



Hansen Technologies Limited

ABN 90 090 996 455

Interim Financial Report for the half-year ended 31 December 2020

Hansen Technologies Limited

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Directors' Report

The Directors present their report together with the half-year financial report of the consolidated entity ("the Group") consisting of Hansen Technologies Limited ("the Company") and its controlled entities for the six months ended 31 December 2020, and the Independent Auditor's Review Report thereon. This half-year financial report has been prepared in accordance with AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

Principal activities

The principal activities of the Group were the development, integration and support of billing systems software for the Energy and Communications sectors. Other activities undertaken by the Group include IT outsourcing services and the development of other specific software applications.

Directors

The names of the Directors in office at any time during the whole of the half-year and up to the date of this report are:

Mr David Trude (Chairperson)
Mr Andrew Hansen (CEO and Managing Director)
Mr Bruce Adams
Ms Jennifer Douglas
Mr David Howell
Mr David Osborne
Mr Don Rankin

Review of Operations

The Group's operating result for the half year to 31 December 2020 comprised of the following:

	6 months ended 31 Dec		
	31 Dec 2020 A\$ millions	31 Dec 2019 A\$ millions	Movement %
Operating revenue	142.2	144.3	▼ 1.4%
Statutory net profit after tax	20.3	7.6	▲ 166.4%
Underlying EBITDA ^{1, 2, 4}	52.3	37.7	▲ 38.7%
Underlying NPAT ⁴	20.9	9.3	▲ 124.7%
Underlying NPATA ^{1,3}	29.6	17.9	▲ 65.4%
Basic earnings per share (EPS) (cents)	10.2 cents	3.8 cents	▲ 168.4%
Basic EPS based on underlying NPATA (EPSa) (cents) ¹	14.9 cents	9.0 cents	▲ 65.6%

1. The Directors believe the information additional to IFRS measures included in the report is relevant and useful in measuring the financial performance of the Group. These include: EBITDA, NPATA and EPSa.

2. EBITDA is a non-IFRS term, defined as earnings before interest, tax, depreciation and amortisation, and excluding net foreign exchange gains (losses).

3. NPATA is a non-IFRS term, defined as net profit after tax, excluding tax-effected amortisation of acquired intangibles.

4. Underlying EBITDA, underlying NPAT and underlying NPATA exclude separately disclosed items, which represent the one-off costs and income during the period. Further details of the separately disclosed items are outlined in Note 3 to the Financial Report.

In the first half of the financial year, the business continued to deliver strong results, with underlying EBITDA exceeding the previous corresponding period by 38.7%.

Ongoing strategic investment in Sales and Marketing has increased Hansen's profile in target markets assisting with sales pipeline growth in the first half of the financial year.

Investment in our products has continued throughout the period ensuring our software provides market-relevant solutions to our customers and sales prospects.

The Group has generated operating cash flows of \$39.8 million, which has been used to retire net external debt of \$10.3 million, fund capital expenditure of \$8.8 million, reduce lease liabilities of \$3.1 million and pay dividends of \$13.0 million (net of dividend reinvestments). With the Group's cash generation capabilities, Hansen is well placed to fund ongoing operations and future growth opportunities.

The Directors of Hansen have declared 5 cents per share interim dividend, partially franked to 1.10 cents.

Significant Changes in the State of Affairs

There have been no significant changes in the Group's state of affairs during the half-year.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* in relation to the review for the half-year is provided immediately after this report.

Rounding of Amounts to Nearest Thousand Dollars

In accordance with *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*, the amounts in the directors' report and in the financial report have been rounded to the nearest one thousand dollars, or in certain cases, to the nearest million dollars.

Signed in accordance with a resolution of the Directors, pursuant to section 306(3)(a) of the *Corporations Act 2001*:



David Trude
Director



Andrew Hansen
Director

Dated: 25 February 2021

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Hansen Technologies Limited and its controlled entities for the half year ended 31 December 2020, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

A handwritten signature in blue ink that reads "RSM".

RSM AUSTRALIA PARTNERS

A handwritten signature in blue ink that reads "M Parameswaran".

