



**Hansen Technologies Limited
and Controlled Entities**

ABN 90 090 996 455

Interim Financial Report
for the half-year ended 31 December 2022

Hansen Technologies Limited and Controlled Entities

Interim Financial Report for the half-year ended 31 December 2022

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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 2022, 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 Lisa Pendlebury
 Mr David Howell
 Mr David Osborne
 Mr Don Rankin

Review of Operations

The Group's operating result for the half year to 31 December 2022 comprised of the following:

	6 months ended 31 Dec		Movement %
	31 Dec 2022 A\$ millions	31 Dec 2021 A\$ millions	
Operating revenue	149.1	148.9	▲ 0.1%
Statutory net profit after tax	16.2	23.4	▼ 30.8%
Underlying EBITDA ^{1, 2, 4}	45.0	54.2	▼ 17.0%
Underlying NPAT ⁴	16.6	23.6	▼ 29.7%
Underlying NPATA ^{1, 3, 4}	24.0	31.8	▼ 24.5%
Basic earnings per share (EPS) (cents)	8.0 cents	11.7 cents	▼ 31.6%
Basic EPS based on underlying NPATA (EPSa) (cents) ^{1, 3}	11.9 cents	15.9 cents	▼ 25.2%

- 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.
- EBITDA is a non-IFRS term, defined as earnings before interest, tax, depreciation and amortisation, and excluding net foreign exchange gains (losses).
- NPATA is a non-IFRS term, defined as net profit after tax, excluding tax-effected amortisation of acquired intangibles.
- 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.

The Group has achieved strong renewals, significant upgrades and expansions during the half year within its existing customer base. Additionally, large implementation projects across several new logos are either completed or underway. The successful go-live of the Telefonica project in December is a key highlight of the first half. This strong growth in the Group's Services, Support and Upgrade revenue lines was offset by high Licence renewals in the first half of the previous financial year. Excluding the timing impact from Licence revenues, the Group's revenue was up an impressive 6.2% compared to the same time last year.

During the first half of the financial year, the Group has focused on positioning itself for growth by continuing to invest in its suite of products and further developing its global capabilities. Research and Development expenditure has increased 44.4% compared to the first half of financial year 2022 and staffing levels have increased to approximately 1600 full time equivalent employees. This increased capacity aligns with an expected increase in revenues for the remainder of the year.

Through an uncertain and challenging global economic climate, the Group delivered an underlying EBITDA margin of 30.2%, which was above the pre pandemic (2018 – 2020) average of approximately 27.4%. This result aligned with internal Board and Management expectations.

Despite a seasonal increase in working capital, the Group has generated operating cash flows of \$22.5 million, which has been used, along with the Group's existing cash balance, to retire net external debt of \$20.9 million, fund R&D and capital expenditure of \$11.8 million, reduce lease liabilities of \$3.3 million and pay dividends of \$9.2 million (net of dividend reinvestments). The Group's first half 2023 leverage ratio sits at 0.32x and is well placed to fund ongoing operations and future growth opportunities.

The Directors of Hansen have declared an unfranked interim dividend of 5 cents per share, with payment to be made on 21 March 2023.

Significant Changes in the State of Affairs

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

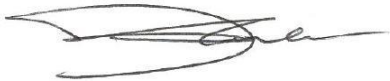
Auditor's Independence Declaration

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: 21 February 2023

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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 2022, 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 AUSTRALIA PARTNERS



M PARAMESWARAN
Partner

Dated: 21 February 2023
Melbourne, Victoria

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RSM Australia Partners ABN 36 965 185 036

