



**Hansen Technologies Limited
and Controlled Entities**

ABN 90 090 996 455

Interim Financial Report
for the half-year ended 31 December 2021



Hansen Technologies Limited and Controlled Entities

Interim Financial Report for the half-year ended 31 December 2021

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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 2021, 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 2021 comprised of the following:

	6 months ended 31 Dec		Movement %
	31 Dec 2021 A\$ millions	31 Dec 2020 A\$ millions	
Operating revenue	148.9	142.2	▲ 4.7%
Statutory net profit after tax	23.4	20.3	▲ 15.3%
Underlying EBITDA ^{1, 2, 4}	54.2	52.3	▲ 3.6%
Underlying NPAT ⁴	23.6	20.9	▲ 12.9%
Underlying NPATA ^{1, 3}	31.8	29.6	▲ 7.4%
Basic earnings per share (EPS) (cents)	11.7 cents	10.2 cents	▲ 14.7%
Basic EPS based on underlying NPATA (EPSa) (cents) ¹	15.9 cents	14.9 cents	▲ 6.7%

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 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 results in line with expectations, with underlying EBITDA exceeding the previous corresponding period by 3.6%.

Our focus on maintaining a solid and robust pipeline during the past two years is reflected in the revenue growth achieved, with this growth supported by the continued investment in our suite of products. A combination of revenue growth, sound R&D investment and prudent management of overheads has resulted in an underlying EBITDA margin of 36.4%.

The Group has generated operating cash flows of \$48.4 million, which has been used to retire net external debt of \$10.0 million, fund capital expenditure of \$10.3 million, reduce lease liabilities of \$2.9 million and pay dividends of \$9.1 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 7 cents per share interim dividend, partially franked to 3.50 cents, comprising of a regular dividend of 5 cents per share, together with a special dividend of 2 cents per share.



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*:

A handwritten signature in black ink, appearing to read 'David Trude'.

David Trude
Director

A handwritten signature in black ink, appearing to read 'Andrew Hansen'.

Andrew Hansen
Director

Dated: 21 February 2022

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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 2021, 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.

RSM

RSM AUSTRALIA PARTNERS

M Parameswaran

M PARAMESWARAN

Partner

Dated: 21 February 2022
Melbourne, Victoria

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Consolidated Statement of Comprehensive Income

For the Half-Year Ended 31 December 2021

	Note	Dec-21 \$'000	Dec-20 \$'000
Operating revenue from contracts with customers	2(b), 4	148,881	142,211
Other income		325	920
Total revenue from contracts with customers and other income		149,206	143,131
Employee benefit expenses		(73,697)	(69,427)
Amortisation expense	5	(16,153)	(15,416)
Depreciation expense		(4,851)	(4,916)
Property and operating rental expenses		(1,767)	(2,038)
Contractor and consultant expenses		(2,935)	(3,339)
Software licence expenses		(1,017)	(1,356)
Hardware and software expenses		(9,383)	(7,466)
Travel expenses		(409)	(204)
Communication expenses		(975)	(1,197)
Professional expenses		(2,743)	(1,558)
Finance costs on borrowings		(1,728)	(2,526)
Finance costs on lease liabilities		(441)	(493)
Foreign exchange losses		(550)	(1,395)
Other expenses		(2,338)	(5,118)
Total expenses		(118,987)	(116,449)
Profit before income tax expense		30,219	26,682
Income tax expense		(6,860)	(6,410)
Net profit after income tax expense for the half-year		23,359	20,272
Other comprehensive income/(expense)			
<i>Items that may be reclassified subsequently to profit and loss</i>			
Exchange differences on translation of foreign operations		2,362	(9,953)
Other comprehensive income/(expense) for the half-year, net of tax		2,362	(9,953)
Total comprehensive income for the half-year		25,721	10,319
Basic earnings (cents) per share attributable to ordinary equity holders of the Company		11.7	10.2
Diluted earnings (cents) per share attributable to ordinary equity holders of the Company		11.5	10.1