M PARAMESWARAN

Partner

Dated: 25 February 2021
Melbourne, Victoria

Consolidated Statement of Comprehensive Income

For the Half-Year Ended 31 December 2020

	Note	Dec-20 \$'000	Dec-19 \$'000
Operating revenue from contracts with customers	2(b), 4	142,211	144,331
Other income		920	1,200
Total revenue from contracts with customers and other income		143,131	145,531
Employee benefit expenses		(69,427)	(78,694)
Amortisation expense	5	(15,416)	(15,292)
Depreciation expense		(4,916)	(5,486)
Property and operating rental expenses		(2,038)	(2,218)
Contractor and consultant expenses		(3,339)	(4,860)
Software licence expenses		(1,356)	(1,121)
Hardware and software expenses		(7,466)	(7,484)
Travel expenses		(204)	(4,783)
Communication expenses		(1,197)	(1,730)
Professional expenses		(1,558)	(3,050)
Finance costs on borrowings		(2,526)	(4,363)
Finance costs on lease liabilities		(493)	(617)
Foreign exchange losses		(1,395)	(684)
Other expenses		(5,118)	(6,060)
Total expenses		(116,449)	(136,442)
Profit before income tax expense		26,682	9,089
Income tax expense		(6,410)	(1,480)
Net profit after income tax expense for the half-year		20,272	7,609
Other comprehensive expense			
<i>Items that may be reclassified subsequently to profit and loss</i>			
Exchange differences on translation of foreign operations		(9,953)	(7,640)
Other comprehensive expense for the half-year, net of tax		(9,953)	(7,640)
Total comprehensive income/(expense) for the half-year		10,319	(31)
Basic earnings (cents) per share attributable to ordinary equity holders of the Company		10.2	3.8
Diluted earnings (cents) per share attributable to ordinary equity holders of the Company		10.1	3.8

The accompanying notes on pages 10 to 16 form part of these consolidated financial statements.

Consolidated Statement of Financial Position

As at 31 December 2020

	Note	Dec-20 \$'000	Jun-20 \$'000
Current assets			
Cash and cash equivalents		48,910	44,492
Receivables		54,966	47,916
Accrued revenue	4(b)	27,951	21,945
Other current assets		9,453	8,357
Total current assets		141,280	122,710
Non-current assets			
Plant, equipment & leasehold improvements		11,595	11,414
Intangible assets	5	356,344	377,660
Right-of-use assets		16,589	20,087
Deferred tax assets		6,414	9,971
Other non-current assets		886	3,681
Total non-current assets		391,828	422,813
Total assets		533,108	545,523
Current liabilities			
Payables		25,437	24,223
Borrowings	7	-	591
Lease liabilities		5,129	5,661
Current tax payable		8,948	5,632
Provisions		14,229	15,555
Unearned revenue	4(b)	34,848	24,471
Total current liabilities		88,591	76,133
Non-current liabilities			
Deferred tax liabilities		37,934	43,443
Borrowings	7	142,811	157,852
Lease liabilities		12,503	15,384
Provisions		170	170
Unearned revenue	4(b)	24	47
Total non-current liabilities		193,442	216,896
Total liabilities		282,033	293,029
Net assets		251,075	252,494
Equity			
Share capital	9	142,078	140,952
Foreign currency translation reserve		(556)	9,397
Share-based payment reserve	6	6,440	5,404
Retained earnings		103,113	96,741
Total equity		251,075	252,494

The accompanying notes on pages 10 to 16 form part of these consolidated financial statements.

