Objective

FY 2019 - 1st HALF

INVESTOR UPDATE

#OUTSTANDINGSOFTWARE

AGENDA

CORPORATE OVERVIEW
LINE OF BUSINESS RESULTS
OUTLOOK

FINANCIAL HIGHLIGHTS

REVENUE
$29m
71% RECURRING

ANNUAL RECURRING REVENUE
$42.2m

EBITDA
$5.6m
225% CASH CONVERSION

RESEARCH & DEVELOPMENT
$6.3m
22% OF REVENUE

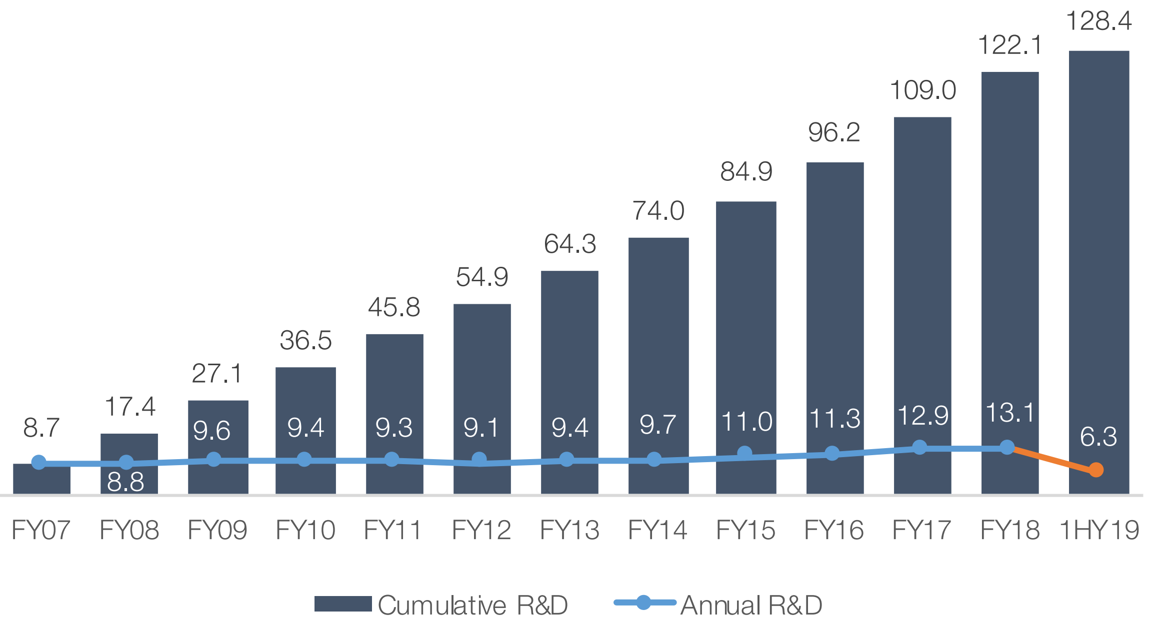
EARNINGS PER SHARE
$3.9cps
$3.6m IN NPAT

CASH
$29.3m
AT 31 DEC 2018

INVESTING TO DEVELOP OUTSTANDING SOFTWARE

Increasing investment in R&D

RESEARCH & DEVELOPMENT



leads to...

Outstanding products & solutions

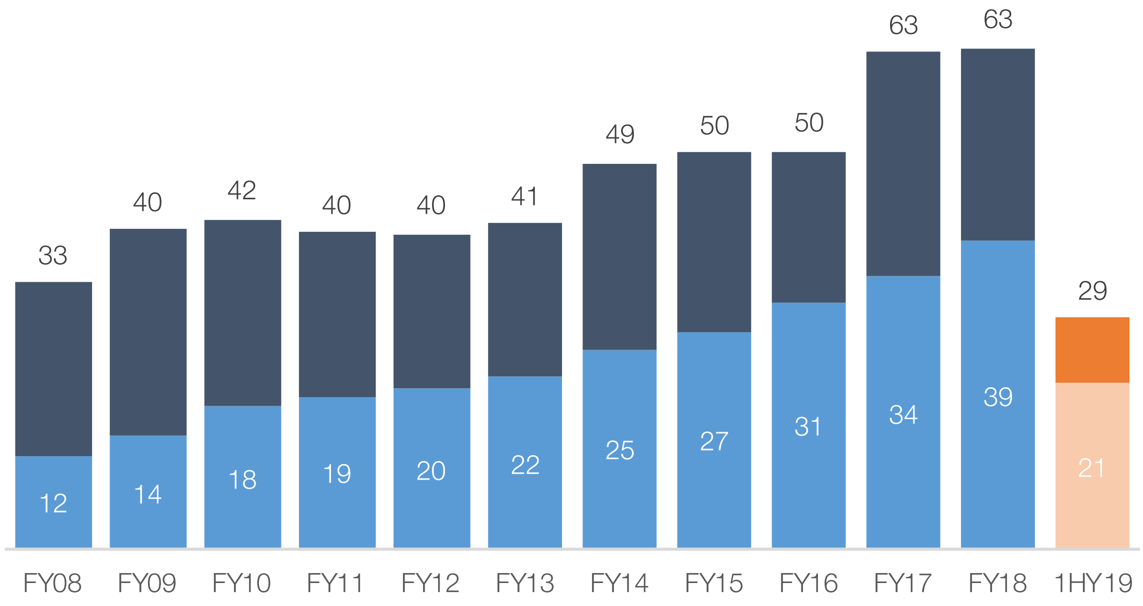
so that we can...