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



Consolidated Statement of Financial Position

As at 31 December 2021

	Note	Dec-21 \$'000	Jun-21 \$'000
Current assets			
Cash and cash equivalents		68,042	52,138
Receivables		58,998	77,413
Accrued revenue	4(b)	27,292	24,303
Other current assets		11,603	11,932
Total current assets		165,935	165,786
Non-current assets			
Plant, equipment & leasehold improvements		14,398	12,590
Intangible assets	5	349,479	356,153
Right-of-use assets		14,636	16,157
Deferred tax assets		7,625	9,404
Other non-current assets		921	1,091
Total non-current assets		387,059	395,395
Total assets		552,994	561,181
Current liabilities			
Payables		24,200	37,224
Borrowings	7	-	117,507
Lease liabilities		5,851	5,552
Current tax payable		5,772	10,983
Provisions		16,036	16,352
Unearned revenue	4(b)	37,890	35,108
Total current liabilities		89,749	222,726
Non-current liabilities			
Deferred tax liabilities		35,498	38,038
Borrowings	7	108,727	-
Lease liabilities		9,673	11,322
Provisions		525	523
Unearned revenue	4(b)	2,602	53
Total non-current liabilities		157,025	49,936
Total liabilities		246,774	272,662
Net assets		306,220	288,519
Equity			
Share capital	9	146,169	145,224
Foreign currency translation reserve		7,467	5,105
Share-based payment reserve	6	9,032	7,971
Retained earnings		143,552	130,219
Total equity		306,220	288,519

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 2021

For the half-year ended 31 December 2021	Note	Contributed Equity \$'000	Reserves \$'000	Retained Earnings \$'000	Total Equity \$'000
Balance as at 1 July 2021		145,224	13,076	130,219	288,519
Net profit after income tax expense for the half-year		-	-	23,359	23,359
Movement in carrying amount of foreign entities due to currency translation		-	2,362	-	2,362
Total comprehensive income for the half-year		-	2,362	23,359	25,721
Transactions with owners in their capacity as owners:					
Share-based payment expense – performance rights	6	-	1,061	-	1,061
Equity issued under dividend reinvestment plan	8, 9(b)	945	-	-	945
Dividends declared	8	-	-	(10,026)	(10,026)
Total transactions with owners in their capacity as owners		945	1,061	(10,026)	(8,020)
Balance as at 31 December 2021		146,169	16,499	143,552	306,220

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		200	-	-	200
Share-based payment expense – performance rights	6	-	1,036	-	1,036
Equity issued under dividend reinvestment plan	8	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

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 2021

	Note	Dec-21 \$'000	Dec-20 \$'000
Cash flows from operating activities			
Receipts from customers		182,997	148,746
Payments to suppliers and employees		(119,744)	(103,245)
Interest received		-	3
Finance costs on borrowings		(1,064)	(1,876)
Finance costs on lease liabilities		(442)	(493)
Income tax paid		(13,327)	(3,330)
Net cash from operating activities		48,420	39,805
Cash flows from investing activities			
Payments for plant, equipment and leasehold improvements		(3,399)	(1,982)
Payment for capitalised development costs	5	(6,915)	(6,809)
Net cash used in investing activities		(10,314)	(8,791)
Cash flows from financing activities			
Proceeds from options exercised		-	200
Dividends paid, net of dividend re-investment	8	(9,081)	(12,974)
Repayment of borrowings		(10,016)	(10,280)
Repayment of lease liabilities		(2,926)	(3,087)
Net cash used in financing activities		(22,023)	(26,141)
Net increase in cash and cash equivalents		16,083	4,873
Cash and cash equivalents at beginning of the half-year		52,138	44,492
Effects of exchange rate changes on cash and cash equivalents		(179)	(455)
Cash and cash equivalents at end of the half-year		68,042	48,910

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 2021

1. Basis of preparation

The consolidated interim financial statements as at, and for, the half-year ended 31 December 2021 (“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*. The Group has prepared the financial statements on the basis that it will continue to operate as a going concern. The Directors consider that there are no material uncertainties that may cast doubt over this assumption. They have formed a judgment that there is a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, and not less than 12 months from the end of the reporting period.