Consolidated Statement of Changes in Equity

For the Half-Year Ended 31 December 2020

For the half-year ended 31 December 2020	Note	Contributed Equity \$'000	Reserves \$'000	Retained Earnings \$'000	Total Equity \$'000
Balance as at 1 July 2020		140,952	14,801	96,741	252,494
Net profit after income tax expense for the half-year		-	-	20,272	20,272
Movement in carrying amount of foreign entities due to currency translation		-	(9,953)	-	(9,953)
Total comprehensive income for the half-year		-	(9,953)	20,272	10,319
Transactions with owners in their capacity as owners:					
Employee share options exercised	9(b)	200	-	-	200
Share-based payment expense – performance rights	6	-	1,036	-	1,036
Equity issued under dividend reinvestment plan	8, 9(b)	926	-	-	926
Dividends declared	8	-	-	(13,900)	(13,900)
Total transactions with owners in their capacity as owners		1,126	1,036	(13,900)	(11,738)
Balance as at 31 December 2020		142,078	5,884	103,113	251,075

For the half-year ended 31 December 2019	Note	Contributed Equity \$'000	Reserves \$'000	Retained Earnings \$'000	Total Equity \$'000
Balance as at 1 July 2019		138,746	27,271	82,853	248,870
Net profit after income tax expense for the half-year		-	-	7,609	7,609
Movement in carrying amount of foreign entities due to currency translation		-	(7,640)	-	(7,640)
Total comprehensive income for the half-year		-	(7,640)	7,609	(31)
Transactions with owners in their capacity as owners:					
Employee share options exercised		345	-	-	345
Share-based payment expense – performance rights	6	-	759	-	759
Equity issued under dividend reinvestment plan	8	1,026	-	-	1,026
Dividends declared	8	-	-	(5,930)	(5,930)
Total transactions with owners in their capacity as owners		1,371	759	(5,930)	(3,800)
Balance as at 31 December 2019		140,117	20,390	84,532	245,039

The accompanying notes on pages 10 to 16 form part of these consolidated financial statements.

Consolidated Statement of Cash Flows

For the Half-Year Ended 31 December 2020

	Note	Dec-20 \$'000	Dec-19 \$'000
Cash flows from operating activities			
Receipts from customers		126,548	143,805
Payments to suppliers and employees		(81,047)	(115,836)
Interest received		3	69
Finance costs on borrowings		(1,876)	(3,811)
Finance costs on lease liabilities		(493)	(617)
Income tax paid		(3,330)	(5,372)
Net cash from operating activities		39,805	18,238
Cash flows from investing activities			
Payments for plant, equipment and leasehold improvements		(1,982)	(2,807)
Payment for capitalised development costs	5	(6,809)	(7,159)
Net cash used in investing activities		(8,791)	(9,966)
Cash flows from financing activities			
Proceeds from options exercised	9(b)	200	345
Dividends paid, net of dividend re-investment	8	(12,974)	(4,904)
Proceeds from borrowings		-	4,900
Repayment of borrowings		(10,280)	(12,889)
Repayment of lease liabilities		(3,087)	(3,433)
Net cash used in financing activities		(26,141)	(15,981)
Net increase/(decrease) in cash and cash equivalents		4,873	(7,709)
Cash and cash equivalents at beginning of the half-year		44,492	38,288
Effects of exchange rate changes on cash and cash equivalents		(455)	(653)
Cash and cash equivalents at end of the half-year		48,910	29,926

The accompanying notes on pages 10 to 16 form part of these consolidated financial statements.

Notes to the Financial Statements

Half-Year Ended 31 December 2020

1. Basis of preparation

The consolidated interim financial statements as at, and for, the half-year ended 31 December 2020 (“the half-year financial report”) comprise of the financial statements of the Group, being Hansen Technologies Limited (“the Company”) and its controlled entities. The Company is a company limited by shares, incorporated and domiciled in Australia.

The half-year financial report was authorised for issue by the Directors as at the date of the Directors' Report.

The nature of the operations and principal activities of the Group are described in the Directors' Report.

(a) Basis of preparation of the half-year financial report

The half-year financial report has been prepared in accordance with AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. It does not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual financial report for the year ended 30 June 2020 and any public announcements made by the Company during the half-year in accordance with any continuous disclosure obligations arising under the *Corporations Act 2001*.

The accounting policies adopted in the preparation of the half-year financial report are consistent with those adopted in the Group's annual financial report for the year ended 30 June 2020.