DELIVERING OUTSTANDING SOLUTIONS IS CENTRAL TO EVERYTHING WE DO

delivering...

Financial performance

GROUP REVENUE



...resulting in

Glasgow City Council
NSW Government Premier & Cabinet
Llywodraeth Cymru Welsh Government
The Scottish Government
Australian Government Department of Defence
Counties Manukau Health

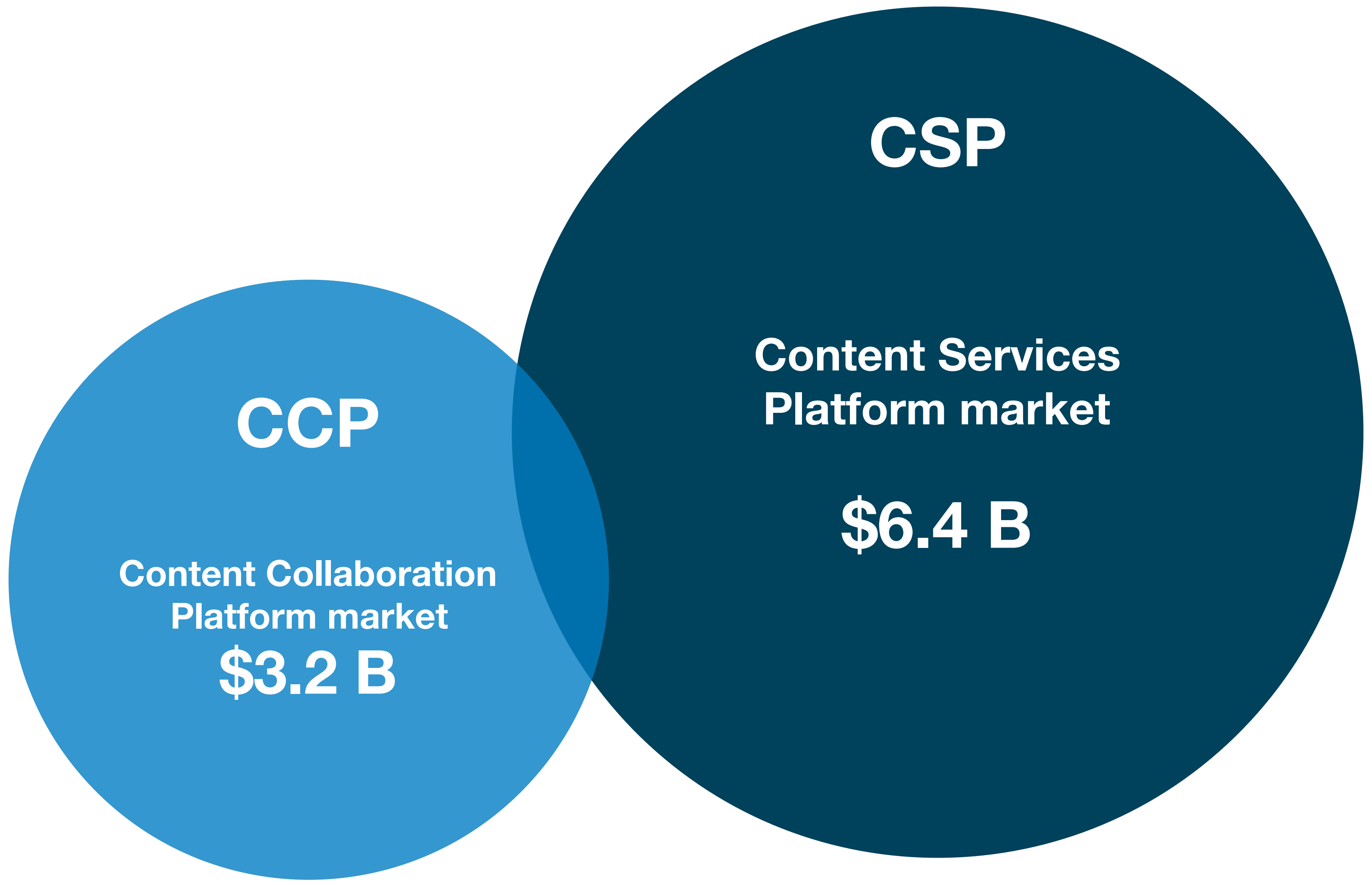
The best outcomes for customers

GREAT GOVERNANCE ››› BETTER BUSINESS

Objective

MARKET ATTRIBUTES

Worldwide Content Services Market - 2017[1]



CCP PRODUCTS

"…often used in more **informal, ad hoc collaboration**.[2]

CSP PRODUCTS

"…use cases that cover more formal aspects of **how content is used in an organization**.[2]

Objective named a **Visionary** by Gartner, in 2018 **Magic Quadrant** for **Content Services Platforms**.