The half-year financial report 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 2021 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 2021.

Amendments that are effective for the first time from 1 July 2021 and could be applicable to the Group are:

- AASB 2020-8 *Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform [Phase 2]*

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 are 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.

2. Segment information *continued*

The Group has identified only one reportable segment as described in the table below. No operating segments have been aggregated to form the below reportable operating segment. 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.

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 2021	Note	Billing \$'000	Other \$'000	Total \$'000
Segment revenue				
Total segment revenue	4	144,954	3,927	148,881
Revenue from external customers				
		144,954	3,927	148,881
Segment result				
Total segment result		30,970	891	31,861
Segment profit from core operations				
		30,970	891	31,861

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

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

	Note	Dec-21 \$'000	Dec-20 \$'000
Segment profit from core operations		31,861	28,814
Interest revenue		-	3
Interest expense		(13)	(14)
Unallocated depreciation and amortisation		(466)	(515)
Unallocated separately disclosed item impacting profit	3	(306)	54
Other expense		(857)	(1,660)
Profit before income tax expense		30,219	26,682
Income tax expense		(6,860)	(6,410)
Profit after income tax expense for the half-year		23,359	20,272

(ii) Segment assets and liabilities

	Billing \$'000	Other \$'000	Total \$'000
Total segment assets			
31 December 2021	472,547	9,803	482,350
30 June 2021	498,311	10,314	508,625
Total segment liabilities			
31 December 2021	217,562	3,000	220,562
30 June 2021	264,840	4,794	269,634

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.

	2021 \$'000	2020 \$'000
6-months ended 31 Dec		
Increase to profit before tax		
Non-recurring income	-	54
Decrease to profit before tax		
One-off costs incurred	(306)	(902)
Total	(306)	(848)

Non-recurring income

The Group has not recognised any non-recurring income for the half-year ended 31 December 2021. In the previous financial period, \$54,000 was separately identified as an income that is not in the normal course of business activities. This amount relates to the adjustment for the finalisation of the working capital from a previous acquisition and was presented within 'Other income' in the Group's consolidated statement of comprehensive income.

One-off costs incurred

For the half-year ended 31 December 2021, the Group recognised professional fees of \$306,000 in relation to the non-binding conditional proposal from BGH Capital Pty Ltd (BGH Capital) to acquire 100% of the outstanding shares in Hansen by way of a Scheme of Arrangement. The proposal was withdrawn by BGH Capital on 6 September 2021. These costs have been included within the 'Professional expenses' account in the Group's consolidated statement of comprehensive income. In the previous financial period, \$902,000 was incurred as one-off remuneration expenses in relation to a previous acquisition. This cost was included within 'Employee benefit expenses' in the Group's consolidated statement of comprehensive income.

Reconciliation with Group statutory measures

	2021 \$'000	2020 \$'000
6-months ended 31 Dec		
Underlying EBITDA	54,248	52,273
Less separately disclosed items	(306)	(848)
EBITDA¹	53,942	51,425
Underlying net profit after tax before acquired amortisation, net of tax ²	31,773	29,607
Less acquired amortisation, net of tax	(8,200)	(8,726)
Underlying net profit after tax ³	23,573	20,881
Less separately disclosed items	(306)	(848)
Tax effect of separately disclosed items	92	239
Net profit after income tax expense	23,359	20,272

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

² Underlying net profit after tax but before acquired amortisation, net of tax or underlying NPATA exclude separately disclosed items, which represent the one-off costs during the period and acquired amortisation, net of tax.