Consolidated Statement of Comprehensive Income

For the Half-Year Ended 31 December 2022

	Note	Dec-22 \$'000	Dec-21 \$'000
Operating revenue from contracts with customers	4(a)	149,109	148,881
Finance income		75	-
Other income		451	325
Total revenue from contracts with customers and other income		149,635	149,206
Employee benefit expenses		(81,453)	(73,697)
Amortisation expense	5	(16,260)	(16,153)
Depreciation expense		(5,660)	(4,851)
Property and operating rental expenses		(1,839)	(1,767)
Contractor and consultant expenses		(3,098)	(2,935)
Software licence expenses		(1,329)	(1,017)
Hardware and software expenses		(10,858)	(9,383)
Travel expenses		(1,174)	(409)
Communication expenses		(920)	(975)
Professional expenses		(2,692)	(2,743)
Finance costs on borrowings		(2,148)	(1,728)
Finance costs on lease liabilities		(372)	(441)
Foreign exchange gains/(losses)		900	(550)
Other expenses		(1,756)	(2,338)
Total expenses		(128,659)	(118,987)
Profit before income tax expense		20,976	30,219
Income tax expense		(4,798)	(6,860)
Net profit after income tax expense for the half-year		16,178	23,359
Other comprehensive (expense)/income			
<i>Items that may be reclassified subsequently to profit and loss</i>			
Exchange differences on translation of foreign operations		(1,060)	2,362
Other comprehensive (expense)/income for the half-year, net of tax		(1,060)	2,362
Total comprehensive income for the half-year		15,118	25,721
Basic earnings (cents) per share attributable to ordinary equity holders of the Company		8.0	11.7
Diluted earnings (cents) per share attributable to ordinary equity holders of the Company		7.8	11.5

The accompanying notes on pages 10 to 17 form part of these consolidated financial statements.

Consolidated Statement of Financial Position

As at 31 December 2022

	Note	Dec-22 \$'000	Jun-22 \$'000
Current assets			
Cash and cash equivalents		36,507	59,631
Receivables		62,411	56,010
Accrued revenue	4(b)	22,632	21,657
Current tax receivable		2,174	2,924
Other current assets		9,275	9,048
Total current assets		132,999	149,270
Non-current assets			
Plant, equipment & leasehold improvements		13,978	14,444
Intangible assets	5	335,645	344,475
Right-of-use assets		11,073	12,968
Deferred tax assets		6,361	7,781
Other non-current assets		2,415	1,889
Total non-current assets		369,472	381,557
Total assets		502,471	530,827
Current liabilities			
Payables		18,121	23,989
Borrowings	7	65,073	-
Lease liabilities		5,175	5,662
Provisions		13,774	14,990
Unearned revenue	4(b)	36,582	36,821
Total current liabilities		138,725	81,462
Non-current liabilities			
Deferred tax liabilities		33,562	35,588
Borrowings	7	-	87,912
Lease liabilities		7,067	8,213
Provisions		457	514
Unearned revenue	4(b)	2,801	4,030
Total non-current liabilities		43,887	136,257
Total liabilities		182,612	217,719
Net assets			
Equity			
Share capital	9	147,803	146,857
Foreign currency translation reserve		6,476	7,536
Share-based payment reserve	6	11,428	10,629
Retained earnings		154,152	148,086
Total equity		319,859	313,108

The accompanying notes on pages 10 to 17 form part of these consolidated financial statements.

Consolidated Statement of Changes in Equity

For the Half-Year Ended 31 December 2022

For the half-year ended 31 December 2022	Note	Contributed Equity \$'000	Reserves \$'000	Retained Earnings \$'000	Total Equity \$'000
Balance as at 1 July 2022		146,857	18,165	148,086	313,108
Net profit after income tax expense for the half-year		-	-	16,178	16,178
Movement in carrying amount of foreign entities due to currency translation		-	(1,060)	-	(1,060)
Total comprehensive income for the half-year		-	(1,060)	16,178	15,118
Transactions with owners in their capacity as owners:					
Share-based payment expense – performance rights	6	-	688	-	688
Tax associated with employee share-based plans		-	111	-	111
Equity issued under dividend reinvestment plan	8, 9(b)	946	-	-	946
Dividends declared	8, 9(b)	-	-	(10,112)	(10,112)
Total transactions with owners in their capacity as owners		946	799	(10,112)	(8,367)
Balance as at 31 December 2022		147,803	17,904	154,152	319,859

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	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

The accompanying notes on pages 10 to 17 form part of these consolidated financial statements.