1. Gartner, 2018 Magic Quadrant for Content Services Platforms
2. Gartner, 2018 Critical Capabilities for Content Services Platforms

MACRO DRIVERS

GOVERNANCE

- Compliance with industry regulations
- Recordkeeping
- Informed decision-making
- Risk aversion
- Transparent tracking & processes

DIGITAL TRANSFORMATION

- Re-imagining what's possible
- Breaking internal silos
- More efficient processes
- Lower cost of processes
- Citizen / customer focused services

GREAT GOVERNANCE »»
BETTER BUSINESS

Objective solutions enable organisations in the public sector and regulated industries to:

- Streamline and automate content-driven processes
- Deliver better services to customers and the community
- Meet obligations to industry regulators
- Empower users with information and digital dexterity
- Ensure governance occurs in the background

OUR PURPOSE

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

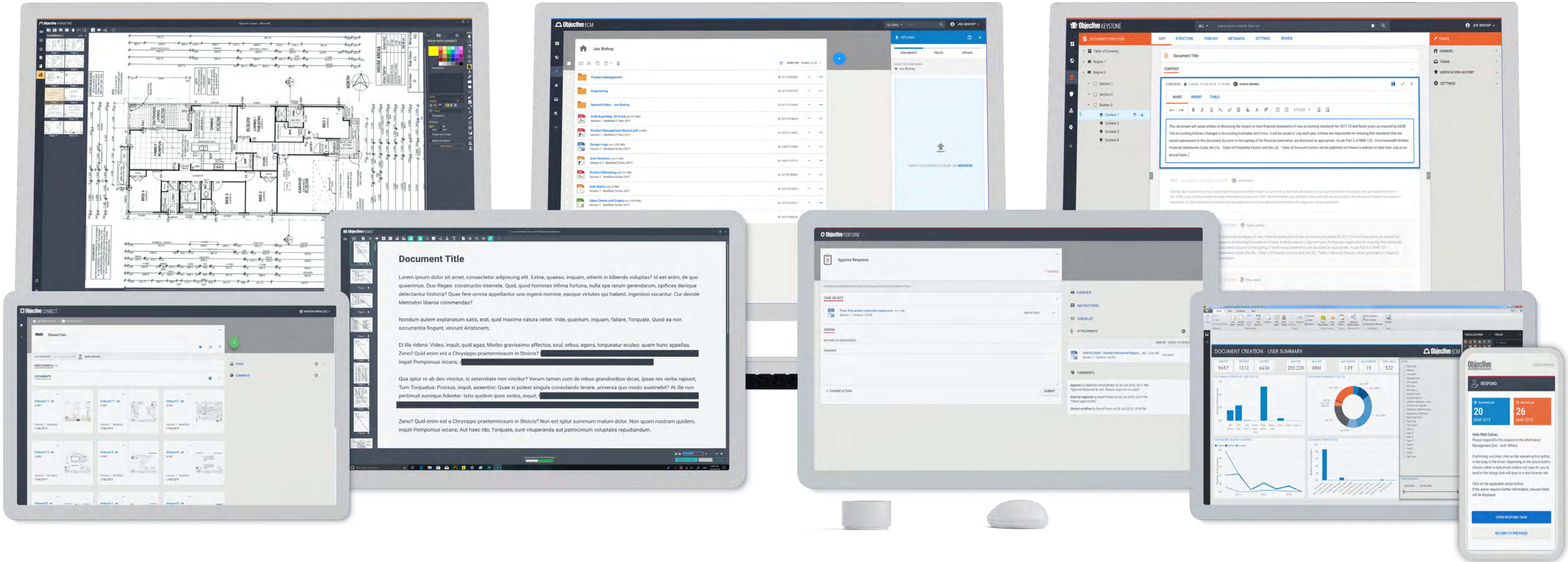
UNIFIED USER EXPERIENCE

OBJECTIVE IQ

A revolutionary experience for digital transformation and cross-sell opportunity

- Consistent user experience across all Objective products - familiar aesthetic and behaviours to encourage rapid user adoption of new products.
- Mobility - access to information and processes, anywhere, anytime.

> **User experience remains a key differentiator for Content Services Platform products.**
>
> This is a mature market and feature differentiation across longstanding products is hard to find, but how users will engage with products for specific business processes is a critical aspect of product selection.
>
> Gartner, Critical Capabilities for Content Services Platforms, Oct, 2018



GROWTH STRATEGY

1.

Develop outstanding software

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

2.

Growth within customers

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

3.

Grow number of customers

Expanding footprint within traditional target verticals while developing new markets.

4.

Geographic expansion

Use experience from APAC industry segments to target new geographies.

5.

Growth through acquisition

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

PERFORMANCE AGAINST STRATEGY

1.

Develop outstanding software

- 22% of revenue invested in R&D
- Objective ECM 10.5 released
- Objective IQ launched and embedded into all products - usability & mobility enhancements
- Feature releases in each product line.
- Repository agnostic strategy for our content services applications has significantly grown addressable market

2.

Growth within customers

- 82% ECM customers have already committed to 10.x
- Growth within number of FSI customers for Objective Keystone
- Objective IQ & common architecture positions for cross-selling
- Fuelling best practice with increased uptake of Benchmarking & Value Program

3.

Grow number of customers

- Direct-to-customer model for 150 Objective Trapeze Australian customers
- Micro Focus channel development
- Microsoft Technology Centre - exposure for Objective Connect & Objective Trapeze
- Initial uptake of Industry Solutions for both Objective ECM and Micro Focus Content Manager

4.