Amendments that are effective for the first time from 1 July 2020 and could be applicable to the Group are:

- AASB 2018-6 *Amendments to Australian Accounting Standards: Definition of a Business*
- Amendments to the Conceptual Framework
- Amendments to the definition of 'material' in AASB 101 *Presentation of Financial Statements* and AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*

These amendments do not have a significant impact on the half-year financial report and therefore no additional disclosures have been made.

The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Where necessary, comparative information has been reclassified and repositioned for consistency with current year disclosures.

(b) Rounding amounts

The Group has applied the relief available under *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191* and, accordingly the amounts in the half-year financial report and in the Directors' Report have been rounded to the nearest thousand dollars, or in certain cases to the nearest million dollars.

2. Segment information

(a) Description of segments

Management has determined the Group's operating segments based on the reports reviewed by the CEO (the Chief Operating Decision Maker).

The operating segments are identified based on the types of services provided to the Group's customers. Discrete financial information about each of these operating businesses is reported to the executive management team on at least a monthly basis.

Where operating segments meet the aggregation criteria, these are aggregated into reported segments. Operating segments are aggregated based on similar products and services provided to the same type of customers using the same distribution method.

Segment profits, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Inter-segment pricing is determined on an arm's length basis and are eliminated on consolidation. There are no significant transactions between segments.

The Group has identified only one reportable segment as described in the table below. The “Other” category includes business units that do not qualify as an operating segment, as well as the operating segments which do not meet the disclosure requirements of a reportable segment, including IT Outsourcing and Customer Care services.

2. Segment information continued

Reportable segment	Description of segment
Billing	Sale of billing applications and the provision of consulting services related to billing systems.

(b) Segment information

6-months ended 31 Dec 2020	Note	Billing \$'000	Other \$'000	Total \$'000
Segment revenue				
Total segment revenue	4	138,324	3,887	142,211
Revenue from external customers				
		138,324	3,887	142,211
Segment result				
Total segment result		28,442	372	28,814
Segment profit from core operations				
		28,442	372	28,814

6-months ended 31 Dec 2019	Note	Billing \$'000	Other \$'000	Total \$'000
Segment revenue				
Total segment revenue	4	139,459	4,872	144,331
Revenue from external customers				
		139,459	4,872	144,331
Segment result				
Total segment result		12,138	213	12,351
Segment profit from core operations				
		12,138	213	12,351

(i) Reconciliation of segment profit from core operations to the consolidated statement of comprehensive income

	Note	Dec-20 \$'000	Dec-19 \$'000
Segment profit from core operations		28,814	12,351
Interest revenue		3	69
Interest expense		(14)	(112)
Unallocated depreciation and amortisation		(515)	(590)
Unallocated separately disclosed item impacting profit	3	54	-
Other expense		(1,660)	(2,629)
Profit before income tax expense		26,682	9,089
Income tax expense		(6,410)	(1,480)
Profit after income tax expense for the half-year		20,272	7,609

(ii) Segment assets and liabilities

	Billing \$'000	Other \$'000	Total \$'000
Total segment assets			
31 December 2020	469,018	11,167	480,185
30 June 2020	482,160	14,284	496,444
Total segment liabilities			
31 December 2020	276,371	4,085	280,456
30 June 2020	287,009	4,938	291,947

3. Separately disclosed items

The Group has disclosed underlying EBITDA¹ and underlying profit after tax, referring to the Group's trading results adjusted for certain transactions during the period that are not representative of the Group's regular business activities. The Group considers that these transactions are of such significance to understanding the ongoing results of the Group that the Group has elected to separately identify these transactions to determine an ongoing result to enable a 'like-for-like' comparison. These items are described as 'separately disclosed items' throughout this Financial Report.

6-months ended 31 Dec	2020 \$'000	2019 \$'000
Increase to profit before tax		
Non-recurring income	54	-
Decrease to profit before tax		
One-off costs incurred	(902)	(2,264)
	(848)	(2,264)

Non-recurring income

The Group has separately identified income that is not in the normal course of business activities. This amount is the adjustment for the finalisation of the working capital from the acquisition of Sigma Systems. This amount has been presented within 'Other income' in the Group's consolidated statement of comprehensive income.