³ Underlying net profit after tax or underlying NPAT exclude separately disclosed items, which represent the one-off costs during the period.

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:

	Billing \$'000	Other \$'000	Total \$'000
6-months ended 31 Dec 2021			
Types of goods and services			
Licence, support and maintenance	85,811	3,055	88,866
Services	58,745	866	59,611
Hardware and software sales	338	-	338
Other revenue	60	6	66
Total revenue from contracts with customers	144,954	3,927	148,881



4. Revenue continued

6-months ended 31 Dec 2021	Billing \$'000	Other \$'000	Total \$'000
Revenue by market vertical			
Energy	69,967	775	70,742
Communications	74,987	-	74,987
Other	-	3,152	3,152
Total revenue from contracts with customers	144,954	3,927	148,881
Revenue by geographic segment			
APAC	24,247	3,152	27,399
Americas	37,567	775	38,342
EMEA	83,140	-	83,140
Total revenue from contracts with customers	144,954	3,927	148,881
Timing of revenue recognition			
Goods and services transferred at a point in time	22,116	6	22,122
Services transferred over time	122,838	3,921	126,759
Total revenue from contracts with customers	144,954	3,927	148,881
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
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



4. Revenue continued

(b) Contract balances

	Dec-21 \$'000	Jun-21 \$'000
Asset: Accrued revenue	27,292	24,303
Liability: Unearned revenue – current and non-current	40,492	35,161

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 2021	218,748	188,530	90,058	497,336
Additions	-	-	6,915	6,915
Net foreign currency movements arising from foreign operations	1,659	2,750	226	4,635
At 31 December 2021	220,407	191,280	97,199	508,886
Accumulated amortisation and impairment				
At 30 June 2021	(1,601)	(82,239)	(57,343)	(141,183)
Amortisation charge	-	(10,552)	(5,601)	(16,153)
Net foreign currency movements arising from foreign operations	(1)	(1,837)	(233)	(2,071)
At 31 December 2021	(1,602)	(94,628)	(63,177)	(159,407)
Net book amount				
At 30 June 2021	217,147	106,291	32,715	356,153
At 31 December 2021	218,805	96,652	34,022	349,479

6. Share-based payments

On 15 September 2021, 380,242 performance rights were granted to employees under the Company's Employee Performance Rights Plan. This amount includes 111,785 rights issued to the CEO following approval obtained at the Company's Annual General Meeting on 25 November 2021. 74,523 rights will vest if targeted performance measures are achieved and an additional 37,262 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 are issued as part of the long-term incentive plan in the current financial year. Performance rights will vest in three tranches subject to service condition (employee must remain employed with the Company over the measurement period), relative total shareholder return hurdle (TSR) and/or non-performance market conditions such as revenue and/or profit margin depending on the key performance indicators assigned to the employee. For key management personnel, specifically, performance rights will vest subject to service condition, TSR hurdles and revenue conditions.

The measurement period of the rights is from 1 July 2021 to 30 June 2024, with an expected vesting date of 30 June 2024. Management has assessed an estimated fair value at grant date of the performance rights subject to TSR condition of \$4.69 per right using a Monte Carlo simulation option pricing model. The fair value of performance rights subject to non-market conditions is \$5.29 per right and was estimated using a Black Scholes option pricing model.

The models take into account the term of the performance rights, the impact of dilution (where material), the share price at 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 2021 included:

- grant date: 15 September 2021
- expected vesting date: 30 June 2024
- measurement period: 1 July 2021 to 30 June 2024
- share price at grant date: \$5.60
- expected price volatility of the company's shares: 30%
- expected dividend yield: 2.06%
- risk-free interest rate: 0.61%

For the six months ended 31 December 2021, the Group has recognised \$1,061,000 of share-based payment expense, presented as part of 'Employee benefit expenses' in the consolidated statement of comprehensive income (six months ended 31 December 2020: \$1,036,000).