Consolidated Statement of Cash Flows

For the Half-Year Ended 31 December 2022

	Note	Dec-22 \$'000	Dec-21 \$'000
Cash flows from operating activities			
Receipts from customers		153,644	182,997
Payments to suppliers and employees		(124,746)	(119,744)
Interest received		75	-
Finance costs on borrowings		(1,969)	(1,064)
Finance costs on lease liabilities		(372)	(442)
Income tax paid		(4,177)	(13,327)
Net cash from operating activities		22,455	48,420
Cash flows from investing activities			
Payments for plant, equipment and leasehold improvements		(1,830)	(3,399)
Payment for capitalised development costs	5	(9,985)	(6,915)
Net cash used in investing activities		(11,815)	(10,314)
Cash flows from financing activities			
Dividends paid, net of dividend re-investment	8	(9,166)	(9,081)
Repayment of borrowings		(20,905)	(10,016)
Repayment of lease liabilities		(3,256)	(2,926)
Net cash used in financing activities		(33,327)	(22,023)
Net (decrease)/increase in cash and cash equivalents		(22,687)	16,083
Cash and cash equivalents at beginning of the half-year		59,631	52,138
Effects of exchange rate changes on cash and cash equivalents		(437)	(179)
Cash and cash equivalents at end of the half-year		36,507	68,042

The accompanying notes on pages 10 to 17 form part of these consolidated financial statements.

Notes to the Financial Statements

Half-Year Ended 31 December 2022

1. Basis of preparation

The consolidated interim financial statements as at, and for, the half-year ended 31 December 2022 (“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 2022 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 2022.

Amendments that are effective for the first time from 1 July 2022 and could be applicable to the Group are:

- Conceptual Framework – Amendments AASB 3
- Property, plant and equipment: Proceeds before intended use – Amendments to AASB 116
- Onerous contracts – Costs of fulfilling a contract – Amendments to AASB 137 Provisions, Contingent Liabilities and Contingent Assets
- AASB 9 *Financial Instruments* – Fees in the ‘10 per cent’ test for derecognition of financial liabilities

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 2022	Note	Billing \$'000	Other \$'000	Total \$'000
Segment revenue				
Total segment revenue	4	145,903	3,206	149,109
Revenue from external customers				
		145,903	3,206	149,109
Segment result				
Total segment result		20,514	729	21,243
Segment profit from core operations				
		20,514	729	21,243

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

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

	Note	Dec-22 \$'000	Dec-21 \$'000
Segment profit from core operations		21,243	31,861
Interest revenue		75	-
Interest expense		-	(13)
Unallocated depreciation and amortisation		(420)	(466)
Unallocated separately disclosed item impacting profit	3	-	(306)
Other income/(expense)		78	(857)
Profit before income tax expense		20,976	30,219
Income tax expense		(4,798)	(6,860)
Profit after income tax expense for the half-year		16,178	23,359

For the half-year ended 31 December 2022, the separately disclosed items have been allocated to the Billing segment as they are directly attributable to the segment.

(ii) Segment assets and liabilities

	Billing \$'000	Other \$'000	Total \$'000
Total segment assets			
31 December 2022	441,245	12,345	453,590
30 June 2022	459,032	8,535	467,567
Total segment liabilities			
31 December 2022	177,240	4,905	182,145
30 June 2022	214,357	2,992	217,349

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.

	2022	2021
6-months ended 31 Dec	\$'000	\$'000
Decrease to profit before tax		
One-off costs incurred	(596)	(306)
Total	(596)	(306)

One-off costs incurred

For the half-year ended 31 December 2022, the Group recognised one-off costs relating to restructuring totalling \$596,000 for the partial wind-down of a smaller talent centre. These costs, which primarily included redundancies and associated costs, are part of the Group's strategy to better integrate the business and align staffing according to customer demand. These costs are included within "Employee benefit expenses" account in the Group's consolidated statement of comprehensive income.

In the previous financial period, \$306,000 was incurred as one-off professional fees in relation to the 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.