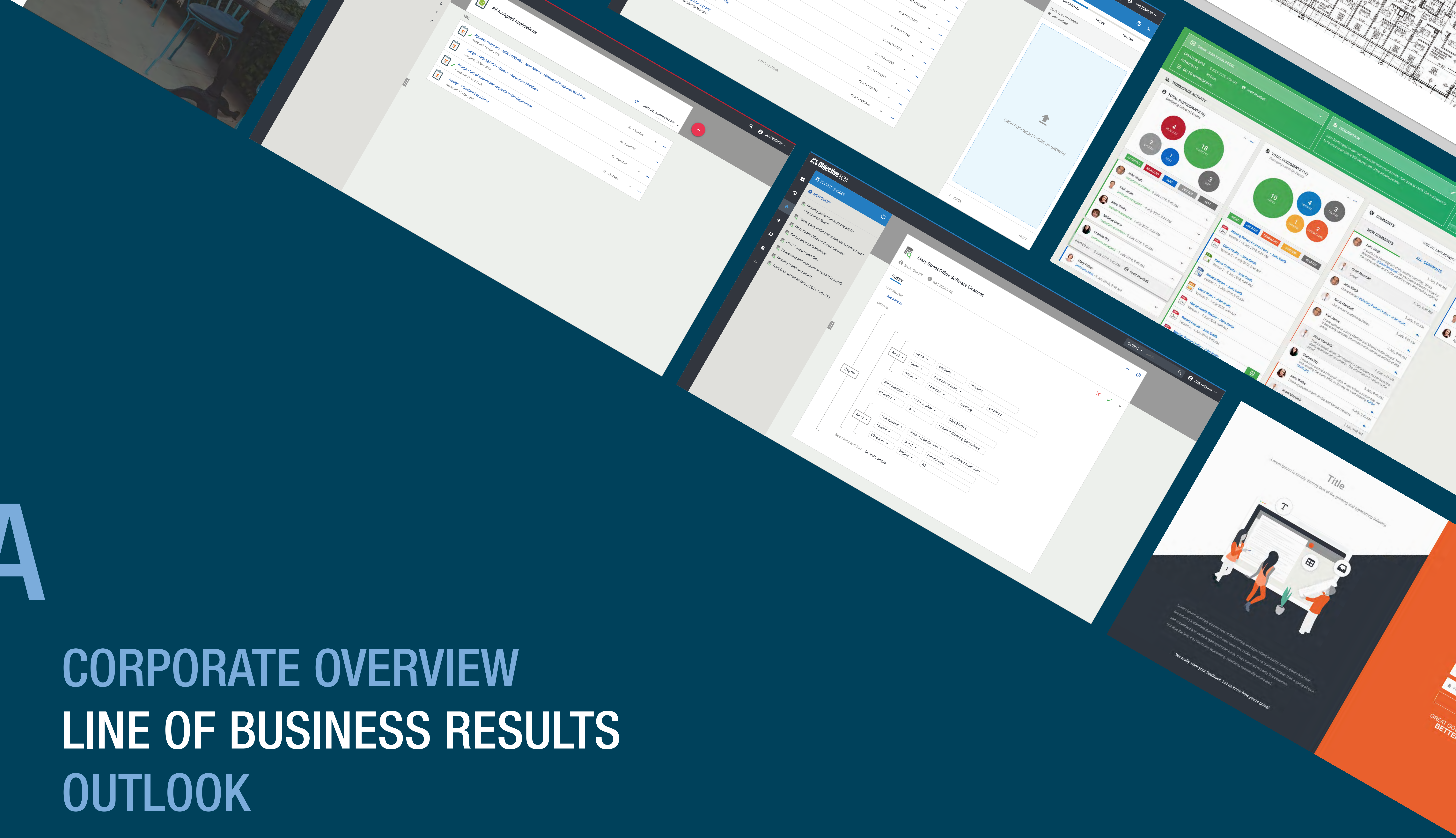
Geographic expansion

- Positioned to take Objective Keystone to UK market
- Global demand for Objective Redact driven by information access legislation such as GDPR, Freedom of Information
- Tight integration of Objective Connect and Objective Perform into Micro Focus Content Manager extends global addressable market
- Recognition by global industry analyst, Gartner, as Visionary.

5.

Growth through acquisition

- Maintain financial capacity to execute on the right acquisition opportunities
- Pipeline of opportunities, assessing numerous potential targets with formal process



AGENDA

CORPORATE OVERVIEW

LINE OF BUSINESS RESULTS

OUTLOOK

CONTENT SERVICES

Objective INFORM Objective PERFORM Objective ECM

FINANCIAL SUMMARY - A$m

	1HY FY19	1HY FY18	% CHANGE
SALES REVENUE	22.5	28.0	⬇20%
OPERATING PROFIT	4.8	7.9	⬇40%

BUSINESS HIGHLIGHTS

Financial Performance

- Revenue comparison to 1H2018 impacted by finalisation of large services project
- Operating margin of 21%, in line with 2HY2018 (22%)
- Progress to recurring revenue model:
  - 87% software revenue now subscription
  - Managed Services expanded offering and new contract wins in 1HY2019

Product Release - Objective ECM 10.5

- Objective IQ embedded - delivering enhanced usability, mobility, productivity and collaboration
- Microsoft Office 365 integration: co-authoring and mobile editing, Teams and OneDrive integration
- Improved usability through powerful search and thumbnail display of content

Market development - Micro Focus

- Ongoing relationship development - co-marketing and co-selling
- Product development - integration of Objective Perform into Micro Focus Content Manager

Best practice Industry Solution products

- Repository agnostic process applications to streamline business processes with embedded governance
- Initial uptake positive with significant addressable market