7. Borrowings

	Dec-21 \$'000	Jun-21 \$'000
Current		
<i>Secured</i>		
Term facility – gross borrowings	-	118,762
Term facility – net prepaid borrowing costs	-	(1,255)
Total	-	117,507
Non-current		
<i>Secured</i>		
Term facility – gross borrowings	109,541	-
Term facility – prepaid borrowing costs ⁽¹⁾	(814)	-
Total	108,727	-

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

At the beginning of the year, the Group had a \$152,093,000 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.

On 4 August 2021, this facility was amended to have a new expiry date of 1 September 2023 (original expiry date was 1 May 2022). As per the amendment, the facility limit has been revised to \$151,323,000 and a renegotiated margin pricing grid has delivered a favourable outcome to the Group.

As at 31 December 2021, the total facility available is \$146,710,000 and the remaining unutilised portion of the facility is \$37,169,000.

The average interest rate of the borrowings during the half-year ended 31 December 2021 is 1.81%.



8. Dividends

An interim dividend of 7 cents per share has been declared, partially franked, comprising of a regular dividend of 5 cents per share, together with a special dividend of 2 cents per share. This interim dividend was announced to the market on 21 February 2022. The amount declared has not been recognised as a liability in the accounts of Hansen Technologies Limited as at 31 December 2021.

	Dec-21 \$'000	Dec-20 \$'000
Dividends paid during the half-year (net of dividend re-investment):		
5 cents per share final dividend paid 21 September 2021 ⁽¹⁾ – partially franked	9,081	-
7 cents per share final dividend paid 25 September 2020 ⁽²⁾ – partially franked	-	12,974
Total	9,081	12,974
Proposed dividend not recognised at the end of the half-year:		
7 cents per share interim dividend (7 cents partially franked) ⁽³⁾⁽⁴⁾	14,047	-
5 cents per share interim dividend (5 cents partially franked) ⁽⁴⁾	-	9,940

⁽¹⁾ The final dividend paid of 5 cents per share franked to 2.7 cents, comprised of a regular dividend of 5 cents per share.

⁽²⁾ 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.

⁽³⁾ The proposed interim dividend of 7 cents per share franked to 3.5 cents, will comprise of a regular dividend of 5 cents per share and a special dividend of 2 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-21 No.	Dec-21 \$'000	Jun-21 No.	Jun-21 \$'000
Ordinary shares, fully paid	200,671,735	146,169	199,845,539	145,224

(b) Movements in shares on issue

Half-year ended 31 December 2021	No. of Shares	\$'000
Balance at beginning of the half-year	199,845,539	145,224
Shares issued under dividend reinvestment plan	152,928	945
Performance rights exercised under employee share plan	673,268	-
Balance at end of the half-year	200,671,735	146,169

10. Subsequent Events

Please refer to note 8 for the interim dividend recommended by the Directors, to be paid on 21 March 2022.

There has been no other matter or circumstance, which has arisen since 31 December 2021 that has significantly affected or may significantly affect:

- (i) the operations, in financial years subsequent to 31 December 2021, of the Group;
- (ii) the results of those operations; or
- (iii) the state of affairs, in financial years subsequent to 31 December 2021, 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 2021 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
21 February 2022

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

Report on the Half-Year Financial Report*Conclusion*

We have reviewed the accompanying half-year financial report of Hansen Technologies Limited (Company) and its Controlled Entities (Group) which comprises the consolidated statement of financial position as at 31 December 2021, 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 director's declaration of the Group.

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 the Group 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 2021 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*.

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 Hansen Technologies Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

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Responsibility of the Directors' for the Financial Report

The directors of Hansen Technologies Limited 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 for the Review of the Financial Report

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 2021 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.



RSM AUSTRALIA PARTNERS



M PARAMESWARAN

Partner

Melbourne, Victoria

Dated: 21 February 2022