One-off costs incurred

For the half-year ended 31 December 2020, the Group recognised a one-off remuneration expense in relation to the acquisition of Sigma Systems. This cost has been included within 'Employee benefit expenses' in the Group's consolidated statement of comprehensive income. In the previous financial period, \$2,264,000 was incurred in relation to redundancy, retention payments and associated post-acquisition costs of Sigma Systems, which have been presented within 'Employee benefit expenses' and 'Other expenses' in the Group's consolidated statement of comprehensive income.

Reconciliation with Group statutory measures

6-months ended 31 Dec	2020 \$'000	2019 \$'000
Underlying EBITDA	52,273	37,726
Less separately disclosed items	(848)	(2,264)
EBITDA¹	51,425	35,462
Underlying net profit after tax	29,607	17,862
Less separately disclosed items	(848)	(2,264)
Less acquired amortisation, net of tax	(8,726)	(8,589)
Tax effect of separately disclosed items	239	600
Net profit after tax	20,272	7,609

¹ EBITDA is a non-IFRS term, defined as earnings before interest, tax, depreciation and amortisation, and excluding net foreign exchange gains (losses).

4. Revenue

(a) Disaggregation of revenue from contracts with customers

Set out below is the disaggregation of the Group's revenue from contracts with customers:

6-months ended 31 Dec 2020	Billing \$'000	Other \$'000	Total \$'000
Types of goods and services			
Licence, support and maintenance	80,139	2,616	82,755
Services	57,828	1,168	58,996
Hardware and software sales	309	80	389
Other revenue	48	23	71
Total revenue from contracts with customers	138,324	3,887	142,211
Revenue by market vertical			
Energy	72,731	1,139	73,870
Communications	65,410	19	65,429
Other	183	2,729	2,912
Total revenue from contracts with customers	138,324	3,887	142,211

4. Revenue continued

6-months ended 31 Dec 2020	Billing \$'000	Other \$'000	Total \$'000
Revenue by geographic segment			
APAC	20,945	2,759	23,704
Americas	37,505	1,128	38,633
EMEA	79,874	-	79,874
Total revenue from contracts with customers	138,324	3,887	142,211
Timing of revenue recognition			
Goods and services transferred at a point in time	24,084	103	24,187
Services transferred over time	114,240	3,784	118,024
Total revenue from contracts with customers	138,324	3,887	142,211

6-months ended 31 Dec 2019	Billing \$'000	Other \$'000	Total \$'000
Types of goods and services			
Licence, support and maintenance	83,104	2,423	85,527
Services	55,587	2,379	57,966
Hardware and software sales	305	-	305
Other revenue	463	70	533
Total revenue from contracts with customers	139,459	4,872	144,331
Revenue by market vertical			
Energy	70,331	2,364	72,695
Communications	69,128	-	69,128
Other	-	2,508	2,508
Total revenue from contracts with customers	139,459	4,872	144,331
Revenue by geographic segment			
APAC	26,010	2,508	28,518
Americas	40,631	2,364	42,995
EMEA	72,818	-	72,818
Total revenue from contracts with customers	139,459	4,872	144,331
Timing of revenue recognition			
Goods and services transferred at a point in time	22,220	71	22,291
Services transferred over time	117,239	4,801	122,040
Total revenue from contracts with customers	139,459	4,872	144,331

(b) Contract balances

	Dec-20 \$'000	Jun-20 \$'000
Asset: Accrued revenue	27,951	21,945
Liability: Unearned revenue – current and non-current	34,872	24,518

The accrued revenue primarily relates to the Group's rights to consideration on software licences deployed on contract inception but have yet to be billed to the customer. Accrued revenue is transferred to receivables when the rights become unconditional. This usually occurs when the Group issues an invoice to the customer. Unearned revenue primarily relates to advance consideration received from customers representing support and maintenance services.