Reconciliation with Group statutory measures

	2022	2021
6-months ended 31 Dec	\$'000	\$'000
Underlying EBITDA	45,037	54,248
Less separately disclosed items	(596)	(306)
EBITDA⁽¹⁾	44,441	53,942
Underlying net profit after tax before acquired amortisation, net of tax ⁽²⁾	23,976	31,773
Less acquired amortisation, net of tax	(7,351)	(8,200)
Underlying net profit after tax ⁽³⁾	16,625	23,573
Less separately disclosed items	(596)	(306)
Tax effect of separately disclosed items	149	92
Net profit after income tax expense	16,178	23,359

(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	Other	Total
6-months ended 31 Dec 2022	\$'000	\$'000	\$'000
Types of goods and services			
Licence, support and maintenance	79,476	2,504	81,980
Services	65,820	647	66,467
Hardware and software sales	426	-	426
Other revenue	181	55	236
Total revenue from contracts with customers	145,903	3,206	149,109

4. Revenue continued

	Billing \$'000	Other \$'000	Total \$'000
6-months ended 31 Dec 2022			
Revenue by market vertical			
Energy	76,134	628	76,762
Communications	69,769	15	69,784
Other	-	2,563	2,563
Total revenue from contracts with customers	145,903	3,206	149,109
Revenue by geographic segment			
APAC	25,907	2,586	28,493
Americas	33,524	620	34,144
EMEA	86,472	-	86,472
Total revenue from contracts with customers	145,903	3,206	149,109
Timing of revenue recognition			
Goods and services transferred at a point in time	14,040	56	14,096
Services transferred over time	131,863	3,150	135,013
Total revenue from contracts with customers	145,903	3,206	149,109
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
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

4. Revenue continued

(b) Contract balances

	Dec-22 \$'000	Jun-22 \$'000
Asset: Accrued revenue	22,632	21,657
Liability: Unearned revenue (current)	(36,582)	(36,821)
Liability: Unearned revenue (non-current)	(2,801)	(4,030)

The accrued revenue primarily relates to the Group's rights to consideration on software licences deployed on contract inception, including services performed, 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, software and SaaS contracts.

5. Intangible assets

	Goodwill \$'000	Technology and other intangibles at cost \$'000	Software development at cost \$'000	Total \$'000
Cost				
At 30 June 2022	221,406	192,014	107,689	521,109
Additions	-	-	9,985	9,985
Net foreign currency movements arising from foreign operations	(595)	(2,595)	85	(3,105)
At 31 December 2022	220,811	189,419	117,759	527,989
Accumulated amortisation and impairment				
At 30 June 2022	(1,591)	(104,737)	(70,306)	(176,634)
Amortisation charge	-	(9,645)	(6,615)	(16,260)
Net foreign currency movements arising from foreign operations	(1)	812	(261)	550
At 31 December 2022	(1,592)	(113,570)	(77,182)	(192,344)
Net book amount				
At 30 June 2022	219,815	87,277	37,383	344,475
At 31 December 2022	219,219	75,849	40,577	335,645

6. Share-based payments

On 15 September 2022, 529,320 performance rights were granted to employees under the Company's Employee Performance Rights Plan. This amount includes 141,713 rights issued to the CEO following approval obtained at the Company's Annual General Meeting on 24 November 2022. 94,475 rights will vest if targeted performance measures are achieved and an additional 47,238 will vest based on over achievement 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 Employee Performance Rights 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 2022 to 30 June 2025, with an expected vesting date of 30 June 2025. Management has assessed an estimated fair value at grant date of the performance rights subject to TSR condition of \$3.18 per right using a Monte Carlo simulation option pricing model. The fair value of performance rights subject to non-market conditions is \$4.30 per right and was estimated using a Black Scholes option pricing model.

The models consider 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 2022 included:

- grant date: 15 September 2022
- expected vesting date: 30 September 2025⁽¹⁾
- measurement period: 1 July 2022 to 30 June 2025
- share price at grant date: \$4.64
- expected price volatility of the company's shares: 32.5%
- expected dividend yield: 2.47%
- risk-free rate: 3.28%

(1) Expected vesting date is as advised in writing by the Board following consideration of performance during the measurement period, but no later than 30 September 2025

For the six months ended 31 December 2022, the Group has recognised \$688,000 of share-based payment expense, presented as part of 'Employee benefit expenses' in the consolidated statement of comprehensive income (six months ended 31 December 2021: \$1,061,000).