KEYSTONE

FINANCIAL SUMMARY - A$m

	1HY FY19	1HY FY18	% CHANGE
SALES REVENUE	3.5	2.8	↑ 31%
OPERATING PROFIT	0.5	(1.0)	N/A

BUSINESS HIGHLIGHTS

Financial Performance

- Operating profit of $0.5m
- Successful customer acquisitions in FY2017 and FY2018, new customer wins in FY2019 buoyed earnings momentum

Market disruption - FSI Royal Commission in Australia

- Increasing regulatory requirements expected - position Objective Keystone for further growth
- Customers expanding use case beyond wealth management

Market development - Financial Services & Insurance

- Partnership selling agreements to cover full market breadth - new contracts in 1HY2019
- Focus for 2HY2019 will be expansion to UK, facing similar regulatory pressures

Market Development - Public Sector

- Strong performance in Australia, UK and New Zealand
- Accepted as leading solution for complex document collaboration such as development planning scheme compilation in State Government
- Extensive customer base in Local Government using Keystone for ePlanning processes - publishing Town, Regional and Urban Plans
- Product development underway to enhance online stakeholder engagement capability to digitally capture in real time, community feedback in the ePlanning process

CONNECT

Objective CONNECT

FINANCIAL SUMMARY - A$m

	1HY FY19	1HY FY18	% CHANGE
SALES REVENUE	1.5	1.1	↑32%
OPERATING LOSS	(1.0)	(0.8)	↓24%

BUSINESS HIGHLIGHTS

Financial Performance

- Moderated revenue growth rate following re-structure in go-to-market team to focus on sales leadership, field marketing and digital engagement

Product Feature Releases

- Workspace Record - courtroom-ready timeline of all events that occurred in a workspace
- Micro Focus Content Manager integration - enables users to share documents from within Content Manager, with automatic document synchronisation and governance of all activity.

Product Development

- Migration to the government-only instance of Azure in the Canberra Data Centre as selected launch partner (July 2018).
- Continued investment in R&D planned through FY2020:
  - Establish product leadership
  - Integration with the full range of products in the Objective portfolio, including Industry Solutions

Market Development through partnerships

- Micro Focus - deepening of relationship to target 1,850+ Content Manager customers
- Microsoft SharePoint integration and availability of Objective Connect in the Microsoft Technology Centre

TRAPEZE

Objective TRAPEZE Objective REDACT

FINANCIAL SUMMARY - A$m

	1HY FY19	1HY FY18	% CHANGE
SALES REVENUE	1.4	1.2	↑18%
OPERATING PROFIT	0.4	(0.3)	N/A

BUSINESS HIGHLIGHTS

Financial Performance

- Growth in both revenue and operating profit
- Transition to subscription-only licensing well progressed

Market Development - Objective Trapeze

- 22 new local government customers in 1HY2019
  - Market Share: 150 customers in Australia, 50 customers in New Zealand (75% market share)
- New market segment emerging in Consulting Services to Local Government development processes

Go-to-market strategy re-structure

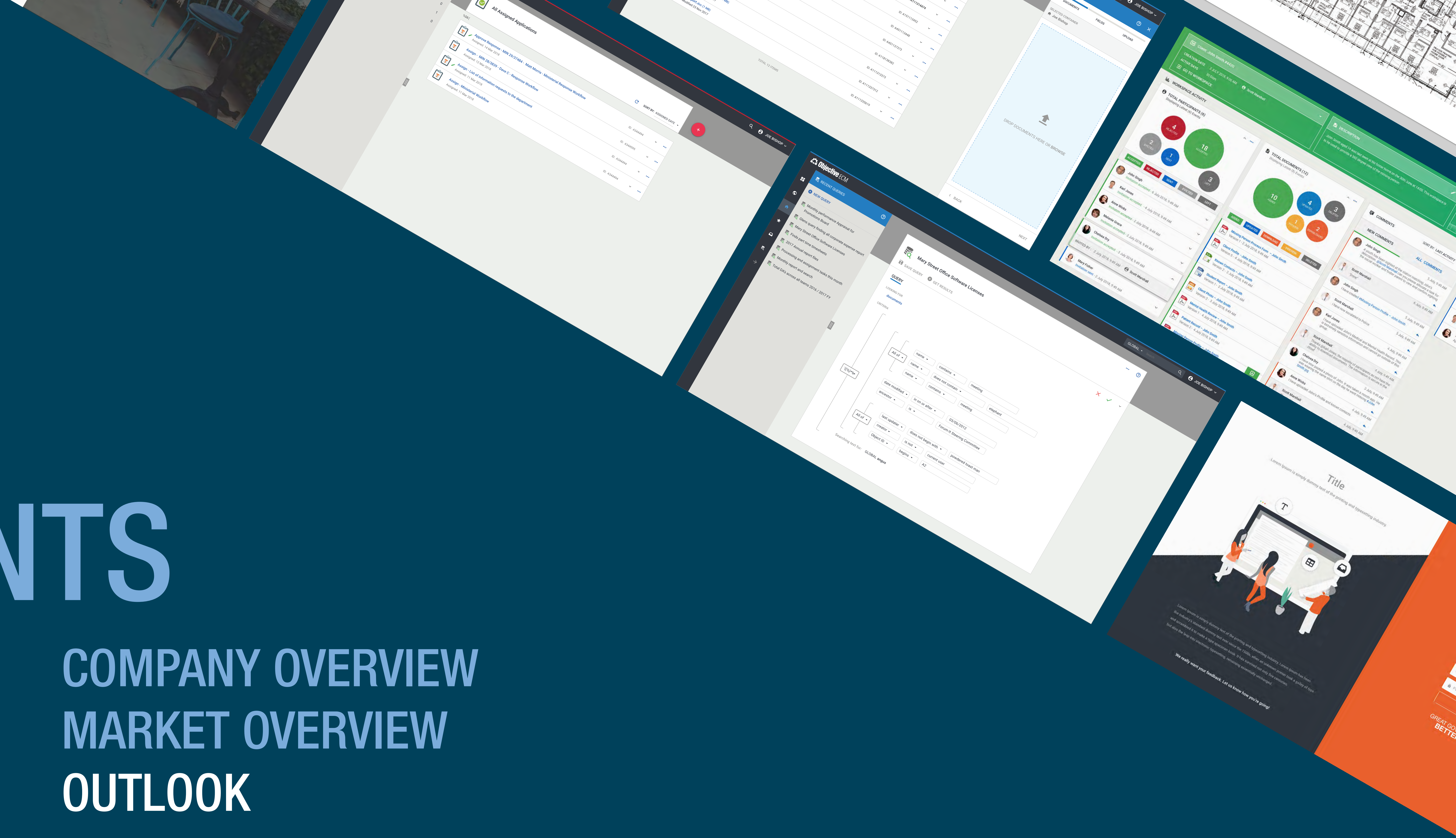
- Partner-led sales model in Australia retired (inherited though acquisition of Onstream)
- Direct sales and account management will focus growing adoption within existing customers and new customer acquisition
- Channel support partners retained - Objective Trapeze featured in Microsoft Technology Centre