5. Intangible assets

	Goodwill \$'000	Technology and other intangibles at cost \$'000	Software development at cost \$'000	Total \$'000
Cost				
At 30 June 2020	221,288	188,585	80,420	490,293
Additions	-	-	6,809	6,809
Net foreign currency movements arising from foreign operations	(7,797)	(6,470)	(3,256)	(17,523)
At 31 December 2020	213,491	182,115	83,973	479,579
Accumulated amortisation and impairment				
At 30 June 2020	(1,593)	(62,243)	(48,797)	(112,633)
Amortisation charge	-	(10,499)	(4,917)	(15,416)
Net foreign currency movements arising from foreign operations	2	3,189	1,623	4,814
At 31 December 2020	(1,591)	(69,553)	(52,091)	(123,235)
Net book amount				
At 30 June 2020	219,695	126,342	31,623	377,660
At 31 December 2020	211,900	112,562	31,882	356,344

6. Share-based payments

On 1 July 2020, 723,360 performance rights were granted to senior executives under the Company's Employee Performance Rights Plan. This amount includes 213,189 rights issued to the CEO following approval obtained at the Company's Annual General Meeting on 26 November 2020. 157,918 rights will vest if targeted performance measures are achieved and an additional 55,271 will vest based on overachievement of targets. Any differences in the fair value of the performance rights between the original grant date by the Board and the date of shareholder approval is considered not material to the remuneration awarded.

The Company's Employee Performance Rights Plan has two tiers, the enhanced short-term incentive plan and the long-term incentive plan. Performance rights issued as part of the enhanced short-term incentive plan are subject to financial (revenue and EBITDA) hurdles in the current financial year and will be subject to a two-year deferral period, within which the employee must remain employed. Performance rights issued as part of the long-term investment plan are subject to a relative total shareholder return hurdle (TSR performance right) and earnings per share hurdle (EPS performance right). The measurement period of the rights is from 1 July 2020 to 30 June 2023, with an expected vesting date of 30 June 2023. Management has assessed an estimated fair value at grant date of the performance rights of \$2.94 per right using Black-Scholes option pricing model.

The model takes into account the term of the performance rights, the impact of dilution (where material), the 5-day volume weighted average price prior to the grant date and expected volatility of the underlying share, the risk-free interest rate for the term of the performance rights and the correlations and volatilities of the peer group companies.

The model inputs for the performance rights granted during the six months ended 31 December 2020 included:

- grant date: 1 July 2020
- expected vesting date: 30 June 2023
- measurement period: 1 July 2020 to 30 June 2023
- expected price volatility of the company's shares: 35%
- risk-free interest rate: 0.93%

For the six months ended 31 December 2020, the Group has recognised \$1,036,000 of share-based payment expense, presented as part of 'Employee benefit expenses' in the consolidated statement of comprehensive income (six months ended 31 December 2019: \$759,000).

As at reporting date, the Group has commissioned an independent consultant to assess the fair value at grant date of the performance rights granted on 1 July 2020. Management does not expect any material difference between the fair value determined by the independent consultant and the fair value estimated internally. This work will be completed in the second half of the financial year and any adjustment will be reflected at 30 June 2021.

7. Borrowings

	Dec-20 \$'000	Jun-20 \$'000
Current		
<i>Secured</i>		
Bank overdraft	-	591
	-	591
Non-current		
<i>Secured</i>		
Term facility – gross borrowings	144,689	160,394
Term facility – prepaid borrowing costs ⁽¹⁾	(1,878)	(2,542)
	142,811	157,852

⁽¹⁾This amount does not impact the available facility.

The Group has a \$170,764,000 syndicated multi-currency facility with its external financiers, which was used to fund the acquisition of Sigma Systems in June 2019. The facility also provides additional funding for general corporate and working capital purposes. The facility expires on 30 April 2022 and will be subject to renewal upon negotiation with its external financiers. The facility is secured by 75% of Group assets. As at 31 December 2020, the remaining unutilised portion of the facility is \$26,075,000.

The average interest rate of the borrowings during the half-year ended 31 December 2020 is 1.53%.

8. Dividends

A regular interim dividend of 5 cents per share has been declared. This interim dividend of 5 cents per share, partially franked, was announced to the market on 25 February 2021. The amount declared has not been recognised as a liability in the accounts of Hansen Technologies Limited as at 31 December 2020.