7. Borrowings

	Dec-22 \$'000	Jun-22 \$'000
Current		
<i>Secured</i>		
Term facility – gross borrowings	65,222	-
Term facility – prepaid borrowing costs ⁽¹⁾	(149)	-
	65,073	-
Non-current		
<i>Secured</i>		
Term facility – gross borrowings	-	88,151
Term facility – prepaid borrowing costs ⁽¹⁾	-	(239)
Total	-	87,912

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

At the beginning of the year, the Group had a \$123,151,000 syndicated multi-currency facility with its external financiers, which was used to fund a previous acquisition and is being used to provide additional funding for general corporate and working capital purposes.

On 13 September 2022, the Group voluntarily cancelled \$30,000,000 of the facility with effect from 16 September 2022. As at 31 December 2022, the total facility available is \$70,222,000 and the remaining unutilised portion of the facility is \$5,000,000. The average interest rate of the borrowings during the half-year ended 31 December 2022 is 4.97%.

The facility has a maturity period of less than twelve months as it is due to expire on 1 September 2023, therefore Management has reclassified the debt as current as at 31 December 2022. Negotiations are currently underway with the syndicate to extend out the maturity term on this facility and should be concluded shortly.

8. Dividends

A regular interim dividend of 5 cents per share has been declared, unfranked, and will subsequently be paid on 21 March 2023. The amount declared has not been recognised as a liability in the accounts of Hansen Technologies Limited as at 31 December 2022.

	Dec-22 \$'000	Dec-21 \$'000
Dividends paid during the half-year (net of dividend re-investment):		
5 cents per share final dividend paid 21 September 2022 ⁽¹⁾ – partially franked	9,166	-
5 cents per share final dividend paid 21 September 2021 ⁽²⁾ – partially franked	-	9,081
Total	9,166	9,081
Proposed dividend not recognised at the end of the half-year:		
5 cents per share interim dividend (5 cents unfranked) ⁽³⁾⁽⁴⁾	10,121	-
7 cents per share interim dividend (7 cents partially franked) ⁽⁴⁾	-	14,047

⁽¹⁾ The final dividend paid of 5 cents per share franked to 1.5 cents, comprised of a regular dividend of 5 cents per share.

⁽²⁾ The final dividend paid of 5 cents per share franked to 2.7 cents, comprised of a regular dividend of 5 cents per share.

⁽³⁾ The proposed interim dividend of 5 cents per share, unfranked, 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-22 \$'000	Jun-22 \$'000
Ordinary shares, fully paid	147,803	146,857

(b) Movements in shares on issue

	Ordinary shares (excluding Treasury shares)	Treasury shares	Total share capital	
	No. of Shares	No. of Shares	No. of Shares	\$'000
Half-year ended 31 December 2022				
Balance at beginning of half-year	200,806,485	1,171,783	201,978,268	146,857
Shares issued under the dividend reinvestment plan	190,011	-	190,011	946
Performance rights exercised	729,557	(472,811)	256,746	-
Balance at end of half-year	201,726,053	698,972	202,425,025	147,803

Treasury shares are shares in the Company that are held by Hansen Technologies Limited Employee Share Plan Trust (the Trust) for the purpose of holding shares for the satisfaction of rights under the existing and future equity awards plan. The Trust was established on 24 June 2022.

10. Dissolution of a partnership

Sigma Systems GP Inc and Hansen Technologies Canada Inc are corporations registered in Canada and are wholly owned subsidiaries of Hansen Technologies Limited. They were the sole partners in Sigma Systems Canada LP, a limited partnership also registered in Canada. On 31 December 2022, Sigma Systems GP Inc, sold all of its partnership units in Sigma Systems Canada LP to Hansen Technologies Canada Inc. Upon the sale of partnership units, the partnership was dissolved by operation of law and Hansen Technologies Canada Inc now carries on the business formerly carried on by the limited partnership as a sole proprietor.

11. Subsequent Events

There has been no other matter or circumstance, which has arisen since 31 December 2022 that has significantly affected or may significantly affect:

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

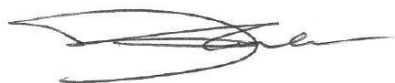
Directors' Declaration

The Directors declare that the financial statements and notes set out on pages 6 to 17 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 2022 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

Melbourne
21 February 2023



.....
Andrew Hansen
Director

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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 2022, 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.

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 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 *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 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.



RSM AUSTRALIA PARTNERS



M PARAMESWARAN

Partner

Melbourne, Victoria

Dated: 21 February 2023