Product Development

- Unprecedented uptake of Objective Trapeze 10, launched in FY2018 - more than 80% of direct customers upgraded.
- R&D investment is currently directed towards Trapeze Professional, a revolutionary step froward for the product.

Market and Product Development - Objective Redact

- Increasing uptake being driven by global trends for more open access to information held by institutions, fuelled by regulations such as GDPR, Freedom of Information and many more.
- User experience enhanced in 1H2019 through Objective IQ
- Planned development includes integrating Objective Redact into other Objective products to automate the complex business processes supporting GDPR, Freedom of Information and more.



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COMPANY OVERVIEW
MARKET OVERVIEW
OUTLOOK

TRANSITION TO SUBSCRIPTION MODEL

1HY2019 Recurrent Revenue

In 1HY2019, recurrent revenue represents 71% of total revenue and subscription revenue represents 87% of total licence revenue.

CATEGORY	PRODUCT	DESCRIPTION	PRICING MODEL
Industry Solutions	Objective MINISTERIALS	• Deliver more accurate, timely and consistent **Ministerial correspondence**	• Subscription
	Objective PLANNING	• Author, maintain and publish **Town and Regional Plans**. Capture community feedback.	• Subscription
	Objective OPENGOV	• Maintain the **trust of the public** through transparency and openness	• Subscription
	Objective GDPR	• Demonstrate accountability of **information and data held** in an organisation	• Subscription
Content Services Applications	Objective CONNECT	• Secure external **collaboration**	• Subscription
	Objective REDACT	• **Redaction** software for security conscious organisations	• Subscription
	Objective KEYSTONE	• **Author, verify** and **publish** on-brand content, with ease	• Subscription
	Objective TRAPEZE	• Digitally transform **plan approval** collaboration	• Subscription only from 2019
	Objective PERFORM	• Streamline content-driven **processes**	• Perpetual Right to Use / Subscription
Information Repository	Objective INFORM	• Robust **governance** across all information	• Perpetual Right to Use / Subscription