	Dec-20 \$'000	Dec-19 \$'000
Dividends paid during the half-year (net of dividend re-investment):		
7 cents per share final dividend paid 25 September 2020 ⁽¹⁾ – partially franked	12,974	-
3 cents per share final dividend paid 26 September 2019 ⁽²⁾ – partially franked	-	4,904
	12,974	4,904
Proposed dividend not recognised at the end of the half-year:		
5 cents per share interim dividend (5 cents partially franked) ⁽³⁾⁽⁴⁾	9,940	-
3 cents per share interim dividend (3 cents partially franked) ⁽⁴⁾	-	5,939

⁽¹⁾ The final dividend paid of 7 cents per share franked to 0.7 cents, comprised of a regular dividend of 5 cents per share and a special dividend of 2 cents per share.

⁽²⁾ The final dividend paid of 3 cents per share franked to 2.6 cents, comprised of a regular dividend of 3 cents per share.

⁽³⁾ The proposed interim dividend of 5 cents per share franked to 1.1 cents, will comprise of a regular dividend of 5 cents per share.

⁽⁴⁾ Proposed dividends are stated before dividend reinvestment, which reduces the Group's amounts of dividends payable.

9. Contributed capital

(a) Issued and paid up capital

	Dec-20 No.	Dec-20 \$'000	Jun-20 No.	Jun-20 \$'000
Ordinary shares, fully paid	198,802,764	142,078	198,232,076	140,952

(b) Movements in shares on issue

Half-year ended 31 December 2020	No. of Shares	\$'000
Balance at beginning of the half-year	198,232,076	140,952
Shares issued under dividend reinvestment plan	236,566	926
Options exercised under employee share plan	75,000	200
Performance rights exercised under employee share plan	259,122	-
Balance at end of the half-year	198,802,764	142,078

10. Subsequent Events

Please refer to note 8 for the interim dividend recommended by the Directors, to be paid on 25 March 2021.

There has been no other matter or circumstance, which has arisen since 31 December 2020 that has significantly affected or may significantly affect:

- (i) the operations, in financial years subsequent to 31 December 2020, of the Group;
- (ii) the results of those operations; or
- (iii) the state of affairs, in financial years subsequent to 31 December 2020, of the Group.

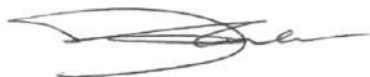
Directors' Declaration

The Directors declare that the financial statements and notes set out on pages 6 to 16 are in accordance with the *Corporations Act 2001*, including:

- (a) complying with Accounting Standards, in particular AASB 134 *Interim Financial Reporting*, and the *Corporations Regulations 2001*, and other mandatory professional reporting requirements; and
- (b) giving a true and fair view of the financial position of the consolidated entity as at 31 December 2020 and of its performance for the half-year ended on that date.

In the Directors' opinion, there are reasonable grounds to believe that Hansen Technologies Limited will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Directors, pursuant to section 303(5)(a) of the *Corporations Act 2001*.



David Trude
Director



Andrew Hansen
Director

Melbourne
25 February 2021

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**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF
HANSEN TECHNOLOGIES LIMITED**

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Hansen Technologies Limited (the Company) and its Controlled Entities (the Group) which comprises the consolidated statement of financial position as at 31 December 2020, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the Group comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' Responsibility for the Half-Year 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 is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 31 December 2020 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*. As the auditor of Hansen Technologies Ltd and its Controlled Entities, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Hansen Technologies Ltd and its Controlled Entities, would be in the same terms if given to the directors as at the time of this auditor's report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Hansen Technologies Ltd and its Controlled Entities is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Group's financial position as at 31 December 2020 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

A handwritten signature in blue ink, appearing to read 'RSM'.

RSM AUSTRALIA PARTNERS

A handwritten signature in blue ink, appearing to read 'M Parameswaran'.

M PARAMESWARAN

Partner

Dated: 25 February 2021
Melbourne, Victoria