$'000	\$'000
Timing of revenue recognition:		
- products and services transferred at a point in time	1,029	2,560
- products and services transferred over time	53,348	50,065
Total revenue from contracts with customers	54,377	52,625

CONDENSED NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

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 2022	Asia Pacific	Europe	Total
	\$'000	\$'000	\$'000
Reportable segment assets	65,916	15,154	81,070
Reportable segment liabilities	56,159	5,436	61,595

30 June 2022	Asia Pacific	Europe	Total
	\$'000	\$'000	\$'000
Reportable segment assets	80,106	17,314	97,420
Reportable segment liabilities	68,391	9,756	78,147

Reconciliation of assets and liabilities allocated to geographic location

	31 December 2022	30 June 2022
	\$'000	\$'000
Assets		
Reportable segment assets	81,070	97,420
Current tax assets	613	-
Intangible assets	40,726	40,726
Deferred tax assets	2,518	2,270
Consolidated total assets	124,927	140,416
Liabilities		
Reportable segment liabilities	61,595	78,147
Current tax liabilities	-	312
Consolidated total liabilities	61,595	78,459

Reconciliation of non-current assets

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

	31 December 2022	30 June 2022
	\$'000	\$'000
Non-current assets by location of assets		
Australia	22,873	24,286
United Kingdom	7,539	8,026
New Zealand	12,948	13,179
Rest of the world	6,613	6,244
Unallocated non-current assets	2,518	2,270
Total non-current assets	52,491	54,005

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CONDENSED NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

NOTE 3 EARNINGS PER SHARE

CONSOLIDATED

	31 December 2022	31 December 2021
Basic earnings per share - cents	11.3	9.2
Profit for the period attributable to shareholders of Objective Corporation Limited (\$'000)	10,274	8,675
Weighted average number of ordinary shares used in the calculation of basic earnings per share	94,928,235	94,253,110
Diluted earnings per share - cents	11.1	9.0
Profit for the period attributable to shareholders of Objective Corporation Limited (\$'000)	10,274	8,675
Weighted average number of ordinary shares used in the calculation of diluted earnings per share ¹	96,296,985	95,904,360

¹ Calculated by increasing the total weighted average number of shares used in calculating basic earnings per share by net outstanding options of 1,368,750. Options granted under the Employee Incentive Plan are included in the determination of diluted earnings per share to the extent to which they are dilutive.

NOTE 4 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 2021	Franked	9.00	8,489	16 September 2021
31 December 2022 ¹	Franked	5.00	4,737	14 September 2022
31 December 2022 ¹	Unfranked	6.00	5,685	19 September 2022

¹ The final dividends for the year ended 30 June 2022 has been recognised in this half-year financial report because it was resolved for payment after 30 June 2022.

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CONDENSED NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

NOTE 5 INTANGIBLE ASSETS

CONSOLIDATED

	Intellectual property	Brand names	Other intangibles	Goodwill	Total
31 December 2022	\$'000	\$'000	\$'000	\$'000	\$'000
Gross carrying amount – cost	2,162	173	4,559	38,660	45,554
Accumulated amortisation	(2,162)	-	(2,666)	-	(4,828)
Total intangible assets, net	-	173	1,893	38,660	40,726

Represented by:

Net carrying amount at 1 July 2022	-	169	2,130	38,427	40,726
Additions recognised on business combination	-	-	-	-	-
Amortisation expenses	-	-	(229)	-	(229)
Foreign exchange differences	-	4	(8)	233	229
Net carrying amount at 31 December 2022	-	173	1,893	38,660	40,726

30 June 2022	\$'000	\$'000	\$'000	\$'000	\$'000
Gross carrying amount – cost	2,162	169	4,547	38,427	45,305
Accumulated amortisation	(2,162)	-	(2,417)	-	(4,579)
Total intangible assets, net	-	169	2,130	38,427	40,726

Represented by:

Net carrying amount at 1 July 2021	-	173	2,655	32,716	35,544
Additions recognised on business combination	-	-	693	6,237	6,930
Amortisation expenses and impairment	-	-	(1,206)	-	(1,206)
Foreign exchange differences	-	(4)	(12)	(526)	(542)
Net carrying amount at 30 June 2022	-	169	2,130	38,427	40,726

CONDENSED NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

NOTE 5 INTANGIBLE ASSETS (CONTINUED)

Critical accounting estimates and judgements – goodwill

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

	31 December 2022	30 June 2022
	\$'000	\$'000
Objective Keystone	5,537	5,756
Objective Planning & Building	9,795	9,714
Objective RegTech	16,720	16,720
Objective 3Sixty	6,608	6,237
Total goodwill	38,660	38,427

At 31 December 2022, 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 6 CONTRACT LIABILITIES

CONSOLIDATED

	31 December 2022	30 June 2022
	\$'000	\$'000
Contract liabilities	39,790	48,690

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.