PRODUCT POSITION FOR FUTURE GROWTH

GREAT GOVERNANCE ›››
BETTER BUSINESS

Objective

GROWTH OPPORTUNITY

Repository independence

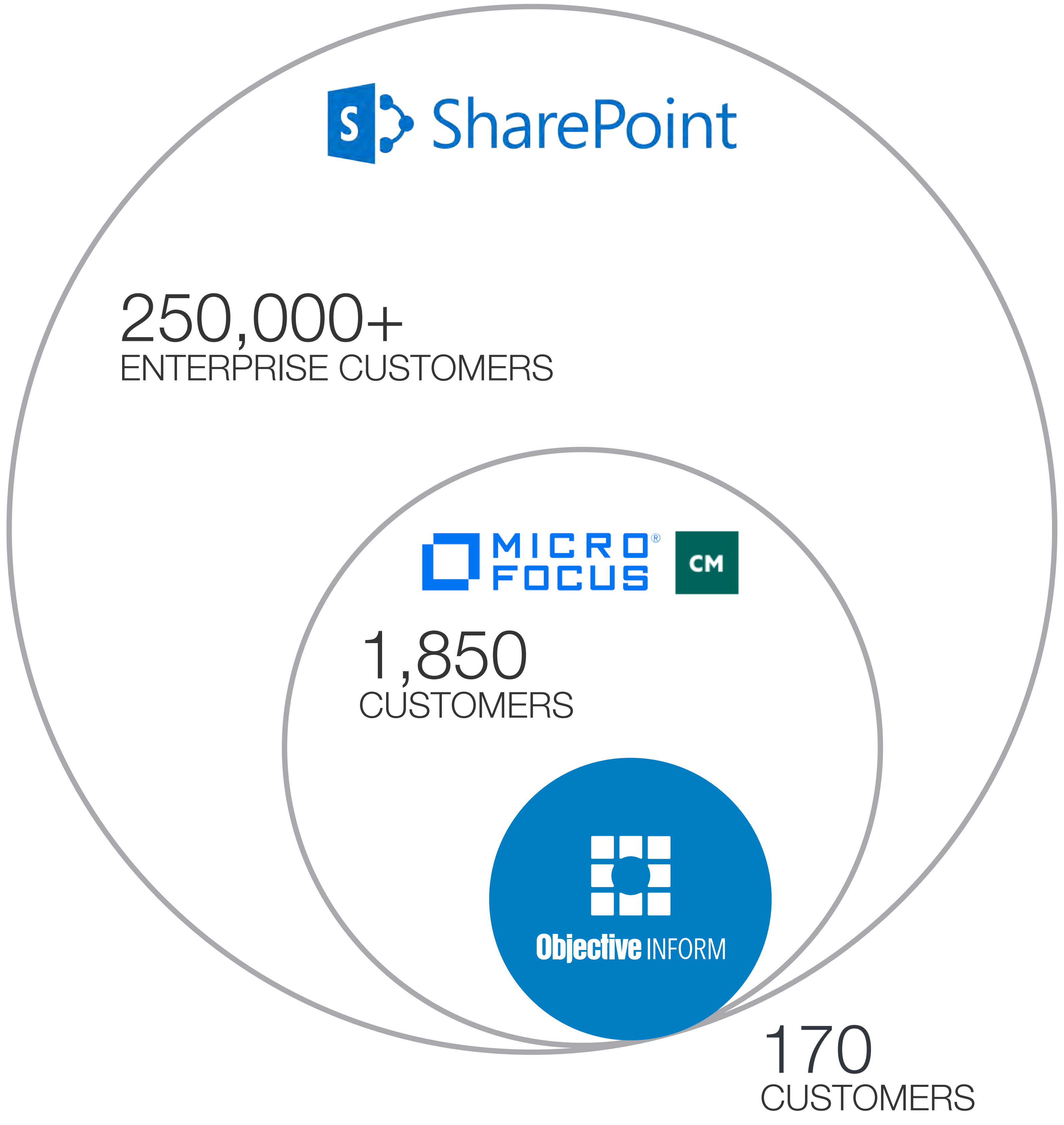
The uncoupling of Objective ECM has enabled our products to support additional content sources such as Micro Focus Content Manager and Microsoft Office 365, enabling Micro Focus and Microsoft customers to overlay process automation and collaboration solutions on their existing repositories - extending the value from governance alone to improved business processes with quantifiable returns.

Industry Solutions	Objective MINISTERIALS Objective PLANNING	Objective OPENGOV Objective GDPR	
Information Repository	Objective INFORM	MICRO FOCUS CM	

Content Services Applications	Objective PERFORM	Objective CONNECT	
Information Repository	Objective INFORM	MICRO FOCUS CM	SharePoint

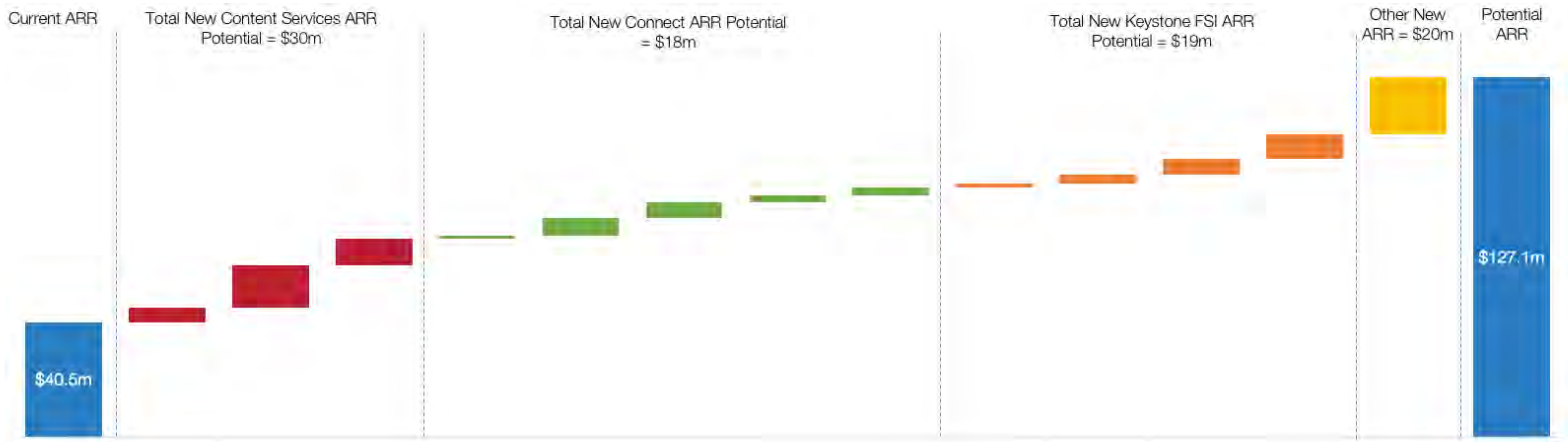
Increased Addressable Market

With solutions that now work with other vendors' information repositories, the size of our addressable market is significantly multiplied.