NOTE 7 PROVISIONS

CONSOLIDATED

	31 December 2022	30 June 2022
	\$'000	\$'000
Current	\$'000	\$'000
Employee entitlements	5,255	5,519
Other provisions (Note 11)	-	1,440
Total current provisions	5,255	6,959

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CONDENSED NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

NOTE 8 ISSUED CAPITAL

	31 December 2022		31 December 2021	
	Number of shares	\$'000	Number of shares	\$'000
Share capital				
94,981,118 fully paid ordinary shares (December 2021: 94,411,621)				
<i>Movement:</i>				
Opening balance	94,856,118	11,310	94,010,371	6,943
Issue of shares ¹	50,000	137	85,000	230
Share options exercised by employees ²	95,000	205	316,250	815
Shares issued to Trust ³	(20,000)	(279)	-	-
Closing balance	94,981,118	11,373	94,411,621	7,988

¹ Represents issue of ordinary shares as a result of options exercised under the Group's Employee Incentive Plan and in cash.

² Represents proceeds from share issues associated with limited recourse loans issued under the Employee Incentive Plan.

³ Represents 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 2022 a total of 1,268,750 (30 June 2022: 1,413,750) employee share options were outstanding under the Employee Incentive Plan (EIP) and 100,000 (30 June 2022: 100,000) employee share options were outstanding under the Employee Equity Plan (EEP).

During the current half-year, 145,000 share options were exercised pursuant to the EIP.

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
29/07/2018	29/07/2028	\$2.75	50,000	-	-	-	50,000
01/01/2019	01/01/2029	\$2.75	613,750	-	(132,500)	-	481,250
01/04/2019	01/04/2029	\$2.75	-	-	-	-	-
01/07/2020	01/07/2030	\$7.50	425,000	-	(12,500)	-	412,500
04/01/2021	31/01/2025	\$12.50	200,000	-	-	-	200,000
Half-year ended 31 December 2022			1,413,750	-	(145,000)	-	1,268,750

CONDENSED NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

NOTE 8 ISSUED CAPITAL (CONTINUED)

Movement in share options under the EEP 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	Exercise price (\$)	Opening balance	Granted	Exercised	Forfeited / cancelled	Closing balance
30/04/2022	30/04/2027	\$14.85	100,000	-	-	-	100,000
Half-year ended 31 December 2022			100,000	-	-	-	-
Weighted average exercise price			\$14.85	-	-	-	\$14.85
Exercisable at end of the year			-	-	-	-	-

Fair value of share options granted in the half-year

No new share options were granted in the half-year ended 31 December 2022.

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	-	50,000	-	-	-	50,000
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
28/11/2022	30/11/2027	-	-	6,400	6,400	-	-
Half-year ended 31 December 2022			59,000	16,400	6,400	-	69,000
Weighted average exercise price			\$nil	\$nil	\$nil	-	\$nil
Exercisable at end of the year			-	-	-	-	-

Share rights granted in the half-year

Share rights granted under the EEP during the half-year ended 31 December 2022 are:

Rights Issued	Number	Expiry Date
Rights exercisable at \$nil	10,000	02/11/2027
Rights exercisable at \$nil	6,400	30/11/2027
Total rights Issued	16,400	
Weighted average exercise price	\$nil	

CONDENSED NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

NOTE 9 BUSINESS COMBINATIONS

Acquisition in the current period

There were no acquisitions in the current period.

NOTE 10 FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature. The fair value of financial liabilities is estimated by discounting the remaining contractual maturities at the current market interest rate that is available for similar financial liabilities.

NOTE 11 NZCC SETTLEMENT

NZCC settlement relates to provision raised in relation to the agreed settlement with the New Zealand Commerce Commission during the financial year ended 30 June 2022.

On 12 August 2022, the Company settled in full the pecuniary penalty, in the amount of NZ\$1,540,000, as determined by The New Zealand High Court for breach of section 46 of the New Zealand Commerce Act 1986. Payment of the penalty brings this matter to a close.

NOTE 12 SUBSEQUENT EVENTS

There has not arisen in the interval between 31 December 2022 and the date of this report, any other 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 13 APPROVAL OF HALF-YEAR FINANCIAL STATEMENTS

The half-year financial statements were approved by the board of directors and authorised for issue on 15 February 2023.

DIRECTORS' DECLARATION

The directors declare that:

- (a) 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; and
- (b) in the directors' opinion, the attached half-year financial statements and condensed notes thereto are in accordance with the Corporations Act 2001 (Cth), including compliance with AASB 134 Interim Financial Reporting and giving a true and fair view of the financial position and performance of the consolidated entity.

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, 15 February 2023

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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 2022, to the best of my knowledge and belief there have been:

- (i) no contraventions of the auditor independence requirements of the *Corporations Act 2001*; and
- (ii) 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 period.



Mark Godlewski
Partner

15 February 2023



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 Limited ("the company") and its controlled entities ("the consolidated entity"), which comprises the Consolidated Statement of Financial Position as at 31 December 2022, the Consolidated Statement of Profit or Loss, the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the half-year ended on that date, a summary of significant 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 Limited does not comply with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2022 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 the Directors 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.

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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 company's financial position as at 31 December 2022 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

15 February 2023



Pitcher Partners
Sydney

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