SIGNIFICANT ARR RUNWAY

5 - 10 YEAR OPPORTUNITY



Growth Path	New Names Objective ECM	PERFORM for MicroFocus CM	PERFORM for Sharepoint	Connect for Objective ECM	Connect for MicroFocus CM	Connect for Sharepoint	Connect for TBA ECM	Connect for TBA ECM	Keystone New Names APAC	Keystone Expansion APAC	Keystone New Names UK	Keystone New Names USA / Global	Keystone Govt; Trapeze; Objective Redact
Target	Capture additional Objective ECM names	Co-sell to 5% of Microfocus CM customers	Co-sell to 0.025% of Sharepoint customers	Sell to 75% of Objective ECM customers	Co-sell to 15% of Microfocus CM customers	Co-sell to 0.1% of Sharepoint customers	Co-sell to 10% of TBA ECM customers	Co-sell to 2.5% of TBA ECM customers	Expand footprint in smaller organisations	Grow ARR by 75% in existing customers	Capture new customers in UK market (3.0x APAC market)	Capture new customers in USA/Global market (5.0x APAC market)	
Status	Product and Go-to-market in place	Product and Go-to-market in place	Product under development	Product and Go-to-market in place	Product and Go-to-market in place	Product in place. Go-to-market developing	Product at testing. Go-to-market developing	Product under development	Product and Go-to-market in place	Product and Go-to-market in place	Product in place. Go-to-market in development	Product in place. Go-to-market future	Product and Go-to-market in place

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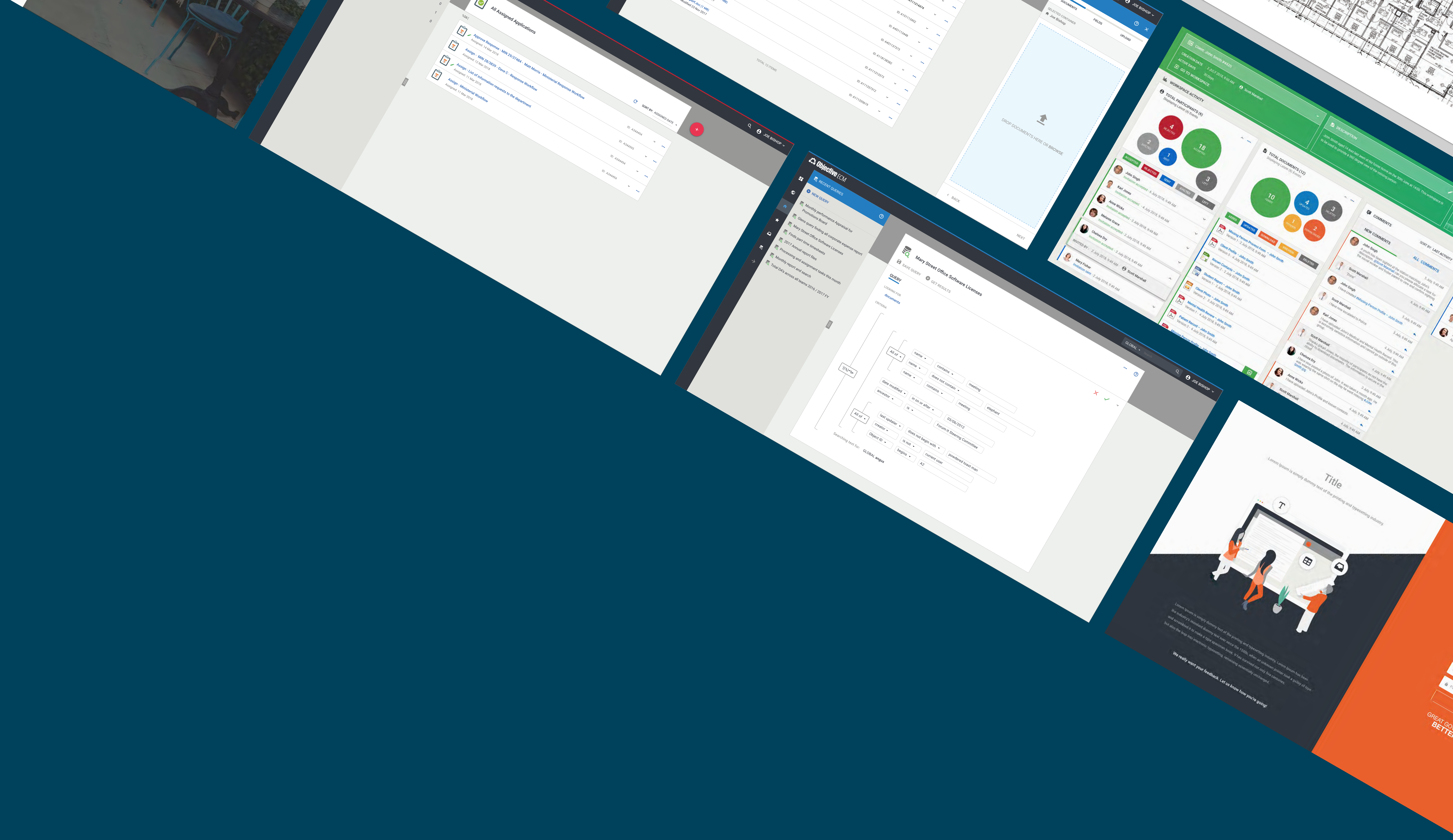
Q&A


All Assigned Applications
Objective ECM
Mary Street Office Software Licenses
Title

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